on the nomination of the Administrator. The Committee, together with the Legislative Council, may make recommendations regarding the estimates, but authority for their approval or otherwise rests with the Minister. The value of the Finance Committee has been an open question. It appears to have little influence on financial policy.

64. A statement prepared for the Mission by the Treasurer reviews comprehensively the financial situation of the Territory as follows :—

> "The country has been financially self-supporting since the early 1930's. The non-co-operation (*Mau*) movement of the Samoans then in existence had a good deal to do with this . . . The scope of the services having been restricted because of political reasons, it was then possible to tide over the worst of the depression years by further reducing the amount spent on a largely unresponsive people for education, native, and health services . . . the trend in expenditure was towards public works and debt repayment . . .
>
> "Now the *Mau* movement, the depression, and the war are done with there is a general tendency to revert to the policy of freer spending which characterized the early days of the regime . . . So long as the present boom lasts expansion in expenditure at any pace will be taken care of, but a return to normalcy must be expected. When this happens our present revenue can drop, even with the now widened scope of import duties and store-tax, to at least as low as £150,000. If in the meantime an organization has been built up with fixed charges in salaries alone almost equal to this sum, our financial position will be difficult.
>
> "The present need is therefore for a clear statement of financial policy which will say whether it is intended that the Territory should remain self-supporting, or whether future possible excesses of working expenditure over local revenue are to be met by general subsidies from New Zealand, as distinct from subsidies from the profits of the New Zealand Reparation Estates for special development purposes. It is only in the event of a definite understanding that the New Zealand Treasury will meet any deficits that the increasing overhead charges of educational and other services can continue without careful scrutiny. If it is decided that the Territory should be expected to continue to present a balanced budget, then the amount which can be afforded for these services will have to be determined in relation to possible future trends in revenue."

III. ECONOMIC ADVANCEMENT

A. *General Economic Situation*

1. The economic life of Western Samoa follows the general pattern familiar in the tropical Pacific Islands. A local subsistence economy, based on the growing of foodstuffs such as taro, coconuts, and bananas, the gathering of all kinds of seafood and the raising of pork and poultry, is still of the utmost importance in the life of the community. Superimposed on this is a money economy depending on the export of a few marketable products. Such exports consist almost entirely of coconut products (copra and desiccated coconut), cocoa-beans, fresh and dried bananas, and a little rubber.