works, and education. For 1947 to 1948, major non-recoverable expenditures are contemplated on public works (£255,114), health (£63,368), education (£36,400). These all represent very great increases over pre-war expenditures. For general administration, estimated costs are as follows: Administration and Government House, £5,340; Secretariat, £12,180; Native Affairs, £17,315.

60. Subsidies given by the New Zealand Government in the earlier years amounted to £244,362. From 1931, with the advent of the depression, such grants were discontinued. As of 1945 to 1946 a subsidy of £3,107 was given to finance educational scholarships to New Zealand, and in 1946 to 1947 £10,451 was given for scholarships and road development. In the present fiscal year a total of £70,400 is being allotted from the income of the New Zealand Reparation Estates in Western Samoa for scholarships, road development, and a local broadcasting system. The New Zealand Government has informed the Mission that all cumulative profits from these Reparations Estates to date will be contributed to the Territory for development and welfare purposes.

61. Various overseas loans were raised by the Administration in the years 1920 to 1932 for development purposes, totalling in all £204,200. These were being paid off steadily in the pre-war period, and the New Zealand Government gave a grant of £25,000 to help in such loan reduction. The high revenues of recent years have now enabled the Territory to complete the repayment of outstanding amounts, so that it is now completely free of debt. The raising of loans by the Administration requires an authorizing Order in Council by the Governor-General. They are made out of moneys appropriated by the New Zealand Parliament, and are issued by the Minister of Finance, who pays the sum concerned into the Samoan Treasury. The terms of the loan have to provide for the establishment and maintenance by the Samoan Treasury of a sinking fund under the control of the New Zealand Treasury sufficient to repay the loan within thirty years. In emergency cases the New Zealand Minister of Finance, on the recommendation of the Controller and Auditor-General, may make temporary advances to the Samoan Treasury out of moneys available in the Public Account, such advances being repayable within six months.

62. As a result of the high public income of recent years and the curtailment of public works because of scarcities of materials the Administration has been able to build up substantial reserve funds. The three financial years from 1943 to 1946 each produced a surplus of revenues over expenditures of more than £50,000, and for 1946 to 1947 the surplus was £103,602. As of 31 March, 1947, the accumulated reserves of the Territory consisted of £417,758, of which £358,550 has been invested in New Zealand, and the rest comprised cash or credits in Samoa.

63. The proposed budget of the Territory is considered yearly by a special advisory Finance Committee before it is presented to the Legislative Council. This Finance Committee was formed in 1936 in order to meet European and Samoan requests that they be allowed to exercise a greater say in financial affairs. It consists at the present time of four representatives of the Administration, including the Administrator, together with four Samoans and one European. The Samoan members are appointed by the Minister of Island Territories on the nomination of the *Fono* of *Faipule*, and the European member is similarly appointed