

## STORES.

109. No proper organization exists for the purchase of stores, the general practice followed being for stores requisitions to be forwarded to a Stores Purchase Officer attached to the Treasury. We investigated the procedure adopted, and consider it incomplete. Purchases are made without a proper appreciation of prices, and without careful investigation as to the necessity for purchase.

110. During the past year the purchases totalled £19,735. Of this amount, £4,810 represents the purchases in New Zealand, £8,275 from Australia, and £3,727 in England.

111. With a direct steamer service to New Zealand there seems to be no adequate reason why considerably larger purchases should not be made from the Dominion.

112. The present practice by which purchases are made from agents in Australia and New Zealand should cease, and the purchases, as far as practicable, made through the Department of External Affairs, New Zealand.

113. As an instance of the loose methods adopted, no record is kept of the general stocks of furniture under the control of the billeting officer for use in furnishing the residences of officials.

## APIA PARK.

114. This is a public amusement and recreation ground belonging to the New Zealand Reparation Estates, which receives nothing in return by way of rent or interest. The Administration controls the park, and the maintenance costs last year were £888, and mowing-machines cost £312—a total of £1,200; whereas revenue receipts were £233. The Treasury was required to find the difference.

115. The principal activities conducted are horse-racing, golf, and tennis. The benefit to the Natives is negligible.

116. A revision of the charges for the use of the property is called for, and a drastic reduction in the present burden on taxation.

## CASINO AND COTTAGE.

117. This property, valued at some £14,800, belongs to the New Zealand Reparation Estates, and is leased to the Samoan Administration at a rental of £216 per annum. It is utilized by the Administration as a boardinghouse for the public and Government officials, and for last year the loss on operation was £1,040. If provision for depreciation and maintenance were included the total loss would have been £1,580.

118. During our stay there were only a very limited number of Government officials on the register, and in our opinion there is no sufficient reason for continuing the service as a Government concern.

119. The property should, if possible, be disposed of, and if this proves impracticable it should be closed. A much less costly scheme could be devised to meet the requirements of New Zealand or other officials visiting Apia.

120. The "Sundry debtors" include one senior official of the Administration who has owed a considerable sum for a very long period. The payment of this amount should be insisted upon. A separate bank account is not warranted; all financial transactions should be through the Treasury.

## MALOLOLELEI REST-HOUSE.

121. This property, valued at some £3,000, belongs to the New Zealand Reparation Estates, and is a losing proposition. In addition to returning no interest on the capital, the loss on working last years was £1,223.

122. Recently the place has been leased by the Administration under an arrangement by which the lessee obtains the use of 130 acres and a large residential building and is actually paid £300 a year for the privilege. On his part he is bound to take paying guests at what would appear to be quite a reasonable tariff.

123. The view is apparently held by the Administration that the place should be retained, on account of its elevation and cooler temperature, as a health-recruiting resort for officials. The Chief Medical Officer, however, advised us that he does not concur in its necessity for this purpose.

124. It was clear to us that demands for better roading access will be made on the Administration by the lessee, but in view of the terms of the lease such, in our opinion, should not be entertained.

125. We regard the maintenance of this concern as unnecessary. It is unfortunate that the lease has been entered into, but there does not seem to be any possibility of cancelling the arrangement.

## MORTGAGES ON REPARATION ESTATES PROPERTY.

126. The Peace Treaty provides that all property of former German nationals and companies which became the property of the New Zealand Government by virtue of the Treaty should be held by New Zealand free of encumbrance. As an act of grace, however, various mortgages have been recognized by the New Zealand Government, and these are being paid off on a schedule covering a term of years. It does not appear to us, however, that the correct steps have been taken to regularize the position, and the necessary action for validation should receive consideration.

## NEW ZEALAND FLAG.

127. We note the marked absence throughout the Territory of the New Zealand flag, which is shown, so far as we are aware, only on the "Maui Pomare" during her periodical calls and on the "Lady Roberts." We think that the showing of the flag has some bearing on the question of prestige, and we recommend that steps be taken to show the New Zealand Ensign regularly at appropriate places.