

provide a supply of pasteurized milk and probably later butter for the residents of Apia. The possibility of adding meat-canning to the plan is envisaged. Projects such as this are of importance in the problem of providing a diversification of industries in the Territory.

The almost exclusively agricultural character of production in the Territory creates a corresponding dependence on external sources of supply for all kinds of manufactured goods, as well as for foodstuffs and other raw materials which cannot be produced in the tropics. In proportion to its population and resources, Samoa has a highly developed commercial system concerned with external, as well as internal, trade. This has its centre in the Town of Apia, which is the only port of entry for the Territory. General merchandising is mainly in the hands of a number of firms, a large proportion of which are controlled by the part-European descendants of various nationalities and which have evolved on a common pattern. They deal in all classes of goods—foodstuffs, textiles and clothing, hardware and household requisites of all kinds, stationery and fancy goods, tobacco, drugs, &c. In addition, the larger firms run agencies for shipping and air services, insurance companies, motor firms, &c. They are also exporters of copra and cocoa, from which they derive a large proportion of their total turnover. The firms all have a principal office in Apia, with trading-stations scattered through the villages. A number of them run launches for the collection of produce and distribution of merchandise among their trading-stations. A large share of the total business is in the hands of 4 major firms, which operate 190 trading-stations between them. Two of these are extra-territorial enterprises with head offices in Australia and Fiji respectively. The other 2 are local firms. There are several smaller firms with up to 12 trading-stations each, and a number of independent traders in the villages. The latter either import through commission agents in Apia or use the facilities of one of the firms. The total number of village trading-stations in the Territory is 241. There are no monopolies in the Territory.

Other business enterprises in Apia include a branch of the Bank of New Zealand, a subsidiary company of a large firm of building contractors in New Zealand, transport companies, a cinema company, a printing and publishing firm, and several boarding-houses. In addition, there are a considerable number of small businesses—restaurants, bakeries, butcheries, &c.—and individual tradesmen such as tailors, carpenters, and hairdressers.

GOVERNMENT POLICY AND ORGANIZATION

Government activity in relation to the economic life of the Territory has hitherto been on a relatively restricted scale. For this there have been several reasons. The most important, in relation to the formulation of immediate policy, was the long period of low prices for Samoan products experienced during the 1930's. This necessitated the reduction of public expenditure to the barest minimum. As one result, the Department of Agriculture, which had not been in existence long enough to do more than make a start upon the problems in its field, was abolished. But, more fundamentally, there has been an unwillingness among the people of the Territory to respond to any large measure of governmental intervention in economic life. The Samoans of the villages have been content with their traditional methods of cultivation. The trading firms have wished to be left free to make their own agreements both with the Samoans, who buy and sell at the village stores, and with the overseas merchants with whom they conduct their major business deals.

This situation is changing. The necessity of economic controls in wartime, and the growing practice of bulk purchase of raw materials by overseas Governments, has led to radical reorganization in the conduct of external trade. Internally, the growth of population, the increased participation of the people in a money economy, and the need for increased productivity to support a rising standard of life are all bringing about a