

was purchased and a new engine installed in the launch. Difficulty was again experienced in the adequate maintenance of some of the trucks, but this has been overcome to the extent that the whole transport fleet was in reasonable running-order at the end of the year.

#### 58. PUBLIC WORKS

This Department is in charge of construction and maintenance of roads, buildings, and other amenities. For part of the year it was in charge of a part-Niuean, supervisory assistance being given by one of the senior administrative officers. With the arrival of two European carpenters during the year it has been possible to carry out considerable repair work.

A new x-ray building has been erected, together with a 10,000-gallon Hume tank to provide water-supply needed for x-ray work.

Extensive repairs to the Education Officer's and the Treasurer's residences were made. In addition to the maintenance of other buildings, much-needed repairs to equipment and furniture have been carried out.

Village tanks and catchments have received attention. The digging of a deep well was commenced during the year under the supervision of a European in an attempt to obtain fresh water and provide a more adequate source of supply for the island.

Road-work was confined mostly to the continuation of widening and straightening in the Makefu, Namukulu, Lakepa, and Alofi districts.

The boats and wharf equipment have been kept in good repair. Further extensions were made to the jetty in December, now providing ample space for the easy handling of cargo.

#### 59. PUBLIC FINANCE

There are no banking facilities in the island and New Zealand currency is in use.

On account of development requirements and the low average income of the people, local revenue does not meet expenditure and the budget is subsidized by the New Zealand Government.

Revenue is derived principally from post-office, radio, Court fees and fines, and export taxes. The New Zealand Customs Tariff is in force and there is free trade between the Territory and New Zealand. Estimated revenue for the year 1948-49 is £23,264, while estimated expenditure is £66,175, making a deficit of £42,911 to be provided by Government subsidy. Large items of expenditure outside salaries include residences, £16,500; school buildings and equipment, £2,750; medical and health buildings and equipment, £2,432; water-supply, £700, motor-vehicles, £1,150.

A comparative statement of revenue and expenditure for the last five years is as follows:—

Year.	Revenue.	Expenditure.	Deficit.	Subsidy.	Final Surplus of Deficit.
	£	£	£	£	£
1943-44 .. .. .	10,342	18,187	7,845	10,000	+2,155
1944-45 .. .. .	12,096	18,900	6,804	10,000	+3,196
1945-46 .. .. .	14,590	25,123	10,533	7,755	-2,778
1946-47 .. .. .	28,726	32,387	3,661	5,000	+1,339
1947-48 .. .. .	28,417	42,730	14,313	6,522	-7,791

Depreciation and other writings-off totalling £1,831 are included in the expenditure.

The main items of revenue for the year were stamp sales, £16,297; Customs import duties, £4,177; and income tax, £1,500. The large amount of revenue received from stamp sales is mainly due to the philatelic demand for island stamps.