

Salaries were restored to their former level as from 1st July, 1936, with a resulting increase in expenditure for all Departments.

The principal increases in expenditure apart from salaries are accounted for as set out below :—

Permanent Charges.—A sum of £1,500 was applied in reduction of loan indebtedness in addition to the ordinary sinking-fund payment.

Health Department.—Increased purchases of stores (including liquor) and of rations for patients amounted to approximately £1,000, while there were corresponding increases in other items due to an increased number of patients receiving treatment.

Lands and Survey.—An additional surveyor was appointed to the staff during the year.

Native.—The Fono of Faipule held in October lasted for a longer period than usual, and increased allowances to the Faipule resulted in an increase of £760 in *Fono* expenses.

Postal and Radio.—The principal items under which additional expenditure was made were—Interest to depositors, savings-bank, £150 ; and telephone replacements, £267.

Public Works.—The principal items showing additional expenditure are—

	£
Maintenance of buildings	425
Maintenance of and purchase of furniture	367
Maintenance of roads	605
Maintenance of sea-walls	141
New buildings	1,386
New bridges	680
Roads (new work)	1,896
Sea-walls (new work)	677
Electric installations	530
Hydro-electric working-expenses	224
Reduced credits-in-aid	2,243
	<u>£9,174</u>

Secretariat.—Land purchases increased by £1,265, an amount of £655 was expended on a new land-settlement scheme, and the visit of the Ministerial “goodwill” party caused an expenditure of £579.

The reduction in the expenditure for the Administrator and Government House is due to the non-appointment of an Administrator since the departure of General Sir H. E. Hart in July, 1935.

Treasury and Customs expenditure is less, owing to there being no expenditure on the printing of new stamps during the year.

A comparative statement of revenue and expenditure each year from 1925–26 is shown below :—

Year.	Revenue obtained in the Territory.	Expenditure of the Territory.	Deficit or Surplus.	Subsidy from New Zealand.	Final Surplus or Deficit.
	£	£	£	£	£
1925–26	128,638	145,687	—17,049	21,400	4,351
1926–27	113,812	141,710	—27,898	20,000	— 7,898
1927–28	106,038	143,421	—37,383	20,000	—17,383
1928–29	121,904	157,829*	—35,925*	47,374*	+11,449
1929–30	131,416	150,728*	—19,312*	39,448*	+20,136
1930–31	130,385	140,288*	— 9,903*	21,000	+11,097
1931–32	109,040	128,936*	—19,896*	..	—19,896
1932–33	105,920	98,166	+ 7,754	..	+ 7,754
1933–34	90,613	89,955	+ 658	..	+ 658
1934–35	78,808	76,505	+ 2,303	..	+ 2,303
1935–36	111,867	100,736	+11,131	..	+11,131
1936–37	117,909	116,613	+ 1,296	..	+ 1,296

* Includes expenditure on extra police : £27,374 in 1928–29, £19,448 in 1929–30, £16,561 in 1930–31, and £10,412 in 1931–32.