

TABLE B.— STATEMENT OF ASSETS (LIQUID) AND LIABILITIES ON THE 31ST MARCH, 1922.

<i>Assets.</i>		£	s. d.	£	s. d.	<i>Liabilities.</i>		£	s. d.	
Cash in hand		212	9 8			Reserves		9,211	8 6	
Cash at bank		1,689	19 2			Deposits		11,354	10 9	
		<hr/>		1,902	8 10	Suspense		10,003	14 2	
Imprests				118	7 5	Loan Account—				
Unallocated stores				12,476	17 2	Provided under Finance Act (N.Z.), 1921–22, section 26 (authority for £100,000 loan), at 5 per cent. interest and 1 per cent. sinking fund		77,000	0 0	
German currency				95	9 3	Provided by N.Z. Government free of interest and sinking fund		25,000	0 0	
Advances				21,424	15 4			<hr/>	102,000	0 0
Loan Works Account—						Currency notes		45,000	0 0	
Water-supply	19,471	0 8			Excess of assets over liabilities		25,717	11 7		
Other works	74,094	4 8					<hr/>	<hr/>	£203,287	5 0
Stores	18,000	0 0	111,565	5 4						
Investments — N.Z. Government debentures and inscribed stock				55,704	1 8					
				<hr/>						
				£203,287						
				5 0						

Both revenue and expenditure slightly exceeded estimates, a deficiency of £1,408 15s. 3d. ordinary expenditure over revenue resulting. The Stores Department has been finally closed up, and a considerable quantity of their holding in stores was charged against revenue, thus throwing a heavier charge on certain expenditure than was estimated. Practically all revenue items showed an improvement except import duties; these showed approximately an 18 per cent. decrease, due rather to decreasing values of goods than to any falling-off of business.

As regards expenditure, practically all Departments show a considerable decrease except the Medical and Education Departments. The latter are being expanded continually, the finance being supplied by the New Zealand Government subsidy, which is approximately assessed to cover the increased expenditure of these services since the assumption of the Mandate. Strict economy has been enforced, and all Administration services have been thoroughly overhauled and numerous economies effected.

TAXATION.

Reductions in taxation have been effected. Apart from the fall in *ad valorem* import duty referred to above, postal rates have been reduced, and the cocoa-export tax, while not remitted, has been returned to producers in the form of a bonus on all other than absolutely inferior cocoa produced. Further reduction in taxation is being considered for the next financial year. A death-duty tax was brought into effect for the first time in 1923, but no revenue has yet resulted from that source.

TRADE PROSPECTS.

These are good. The unfavourable trade balance against Samoa has been more than righted, and the price of copra, which is the mainstay of Samoan prosperity, is, at the moment, remarkably good. European plantations are having a hard struggle to carry on owing to the long depressed price of cocoa and the high cost of the 1920–21 Chinese immigration. The Government has extended financial assistance to these plantations, and they are for the most part being maintained in good order. Lower labour costs are in sight, but cocoa-prices must rise if these plantations are to become really profitable. Further references to Samoan trade prospects will be found in the Board of Trade report.

SUPPLIES PURCHASE DEPARTMENT.

The accompanying return tabulates the work carried out by this Department during the past year.

Whilst carefully guarding against any undue accumulation of stocks, every effort has been made to maintain sufficient reserves of such stocks as are essential to the efficient working of the service.

On account of falling markets it was not deemed advisable to enter into contracts covering periods of spread delivery except in the case of rice. So far as the contract for this commodity was concerned, it proved, as in the previous year, to be extremely advantageous, in that our purchase price was lower than the market rate at any time during the currency of the contract, and in addition continuity of supply was secured.

Competitive quotations were obtained for all local purchases, and quotations were invited from New Zealand, Australia, the United Kingdom, and the United States of America for all overseas purchases.

The advent of a direct steamer service between London and Apia, with reasonable freight rates, offers the advantage of securing supplies direct from manufacturers in the United Kingdom at low cost, and the benefits thus derived more than compensates for the extra time required to effect