

party of New Zealand tradesmen who are to erect the residences urgently required to house Administration personnel. A stone-quarry and makatea (coral sand) pit were opened up and stock-piles commenced to provide materials for the manufacture of bricks for residences. Building-sites have been cleared and levelled. A new cottage, constructed mainly from local materials, has been built adjacent to the hospital to accommodate the Assistant Medical Practitioner. Alterations and extensions have been made to the hospital and the nurses' home. Residences and Administration buildings, including the three schools, were kept in good repair throughout the year, and furniture and equipment maintained.

Minor repairs to catchments and village tanks were carried out. A deep-water well was sunk, and water struck at a depth of 175 ft.

The old derrick at the wharf was replaced by a larger and stronger one capable of lifting up to 8 tons. Urgent repairs were carried out to the wharf area in late December, following storm damage. Other wharf buildings were altered and improved during the year, and lighterage facilities maintained.

Twelve miles of road in the Makefu, Avatele, and Tamakautoga districts were resurfaced.

An electrician from the New Zealand Ministry of Works carried out the rewiring of the wharf, the wharf sheds, public works, and Administration Building. The lighting is provided by the Diesel generators at the radio station, from which an underground cable was laid to the Administration Building. The hospital, nurses' home, dispensary, and Assistant Medical Practitioner's residence were wired, and lighting is now provided to all these buildings by the Onan engine which operates the x-ray machine. The lighting in the x-ray room was also rewired.

A four-year development scheme embracing provision of new schools, improvement of port facilities, roads, and housing has been approved by the New Zealand Government and is under way. A sum of £69,000 has been set aside for these purposes.

More extensive reticulation of electricity throughout the Village of Alofi is also under consideration.

E. PUBLIC FINANCE

There are no banking facilities on the island. New Zealand currency is in use. The New Zealand Post Office Savings-bank has a branch in Niue.

Exports of copra, plaited ware, and bananas are the main sources of income of Niue. Considering the limited revenue derived from these exports and from other sources and the continual expenditure on development programmes undertaken with the encouragement of the New Zealand Government, Niue at her present rate of production cannot be self-supporting. To meet the island's yearly deficit, due mainly to the increasing costs of labour and materials employed in maintaining and improving public services and to the introduction of facilities to increase the volume of trade, special and general subsidies are granted by the New Zealand Government. Revenue is raised within the island principally from the sale of stamps, radio telegrams, High Court fines, and import and export duties.

Direct taxation in the form of a poll-tax, known as an "Aid to Revenue," is levied on all Niuean males aged eighteen years and over at the rate of 10s. per head per annum.

Income-tax at New Zealand rates is payable by all inhabitants. The £200 personal exemption, however, leaves only a small number of taxable incomes, apart from those of officials and a few traders.