

357. To give point to our remarks we would state that loans from the New Zealand Government to the Administration outstanding as at the 31st March, 1931, amounted in all to £165,200, against which there is a sinking fund amounting to £18,740, while the grants and subsidies from the 1st April, 1925, to the 31st March, 1931, totalled £194,269. It should be noted that of the latter amount the Administration received the sum of £48,000 from New Zealand Reparation Estates funds, and this has been utilized for relief to the Samoan Budget.

358. As the Reparation Estates are the property of the New Zealand Government, it follows that this assistance from those funds is virtually assistance from the New Zealand taxpayer. The Administration has no accumulated reserve funds upon which it can draw in the event of any contingency, and every effort should be made to provide suitable liquid reserves at the earliest possible date. We recognize that economies have already been effected, but in our opinion these evidently have not gone far enough. The Administration appears to be too extensively departmentalized and the system too cumbersome and costly for the relatively small population which it serves.

359. Further economy is necessary in the interests of the Mandated Territory, for it is in this way only that the Administration can build up those reserves which are essential to the stability of its finances. **We recommend that a thorough overhaul of the expenditure and establishment be undertaken at the earliest possible moment, with a view to relieving the New Zealand taxpayer, as far as may be practicable, of the cost of the Samoan Administration.**

SUBDIVISION II.—NEW ZEALAND REPARATION ESTATES.

360. The amount provided under this subdivision is for the purpose of financing the operations in connection with the New Zealand Reparation Estates. The following statement will show the trading results of the estates from the time of taking over up to the 31st March, 1931 :

						£
1st May, 1920, to 31st March, 1922	..	..	..	..	Loss	65,294*
1922-23	..	..	..	..	..	45,486
1923-24	..	..	..	..	..	24,750
1924-25	..	..	..	..	Profit	16,784
1925-26	..	..	..	..	..	17,095
1926-27	..	..	..	..	..	13,320
1927-28	..	..	..	..	..	13,607
1928-29	..	..	..	..	..	15,848
1929-30	..	..	..	..	..	4,497
1930-31	..	..	..	..	Loss	9,591

* Period of depression in Samoa.

361. The losses scheduled above have not been a charge on New Zealand, but have been met from accumulated funds of the estates. As has been stated, the Reparation Estates have provided subsidies in favour of the Samoan Administration, and had the funds not been utilized in this way New Zealand finances could have benefited at least to that extent.

362. Efforts have been made to dispose of these estates, with little success. These efforts should be continued and the properties disposed of at the first favourable opportunity. Further subsidies in relief of the Samoan Budget should not be granted from Reparation Estates funds.

VOTE—DEPARTMENT OF INDUSTRIES AND COMMERCE, TOURIST, AND PUBLICITY.

363. The expenditure under this vote for 1930-31 was as follows :—

				Salaries.	Other Charges.	Total.
				£	£	£
Subdivision	I—Industries and Commerce	..	..	6,575	9,145	15,720
„	II—Tourist and Publicity	..	..	43,940	82,285	126,225
„	III—Census and Statistics	..	..	18,725	14,772	33,497
				69,240	106,202	175,442
Less credits-in-aid						12,812
						162,630

364. The Industries and Commerce Branch was amalgamated with the Department of Agriculture in 1914-15, and the expenditure in connection with that Branch in that year is not easily distinguishable. There were also separate organizations for Tourist, Publicity, and Census and Statistics, but the four branches have now been brought under a combined Department. However, an accurate comparison with 1914-15 is impossible.