

- (b) Too much authority is delegated to the clerk ; and, whilst some allowance can be made for outside matters requiring the attention of the Engineer in Charge, a readjustment should now be arranged.
- (c) The functions of the Department having now been reduced to those of operation and maintenance, a general reduction of the employees, both inside and outside, should be made.
- (d) The question of whether any of the transport plant, which consists of twelve cars and twenty lorries, is now permanently surplus should be closely investigated with a view to disposal.
- (e) A system of proper costs on a mileage basis should be instituted for all vehicles.
- (f) In keeping with the loose methods in other Departments in respect of "sundry debtors" accounts, we discovered a considerable sum outstanding in this Department. The office control and handling of these accounts is by no means satisfactory, and similar steps as recommended for other Departments should be taken.
- (g) This Department makes its own arrangements for stores purchases. The position here should be uniform with other Departments, and stores required should be requisitioned for to the Treasury.
- (h) The position in respect of custody and control of petty cash was not entirely satisfactory, and requires attention.
- (i) The loss on working for the past year was £357. The capital value of assets at the 31st March was approximately £28,000 ; so that, after considering depreciation, interest, &c., it is clearly evident that the financial reorganization of this Department is a matter for urgent attention.

BANANAS.

173. It seems clear that, although it has not been possible until recently for Samoa and Niue together to ship sufficient bananas to provide a full cargo for the m.v. "Maui Pomare," the position will be totally different in the immediate future. There are considerable areas of bananas in Samoa now coming to bearing, and the position will be that more bananas will be available for shipment than can be carried on the vessel. This will necessitate an allocation of space between Niue and Samoa.

174. It should be noted that all bananas ripening between the present five-weekly calls of the vessel are wasted, and that a reduction in the time between calls would enable a considerably greater quantity to be shipped. Careful consideration should be given to the possibility of eliminating the Norfolk Island run of the "Maui Pomare" at the earliest possible date, with a view to instituting a regular four-weekly schedule between Niue, Samoa, and New Zealand, and, if necessary, reducing the number of calls in New Zealand.

175. A regular itinerary should increase the prospects of obtaining a larger cargo from New Zealand to Samoa, the quantity at present obtained being small.

176. Considerable difficulty will no doubt be experienced in Samoa in fairly allocating the exportable quantity of bananas.

177. We feel it necessary to call attention to the purchase in England at a considerable cost of steel barges for use in connection with the banana industry, for which it seems probable they are entirely unsuitable.

BRANDING OF COPRA.

178. We note that, as distinct from first-grade copra, the inferior grade of copra produced by the New Zealand Reparation Estates has been allocated the distinguishing symbol "N.Z." We suggest that some other mark be found for this purpose. The use of "N.Z." to indicate an inferior product might, we feel, have some effect on the reputation of New Zealand goods generally in London.

GUARANTEEING OVERDRAFTS.

179. The Reparation Estates Board, with the authority of the Minister, has guaranteed the overdrafts at the bank of various planters. Apart from the question of validity, this does not appear to be a proper function of the Reparation Estates Board, and, in any case, the approval of the New Zealand Treasury was given in one case only and for a period of twelve months, whereas the guarantee has apparently been given without this limitation.

GENERAL RECOMMENDATIONS.

180. As the result of our investigations we make the following general recommendations:—

- (1) The abolition of the Board of Control.
- (2) The appointment of a suitable General Manager from New Zealand.
- (3) The appointment of a competent Accountant.
- (4) The institution of an efficient system of internal check and an independent audit.
- (5) If subsequently found desirable, the appointment (probably for a time only) of a suitable Inspector with a sound knowledge of cattle.
- (6) The Administration to take over Estates assets which it is at present using for general Administration purposes.
- (7) Capital for (6) to be provided by way of loan from New Zealand, or the assets handed over at a definite interest or rental basis.
- (8) Loan-moneys to be paid over to Reparation Estates, and bank overdraft reduced accordingly.