

REPORT OF COOK ISLANDS ADMINISTRATION.

RAROTONGA.

FINANCE.

By the exercise of the strictest economy and the holding-up of all works other than those that were essential, the year closed with a credit balance of £1,191 3s. 10d. Receipts amounted to £38,847 2s., and payments to £37,851 13s. 7d. Revenue included grants from New Zealand, amounting to £17,483, to enable those services which are beyond the resources of the local Treasury to be carried out—*e.g.*, education, medical, and wireless.

Statement of Revenue and Expenditure and Balance-sheet are printed on pages 14–17 herein.

The Balance-sheet takes into account the value (after writing off depreciation, £2,179 10s. 6d.) of all Administration assets in the Group as at 31st March, 1931, and all liabilities, and shows an excess of assets amounting to £78,264 8s. 3d.

TRADE.

For the year ended 31st December, 1930, the value of exports was £109,438 (1929, £124,486), and of imports £103,468 (1929, £106,835), showing an excess of exports of £5,970. With the exception of the year 1921, the total value of trade—£212,906—is lower than for any year since 1918, which can be attributed to the low prices that have ruled for copra and citrus fruits.

For details of imports and exports for the year see Appendix G, pages 19–25.

Protection.—From time to time Cook Islands producers have appealed to the Government for protection against the heavy importations of citrus fruits and bananas from sources outside of the Dominion's territories. At present New Zealand is importing from foreign countries citrus fruits to the value, in round figures, of approximately £75,000, this being about one-half of the total importations from outside sources. Australia is coming into the market with extensive new citrus-plantings and is able to swamp the New Zealand market at will—indeed, there is a danger that Australia will be using New Zealand as a dumping-ground in order to keep up her domestic prices, to the detriment of our own island trade. Bananas also are imported from Tahiti, Norfolk, Australia, and in large quantities from Fiji; while Tonga is reported to be preparing to enter the trade with large shipments. Given reasonable protection and suitable shipping-facilities, our own territories would be able to provide New Zealand with all citrus fruits, orange-juice, bananas, and tomatoes required, and the islands would to a greater measure become self-supporting.

Copra.—The output of copra has increased in the past two years, but the exportable value has declined considerably, as shown:—

				Tons exported.	Total Value. £
1928	..	..	..	1,770	33,071
1929	..	..	..	2,020	28,648
1930	..	..	..	2,143	23,478

The low prices ruling for this commodity are due to a heavy over-production of copra itself, and also of several oil seeds and oils which are in active competition with copra, and to the existence of a powerful combine which is alleged to be eliminating competition and controlling prices. Whale-oil production is also seriously affecting the copra market.

The following table, from a reliable source, is valuable for record as indicative of the competition surrounding the copra industry:—

	World Production.		Comparative Value.	Oil Content.
	1925–26.	1928–29.		
	Tons.	Tons.	£ s. d.	Per Cent.
Copra	625,751	910,908	15 0 0	62
Palm-kernels	487,796	458,907	10 15 0	45
Ground-nuts (peanuts)	1,250,918	1,375,799	9 15 0	40
Soya beans	1,683,384	2,588,574	6 0 0	15
Linseed	1,473,325	2,034,525	8 10 0	30
Whale-oil	Barrels. 1,044,272	Barrels. 1,861,877	15 0 0	100

Shipping.—Overseas shipping for the year at the Port of Avarua was a total of thirty-five vessels, twenty-four being the San Francisco mail-steamer, six the Union Steamship Co.'s fruit-steamer from Auckland, and five miscellaneous.