

It must be recognized, however, that a resumption of economic "normalcy" in the Territory after the present boom is likely to entail a serious drop in income once more.

56. Public revenues at the present time are derived almost wholly from indirect sources, such as import and export duties and port operations. Estimates for 1947 to 1948 anticipate collections of £100,000 from import duties, and £74,000 from export duties on the island products. Though the rates have subsequently been revised, it may be noted for comparison that in the depression year of 1934 to 1935 income from import duties totalled only £21,882 and that from export duties £9,436, illustrating the great changes in island revenues in terms of world market conditions. Port services are expected to produce about £27,500 in 1947 to 1948. Other major sources of net income, applying almost wholly to the European community, consist of a store-tax estimated at £40,000, a building-tax (£3,100), a salary-tax (£31,100) and water rates (£1,100).

57. Customs and export duties are imposed by regulations made by the Governor-General in Council. All other taxes, rates, fees, and dues are imposed by Ordinances of the local Legislative Council. Since 1931 the import duty has remained at 17½ per cent. *ad valorem* on British goods and 25 per cent. on foreign goods; but in 1940 a surtax was added to the amount of duty payable, consisting of 15 per cent. on British imported goods and 25 per cent. on foreign. The principal export duties are on copra, cocoa, and bananas. In 1929 the rate of copra export duty was increased from £1 to £1 10s. per ton to meet the loss of revenue caused by the non-collection of Samoan taxes. This extra 10s. was refunded to European growers until 1942, when the duty was changed to 10 per cent. of the f.o.b. value, without rebate to European growers. The export duty on cocoa was £2 per ton until 1942, when it became 3¾ per cent. of the f.o.b. value. From 1933 to 1940 refunds of cocoa duty were made on the sliding scale, depending on the f.o.b. price; under this scale the entire cocoa duty was refunded during the worst years of the depression. The duty on bananas has remained at 6d. per case.

58. No individual income-taxes or head-taxes are collected at the present time, except a salary-tax on incomes over £200. In German and early New Zealand times heavy direct taxation was imposed on all adult male Samoans. But as part of the non-co-operation of the *Mau* movement the people refused to pay taxes, and in 1936 the New Zealand Government acknowledged the situation by revoking the tax law and cancelling the uncollected amounts. The tax consisted of £2 for a title-holder (*matai*) and £1 16s. for a commoner, and consisted partly of a personal tax and partly of a medical levy. In addition, dog-taxes and gun-taxes were imposed; these also were cancelled subsequently. In 1935 to 1936, the last year of effective collection, the income from all these taxes totalled £19,424. An earlier general tax on adult male Europeans of £1 5s. has also been cancelled.

59. Annual expenditures in the Territory have fluctuated sharply, and follow closely the available public income. For 1947 to 1948 an expenditure of £476,196 is contemplated, including £85,000 from the accumulated reserves, and £70,400 as subsidies from the New Zealand Government. Budgets to date show the heaviest non-recoverable expenditure in the fields of public health, general administration, public