

required for this purpose, the amount in due course appearing on the annual estimates of the Island Territories Department. Apart from subsidies required for special purposes, if the account at any time shows a deficit which cannot within a reasonable period be reimbursed from ordinary revenue or profit on the sale of copra or trading, the New Zealand Government provides a sum to balance the account.

The islanders themselves contribute to revenue by means of a tax paid in copra. The amount of the tax is 18 tons from the whole Group—9 from Fakaofu, 7 from Nukunono, and 2 from Atafu.

The principal source of revenue during the year under review was from the new Tokelau Islands stamp issue. Approximately 172,000 covers were cancelled in the three post-offices in the Group on the first day of sale in June, 1948, while sales handled through the agency of the Apia Post-office on the first day amounted to over £1,600. Regular orders continue to be received from dealers and philatelists.

The currency employed in the Tokelau Group is the same as that in use in Western Samoa. New Zealand or Australian silver and Samoan treasury notes pass as legal tender. American currency, while not legal tender, is accepted.

19. TRADE

The only goods exported from the Group are copra and a certain small amount of novelties and plaited ware. With the improved water-supplies, the numbers of coconuts which can be converted into copra have increased, and the total exportable amount of copra per annum has been estimated in the vicinity of 300 tons. This estimate is, however, based on the assumption that adequate shipping can be provided. In the financial year ended 31st March, 1948, only about 120 tons of copra were exported because of lack of adequate shipping. Similarly during the year under review, although 290 tons were exported, cropping was exceptionally heavy and probably another 150 tons could have been exported had the shipping been available.

Prior to the late war, copra was purchased and goods sold in the Group by a firm of Apia merchants operating with its own schooner. Later, when this service was discontinued, the Administrator arranged for the Tokelau Group to be visited in small launches to supply food and other urgent requirements, and this means of communication has been developed with the use of larger chartered schooners. The proposal referred to in the last report to hand back trading and copra purchases to private merchants operating in Apia met with no response, and arrangements are now being made for these operations to be passed over to the New Zealand Reparation Estates in Samoa.

20. VISITS

His Excellency the Governor-General of New Zealand, Lieutenant-General Sir Bernard Cyril Freyberg, V.C., G.C.M.G., K.C.B., K.B.E., D.S.O. LL.D., accompanied by Lady Freyberg and their staff, paid an official visit to the Tokelau Islands in H.M.N.Z.S. "Bellona" in July, 1948. The people gave their distinguished visitors a splendid welcome, and Their Excellencies were greatly impressed by the demonstrations of loyalty which was a feature of the visit.