

The staff is organized on the basis of having a European official in charge of each Department, with a minimum number of other Europeans, with specialist and other essential qualifications required for the work. The remainder of the staff is engaged in Samoa from Native Samoans or persons of part Samoan blood, according to the nature of the service.

The above table gives a clear indication of the number of the positions in the Administration service occupied by Samoans at the present time—*i.e.*, teachers, police, medical and dental cadets, radio operators, interpreters, clerks, &c. (M. Sakenobe's question⁽¹⁾.) No position in the Administration is closed to any Samoan who possesses the qualifications necessary for the effective execution of the duties involved.

VI.—PUBLIC FINANCE.

The financial year ended on the 31st March, 1938, was the best for many years; a surplus of £380 being disclosed after payment of £5,500 in direct redemption of debt and the setting-aside of £5,000 for replacement of the Vaisigano Bridge and £8,500 for the 1938–39 building programme.

The accumulated surplus at the 31st March, 1938, is £24,561, to which must be added the reserves for replacement of assets and for building purposes, totalling £25,500, which have been provided out of revenue.

The total of these amounts, £50,061, is held as shown below :—

	£
Cash	21,983
Investments and advances in Samoa	728
Investments in New Zealand	27,350
	<u>£50,061</u>

The revenue of the Territory was the highest recorded since the financial year 1920–21, the total being £139,450, an increase of £21,542 over the previous year's figures.

Increased imports following on the higher prices for produce in the last six months of the previous year and the early part of the year under review were mainly responsible for the increased revenue. Produce prices, however, showed a marked decline towards the end of the year.

Details of revenue and expenditure for the year, with the corresponding figures for the previous year, are shown in the following statements :—

REVENUE.

Head of Revenue.	1936–37.	1937–38.
	£	£
I. Education	764	569
II. Health	9,899	12,224
III. Justice	646	908
IV. Lands and Survey	428	321
V. Native	338	497
VI. Police and Prisons	2,850	3,301
VII. Postal and Radio	6,994	9,758
VIII. Public Works	4,798	5,405
IX. Treasury, Customs, &c.	91,192	106,467
	<u>£117,909</u>	<u>£139,450</u>

The main variations are explained as follows :—

Health Department.—The whole of the increase is due to an increase of £2,500 in liquor sales.

Police Department.—The increase is mainly due to increased registrations of motor-vehicles.

Postal and Radio Department.—Interest on investments increased by £600 and postal revenue by £1,700. The latter increase is nominal only, certain sales of postage stamps, which were formerly credited to the Treasury as stamp duty, being now credited to the Post Office.

Public Works Department.—The revenue for this Department is derived from the hydro-electric scheme. The increase is due to a greater demand for current.

Treasury and Customs.—The main increases are :—

	£
Banana export duty	1,074
Import duty	12,002
License fees, &c.	1,648
Port and service tax	3,709
Wharfage dues and royalties	937
	<u>£19,370</u>

The increase in license fees is due to a change in the incidence of taxation, there being a corresponding reduction in store tax.

Stamp duty decreased by £3,916, due to reduced sales of new-issue stamps and also to part of the revenue formerly credited to this item being now credited to the Post Office.

(1) See minutes of the thirty-third session of the Permanent Mandates Commission, page 53.