The cost to the New Zealand Treasury in 1931–32 (apart from the m.v. "Maui Pomare") was £23,852 for services rendered to 15,200 of its population, or £1 Hs. 4.6d. per head, analysed as follows:—

			Per Head	d. d.
Education	 		0.12 - 9	} •3
Medical and health	 		0 7 9	0.6
Other services	 		0 10 10)•3
		`	£1 11 4	-6

This compares more than favourably with many administrative areas in New Zealand, whether the services of the General Government or of local bodies are taken into consideration.

The total expenditure by the State on education in New Zealand for 1931-32 was £3,409,877, equal to £2 5s. 1d. per head of mean population, or nearly four times as much as that in the Cook Group, and on medical and health services 14s. 7d. per head, or nearly twice as much as that in the Cook Group.

The costs of services may be reviewed in detail as items in the expenditure from the New Zealand Consolidated Fund. These services, it may be said, appreciate in importance and value when regarded in relation to British influence in the Pacific Ocean and New Zealand's position of trust and guardianship over a considerable section of the aboriginal Polynesian race. It would not have been regarded as extravagant if Government budget costs had been two or three times as high as they have actually reached, provided the results of New Zealand's civilizing mission, judged by all standards, were satisfactory. These have been reviewed from time to time in the annual reports of the Administration, and have shown that whether in the statistics relating to the physical, social, and moral welfare, or in observations dealing with the happiness and contentment of the population, or even in the figures which recount exports and imports or tabulate revenues and expenditures, New Zealand has achieved an outstanding success in the administration of affairs in the Cook Group.

MEDICAL SERVICES.

When the Cook Islands were annexed by the Seddon Government in 1900 "in the interests of the Native people," the Native population was regarded as a dying race. Its numbers (excluding Niue) were estimated to have decreased from fourteen thousand in 1823 to less than eight thousand in 1900. A heavy infantile mortality and tropical and imported diseases took a terrible toll of life. Not only have the ravages of these afflictions been arrested, but modern scientific methods, the spread of education, improved hygiene, the provision of a hospital and of efficient medical and nursing staffs have turned the tide, so that at the end of the last financial year the Department was able to announce that the population is now increasing at the rate of 20 per thousand per annum.

The medical services in the Cook Islands and Niue have cost as follows in the twelve years between 1919–20 and 1931–32:—

Year.		Cook Islands.	Niue.	Total.	Proportion due t Lepers.	
1919–20			1,300	1,850	3,150	
1920–21			1,500	1,950	3,450	
1921 – 22			2,500	950	3,450	
1922 – 23		;	2,450	960	3,410	
1923 – 24			1,475	950	2,425	
1924 – 25			2,475	1.600	4,075	
1925 – 26			2,565	900	3,465	
1926 – 27			8,638	900	9,538	6,500
1927 - 28		:	6,767	1,950	8,717	5,200
1928–29			10,377	1.150	11.527	7,501
1929-30			5,939	950	6,889	3,059
930-31			5,667	1,200	6,867	2.897
1931 – 32			4,735	1,220	5,955	$\frac{2,031}{2,150}$

One-fourth of the grant from the New Zealand Consolidated Fund for the year 1931–32 was devoted to medical work. It represents an expenditure of 7s. 9d. per head of the population, compared with 14s. 7d. per head for New Zealand (exclusive of the islands).

There is a hospital at Rarotonga with a medical officer and a nurse, assisted by a small Native staff. A nurse is stationed at Aitutaki, and a part-time nurse at Mangaia. There is also a hospital with a medical officer and nurse and a small Native staff at Niue. The medical staff at Rarotonga was reduced to one as the result of Government economies effected early in 1931. It is acknowledged that a grave risk was taken in reducing the medical staff at Rarotonga to one medical officer. During the current year the staff has been reinforced by two Native medical practitioners, trained at the Central School of Tropical Medicine, Fiji.

It will be seen that an important item in the medical budget is the service of the lepers, which began in 1926–27. The cost includes £6,140 for the erection of hospital and housing accommodation and facilities at Makogai Leper Station, Fiji, and £6,750 for the collection and removal of lepers from the extended area of the Cook Group.