



CONTENTS

	<u>Page</u>
Examination of conditions in the Trust Territory of Western Samoa (continued):	
(i) Annual report of the Administering Authority for the year 1957;	
(ii) Petitions raising general questions	
Questions concerning the Trust Territory and replies of the representative and special representatives of the Administering Authority (continued)	191

President: Mr. Alfred CLAEYS BOUUAERT (Belgium).

Present:

The representatives of the following States: Australia, Belgium, Burma, China, France, Guatemala, Haiti, India, Italy, New Zealand, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America.

The representatives of the following specialized agencies: Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization.

Examination of conditions in the Trust Territory of Western Samoa (continued):

- (i) Annual report of the Administering Authority for the year 1957 (T/1387, T/1394, T/L.857);
- (ii) Petitions raising general questions (T/PET. 1/L.4 and Add.1)

[Agenda items 3(f) and 4]

At the invitation of the President, Mr. Powles and Mr. Tamasese, special representatives of the Administering Authority for the Trust Territory of Western Samoa, took places at the Council table.

QUESTIONS CONCERNING THE TRUST TERRITORY AND REPLIES OF THE REPRESENTATIVE AND SPECIAL REPRESENTATIVES OF THE ADMINISTERING AUTHORITY (continued)

Economic, social and educational advancement (continued)

1. Mr. POWLES (Special Representative), replying to earlier questions, explained for the benefit of the representative of Burma that at the last elections in Western Samoa, 1,134 Europeans of the 1,437 registered had voted. That number amounted to about 13 per cent of the total population. On the Samoan side, 5,030 matai, or about 6 per cent of the total population, had been registered on the electoral rolls. As to the number of matai who actually voted, he could not give it as a percentage of the population because, although he knew that 1,141 matai had voted in the ten constituencies in which balloting had taken place, he did not have the figures for the population of those constituencies.

2. The representative of the Soviet Union had asked about the composition of the new Copra Board, which had been re-established by an ordinance of the Legislative Assembly passed in February 1958. The chairman was Mr. Mataafa, the Minister of Agriculture, and the four other members were Mr. Tualalelei, Minister of Lands, Mr. Fonoti, former Minister of Agriculture, Mr. Gow, who represented the merchants, and the Financial Secretary or his representative.

3. Mr. ROLZ BENNETT (Guatemala) recalled that the representative of the Administering Authority had said that economic advancement in Western Samoa depended largely on increasing the production of exportable goods. It would therefore seem that the question of expanding the Territory's production to ensure its economic stability was one of the major problems to be solved before the Territory could gain its independence. He wished to know whether, in the special representative's view, the solution of that problem would necessitate a change in the social and economic structure of the Territory.

4. Mr. POWLES (Special Representative) replied that he did not at present see the need for such a change. The policy of the Government of the Territory was to increase production within the existing social system and through the resources it offered.

5. Mr. ROLZ BENNETT (Guatemala) asked the special representative whether he could furnish further information on the development of the co-operative movement in the Territory.

6. Mr. POWLES (Special Representative) said that the growth of the co-operative movement in Western Samoa had been more marked with regard to consumption than production. However, one or two producer co-operatives had been established, and there was reason to hope that the movement would expand, especially if the producer co-operatives were given the means of processing such local products as copra, cocoa and coffee.

7. Mr. ROLZ BENNETT (Guatemala) observed that under the traditional system in Samoa the head of the family had not only to manage the property in his care but also to promote the welfare of all members of the family group. The United Nations Visiting Mission to Trust Territories in the Pacific, 1953, had noted that fact in its report (T/1079) and had pointed out that the many obligations of the matai might impair the efficiency of his social work and diminish his initiative. He wondered whether the Mission's observation was well founded.

8. Mr. POWLES (Special Representative) replied that under the matai system, as in all societies, there were both active and inactive elements, but that on the whole there could be no doubt of the efficient work carried out by the family groups under the guidance of the matais.

9. Mr. ROLZ BENNETT (Guatemala) referred to the importance for the economic development of the Terri-

tory of expanding the road system. As the family groups of the island of Savai'i had made commendable efforts in that direction, he would like to know whether the results of those efforts had been satisfactory.

10. Mr. POWLES (Special Representative) replied that road construction in Savai'i was progressing very satisfactorily. Construction of the road around the island was not yet complete because of difficulties encountered in obtaining the necessary labour and materials. It was not enough to build a main road without providing access roads to connect it with the plantations.

11. Mr. ROLZ BENNETT (Guatemala) pointed out that one of the obstacles to agricultural development in the Territory was the over-fragmentation of land, which made the holdings uneconomical to exploit. He asked whether the Administering Authority was carrying out its programme of aggregating holdings.

12. Mr. POWLES (Special Representative) said that the matter was one of the first concerns of the Territorial Government. The Land Use Committee was considering the question, but as the proposed measures seemed to be meeting with some opposition from the owners, the problem was not yet solved.

13. Mr. ROLZ BENNETT (Guatemala) asked the special representative whether the Administration had any plans for the rejuvenation and replanting of diseased coconut trees on the plantations of either the Western Samoa Trust Estates Corporation or on private plantations.

14. Mr. POWLES (Special Representative) replied that the Western Samoa Trust Estates Corporation had extensive plans for the rejuvenation and replanting of its areas. In the case of privately-owned plantations, the Department of Agriculture was encouraging the removal of trees that had been attacked by the rhinoceros beetle and their replacement by young plants. The results had been very promising, but during the next few years the Administration would have to intensify its assistance to Samoan producers.

15. Mr. TAMASESE (Special Representative) said that, as Chairman of the Board of Directors of the Western Samoa Trust Estates Corporation, he would add that the Corporation's production of copra, which had amounted to 2,842 tons in 1922-1923 had fallen to 1,624 tons by 1957-1958 because most of the plants owned by the company were now more than sixty years old. To remedy the situation, the Corporation had drawn up a long-term plan for the rejuvenation of its plantations, whereby the cattle would be transferred to new lands until—in seven to ten years—the young coconut plants began to bear fruit.

16. Mr. ROLZ BENNETT (Guatemala) said that the production of copra in the Territory and, consequently, the Territory's income from the sale of copra, would thus apparently continue to fall for a period of seven to ten years.

17. Mr. POWLES (Special Representative) said that the position of private Samoan plantations was somewhat different. The Department of Agriculture had reason to suspect that all the nuts that fell from the trees were not harvested, particularly in the more remote plantations where working conditions were difficult. If measures were taken to avoid that loss, the Territory could, in the opinion of the Department,

produce 15,000 tons of copra. Unfortunately, if present trends continued, the production for 1958 would be less than 10,000 tons.

18. Mr. ROLZ BENNETT (Guatemala) pointed out that the coconut trees on the private plantations were also old, and therefore, even if harvesting methods could be improved, the general yield would still drop. The situation thus called for strong action by the Administering Authority.

19. Mr. POWLES (Special Representative) said that the need for action had not escaped the attention of the Department of Agriculture. The replanting programme had been put into operation, and a large number of old trees had already been replaced on the coconut plantations.

20. Mr. ROLZ BENNETT (Guatemala) asked the special representative whether the replanting programme required additional funds or could be carried out with the funds already available for that purpose in the budget of the Territory.

21. Mr. POWLES (Special Representative) admitted that the programme would entail considerable expenditure and raise budgetary problems. As, however, the Legislative Assembly did not appear for the time being willing to take the necessary financial measures, one or two years would no doubt elapse before it realized the need for doing so.

22. Mr. ROLZ BENNETT (Guatemala) asked the special representative whether the same problem arose in connexion with the cocoa, banana, coffee and rubber plantations.

23. Mr. POWLES (Special Representative) said that it did but was not nearly so acute. As the cocoa tree was more simple to plant than the coconut tree, cocoa production would probably continue to increase. Coffee was a comparatively new crop in Western Samoa, and its future was therefore difficult to forecast. It would appear, however, to have great possibilities. Rubber raised a difficult problem because of the instability of the world rubber market. The cultivation of rubber trees was limited by the cost of production. There was a very definite figure below which it was not economical to tap the trees, and as that figure had just been reached in Western Samoa, rubber production in the Territory might stop at any moment.

24. Mr. ROLZ BENNETT (Guatemala) asked the special representative whether he believed that a substantial increase in cocoa and banana production could, from an economic point of view, affect the drop in the production of copra. Would it be possible to increase the production of those two crops speedily, and, if so, could the market absorb the increase?

25. Mr. POWLES (Special Representative) said that the possibility of increasing cocoa production depended of course on the future world price for cocoa, which had in recent years undergone very violent fluctuations. If the world price settled around the level of £270 to £300 a ton, then the production of cocoa in the Territory could, from an economic point of view, offset the reduction in the volume of copra exports. As far as bananas were concerned, the market was limited to New Zealand and did not offer any prospects for expansion. The shipping of bananas presented a further difficulty, and although the matter was being investigated, the outlook was not at all hopeful.

26. Mr. ROLZ BENNETT (Guatemala) asked the special representative for information concerning the salaries of overseas officers serving in Western Samoa. He asked in particular whether the special representative could give the amount of salaries paid to overseas officers and employees and the salary bill for the public service of the Territorial Government.
27. Mr. POWLES (Special Representative) said that the annual amount paid to overseas officers was about £120,000 and the total salary bill for the Public Service of the Territory was about £550,000.
28. Mr. ROLZ BENNETT (Guatemala) asked what was the number of overseas employees in the service of the Territorial Government.
29. Mr. POWLES (Special Representative) read out a table showing the number of overseas and other employees in the various branches of the Public Service of the Territory, as well as the number of reductions which had taken place in the staff during the first six months of 1958. The total number of officers employed by the Government of the Territory as at 30 June 1958 was 1,451, including eighty-three overseas and 1,368 other officers. Ten overseas officers and 237 other officers had been dispensed with in the first six months of 1958.
30. Mr. DE CAMARET (France) said that the Administering Authority had given very complete information on the economic development of the Territory and that the representative of Guatemala had asked a number of questions which the French delegation had also intended to raise. He himself now had all the information necessary for arriving at a considered opinion, and he would make that opinion known to the Council at a later time.
31. Mr. EL-ERIAN (United Arab Republic) said that according to the report of the Administering Authority^{1/} the various administrative Departments, with the exception of Agriculture and Lands, had had to reduce their budget estimates by 20 per cent when an expected grant of £126,000 from the Western Samoa Trust Estates Corporation had not materialized. In addition, the special representative had stated that the economy of Western Samoa was about to undergo a transformation and that the problem was one of increasing public revenue. Did the Administration envisage an increase in the rates of income tax?
32. Mr. POWLES (Special Representative) said that he believed it would be necessary for the Samoan Government to examine the situation with a view to finding out how increased revenue could be obtained. As, however, government taxation proposals to the legislature were not usually published beforehand, it would not be proper to answer at that stage a question with regard to the form of taxation envisaged.
33. Mr. EL-ERIAN (United Arab Republic) recalled that the Trusteeship Council had expressed the hope (A/3170, p. 278) that the Administering Authority would
- keep the Council informed of the progress made towards establishing in the Territory a Bank of Samoa to serve the needs and interests of the people and to help in the framing of a comprehensive, long-range development programme. According, however, to page 39 of the Administering Authority's annual report, the Bank of New Zealand was still the only trading bank in the Territory. As he seemed to recollect the special representative stating that a bank was being established in the Territory, he asked what the position was in that respect.
34. Mr. POWLES (Special Representative) said that the negotiations for the setting-up of a new bank in the Territory were on the point of being successfully completed. It would not, however, be proper at that stage to give particulars regarding the formal structure of the new bank, since the negotiations on the subject were still taking place between the Government of Western Samoa, the Government of New Zealand and the Bank of New Zealand.
35. Mr. RASGOTRA (India) asked for information regarding the functioning of the Western Samoa Trust Estates Corporation and, in particular, whether its operation was regulated by a statute, whether it could increase its land holdings, whether it had a reserve fund and what were its administrative expenses and its annual profits.
36. Mr. POWLES (Special Representative) explained that the Corporation, established by the Samoa Amendment Act of 1956 (No. 2), managed as trustee for the people of Western Samoa the assets of the New Zealand Reparation Estates, which had been vested in the Corporation. The Corporation had to take into account the views of the Government of Western Samoa as communicated to it in writing from time to time by the High Commissioner. The annual profits of the Corporation, after due provision for reserves had been made, were paid in to the Treasury of the Samoan Government to be kept in a special account and disbursed upon appropriation made by the Legislative Assembly.
37. Mr. TAMASESE (Special Representative) added that the Board of Directors of the Corporation had come into being on 1 April 1957, and all things considered, had decided not to make a grant that year. The Corporation would present the financial statement for its first year of operation to the High Commissioner and to the next session of the Legislative Assembly.
38. Mr. RASGOTRA (India) asked the special representative for a rough estimate of the Corporation's administrative expenses.
39. Mr. POWLES (Special Representative) said that the balance sheet for the year ended 31 March 1957 was available for the Indian representative to see. Although no separate figures for administrative expenses were shown, it should be possible to determine them from the profit and loss statement.
40. Mr. RASGOTRA (India) asked what were the average annual profits.
41. Mr. POWLES (Special Representative) pointed out that the Western Samoa Trust Estates Corporation succeeded to the New Zealand Reparation Estates only on 1 April 1957. The profits made by the latter had for many years been paid to the Territorial Government. From 1950 to 1953 profits were about £80,000; in 1954

^{1/} Report by the New Zealand Government to the General Assembly of the United Nations on the Administration of Western Samoa for the Calendar Year 1957 (Wellington, R. E. Owen, Government Printer, 1958). Transmitted to members of the Trusteeship Council by a note of the Secretary-General (T/1394).

£102,000, in 1955 £157,000, in 1956 £91,000 and in 1957 £59,000.

42. Mr. RASGOTRA (India) inquired about the size of the Corporation's reserve fund.

43. Mr. POWLES (Special Representative) said that the figure was given in the balance sheet he had just mentioned.

44. Mr. RASGOTRA (India) asked whether there was a provision in the Corporation statute under which further acquisitions of land were possible.

45. Mr. TAMASESE (Special Representative) replied that it did have that power.

46. Mr. RASGOTRA (India) recalled that by law the Corporation was required to render its profits to the Government of Western Samoa for development purposes. However, the annual report stated on page 37 that in 1957 the Corporation had been unable to make the grant. He wondered whether it could ignore the law, whether it had made any profit in 1957, and why such profit could not be handed over to the Government.

47. Mr. POWLES (Special Representative) explained that contrary to expectations—which were unduly optimistic—the Corporation had not been able to turn over any profits to the Government in 1957 because it had had to use all the profits of the New Zealand Reparation Estates for the year 1956-57 as working capital and in order to provide the statutory reserves set out in the regulations. The Estates had had no real working capital, since it operated directly as a subsidiary of the New Zealand Department of Island Territories and its expenses were paid by Department appropriation. For the same reason, it had not needed any statutory reserves. When the Corporation was set up, it had been necessary to establish statutory reserves as well as a working capital. The Corporation was now in a good financial position and should be able to make the usual payments.

48. Mr. RASGOTRA (India) asked for information on the per capita income in the Territory and its relation to the average earnings of civil servants.

49. Mr. POWLES (Special Representative) said that the question was extremely difficult to answer, since it was not possible to determine accurately the national income of a Territory whose economy was largely a subsistence economy; and it was almost impossible to evaluate the items of per capita income not received in cash.

50. Mr. RASGOTRA (India) referred to the statement on page 38 of the report of the Administering Authority that 800 business licences had been issued in the Territory. He would like to know how many were licences for export business, and whether the fees for import and export licences were the same.

51. Mr. POWLES (Special Representative) said that the same fee was charged for both types of licences. He could not supply off-hand the exact number of import licences.

52. Mr. RASGOTRA (India) said that, as the balance of trade was not favourable to the Territory at present, he would like to know how import business compared with export business.

53. Mr. POWLES (Special Representative) doubted whether the comparison of import and export licence

businesses would throw a great deal of light on the problem of the over-all balance of trade—which incidentally was not necessarily unfavourable. The report indicated that for a five-year period the balance had been favourable. There was no indication at the moment that there would be a deficit trade balance in 1958. In any case, the problem of the Territory was not a balance-of-trade problem but rather a government revenue problem.

54. Mr. RASGOTRA (India) pointed to a minus trade balance for 1956 and an insignificant plus balance for 1957, in appendix VII of the annual report.

55. Mr. POWLES (Special Representative) thought it more appropriate to look at the situation over a period of years, rather than for a twelve-month period, which was a purely artificial term. From the long-term view it was fair to say that the balance of trade for the Territory had been favourable.

The meeting was suspended at 4.5 p.m. and resumed at 4.30 p.m.

56. Mr. RASGOTRA (India) said he would like to know the extent of hard currency payments for imports during 1955-56 and 1956-57, and the items imported.

57. Mr. POWLES (Special Representative) said he would try to supply the figures at a later meeting.

58. Mr. RASGOTRA (India) asked whether any record was kept of remittances of profits overseas by firms of overseas origin.

59. Mr. POWLES (Special Representative) replied that no such record was kept. There was no restriction on the movement of funds between Western Samoa and associated parts of the sterling area, such as New Zealand, Australia and Fiji.

60. Mr. RASGOTRA (India) noted that the Administering Authority's aim was that the European and Samoan communities should merge their activities. But he wondered how the indigenous inhabitants could be encouraged, for example, to share in the commercial functions of the Europeans so long as the present restriction on indigenous people joining the incorporated companies continued.

61. Mr. POWLES (Special Representative) said that with the development of education and the increased opportunities open to them, the Samoans were participating more and more at practically all levels in commercial activities. No specific steps to foster participation had been taken by the Territorial Government other than the encouragement given to the co-operative system. It was true that a law still in force required the consent of the High Commissioner before a Samoan could take shares in an incorporated company. But that was not the only way, nor the best way, of entering into business, and consent was almost invariably given, so that the law had no restrictive effect. He recognized that the provision no longer served a useful purpose. The Legislative Assembly had the power to remove the restriction if it so desired.

62. Mr. RASGOTRA (India) inquired as to the number of motor vehicles existing in the Territory, the number imported and the amount of foreign exchange spent on such imports. He would also like to know whether there were any taxes on such vehicles.

63. Mr. POWLES (Special Representative) said that the number of vehicles in the Territory was shown on

page 138 of the annual report. Statistics on the number imported in 1957 had probably not yet been published. Figures for 1956 were given in the document entitled "Trade, Commerce, and Shipping of the Territory of Western Samoa"^{2/} which the Administering Authority sent to the Council. It was expected that revenue from tax on motor vehicles in circulation and drivers' licences in 1958 would amount to £11,000.

64. Mr. RASGOTRA (India) asked what was the quantity and value of motor spirit imports, the total value of sales of motor spirit in the Territory and the proceeds of the motor spirit tax, if such a tax was levied.

65. Mr. POWLES (Special Representative) thought some information on the matter for the year 1956 was available in the document to which he had referred. For 1957 he had no information other than that given on page 131 of the report.

66. Mr. RASGOTRA (India) asked if the Territory imported fish, and, if so, who were its principal consumers and what the import duties on fish amounted to.

67. Mr. POWLES (Special Representative) said that he was not in a position to answer the question fully at the moment. He could state, however, that imported fish was consumed primarily by the indigenous inhabitants.

68. Mr. RASGOTRA (India) noted that the Territory was in a very favourable position as far as fishing was concerned, and expressed the hope that every effort would be made to develop the fishing industry so that fish imports could eventually be cut out altogether. He asked whether the Territorial Government had taken or contemplated taking any steps to standardize methods of fishing.

69. Mr. POWLES (Special Representative) thought perhaps the need was rather to diversify still further the many methods already in use. The waters were not teeming with fish and different methods had to be used depending on the species and the season. An officer of the Department of Agriculture had taken the fisheries course given at Nouméa by the South Pacific Commission.

70. Mr. RASGOTRA (India) thought the Territory should try to develop crops for export. As it was not known whether the price of copra would continue to decline it might be desirable to undertake the cultivation of rice, a product of which there was a shortage in certain neighbouring areas. He asked whether any experiments had been carried out along those lines and whether there was a likelihood that rice would be extensively cultivated.

71. Mr. POWLES (Special Representative) said that experiments had been undertaken by the Department of Agriculture as mentioned on page 57 of the annual report. Rice was a popular food among the indigenous inhabitants and might prove to be a valuable addition to their diet in certain areas. Large crops could not be expected, however, in view of the hilly and rocky nature of the terrain, which was more suitable for the cultivation of the highly nutritive taro.

72. In reply to another question by Mr. RASGOTRA (India) concerning the Administration's forestry policy, Mr. POWLES (Special Representative) explained that Samoan timber could not be commercially exploited because it did not constitute genuine virgin forest but

was second growth covering formerly inhabited lands. Although some of the timber was suitable for making furniture, the trees were so widely separated that felling was very costly. That was why the New Zealand Reparation Estates had decided to close down its sawmill on Savai'i, after it had been operating at a considerable loss. The drop in timber production in the Territory was the result of that decision. The forests which covered the highlands on the two main islands were essential for water and soil conservation; the Administration intended to preserve them and even contemplated the establishment of forest reserves. It had drawn up a bill to that effect which it hoped would be approved by the Legislative Assembly. It intended, however, to permit the inhabitants, so long as no danger was entailed, to fell trees in certain clearly-defined areas on Savai'i and Upolu in order to extend the areas suitable for cultivation.

73. Mr. RASGOTRA (India) noted with regret that progress on the agricultural college at Avele had been slowed down because the neighbouring Territories concerned had not furnished the necessary funds and services. In view of the importance of such a college to a country whose economy was based largely on agriculture, he would like to know whether the Administration considered it desirable to seek assistance from sources such as the United Nations Expanded Programme of Technical Assistance.

74. Mr. POWLES (Special Representative) said that he thought the Administration would increasingly take such possibilities into consideration. It had not yet made a decision but would doubtless again consider the matter before the end of the year.

75. In reply to a question by Mr. RASGOTRA (India) concerning technical schools and vocational training, Mr. POWLES (Special Representative) said that vocational courses were given in the public schools and some of the schools run by missions and that an evening course had been organized at Apia by the Department of Education. The Government had taken no special steps to encourage the development of cottage-type industries, but certain private individuals were promoting the production of items which Samoa could sell to tourists or in New Zealand.

76. Mr. RASGOTRA (India) noted that the High Commissioner had spoken of the possibility of a revolution in the method of producing copra. He asked what factors had so far impeded that development.

77. Mr. POWLES (Special Representative) did not think the situation was very encouraging at the present time. A process was now in operation in the Philippines whereby coconut oil could be produced from the green coconut and research along similar lines was being carried out in other countries. Much work remained to be done, however, and it was not work in which the Territory could participate. A method would have to be found which could be applied in a small territory such as Western Samoa. The present total production was not sufficient to maintain a modern plant for the production of coconut oil.

78. Mr. RASGOTRA (India) asked if it might not be possible, as a way of protecting the Territory from fluctuations in the price of copra on the world market, to encourage the development of small industries utilizing copra.

^{2/} Wellington, R. E. Owen, Government Printer, 1957.

79. Mr. POWLES (Special Representative) replied that there was a small soap-works in the Territory, and the Trust Estates Corporation contemplated the establishment of a coir matting factory.

80. Mr. RASGOTRA (India) said he was glad to note that a Minister of Economic Development had been appointed and that technical surveys had been undertaken with a view to working out an economic development plan. He asked whether the Samoan Government had a general outline of such a plan in mind.

81. Mr. POWLES (Special Representative) replied that the work of drawing up a plan was proceeding satisfactorily but he could give no details.

82. Mr. RASGOTRA (India) observed that the annual report for 1957, unlike preceding reports, made no mention of grants from the New Zealand Government.

83. Mr. POWLES (Special Representative) explained that in the past such grants had been charged against the profits of the New Zealand Reparation Estates Corporation, those profits being thus put at the disposal of the Territorial Government. Because of the formation of the Trust Estates Corporation, it had not been possible to do that in 1957. As the Territorial Government had found itself in straitened circumstances, the New Zealand Government had special grants for 1958 totalling £82,000, of which £19,000 actually applied to 1957.

84. Mr. RASGOTRA (India) felt that if Samoa was to undertake to carry out an economic development plan it would be obliged to mobilize internal capital. He asked whether the Territorial Government could not persuade the Samoans to invest their capital, which appeared to be considerable, in development projects by floating a loan and setting up an economic development fund.

85. Mr. POWLES (Special Representative) said that the possibility could be considered. The passage of the Financial Powers Bill by the Legislative Assembly, after four months of debate, would henceforth enable the Government to borrow money. Unfortunately, the Assembly had rejected the measure which would have allowed the Government to obtain the revenue necessary to pay interest and to establish a sinking fund. However, efforts would be made to raise capital locally.

86. It was true that the inhabitants of the Territory hesitated to invest capital locally and had even invested money abroad. It should not be forgotten, however, that there were few possibilities of investment in Samoa since there was practically no industry there. At the same time, the savings bank in which many Samoans kept their savings did make possible some accumulation of capital.

87. Mr. RASGOTRA (India) noted that the highly-organized Samoan community gave evidence of concern with social problems. He wondered whether it would not be possible to work out a development plan based on co-ordinated community development projects. The population might be willing to invest its capital in such projects, which would be of immediate benefit to them.

88. Mr. POWLES (Special Representative) said that in the present stage of the Territory's capital resources and needs it would be impossible to attract local capital for any projects which did not show an annual return. Community development projects fell into that category.

89. Mr. RASGOTRA (India) said that he merely wished to emphasize the usefulness of a community development plan; the incentive should come from above, from a planning commission or from the Government itself; as India's experience proved, specific agricultural, public health or educational projects could arouse the enthusiasm of the people. Since the Territory could not become a highly industrialized country, its development would have to be of a small-scale type.

90. Mr. POWLES (Special Representative) said he was sure the Administering Authority would be glad to profit from India's experience in that field.

91. U AUNG THANT (Burma) noted that the Territory was now going through a critical period of transition from a subsistence economy to a modern money economy. He asked what steps had been taken to ensure that the people of Western Samoa would not suffer from the difficulties inherent in that change.

92. Mr. POWLES (Special Representative) replied that measures had been taken many years previously to protect the Samoans against what were considered the harsh methods of an unrestricted money economy. One example was the provision that a Samoan must obtain the consent of the High Commissioner before buying shares in an incorporated company. Some of the measures taken had been annulled by the Legislative Assembly, for example those which protected the Samoans against prosecution for debt. He considered that the Samoan system and way of life was solidly enough organized so that adjustment to another system could be made with advantage. The process would be long and gradual.

93. U AUNG THANT (Burma) pointed out that according to a group of financial experts who had visited the Territory in 1957, the solution of the Territory's difficulties lay primarily in an increasing public revenue through increased production. A select committee had been appointed by the Legislative Assembly to study the report by those experts. He would like to know what policies they had recommended.

94. Mr. POWLES (Special Representative) said that the select committee established in 1957 had not completed its study of the report when it was replaced by another committee appointed following the elections. The new committee might examine the report at the August session. The report did not include many specific recommendations.

95. U AUNG THANT (Burma) noted that according to the annual report most of the Samoan planters were endeavouring to adopt more modern and remunerative methods of the production of copra, cocoa, and bananas, and were seeking the capital necessary to do so. He asked how they found that capital.

96. Mr. POWLES (Special Representative) said that in the past the Administration had been unable to make capital available to the Samoan planters. The passage of the Financial Powers Bill would now enable it to do so. He thought that the money would be lent through the Bank of Samoa. Trading firms sometimes made advances to the planters.

97. U AUNG THANT (Burma) asked what projects or development work had had to be interrupted because of budgetary difficulties.

98. Mr. POWLES (Special Representative) replied that the work affected was mainly road construction and the construction of dormitories for Samoa College.

99. In reply to another question from U AUNG THANT (Burma), Mr. TAMASESE (Special Representative) said that the profits of the Western Samoa Trust Estates Corporation during the past year could not yet be made public, but the Administering Authority would include them in its next report.

100. Replying to further questions from U AUNG THANT (Burma), Mr. POWLES (Special Representative) said that the copra traders who held buyer's licences bought copra at the production site, processed it and brought it to the ports, where it was sold to the Copra Board. No great attempt had been made by the population to take advantage of the facilities offered by the three credit co-operative societies established during the year under review. The seven overseas firms naturally paid taxes on their profits, but the amount paid was confidential.

101. U AUNG THANT (Burma) noted that according to pages 64 and 65 of the Administering Authority's report, the indigenous inhabitants must have the express permission of the High Commissioner before forming a business company. He asked for an explanation of that exception to the policy of not discriminating between the indigenous inhabitants and the other sectors of the population in regard to transport and communications.

102. Mr. POWLES (Special Representative) said that it was one of the vestiges of the legislation which had existed in earlier times for the protection of the indigenous inhabitants. The provision might usefully be repealed.

103. U AUNG THANT (Burma) noted that according to page 49 of the report, the Administering Authority's economic policy was to encourage the merging of the indigenous inhabitants and the "local Europeans". He asked if that would not be tantamount to putting the indigenous inhabitants at the mercy of the Europeans,

who knew more about modern business methods, and whether some measures for the protection of the Samoans would not be necessary.

104. Mr. POWLES (Special Representative) said he did not think that economic exploitation of the Samoan community by the small minority of "local Europeans" need be feared. Provisions were in force protecting Samoan land holdings, which safeguarded the Samoans from any serious danger. They were perfectly capable of meeting almost any type of economic competition.

105. U AUNG THANT (Burma) noted that, according to page 102 of the report, the chief cause of poor school attendance was the desire of some parents to have their children available for work on the family plantation or to have them obtain work in Apia. He asked what steps had been taken to enable the children of needy families to continue their studies.

106. Mr. POWLES (Special Representative) said that the passage in the report did not mean that attendance was low at the village schools but that their pupils, after reaching the higher classes, often left school, mainly to work on the plantations. In the higher classes of the village schools there were almost always four to five times more girls than boys. The Minister of Education was greatly concerned at that situation.

107. In reply to another question from U AUNG THANT (Burma), Mr. TAMASESE (Special Representative) explained that while some Samoan students returned from abroad with ideas different from those of the Samoan people, they constituted only a small group. Once they were again acclimatized to their environment their outlook would change.

108. Replying to a further question from U AUNG THANT (Burma), Mr. POWLES (Special Representative) explained that of the four trading firms listed in the report (p. 50) as being predominantly or completely owned by Samoans, only the first included non-Samoan capital.

The meeting rose at 6 p.m.