

The loss of the auxiliary schooner “Jubilee,” with all on board, on her voyage to Niue, is very much regretted. Search was made by the “Tutanekai,” but no trace of the schooner could be found.

Educational matters are receiving attention. A new school has been built at Rarotonga, and another school opened at Hapuku, Niue Island.

The hospital at Niue, towards the erection of which £1,000 was granted by the New Zealand Government and £1,000 by the Red Cross Society, is in course of erection, but its completion has been delayed on account of loss of material in the “Jubilee.”

Additions are to be made to the hospital at Rarotonga, and a new operating-theatre provided, but this work and other necessary public works have been delayed on account of the shortage in building-material.

NATIVE DEPARTMENT.

NATIVE TRUSTEE.

A new and important departure in the policy affecting the administration of Native trust lands has been decided upon; and during last session an Act was passed providing for the appointment of a Native Trustee to take over the administration of Native reserves hitherto dealt with by the Public Trust Office; and to deal with other matters affecting Native trust land a Native Trust Office Board has been constituted, which is empowered to lend money on Native freehold and leasehold lands and other securities. The Act came into force on the 1st April, and a senior Judge of the Native Land Court has been selected to be the first Native Trustee. An extension of the functions of the Native Trustee, in the direction of the administration of lands now vested in the Maori Land Boards, is in contemplation.

NATIVE-LAND SETTLEMENT.

The amount expended, £263,109, was the largest for any similar period, but this included the amount expended on the purchase of a number of blocks in the West Coast Settlement Reserves to enable the lessees to acquire the freehold of their leaseholds, and this amount will be repaid to the Native Land Settlement Account as the purchases are completed.

PUBLIC DEBT.

The gross public debt at the 31st March, 1921, was £206,324,319, and, as indicated by the following table, shows an increase of £5,153,564 during the year.

PUBLIC DEBT FOR THE FINANCIAL YEAR 1919-20 COMPARED WITH THE FINANCIAL YEAR 1920-21.

—	1919-20.	1920-21.	Increase.	Decrease.
	£	£	£	£
Ordinary public debt ..	97,341,780	103,373,446	6,031,666	..
Discharged soldiers ..	11,120,000	8,792,354	..	2,327,646
War debt ..	80,089,025	81,538,569	1,449,544	..
State Advances debt ..	12,619,950	12,619,950
	201,170,755	206,324,319	7,481,210 2,327,646	2,327,646
			5,153,564	

Under section 8 of the Discharged Soldiers Settlement Loans Act, 1920, the sum of £12,330,000 was transferred direct to the Discharged Soldiers Settlement Account; this included securities to the value of £11,996,250 originally advanced out of the accumulated surplus, which have been cancelled and discharged from the public debt, thus converting what appeared as a liability into an asset and relieving the ordinary revenue of the annual payment of sinking-fund contributions