

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 their qualifications.

VI.—PUBLIC FINANCE.

The accounts for the year show a nominal surplus of £4,570, as compared with £380 in the previous year, but the ultimate financial position was, as anticipated, less favourable.

Expenditure for commitments made during the year, totalling approximately £2,850, did not come to charge before the 31st March, so that the effective surplus was only £1,720, while it was not found possible to make any direct payment in redemption of debt or to set aside any amount for reserves as in the two previous years.

The Building Reserve set up in 1937–38 was drawn on to the extent of £5,674, and an amount of £27 held in suspense was written off during the year.

The accumulated surplus with reserve funds added now totals £48,931, held as shown below :—

	£
Cash	15,417
Investments and advances in Samoa	1,164
Investments in New Zealand	32,350
	<u>£48,931</u>

The total revenue for the year of £123,803, while £15,647 lower than in the previous year, has been exceeded on only five occasions since the year 1920–21.

The total expenditure of £119,233, while nominally £19,837 lower, is relatively higher by £2,013, as the expenditure in 1937–38 included £19,000 for reserves and debt redemption as against no expenditure on this item in 1938–39, and the commitments amounting to £2,850 referred to above were not brought to charge.

Produce prices were low throughout the year, with a resulting fall in revenue from export and import duties.

Little if any improvement can be expected in the coming year unless the present slight increase in the price of copra is maintained.

The total revenue and expenditure figures for the various Departments, with the corresponding figures for the previous year, are shown in the following statements :—

REVENUE.

Head of Revenue.	1937–38.	1938–39.
	£	£
I. Education	569	499
II. Health	12,224	12,750
III. Justice	908	804
IV. Lands and Survey	321	1,224
V. Native	497	431
VI. Police and Prisons	3,301	3,229
VII. Postal and Radio	9,758	8,267
VIII. Public Works	5,405	5,890
IX. Treasury, Customs, &c.	106,467	90,709
	<u>£139,450</u>	<u>£123,803</u>

The variations are explained as follows :—

Education.—Reduced sales of school books and stationery.

Health.—Increased sales of liquor.

Justice.—Reduction in amount of fines and of marriage fees collected.

Lands and Survey.—Special surveys for New Zealand Government and Aleisa Settlement.

Native.—Reduction in Court fees and water rates collected.

Police and Prisons.—Reduced sales of prison produce.

Postal and Radio.—Decrease in sales abroad of Samoan stamps, £1,240; and reduction in charges for radio messages, £400.

Public Works.—Increase in all items through extensions of hydro-electric services.

Treasury and Customs.—The principal decreases are—

Banana export duty	1,300	Reduction in rate.
Copra export duty	2,200	Decreased exports.
Import duty	14,600	Decreased imports.
Port and service tax	3,700	Decreased imports.
	<u>£21,800</u>	

Increase : Amount brought in from Building Reserve, £5,674.