

346. It will be noted that, excluding the operation of the m.v. "Maui Pomare," the administrative cost has risen from £5,063 in 1914-15 to £27,273 in 1930-31. **This increase seems to be out of all proportion, and immediate steps should be taken to reduce the cost of administration.**

NEW ZEALAND ADMINISTRATION.

347. In the first place, there does not appear to be any necessity for a separate Department for the administration of the Cook Islands Group. **We recommend that the Department be amalgamated with that of External Affairs under one Permanent Head.** This should result in economy, for there should be no need for a New Zealand staff of six officers, more particularly as the work in connection with the cargo and passenger traffic of the m.v. "Maui Pomare" is carried out on an agency basis.

COOK ISLANDS AND NIUE ISLAND ADMINISTRATION.

348. In regard to the expenditure in connection with the Cook Islands and Niue Island Administrations, for which the sum of £21,633 was appropriated during 1931-32, **we recommend that the total be reduced to £10,000, as this would appear to be a fair contribution from New Zealand towards the administrative costs in the Territory.** In particular, we consider that the expenditure in connection with education can be substantially reduced.

Saving, £11,000.

M.V. "MAUI POMARE."

349. The experience of the Government in connection with this vessel has been an unfortunate one. The loss for 1930-31, after making provision for interest and depreciation, amounted to £20,839 (including £9,607 for repairs), but it is anticipated that better results should be obtained in the future. It appears that, while the vessel may have been obtained with a view to providing a market for Niue Island produce and generally to maintain connection with the islands, it is incorrect to charge the whole of the loss against Cook Islands Administration, for the reason that cargoes are obtained from Samoa, and probably if the losses were borne on the basis of cargo from each locality, the bulk of the charge would be against the Samoan Administration. This, however, would not help to minimize the loss. **Moreover, though Niue Island benefits by this service, the Cook Group as a whole does not. Indeed, the advent of the "Maui Pomare" initiated new competition with Cook Islands fruit.**

350. It is clear that the purchase of such a costly vessel was not justified merely to maintain connection with Niue Island, and that produce from that Island was insufficient to warrant the purchase of a specially constructed vessel for the fruit trade. **Connection could be maintained with Niue Island by a subsidized service at a fraction of the cost of running the "Maui Pomare," although this might mean the abandonment of the fruit trade between Niue and New Zealand.**

351. **We accordingly recommend that the vessel be disposed of at the earliest possible date.**

CONCLUSION.

352. Apart from the reduction of £11,000 recommended in connection with Cook Islands and Niue Island Administration, we cannot assess the savings which would result from the remaining recommendations.

VOTE—DEPARTMENT OF EXTERNAL AFFAIRS.

SUBDIVISION I.

353. This Department consists of a small Head Office, through which is controlled the Samoan Administration and the New Zealand Reparation Estates at Samoa. There is a staff of four only, and, apart from salaries, the expenditure consists of incidentals and any assistance which may be granted to the Samoan Administration.

354. In the past assistance has been given in the following forms :—

- (a) Loans from the New Zealand Government :
- (b) Grants and subsidies from the New Zealand Government :
- (c) Grants from the New Zealand Reparation Estates.

355. In so far as the amount provided for 1931-32 is concerned, there was no provision for any assistance to the Samoan Administration, as the Territory has now reached the stage when assistance from New Zealand is normally not required. In other words, Samoa had a balanced Budget and all that the New Zealand taxpayer had to provide was the administration cost in New Zealand, the appropriation for 1931-32 being only £2,109. So far as the New Zealand administration is concerned, we are unable to point to any direction in which economy might be brought about.

356. We would state, however, that the need for the utmost economy in the expenses of the Samoan Administration, which are a charge on the revenues of the Territory, is still apparent.