The taxation for Europeans is, in accordance with Government policy, kept as low as possible in order to encourage trade development, and is probably lower than in any other country of corresponding commercial development, as shown by the fact that out of a total revenue of £8,910 only 6.8 per cent.

is obtained by direct taxation from European sources.

Although the trade of the country is gradually expanding, it is doubtful whether in the near future there will be sufficient outlets for employment for the large number of young Europeans born in the country and now attending the European schools in Apia, unless the majority take up land, for which provision has already been made. As a further means of helping these boys the New Zealand Government has decided that not only shall all appointments in the Public Service of Western Samoa be open to those qualified, but that a proportion of vacancies in the Civil Service of the Dominion may be filled by boys from Samoa who qualify by examination and are recommended as suitable in all other respects.

XI. ADMINISTRATION.

I am pleased to be able to report that the Administration is fortunate in having a very efficient staff of public servants, who endeavour to do their utmost to serve the people and to carry out their duties in the spirit of the Mandate. The peculiar circumstances of the Territory necessitate a high standard of efficiency on the part of Government officials, many of whom have great responsibility, and require to exercise originality and initiative probably to a greater degree than officials holding corresponding positions in more advanced communities.

XII. LEGISLATION.

The following legislation concerning the Territory was passed during the year ended 31st March, 1926:

In New Zealand-

The Samoa Board of Trade Amendment Order.

The Samoa (Shipping) Act, 1925.

The Native Regulations (Samoa) Order, 1925.

The New Zealand Reparation Estates Amendment Order, 1925.

The Samoa Roman Catholic Land Order, 1925.

The New Zealand Reparation Estates Amendment Order, 1926.

In Samoa

No. 3/1925.—The Taxation Licensing and Revenue Amendment Ordinance, 1925.

No. 4/1925.—The Cacao Diseases Ordinance, 1925.

No. 5/1925.—The Samoan Individual Property Ordinance, 1925.

No. 6/1925.—The Census Ordinance, 1925.

No. 7/1925.—The Cotton Ordinance, 1925.

No. 8/1925.—The Electric Lines Ordinance, 1925.

Copies of the several Orders and Ordinances have been forwarded to the Secretary-General of the League of Nations and to each member of the permanent Mandates Commission.

DEPARTMENTAL REPORTS.

NATIVE AFFAIRS.

The following are some of the outstanding features of Native administration during the year under review:

(1.) The census taken on the 31st December last, the records of which show that during

the past five years the Natives have increased by 4,087.

(2.) The passing of legislation by the Fono of Faipules for the individualization of Native land. In this connection one district has already been surveyed, and the surveys of other districts should be completed within the next few months.

(3.) In September last four Samoan chiefs visited the Tokelau Islands, where they invited the Natives to transfer to Samoa any surplus population of those islands.*

(4.) The increasing confidence the chiefs are placing in the Government is indicated by their addresses to the Governor-General and the Government of the Dominion of New Zealand in December last.

(5.) Increased activities in health, education, and agriculture, which have benefited the moral and material well-being of the Natives, as shown by the statistics of each

of the Departments.

(6.) The good work done by the special committee of Faipules, appointed by the Administrator to investigate on his behalf, all important Native troubles, and disputes, and offences committed by chiefs, thereby ensuring that Native matters are fully considered

from the point of view of the Natives themselves.

(7.) The passing of a Native regulation prohibiting Samoans from leaving or residing in other than their own villages without permission. This regulation has thrown a lot of work on the Faipule Committee in the investigation of a large number of individual cases of young men and girls who had drifted to the Town of Apia and endeavoured to evade returning to their districts, where they are required to work on their village lands.

^{*} The control of the Tokelau Islands has recently been placed by the Imperial Government under the Government of New Zealand, which administers the Islands through the Administrator of Samoa. The Islands are small, the present population being 300—all Polynesians.