

VII.—DIRECT TAXES.

The principal direct taxes payable in the Territory are a graduated salary tax and a building tax, the receipts under these heads for the year under review and the previous year being set out below :—

	Received.	
	1937-38.	1938-39.
	£	£
(a) Graduated salary tax, from £1 on £200-£300 to £30 over £1,500 ..	339	471
(b) Building tax, 1 per cent. per annum of capital value of European buildings	2,552	2,670

In addition, there are the usual motor-vehicle licenses, water rates, and other similar fees.

VIII.—INDIRECT TAXES.

The principal revenue of the country is derived from Customs duties (see the annual report on "Trade, Commerce, and Shipping"), store, and other taxes as set out in the Revenue Ordinance 1929, and port and shipping fees defined in the Port Control Ordinance 1932. Stamp duties are also collected in accordance with the provisions of the Stamp Duty Ordinance 1932.

Imports in 1938 were 78·949 per cent. of the value of exports, as compared with 76·004 per cent. in 1937.

IX.—TRADE.

The trade figures for the calendar year 1938 showed a decrease of 28·28 per cent. from those of 1937. The value of imports decreased by £71,596 and the exports by £103,831, the result being that the total trade figure of £444,877 was only some £14,600 above that of 1936. It would appear that the exceptional rise in total trade in 1937 was abnormal and could not be expected to be sustained.

The London price of copra maintained the steady decline which had characterized the end of the last calendar year, and at one stage reached the depressing depth of £8 15s. per ton. This price was not sufficiently attractive for Native production to be maintained, and consequently a considerably reduced crop was available for export, only 11,241 tons being shipped, as compared with 13,340 tons in 1937.

The ruling London market quotation for cocoa further declined from its figure of £40 per ton at the end of 1937. Rather ironically, there was a fine crop on the trees during the major part of 1938, with a record export of 1,647 tons. The financial yield, however, was reduced by £11,469. During January of 1939 rainfall of exceptional severity was experienced and ruined the major portion of the crop on the trees, whilst the accompanying floods in many cases washed out large areas of young replanted trees. It is certain that production for the coming year will be considerably affected by this setback.

The export of bananas proved to be a stabilizing and valuable factor in the economic situation. A record total of 205,715 cases (7,347 tons), of an f.o.b. value of £77,143, was shipped to New Zealand.

The quantity of rubber exported dropped to 49 tons (£3,293), as compared with 61 tons (£5,505) in 1937. The London market price during the year varied between 5½d. and 8½d. per pound.

The following return shows the principal imports and the total value of the exports, imports, and total trade of the Territory for recent years :—

Calendar Year.		Exports.						Imports.	Total Trade.	
		Copra.		Cocoa.		Bananas.		Total Value.		
		Tons.	Value.	Tons.	Value.	Tons.	Value.			
			£		£		£	£	£	
1927	..	11,665	242,672	792	48,216	..	..	335,978	304,369	640,347
1928	..	15,989	319,259	959	69,507	815	11,219	422,175	326,553	748,728
1929	..	12,941	205,330	677	46,286	1,916	24,640	293,938	288,849	582,787
1930	..	12,285	166,221	1,007	61,294	3,424	44,259	284,515	275,355	559,870
1931	..	11,062	109,220	620	35,284	3,044	39,022	194,447	164,950	359,397
1932	..	10,879	108,698	825	49,712	2,383	20,016	183,028	150,902	333,930
1933	..	11,526	101,347	899	41,813	2,928	26,999	173,837	150,856	324,693
1934	..	8,948	60,654	1,027	29,498	3,437	35,796	128,117	92,784	220,901
1935	..	12,501	108,695	576	19,639	3,893	38,146	189,298	135,757	325,055
1936	..	13,014	156,873	1,065	46,607	4,573	46,737	263,255	167,020	430,275
1937	..	13,340	199,747	1,253	71,138	6,706	70,446	352,436	267,868	620,304
1938	..	11,241	103,529	1,647	59,699	7,347	77,143	248,605	196,272	444,877