

Furthermore, a special Commission has recently been investigating education in Fiji, and has recommended increasing salaries and enlarging the scheme of education in that country. The effect of that scheme will be felt in Samoa, for it is not an easy matter to get good teachers from New Zealand at the present time, and when Fiji pays higher salaries we shall probably be compelled to do the same.

*Medical Department.*—The cost of hospitals and medical services (including lepers) in Fiji is £48,520 per annum. (Lepers from other islands are maintained by the respective Administrations.) In Samoa it is £25,000, of which the New Zealand Government contribute £12,000, leaving £13,000 to be borne by local taxation. Of this amount the Natives contribute by a direct levy £8,000, and for this latter payment nearly 40,000 Samoans receive free treatment and medicines. Our personal emoluments bear a slightly higher proportion to the total expenditure than in Fiji because of the relatively greater amount of work done in Samoa in treating the Natives and establishing dispensaries, with nurses, in out-districts, and also because a number of Medical Officers in Fiji are only part-time officers, not on full salary, owing to their being allowed to participate in private practice, which Medical Officers in Samoa are not permitted to do.

*Miscellaneous Expenditure.*—(1) Fares and allowances and expenses to and from overseas, £1,800: This is an indispensable expenditure. Samoan Government officials get less leave than officials in Fiji.

(2) Cleaning Government property and care of grounds on waterfront and Malifa Bathing-pool: If the citizens of Apia would form their own municipality, as in Suva, those expenses in connection with waterfront and Malifa Bathing-pool would be borne by the local ratepayers. Two years ago citizens promised to be responsible for the care of the bathing-pool but neglected to do so, thus this recurring expenditure from public funds.

(3) Subsidy to Malololelei, £300: This mountain rest-house is maintained for the benefit of the health of local citizens, who, however, do not patronize it sufficiently to make the place pay.

(4) Trading concerns (Central Hotel, £540; laundry, £360): The former was purchased for the benefit of the travelling public in order to provide the accommodation which private enterprise refused to do. It would have continued to be used as such but for the generosity of New Zealand in allowing the more suitable building, known as the "Casino" (the property of New Zealand), to be used for this purpose. The laundry was built to meet the needs of the public at a time when all costs were very high. It does not pay, owing to lack of support by the public.

(5) New wharf: No secrecy is being observed in regard to this wharf. In the first instance a local committee was set up to advise on the necessity for a wharf, and type and site. Their advice was accepted. The wharf is being built under contract. The contractor, after commencing the work, had doubts about being able to comply with the large excess of loading-strain in the specifications of the contract, and in order to avoid any risk of failure or waste of money the work of construction was temporarily stopped to enable complete borings to be made and so ascertain the resistance or holding-power of the coral bed. The work is now proceeding satisfactorily.

(6) Electric light in Apia: Complaints in regard to this service—which, however, has been vastly improved during the past three years—necessitate a more modern system, which the committee seems doubtful about, although it has already been announced that the Government will instal a hydro-electric scheme which will probably be more than self-supporting, and will add greatly to the comfort and convenience of European residents, who are not being asked to provide the money and will not be taxed to provide interest and sinking fund. It is to all intents and purposes a private enterprise authorized by New Zealand, to be financed as such under the Board of Control of the New Zealand Reparation Estates.

(7) Alcazar: This property was put up for public auction. If the public or any individual needed it they could have bought it. Your complaint appears to be that the Administration gave too little for it—an extraordinary criticism. New Zealand moneys, not the public funds of Samoa, were used both in this purchase and in the subsequent erection of a workshop and technical school to help the half-caste boys of Apia to learn trades.

(8) Inspector's residence at Fagamalo, £1,000: This money has not been spent.

(9) School-extension at Vaipouli: I do not consider your committee competent to express opinions on the needs of this Native school in Savai'i. The expenditure is absolutely necessary.

*Expenditure generally.*—It is surely absurd to compare the expenditure with that of eleven years ago without having regard to, (1) reduced purchasing-power of money and increase in cost of all commodities; (2) increased trade of the Territory; (3) New Zealand Government policy in regard to developing the Natives and the country.

If local business firms made similar comparisons in their own expenditure and revenue, they would also have to admit they had been equally affected by (1), and had materially benefited by (2) and (3), and at the same time that they were in the most fortunate position of having no increase in taxation for that period, and actually paid no income-tax. Nor do merchants pay income-tax at the present time. I know of no place where merchants carry on their commercial business under such favourable conditions.

The New Zealand Government are not prepared to submit Samoan financial matters to a "competent board composed of citizens."

*Loans and Control of Public Money.*—I have sufficiently dealt with these matters earlier, and have only to add that the committee speak of these loans as if Samoa were heavily in debt. No comparison is made with Fiji, where the indebtedness is about £750,000.