

LABOUR AND CHINESE DEPARTMENT.

9. The staff of this Department consists of—

- (1) Commissioner of Labour, salary £605, who holds the position of Commissioner of the High Court, and also acts as Tourist Officer.
- (2) Clerk, £310. (In addition, 2s. 6d. per hour for Sunday duty.)
- (3) Chinese Interpreter, £360.
- (4) Chinese police, four at £80 and uniforms.

10. The function of the Department is to control the Chinese and Melanesian labour throughout the islands, including the settling of any disputes or differences occurring between employers and employees. As far as could be gathered during our visit, the work of the Department is carried on with reasonable satisfaction to both parties.

11. It was apparent, however, that the staff employed was in excess of requirements. The Interpreter appeared to be the official upon whom devolved the regular routine work of the Department.

12. The Clerk's duties were of the simplest character possible, insufficient to occupy the attention of a competent official for more than a very limited portion of the day. The salary for the position, £310, is excessive.

13. The Chinese police staff did not appear to be fully occupied, and attention should be given to a reduction therein.

14. The Commissioner also acts as Tourist Officer, for which duty he receives a special payment of £50 per annum. The regular island boat is visited, and facilities are given to passengers to visit some of the places of interest. Payments have been made for the use of this official's private car to enable this work to be carried out; and special payments by way of increased salary have also been made to an official (out of Reparation Estates funds) to provide refreshment for such persons. We are definitely of opinion that both payments should cease. Visitors to Samoa, whilst they might reasonably be supplied with literature respecting the places of interest, should otherwise be left to their own resources. Private enterprise in the island could be relied upon to provide all necessary facilities.

15. The Department requires a thorough reorganization. Apart from the period connected with the arrival and departure of the Chinese labour, the work is routine, and of small quantity.

16. It is recommended—

- (a) That the Department as such be abolished.
- (b) That the services of the Commissioner as such cease.
- (c) That the office be attached to one of the existing Departments—say, the Secretariat.
- (d) That the work of the Accounts Clerk be reviewed. It should be possible to carry out the present duties performed by him without any additional assistance.
- (e) That the staff of the Chinese police be reduced from four to two.
- (f) That the total overhead cost to the Administration of dealing with the Chinese labour be made a *per capita* charge against the employer; at present the charge made is insufficient for this purpose.

17. It was observed from an examination of the Treasury books that the fund which had been created (by means of a *per capita* charge on labour employed) for the purpose of meeting expenditure connected with the repatriation of these labourers had been used by the Administration for purposes other than those for which it had been created. Such a state of affairs should not have been tolerated by a competent Treasurer; nor would it have been possible had an efficient and independent audit existed.

18. The position in respect of the labour contracts is a matter requiring careful review. In connection therewith, the question of extending the period of contract from three to, say, four years was under review by the Administration. If this proposal were given effect to there would be a reduction in overhead and repatriation charges.

FINANCE AND TREASURY.

19. As pointed out in the opening portion of our remarks, the financial position of the Territory is unsatisfactory. From the inception of the Civil administration the revenues have been insufficient to meet the expenditure, and the New Zealand taxpayer has been called on each year to find substantial grants in aid. These free grants amounted on the 31st March, 1928, to approximately £160,000, of which £61,000 was from the Reparation Estates. To this amount must be added grants for the current year of £20,000 (£12,000 from the Reparation Estates), and the cost of the present Military Police located in the Territory (estimated for the current year at £32,000), so that New Zealand has contributed financial assistance to the extent of £212,000 to the Mandated Territory of Samoa. A further burden carried by New Zealand is the cost of the new vessel "Maui Pomare"—approximately £54,000, of which £33,900 has been met by vote External Affairs on account of Samoa. As yet no return on this capital has been received, nor does any return appear to be likely. In addition, a large amount has been contributed indirectly through what we regard as irregular Reparation Estates activities on behalf of the Administration.

20. As a contrast to its inability to balance its Budget without assistance, a borrowing policy has been adopted, which has resulted in the growth of a public debt from nil in 1920 to approximately £160,200 at the 31st March, 1928, and £173,200 at the 30th September, 1928, thus imposing on an already overloaded Budget an annual burden of approximately £12,500 for interest and sinking-fund charges.

21. The results of this policy are to be seen in Native village water-supplies, paved roads, and other public works, but its reflection in the national wealth of the Territory is not so clear.