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NATIONAL INCOME

and

BALANCE OF PAYMENTS

of

FIJI 1950-53

by

CARLEEN O'LOUGHLIN M.A. M.Sc. (CANTAB.)

A Thesis

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PLAN OF THE WORK AND STATEMENT OF ORIGINALITY

Chapter one involves a descriptive study of Fiji. The material is based mainly on published sources and is not original. Part of the discussion relating to mining companies (page 5) communications (page 7) and financial institutions (pages 21 and 24) are claimed to incorporate original thought.

Chapter two is a description of the particular problems of national income investigation in underdeveloped territories and a statement of methodology. The former part incorporates some development of ideas based on the work of recognised authorities but no outstanding contribution of an original nature can be claimed for this section.

Chapters three - six present the results of the national income investigation in output, income and expenditure form. As far as the statistical material is concerned complete originality is claimed, no previous work of this type whatsoever being available either in published form or in government files, on Fiji national income. As regards the methodological approach, no such sweeping claim to originality can be made. In the nature of the case, it was necessary to adhere to a great extent to recognised techniques, particularly in regard to presentation of the final tables. If the survey had been undertaken purely as an academic study, rather than as a joint government-university undertaking, a more experimental approach would have been possible.

An original contribution may however be claimed in the following methodological aspects of Chapters three to six.

In Chapters III and IV a greater breakdown in the types of agriculture, and industry, and the presentation of more statistical detail of certain products than found in previous studies of this type, was possible. This resulted from the availability of fairly comprehensive Agricultural Department surveys and from the inclusion of actual field surveys in

the investigator's programme, in both the agricultural and non-agricultural sectors. As complete inter-sector accounts (by industries) would have meant little in the circumstances, and could not have been reliably computed from existing data, attention was given to constructing where possible, and on an elementary level, non-integrated accounts for any sectors in which the reliability of the figures was considered reasonable. In Chapter V, also, a considereble breakdown of the types of non-agricultural income was possible and was felt to have been simplified by the relative concentration of major profit incomes and the smallness of the labour force. This is claimed to be a relatively original approach as previous colonial national income studies have omitted such a breakdown, it being claimed that such data are difficult to obtain.

In Chapter VI some originality is claimed for the method of presenting an independent estimate of private capital formation and its components to compare with the item as reached by residual in the balancing tables (Table 46).

It is difficult to claim originality for the statistics in Chapter VII (the government sector) as they are mainly a re-arrangement of figures published in the Colony's financial accounts. Some of the collations had in fact already been made for the 'Fiscal Review Committee' which was held during 1954. The analysis of taxation incidence is however of an original nature.

The statistical data in Chapter VIII showing the Balance of Payments in 1952 and 1953 was computed by the investigator specifically for this study. The 1950 and 1951 figures are however taken mainly from estimates made by Mr. R.Parkinson of the Fiji Government. The computations of the Terms of Trade (p. 150) and the Direction of Trade (p. 154) are original computations although the latter involved only simple aggregation from the published trade returns.

Chapters IX and X include mainly the results of original field surveys. These surveys were undertaken specifically for the purpose of the national income study. As the statistics used from them in the main part of the study could convey little of the general quantitative and qualitative results of these surveys, it was thought desirable to use the supplementary information obtained for these two chapters on the economic life of Indian and Fijian people respectively. As economic data on the European community was obtained mainly from Inland Revenue data no survey relating to them, specifically, was undertaken.

The surveys undertaken are listed in Appendix I (p.213). The survey of Indian wage earners (p.167) was done in collaboration with Miss S. Holmes (now Mrs.Parkinson) Senior Nutritionist, South Pacific Health Service. Other surveys were undertaken by the investigator with the assistance of local interviewers.

The conclusions of Chapter XI are claimed to incorporate original thought.

The sector accounts in Appendix II are similar in outline to those appearing in Miss N. Siffleet's "National Income and National Accounts" (Social and Economic Studies, Vol.1 No.3). But it was considered that the presenting of the accounts in matrix form (Table 74) was an improvement on the cross-numbering technique usually employed.

The work was started in October 1953. From January 1954 - December 1954, approximately 11 months were spent in Fiji, during which period the statistical data from government and business accounts were collected and field surveys were done. The period from January - May 1955 was spent in Canberra working entirely on the collation and preparation of the material. From May - September 1955, a visit was made to the Gilbert Islands and the work in Fiji, temporarily suspended. By December 1955 an initial report based on the

material of this thesis was sent to the Fiji Government with a view to providing them with reasonably up-to-date information. During the period March - July 1956, work continued in Cambridge under the direction of Miss Phyllis Deane and the Fiji work was prepared for publication under the title "The Pattern of the Fiji Economy - National Income 1950-1953" and is now being printed by the Fiji Government printer.

The present thesis, does not differ materially from the printed version of the work. Some attempt has been made, however, to alter slightly the matter in Chapter two. For the printed work, it was necessary that this be an elementary exposition of national income methods. For the thesis some attempt has been made to expand this exposition. A certain amount of repetition evident in the printed Chapters II and III has been removed from the thesis, and an extended description of sources has been added to Appendix I, in the present thesis. Since July 1956, the writer has been working on similar national accounts work in the Caribbean. Inevitably some development has taken place in the views and methods of approach used by the writer, but these could not all be incorporated in the Fiji work which represents, substantially, the approach and methods used up to mid-1956.

SUMMARY OF ARGUMENT

In this thesis are presented the results of an investigation of the National Income and Balance of Payments for the colony of Fiji during the period 1950-53. The two introductory chapters (I and II) include a background description of the Colony and a discussion of National Income methods and techniques employed. There follows an analysis of the National Income material (chapters III-VI) set out in output, income and expenditure form and sub-classified by industrial origin of output, distribution of income, and directions of expenditure on consumption and investment. An account of the government sector and the incidence of taxation is included (chapter VII). The balance of payments is analysed and presented (chapter VIII) with a discussion of the direction and composition of external trade. Two chapters of a subsidiary nature (IX and X) describe economic aspects of the life of Indians and Fijians respectively and are based on supplementary information collected during field surveys. A chapter of conclusions (XI) discusses economic aspects of some of the main statistical conclusions which emerge from the investigation.

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Chapter 1

THE BACKGROUND TO THE ECONOMY

1. Geography, Resources and Communications

Fiji is a group of about 322 islands and islets of which 95 are inhabited. This group covers a land area of 7083 square miles and a sea area of about 100,000 square miles. There are two large islands, Viti Levu and Vanua Levu, of 4,010 and 2,137 square miles respectively, and there are six other islands of between 25 and 200 square miles. A glance at the map will show the scattered nature of this group. This geographical feature with its communications problem has a profound influence on the way in which the economy has developed.

The islands of Fiji[1] are of "volcanic materials and sediments deposited towards the eastern margin of a massive platform of great age".[2] It is only rarely that volcanic activity, in the form of mild earthquakes disturbs the islands, although an earthquake, accompanied by a tidal wave, did some damage in Suva in 1952. All the larger islands have mountainous interiors, rising often to heights of about 4,000 feet. There is thus a marked difference in the rainfall between the leeward and the windward slopes of these islands. On Viti Levu, for instance the rainfall in Lautoka, on the north east of the island averaged 66 inches per annum between 1935 and 1945, while that of Suva in the south was approximately 117 inches.

This difference in climate brings about a degree of localisation in the production of major crops. Sugar cane is grown

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(1) In this study, Rotuma is included as part of Fiji. The Rotumans, although ethnologically a different people from the Fijians, pursue a way of life which in the economic sense is similar to the Fijian village life.

(2) Derrick. The Fiji Islands. p.29.

mainly on the drier sides of Viti Levu and Vanua Levu. Bananas grow mainly in the wet Rewa Valley and round the south coast of Viti Levu; (but the reason for this localisation is one rather of communications than of climate as bananas must be brought speedily to the port of loading for export). There are two pastoral and dairying districts in the southern part of Viti Levu. The coconut palm grows in all the islands but is most prolific in lower coastal areas. The windward slopes of most of the islands are, except for the cultivated valleys and farming regions, covered in tropical rain forest. At higher altitudes, between about 2,000 feet and the cloud belt, at approximately 3,000 feet, valuable commercial timber is found. There are considerable mangrove districts on the coast particularly near river mouths. The northern slopes of the larger islands, which were once heavily timbered also, have become denuded of forests, owing to practices of shifting cultivation and of burning scrub to secure grazing. There are now about two million acres of this 'green desert' in Fiji and much of it is badly eroded.[1]

Fiji lies between longitudes 178.12 West and 176.5 East and between latitudes 15.42 and 21.02 South and is in the path of the South Easterly trade winds between April and October. The average mean temperature is about 76.5 degrees for the year. Although there is officially a wet and dry season, in fact the rainfall is well distributed, and severe droughts are uncommon. The climate is thus suitable for the healthy growth of most tropical crops.

Tropical hurricanes are however, fairly common, some part of the group being affected nearly every year. Thus the production of crops from long maturing trees and plants which are not resistant to hurricanes, has not gone ahead. Particularly has

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(1) Report of Conservator of Forests to Council of Chiefs 1950.

the fear of hurricanes discouraged the growing of cocoa and Fiji has not been able to benefit from the valuable post-war market. The Department of Agriculture has shown that the cocoa plant has good vitality and will usually survive if quickly rehabilitated after a hurricane and this experience is encouraging wider cultivation of the crop. Bananas are of course particularly vulnerable to hurricane damage but as this crop is replanted almost at yearly intervals only one season's income is lost. Damage is caused to the coconut palm and many ripening nuts are lost; but as copra production is distributed throughout the group it is rarely that hurricanes cause a marked decline in the export figures in any one year. Some damage can be caused to young sugar cane, but for the most part the current crop is harvested by the commencement of the hurricane season. Hurricanes cause severe loss, both in terms of present and future values, of standing timber; and the cost in dwellings, buildings, boats and other property damaged and written off, is difficult to estimate. The chances of getting a hurricane in any one place is thought to be once in every ten years, some places being of course more vulnerable than others. Particularly high profits would thus have to be offered to induce the cultivation of plants taking more than five or six years to mature if they were likely to be seriously damaged by hurricane.

Fiji, by any standards, is well off for mineral ores. There are other known gold deposits, both lode and alluvial, besides those which are being worked in the Vatukoula districts of Viti Levu, and the Mount Kasi mine, now worked out, in Vanua Levu. A geological survey recently conducted by Dr W.Skiba indicated the existence of commercially exploitable quantities of manganese ore in an area of about fifty square miles in the Sigatoka River region and this mineral, which is of an exceptionally high grade

is now being mined. Copper and zinc are also present in Fiji in commercial quantities. Iron ore deposits in West Viti Levu are also of particularly pure ore. There are magnetite boulders in this district, which, it has been suggested, could be blasted up for exportation.[1] There are some deposits of phosphate and guano in outlaying parts of the group and consideration has been given to exporting phosphate from Ogea Driki in the Lau Islands.[2]

The exploitation of minerals in Fiji must of necessity be limited by the costs and difficulties of transportation. When manganese ore was first exported in sacks with other cargos it was found, on landing, to have rotted the sacks and contaminated the copra with which it travelled. Later experiments of packing the ore in drums were more successful but this method was somewhat expensive. The only way to freight ores economically, generally speaking, is in specialised ships which take the minerals as a main cargo, and this is only worth while when production reaches levels securing full cargos.

With metals at high world prices, it may be profitable to mine ores and ship them in this way. Mining in base metals in Fiji may prove more attractive to the 'hit and run' investor, than to those interested in long term investment in fixed capital such as smelters, since the cost of power is high and the markets are at some distance. 'Hit and run' mining is not however,[3] necessarily a bad thing for a dependent territory such as Fiji. It generally means that ores will be marketed when world prices are high, and conserved in the ground when world prices are low.

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(1) Department of Mines. Annual Report 1953.
(2) Fiji would probably be wise to think twice, however, before parting with her own phosphates in view of potential supply difficulties in the world phosphate markets, particularly if it should be found feasible for Fiji to utilise her own phosphates on her own crops.
(3) The larger mining group now operating in the gold mining area is far from a 'hit and run' concern, having sunk considerable capital. Manganese operators are planning bulk handling installations but this and other forms of mining probable in Fiji are unlikely to invest at the smelting stage.

whereas mining concerns who have sunk considerable amounts of capital in an enterprise will generally continue utilising their existing capital as long as it lasts, providing prime costs are covered and will thus be selling the country's mineral resources for a relatively low return when prices fall in world markets. Mining companies frequently bequeath a valuable inheritance of roads, power and water services apart from the development which can be carried out with the revenue collected from taxing them. In the early stage of the country's development, even a small amount of this type of investment is of greater value to it than the mineral resources which are exported. The argument against 'hit and run' mining is of course that if the companies should cease operations, unemployment and loss of income would occur at times when world commodity markets were depressed and the countries economy could least afford it. To some extent, the government can insure against this situation, and should certainly adopt special budgetary considerations when mining companies are operating. This applies equally to more permanent mining industries such as the gold mining industry in Fiji which has sunk considerable capital in the country, but is likely to cease operations at some unforeseeable date when resources of ore are no longer worth exploiting. Two kinds of revenue are collected from mining companies, royalties on the actual amounts of ore removed, and the ordinary taxes on the profits of the company, and on the incomes of its resident employees. Royalties must always be regarded as a kind of compensation for the removal of a 'wasting asset' and the revenue from them should rightly be used for developing some other form of capital to replace the real asset lost from mining.

Fiji, in its contacts with the rest of the world has certainly benefited from the expansion of flying as a means of communication. The siting of an international airport at Nadi, a township near Lautoka in Viti Levu is likely to be a factor of

no minor importance in Fiji's economic development. Planes of three major world airlines land at Nadi on the Trans Pacific flight between Australia and North America and there are links with New Zealand and with other Pacific territories. Not only is this service building up a valuable tourist trade, much of it financed by dollars, but it makes Fiji accessible to officials and businessmen whose visits may be of value to the country's economy. The airlines also retain considerable resident staffs in the colony. TEAL Airlines has also for many years run a flying boat service between Australia, New Zealand, Noumea, Samoa, Tonga and Suva itself. These services are particularly popular with Suva residents as they operate outside the 'front door' but they are gradually giving way to the faster more economical landplane services from Nadi. Fiji is geographically more suitably situated for a stopping place for planes than as a stopping place for vessels. Vessels going from Australia or New Zealand to Panama generally pass north and south of Fiji. Since 1952 however, the Orient Line has been making Suva a regular port of call both for Pacific cruises and for runs between Australasia and North America. In 1954, 6 days were spent in Suva by Orient ships and a profitable business was done by local merchants and other residents of the colony.[1] The ships also provide a useful service for residents arriving in and leaving the colony. The banana ships from New Zealand also provide a fairly regular and fast passenger service, and various other passenger-cargo and cargo ships call at the colony each year to remove cargos of sugar and copra and deliver the country's imports.

Internal transportation is by water, road and air. All the larger islands are well watered with river systems. Rivers large and small provide the favourite means of transportation

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(1) More recently, ships of P. & O. and Shaw Savill have started calling fairly regularly at Suva.

and communications for the people in the interiors of the islands. The Rewa and its tributaries, in Viti Levu are important arteries of the banana trade, and the Sigatoka, Navua, Nadi and Ba Rivers are amongst other important means of contact for villagers on this island. In the north-west of Vanua Levu, the Dreketi River is associated with the timber business.

The difficulty and cost of sea transport around the Fiji group has been perhaps the chief contributory factor to the uneven development of economic activity in Fiji's various islands. Viti Levu, the largest island, had a population of 177,000 or 68% of the total in 1946. It has three ports suitable for ocean going vessels, it has about 400 miles of motorable road and 350 miles of light railway and it is estimated that about 77% of Fiji's Gross Domestic Product is attributable to Viti Levu. Vanua Levu which is a little more than half the size of Viti Levu had in 1946, a population of 40,000, only about 100 miles of motorable road, 90 miles of light railway and one port, Labasa which has grown up as a result of the sugar growing district near by.[1] Apart from this sugar belt, copra is the only important source of income for the islands outside Viti Levu; and their only source of communications, the irregular and barely profitable small copra ships. The development of an island economy is likely, for communication reasons, to follow this one sided pattern unless centralised action is taken to encourage development in the more backward districts. In underdeveloped countries which are composed of one large land mass, the building of roads and railways will cause new industries to grow up, and in effect, the industrial and agricultural development tends to follow the road or railway rather than the communications follow the existence of trade, as in shipping. Roads and railways have high capital costs but relatively low running

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(1) Savu-Savu is also occasionally used for the shipment of copra.

costs, and once the capital outlay has been made, sufficient services can generally be provided. Shipping service on the other hand have high running costs, and operators will endeavour to cover costs on each trip by concentration on locations where maximum loading can be obtained. In Fiji, copra ships appear to be plentiful in large loading centres and the different firms compete to reach loading points where a full cargo can be obtained, but many smaller centres are badly served, and the lack of shipping and other communications, hampers the marketing of goods other than copra. Most ships in Fiji are operated at an accounting loss, but the more valuable copra dealing trade in which the owners are also concerned necessitates the provision of shipping services. It seems evident however, that it would not be in the interest of a private firm to operate shipping to smaller centres, or to take part in the marketing of vegetables, roots and crops other than copra.

In Viti Levu, there is a good motorable road all round the island and smaller roads connecting many villages and townships have been built by the Public Works Department, by the Sugar Company and by the Mining Companies. Roads in Vanua Levu are now getting some priority from the Public Works Department, as it is recognised that the lack of communications is a great hindrance to the development of that island. In both the large islands, however, there is a need for roads opening up the interiors where there are many villages in fairly productive districts. Roads could bring money incomes to the poorer villages who are now unable to market their produce. Wherever there are roads, bus services, generally operated by Indians, are found and these services provide much needed links between villages and local markets.

In 1933 a local airline 'Fiji Airways' started, but ceased in the same year. Since 1951, however, the line has been operating under Government licence and subsidy. It provides

valuable communications with Taveuni, Labasa, Savusavu (also in Vanua Levu) and Nausori which is fifteen miles from Suva. Planes also operate between Nadi and Nausori, thus providing a link between the capital and the international airport.

2. The People

The last census, taken in 1946 resulted in a population count of 259,638 with 120,063 Indians or 46.2% of the total and 117,488 Fijians or 45.2% of the total. The remaining 8.6% of the population was mainly composed of Europeans, Chinese, other Pacific Islanders, and people of mixed blood. By 1953, the Indians had increased to 154,803 and the Fijians to 139,373.[1] These increases lend support to prognostications made in 1950 that the population could well double itself within thirty years. The population is predominantly young, and in 1953 only 14.5% of the total was over 45 whilst 43.2% was under 15.[2] An industrial analysis of the occupations by races, based on data collected for this National Income survey is given in Chapter V. The youthfulness of the population and high rate at which young males are reaching the employable age indicates that development will need to be at an appreciable rate if all workers are to be absorbed. Young Fijians can still be absorbed into the traditional village economy without pressure on resources, as Fijian land is still underutilised, but the Indian community, with only limited access to land, may, in the future rely more on non-agricultural development for the absorption of its expanding working population. More details of how the Indians and Fijians live in relation to economic activities are given in Chapters IX and X.

Other smaller groups in the population total include the Chinese, Europeans and part Europeans. There is also a small

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(1) Annual Report of the Registrar General 1953. Council Paper 13/54 Table 1 p.6.
(2) Annual Report of the Registrar General 1953. Council Paper 13/54 Table IV p.8.

number of Islanders from other parts of the Pacific some of whom are working temporarily in Fiji whilst others have settled there. (There are even a few families descended from people who came to the colony when the Fiji plantations were at the receiving end of the notorious "blackbirding" trade.) Estimates of population are made each year. The estimates for 31st December 1953 are shown in the table that follows. As a census has not been taken since 1946 and as one is due to be taken at the time of writing (1956), it is not felt that anything would be achieved by the inclusion in this study of detailed population statistics, many of which are, by now, somewhat unreliable.

TABLE 1

Population by Races 1953

	Male	Female	Total
Fijians	70,758	68,615	139,373
Indians	81,910	72,893	154,803
Europeans	3,468	3,032	6,500
Persons of mixed European and Native descent	3,885	3,611	7,496
Polynesians Melanesians, Micronesians	2,390	1,743	4,133
Rotumans	2,031	1,959	3,990
Chinese	2,607	1,250	3,857
Others	348	301	649
Total	167,397	153,404	320,801

The economic future of Fiji will be influenced, not only by the size and age structure of the total population, but by the attitude to economic development of the various groups which make up the total of population, and by the efficiency and availability of labour from these groups. These factors are discussed in more detail in Chapter XI but here it must be noted that, owing to the greater access to land of the Fijians and their ability to satisfy a greater proportion of their needs from the subsistence economy, it is probable that the Indian population will be

a greater source of paid labour. Further, it appears that the non-agricultural development of Fiji will continue in its present trend of drawing on the Indian population, increasingly, not only labour but capital and enterprise as well.

3. Economic History

The economic history of Fiji would make an interesting story in its own right. But the purpose of this study is to give an account of the contemporary economy, and only the milestones in the Colony's economic history can be mentioned.

Commercial relations between Europeans and Fijians started soon after the year 1800 when sandalwood was discovered in the North West of Vanua Levu. The trade in sandalwood with China was then a particularly profitable one and many hundreds of ships (sometimes two or three at once) visited Fiji during the following fifteen years. The natives were paid in iron, beads, paint, cloth and other cheap trade goods. So thorough was the exploitation of this timber that after about fifteen years the ships had ceased to come, leaving the natives relatively undisturbed for a decade or so, with only depleted forests and a few white beachcombers of dubious reputations as legacies of the 'sandalwood trade'.[1]

Late in the 1820s, ships began to visit the groups again in search of the beche-de-mer, a sea slug which, when dried, finds a ready market in China for culinary purposes. A brisk trade in procuring and drying sea-slugs grew up in all parts of the group but mainly in Vanua Levu, Kadavu and the Lau Islands.[2] And in this business the beachcombers are said to have had an important part as trade negotiators and by supervising the drying of the sluge.

Mention should also be made of the important native trade which existed, during the early half of the nineteenth century

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(1) Derrick. A History of Fiji.
(2) Derrick. ibid.

between Fiji and Tonga. The seafaring Tongans made visits nearly every year in their large ocean-going canoes and brought with them clubs, axes, Tongan bark cloth and whales teeth[1] (objects of monetary and ceremonial importance in Fiji). In return they received pottery, sinnet (a twine made out of coconut fibre), Fijian bark cloth and boats and spars, for which the Fijians had the best timbers. This trade had a lasting influence on the cultural and economic life of the Fijian villages, particularly in Taveuni, the Lau Islands and parts of Vanua Levu. Fiji's handcrafts were of a high order at this time, judging from the accounts given by missionaries, particularly in Taveuni and Vanua Levu. Pottery, barkcloth, woodcarvings, sinnet, mats and baskets were made, and although most of these crafts are still known today the extent and quality seems to have declined considerably.[2] Particularly is the building of large ocean-going canoes, a lost art.

By the 1860s a small resident white population of planters and traders had brought an embryonic monetary economy into being. This was mainly concerned with production and trade in coconut oil, coconut fibre, beche-de-mer, tortoise shell, cotton and sugar. The latter two crops were being cultivated on plantations, and in this decade cotton, particularly enjoyed a boom owing to the cutting off of American supplies through the American Civil War. Sugar was first exported in 1875. When World cotton markets returned to normal, cotton receipts declined, and by 1880 sugar had taken the lead as Fiji's most valuable export, a position which it has retained to the present day.

A tide of immigrants from Australia came out to Fiji following the end of alluvial gold-mining in Australia in 1865 and the number of white planters increased. Fiji appears to have been

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(1) I. Thomas Williams. Fiji and the Fijians. London 1858 p.94.
(2) I. Thomas Williams ibid. pp.65-67.

mainly at the receiving end of the 'blackbirding trade' of those times, when natives from various parts of the Pacific were (sometimes forcefully) removed to other parts to work as plantation labour, or in the mines. Many people from the Solomons and Ellice Islands were brought to work on the copra, cotton and sugar plantations in Fiji.

In 1878, four years after the cession of Fiji to the British crown, the values of the colony's main exports were as follows:- Copra £122,194, cotton £20,000, sugar £18,640. There were in Fiji, 9,166 acres of coconut plantation, 2,390 of cotton 1,219 of sugar and 1,000 of maize. Banana shipments were started in 1877 and reached 43,062 bunches by 1879. The recorded values of copra and sugar exports had more than doubled in the four years after cession. The colony's imports had also practically doubled in value. In 1875, Government Revenue stood at £16,000 and Expenditure at £70,000, but by 1878, Expenditure had been brought into line with Revenue which had nearly quadrupled and stood at £61,000.[1] It is true that cession coincided with a time when markets and prospects were good, and that the records kept before cession were of dubious quality, but these figures are also indicative of the effects which the establishment of secure government, and the cessation of local warfare, which was causing such a drain on the local economy, can have on business confidence.

The Colonial Sugar Refining Company, later to play such an important part in Fiji's economic life, erected its first mill at Nausori in 1882. At this time there were already several small mills and two large ones, of which one, that at Penang was later acquired by the Company. Ultimately the C.S.R. acquired all the sugar milling business in Fiji, the last outsider being absorbed in 1923. The Company now has five mills,

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(1) C.F.Gordon Cumming. At Home in Fiji. p.7.

at Lautoka, Nausori, Ba and Penang on Viti Levu and at Labasa on Vanua Levu. The Lautoka Mill is one of the largest and best equipped in the Southern Hemisphere.

Population trends have shown spectacular movements since the days of the first European visitors in Fiji. In 1874 at the time of cession the Fijian population was reputed to be about 150,000[1] but contact with European diseases was probably the main factor which led to a decline in population to approximately 100,000 in 1901. In 1899 a Commission was appointed to look into the causes of decline and it recommended that the Government undertake expenditure in medical, sanitation and educational projects. By 1906, the fruits of this expenditure were seen in the stabilisation of population[2] and except for the setback caused by the influenza epidemic of 1918 the Fijian population has continued to increase. This early concern with native population problems is probably one of the main reasons why Fiji has now got one of the best and most widespread Medical Services of any colony, composed not only of young people trained during the recent post-war period of plentiful money, but boasting a solid core of native and European staff with nearly a lifetime of experience behind them.

In 1879, 481 Indian migrants arrived to work on the sugar plantations of Fiji. Although immigration was relatively slow in the following ten years, it speeded up in the 1890s; and by 1896, Indian immigrants numbered over 10,000. Besides indentured labourers there were many free settlers and by 1904, of the 22,700 Indians in the colony, about 10,000 were free settlers. During the period 1879-1916, 62,837 people were introduced under the indenture system; of these 24,655 exercised their rightsto repatriation.[3] Following the cessation of the indenture system

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(1) An official estimate of 1874. See Derrick, Fiji Islands p.130.
(2) R.A.Derrick. The Fiji Islands. p.131.
(3) R.A.Derrick. ibid. p.138.

in 1917, the Sugar Companys' large plantations were broken up into about 8,000 farms which were leased to Indian tenants. As the number of sugar farms has not increased at the same rate as increases in the Indian population, this population growth has coincided with the development of trade, transport and other forms of small business in the colony.

In common with most primary producing countries, Fiji suffered a sharp depression in the early 1920s, but the late 20s were a period of economic expansion and particularly of attempts at diversification in the economy. In 1926, the Government noted a marked recovery in the colony, and attributed this to better prices, revival of the sugar industry and to the growth of new industry.[1] Sugar and copra prices held up well for the next four years. The banana industry was still undergoing a reorientation of its markets from Australia to New Zealand following the imposition by Australia of a tariff in 1921 to protect Queensland growers.[2] But once distribution difficulties were overcome the New Zealand market flourished. Cotton growing, an industry of Fiji's old "plantation days" was revived in 1923 and the Government set up a cotton experimental station at Sigatoka. For a few years, sea island cotton was in brisk demand, the industry looked promising, and in 1926 a ginnery was established. Pineapples were being canned by two firms, one with Canadian capital, and a meat cannery started in 1926. The rubber industry boomed between 1923 and 1926. The dairy industry, one of the most flourishing post-war industries, expanded and butter was exported. About four thousand tourists a year were estimated to have visited the colony. Indians swelled the numbers of small traders and taxi owners, and in 1928, 1,500 had store licenses.

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(1) Colonial Office Annual Report. Fiji 1926.
(2) A complete embargo on Fijian bananas was imposed in 1925 on account of the supposed introduction into Australia of "Sigatoka disease". As a result of the Government mycologist showing that this was identical with Queensland leaf spot, the embargo was lifted, but the tariff, of course, continued.

By 1929 a check came to all this advance. A severe depression in world sugar markets occurred. Only the fringe of diversification had been touched and Fiji was still mainly dependent on sugar. In 1928, a bumper year, Fiji exported 121,000 tons of sugar and received £1,827,000. In 1930 a good crop of 91,000 tons fetched only £854,000. In 1931, nature allied herself with the world economic crisis; flood and hurricane swept through the sugar bearing region of Northern Viti Levu. Fiji exported 68,000 tons for £624,000. In the meantime rubber was no longer profitable to extract in Fiji, the meat cannery and one of the pineapple canneries had closed down. In spite of attempts to substitute a more marketable variety for the sea island cotton, this once promising industry was in its last throes, banana exporters were making losses and were forced to reduce the price to growers from 4/4 a case to 1/6 a case. Copra, Fiji's second staple export industry, suffered a disastrous decline in both price and quantity exported, exports being valued at £567,000 in 1928 and £170,000 in 1931 for exports of 28,000 tons and 17,000 tons respectively. These were indeed dark days for Fiji. In the ranks of the Indian small traders 500 went out of business during these years, and many European plantation owners neared bankruptcy. Exports, valued at £2,701,000 in 1928 were only £1,000,000 in 1931 and imports were £1,483,169 in 1928 and £929,514 in 1931.

But in many respects Fiji's recovery was quick. Exports were £1,725,000, £1,456,000 and £1,811,000 in the three years 1933, 34 and 35. Sugar exports were valued at £1,289,000 in 1932, £1,181,000 in 1933 and £1,069,000 in 1934, and by 1935 gold was being exported in worthwhile quantities which lept up to a value of £701,000 in 1938. The Commonwealth Conference held at Ottawa in 1931 had been of immediate benefit to Fiji. The colony was allotted a sugar quota of 44,000 tons to be imported into the United Kingdom at a special preferential rate

of duty. The banana duty in Australia was lowered but distribution expenses prevented the trade from recovering very far. Bananas and copra remained depressed throughout the 30s and the lowest record of £2 a ton was received for Fiji copra in 1934. The dairy industry held up but exports of butter fell, production being mainly for the home market. Rice growing, which had been developed under Government encouragement had become firmly rooted in the country's economy and in 1933 the Government ceased milling rice and purchasing padi. This crop is grown entirely for domestic consumption. The most important single event in Fiji's economic life during the 1930s was the discovery of lode gold in Northern Viti Levu and the subsequent building up of the gold-mining industry.

Gold-mining was developed with Australian capital. Fiji's other great capital using industry, sugar (milling and transport) was probably built up in the very early days with capital raised in London but for the last four decades at least, it is probable that all, or the main part, of capital requirements were raised in Australia. Some of the larger trading establishments are of Australian origin. The other significant capital provider has been, of course, the Government; and local sources with small grants from London have provided this. The provision of capital by United Kingdom or New Zealand business firms has, on the whole, been small.

Trade during the war was reduced considerably but Fiji's position, near the "front line" in the Pacific War necessitated defence work, and continual movements of troops through the territory kept the population employed. The years between 1946 and 1950 were years of transition from a war-time to a peace-time economy. These years saw a reshuffling of the population between industries, a revival of old industries and the birth of new industries, much discussion of Fiji's economic future, a greater emphasis on the government's role in the development

of the country and, in all, the setting
what was hoped would be a new era of dev
living conditions beginning in 1930.

4. Government Institutions

Fiji has now been governed as a Crown Col
years. In 1874, the paramount chief, Cakobau,
chiefs voluntarily ceded sovereignty to U.K. und
by deed of session. Since that date there has be
development of local government and constitutional
followed the increasing understanding of modern gove
methods on the part of chiefs and other leaders.

Government is provided for under Letters Patent an
Instruction which provides for a Governor, an Executive
and a Legislative Council. The Executive Council is presi
over by the Governor and consists of three ex-officio membe
who are senior heads of Departments and six nominated member
The Governor is required to consult the Executive Council in
exercise of his authority, and if he acts in opposition to t
advice tendered he must state his reasons to the Secretary o
State. As constitutional government has increased, so the
importance of the unofficial section of the government bodie
has grown. In the Legislative Council, which is also presid
over by the Governor, there are now sixteen official and
fifteen unofficial members. The unofficial members consist
Indians and five Europeans (three of each race being
and two nominated) and five Fijians who are selected
mitted by from a panel of between seven and ten names, su
Council of Chiefs.

The Legislative Council is the main law-making body in
Colony and has power to make ordinances on all subjects concerned wi
internal affairs (with the exception of such subjects as div
currency, banking and armed forces for which legislation can

enacted only with the prior consent of the Secretary of State). There is also a Standing Committee on Finance, presided over by the Financial Secretary, and composed of the fifteen unofficial members of the Legislative Council. The function of this Committee is to consider supplementary estimates and items of special expenditure.

The Judiciary of the Colony is composed of a Supreme Court and Magistrates Courts of three classes. There are also Provincial and Tikina Courts which have limited criminal jurisdiction over Fijians.

Suva was created a City in 1953, and the City Council is composed of six Indian and six European unofficial members, and two members of minority groups elected by the Governor. For the purposes of District Administration, Fiji is divided into three districts. The Western, Northern and Southern (there was formerly also an Eastern District). For each district, there is a District Commissioner and several District Officers. Their duty is mainly to administer government in the district, but as knowledge of local government has increased in the districts there has been a trend towards more local boards with unofficial chairmen. There are also Indian advisory committees in the districts to advise on Indian matters. Fijian affairs are administered by a pyramidal structure of local government. There are fourteen provinces with a Roko Tui at head of each Provincial Council. Groups of villages are called "Tikina" and a Tikina head or 'buli' presides over each Tikina Council. These appointments are not necessarily made to Fijians of heredity rank, but they tend to be so, owing to the Fijian traditional respect for chiefs. At the apex of this structure is the Council of Chiefs. This is presided over by the Secretary for Fijian Affairs and include all the Roko Tui and six chiefs appointed by the Governor, a magistrate and an Assistant Medical Practitioner. Under the Fijian Affairs Ordinance of 1944 an

executive body, the Fijian Affairs Board was created. It
sists of the Secretary for Fijian Affairs, the five Fijian
members of the Legislative Council, a Legal advisor and a
Financial advisor. This Board makes Local Fijian Governmen
appointments, makes regulations and supervises provincial f
The provincial funds are raised from a local rate payable by
adult males, but the Fijian Affairs Board also gets a subven
from general revenue. The position of provincial finances ha
improved recently and in certain years a surplus has been sho

5. Currency and Banking

Fiji has its own currency, the Fijian pound. The manage-
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In actual fact the Currency Commissioners have the limited func
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It has been compulsory for colonial territories to support thei
currency 100% by the purchase of securities and these securitie
are gilt-edged stock of other Colonial or Commonwealth Govern-
ments. Thus the creation of currency has been a simple and
automatic process; Fiji currency is bought by the banks and is
paid for by sterling which is used for the purchase of
overseas stock. Currency issue in Fiji stood at (£F000) 3,595
in 1950, 3,305 in 1951, 3,400 in 1952 and 3,889 in 1953. These
figures compare with a currency of just over half a million in
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circulation, this results from the transference of amounts valu
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executive body, the Fijian Affairs Board was created. It consists of the Secretary for Fijian Affairs, the five Fijian members of the Legislative Council, a Legal advisor and a Financial advisor. This Board makes Local Fijian Government appointments, makes regulations and supervises provincial funds. The provincial funds are raised from a local rate payable by adult males, but the Fijian Affairs Board also gets a subvention from general revenue. The position of provincial finances has improved recently and in certain years a surplus has been shown.

5. Currency and Banking

Fiji has its own currency, the Fijian pound. The management of the currency is by a Board of Commissioners similar to the Colonial Currency Boards in many British Colonial countries. In actual fact the Currency Commissioners have the limited function simply of supplying currency according to the country's need. It has been compulsory for colonial territories to support their currency 100% by the purchase of securities and these securities are gilt-edged stock of other Colonial or Commonwealth Governments. Thus the creation of currency has been a simple and automatic process; Fiji currency is bought by the banks and is paid for by sterling which is used for the purchase of overseas stock. Currency issue in Fiji stood at (£F000) 3,595 in 1950, 3,305 in 1951, 3,400 in 1952 and 3,889 in 1953. These figures compare with a currency of just over half a million in 1935. It frequently happens that the security fund with which the currency is backed, slightly exceeds the actual currency in circulation, this results from the transference of amounts valued at about 1% of the security fund to the security fund from the

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(1) These notes on government and administration in Fiji are purely descriptive, as it is not within the scope of this study to comment on political or administrative affairs. The sources used were: Colonial Office Reports for Fiji, 1938-53 and Stanner, W. The South Seas in Transition. Section on Fiji.

income fund each year, because currency notes sometimes get lost or destroyed and because investments may appreciate in value. There seems little point in tieing up capital to the value of 100% or more in the currency security funds and there has recently been some discussion on the possibility of reducing the funds in colonial territories to less than the stipulated 100%. Such action would release a proportion of the existing funds for investment in the colonies concerned and should not in any way threaten the security of the currency.[1]

The Fiji pound exchanges at the rate of £100 sterling = £111 Fijian. It is not clear exactly why this rate of exchange was chosen. During the general reorganisation of exchange rates which took place during the early thirties it may have been thought necessary to devalue the Fijian pound relatively to sterling owing to the depression in the sugar industry and the advantages of an exchange rate roughly half way between the values of the Australian pound and sterling may have been considered, mainly as a matter of convenience, as Fiji imports extensively from both those countries.

The value of the Fiji pound is a question which is periodically discussed in Fiji. It has been argued that now that the primary producer is doing well, the pound should be appreciated, this it is claimed would reduce the price of imports and lower the cost of living. There is also some element of 'prestige' in the argument as people feel it is both neater and more respectable for the Fiji pound to be worth the same as the New Zealand pound and sterling. At the other extreme, opinions have favoured a further devaluation of the currency, but this is not seriously considered (given the existing exchange rates of other currencies) but rather felt to be a possible recourse if copra and sugar prices should fall heavily, or if competition in the copra trade should put the inferior Fiji copra at a serious disadvantage in world markets. There are thus few arguments for

(1) Allowance has now been made for part of the funds to be held in local securities.

changing the exchange rate of the Fijian pound and many for leaving it where it is. Perhaps the main argument for maintaining the existing level is because it is the level which is accepted, understood and established, whereas the unnecessary alteration of a currency leads to uncertainty, speculation and confusion.

There are three banks in Fiji, which are branches of Australian and New Zealand banks. They are the Bank of New South Wales, the Bank of New Zealand and the Australia and New Zealand Bank. The latter bank is a newcomer to the field and has a relatively small business as yet.

The Fiji Government obtains quarterly statements of banks' balances, but apart from these balances, little information is available on banking matters in the Colony. Valuable statistics such as a breakdown of advances by industries have therefore been lacking. Table 2 shows the ratios of various assets and liabilities to their totals for the three dates 31/12/51, 31/12/52 and 31/12/53.[1]

Banks in Fiji are probably viewed by their head offices as ordinary branches and in most respects are not subject to any local policy. Thus there appears to be little attempt to maintain specific ratio of cash or other assets to total liabilities or to deposits. Banks have in the past been careful about entering into the advances business in Fiji but this business is now increasing and particularly in 1953, bank advances have been expanded so that whereas they constituted only 31% of total assets in 1952, they were 42% in 1953. Banks have set up branches in several places outside Suva which has enabled them to assess the credit-worthiness of more local people. As Indians accumulate more wealth, they are able to offer security for bank advances, and several business houses have used local

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(1) Constructed from information supplied by the banks.

TABLE 2

Bank Balances at December 31st 1951, 1952 and 1953

Liabilities							Assets						
Year Ending	12/51 £	%	12/52 £	%	12/53 £	%		12/51 £	%	12/52 £	%	12/53 £	%
Notes	115		115		115		Cash	1152538	26.43	785033	15.72	1148724	22.51
Deposits							Balances due by:						
Demand	3486416	79.94	4200959	84.11	4219745	82.68	Other Banks in Colony	308861	7.08	132945	2.66	66620	1.31
Time	421387	9.66	453182	9.07	496296	9.72	Banks abroad	615423	14.11	1190573	23.84	784186	15.36
Balances due to Other Banks in Colony	13137	.30	15627	.31	13559	.27	Loans and Advances	1503295	34.47	1543292	30.90	2152694	42.18
Banks abroad	371383	8.52	248553	4.98	194000	3.80	Investments, Local	354700	8.13	745400	14.92	745400	14.60
Other liabilities	68880	1.58	76345	1.53	180222	3.53	Other Assets	426501	9.78	597538	11.96	206313	4.04
TOTAL	4361318	100.00	4994781	100.00	5103937	100.00	TOTAL	4361318	100.00	4994781	100.00	5103937	100.00

banks for credit facilities in recent years, partly as a matter of convenience.

One of the main sources of credit in Fiji for small business or consumption loans is the small money lender. Indians lend extensively, to each other, particularly. One hears of cases of exorbitant interest, and in the Indian family survey described on p.167 one or two cases of hardship through debt were discovered. On the whole, however, it is thought that exorbitant interest is charged in the minority of cases, and that the usual charge approximates to the legal maximum of 12½%, which is probably reasonable in the case of a completely unsecured loan. Indians with property in some cases borrow from the Bank at about 6% and re-lend the money at a higher rate. In these cases they are acting as middlemen, taking the risk which a bank would not be able to take, and using their knowledge of local conditions and local people to extend loans which would be impossible for a larger institution with limited local knowledge to extend. Indian money-lending has both uses and abuses; the main advantage is that credit is generally more readily available, at a price in Indian communities, than in other communities less experienced in the techniques of money lending, and this, provided the price is not too high, is an advantage. Cases of unscrupulous landlords or money-lenders oppressing the more poverty stricken members of the community can be found, but in general it is felt that a knowledge of money-lending and awareness of its danger and advantages is widespread amongst Indians.

Ordinances have been enacted to prevent money being lent to Fijians except under special conditions, and although these are only partly successful, they have value in reducing the amount of borrowing by Fijians from unofficial sources. Fijians do not fully understand the commitments involved in borrowing, will generally borrow for some consumption purpose which is unlikely to increase their money income, and are a prey to the more unscrupulous money-lender. Fijians show a propensity to

obtain credit where possible and the amount of Fijian indebtedness to Indian and Chinese stores is probably quite considerable. Debts of this kind are often paid off in copra, a greater quantity being expected if the debt is longstanding. The rate of interest may thus be fairly high.

Credit Unions were started amongst Fijians in Viti Levu in 1952 and by the end of the following year there were 66 unions with 8648 members and deposits of £21,512.[1] Credit Unions serve to organise the savings of a small community for purposes inside that community and encourage thrift. Their activities can only be on a small scale however and they can do little to provide long-term capital in any reasonable amount. Although co-operative societies are developing in Fiji, it has not been considered time yet for them to include credit in their activities. The Agricultural and Industrial Loans Board with a capital of £150,000 from a grant from colony funds may lend to enterprises for investment purposes. The Fijian Development Fund which is raised from a £10 cess in each ton of copra produced may be used for Fijian economic and community development. Thus it appears that sources of credit are not lacking in Fiji, since in recent years, these measures have been taken to encourage thrift and provide capital, and particularly to encourage Fijian saving.

Further banking and savings bank facilities are provided by the Government Savings Bank. The balance held in the Government Savings Bank at the end of each of the four years under review was (£000) 1,404, 1,483, 1,585 and 1,725. Interest paid during 1953 was £37,233 and there were 46,183 deposits made during the year. These figures have increased since a balance of £312,003 in 1941, 14,086 deposits having been made in that year. Banking habits are developing very slowly in Fiji and although big improvements have been shown over recent years, people of

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(1) At 31/12/55 credit union figures were 139 unions with 16,623 members and total deposits of 62,946.

both the main races, are still extremely reluctant to use banks often preferring to hoard money at home in spite of the risk of having it stolen.

Chapter II

THE SCOPE AND LIMITS OF NATIONAL INCOME STUDIES

1. Problems of Dependent Economies

Development and welfare finance, wages, profits, the cost of living and many other economic factors in national life are occupying more and more of the time of colonial governments, whose main function in the old days was the keeping of law and order. Concerned with these problems, the colonial administrator requires more detailed information relating to the economy of the country. Perhaps the most valuable aspect of a national income study is that it can present in one paper a summary of information, which in its raw state is scattered through many files and several departments, and some of which is not even accessible to the ordinary administrator.

It is mainly to meet the demand for economic information from colonial administrations, and particularly from the Fiji administration, that the present research was undertaken. This study has drawn heavily for inspiration on the works of other investigators in the colonial national income field, particularly on the work of Phyllis Deane, A.R.Prest and F.Benham.[1] It is in fact, the road pioneered by these authorities which has been followed. The method of national income accounting for colonial territories which was expounded by these writers is by now generally understood by administrators and economists who are concerned with the colonies. To introduce any new concepts, even if they were in theory, justifiable, would be to confuse the reader and to destroy the first object of this study which is to provide information in the

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(1) See Bibliography.

most accessible and accepted form, on Fiji, for the use of those who are concerned with Fiji.

Nevertheless, it is becoming increasingly clear that whereas the accepted road is becoming developed and enriched by the output of more and more colonial national income studies, there is much virgin bush to be opened up. That the standard national income methods are far from satisfactory when applied to colonial economies is acknowledged by all authorities, not least by those who pioneered the work.

Colonial or dependent economies differ from other economies in certain special respects. It is not merely that they are under-developed economies. Australia and New Zealand are underdeveloped economies and their problems are of another kind. This difference is a subject on which a whole book could be written and it can only be touched on in this study. The main differences arise from the economic backwardness and dependent status of these countries and often, from the fact that there is a plural society including racial groups at different stages of economic development and with different attitudes to economic life.

In countries which are economically backward there is generally a large sphere of economic activity which is carried on, not with a view to sale in the monetary market, but to satisfy direct needs. In this study this sector of the economy is referred to as the subsistence[1] or non-cash sector. In modern economies the measure of value is money and this is convenient in a society in which every economic activity has a money price. In the subsistence economy few things have a wholly or even a partly money price. In village communities, for instance barter often takes the form of reciprocal giving.

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(1) The word 'subsistence' is often taken to imply a minimum standard of living. Subsistence economies are not necessarily low-standard economies however. In this study 'subsistence' and 'non-cash' or 'non-monetary' are used interchangeably.

The "price" of one gift may be a certain gift and the "price" may change according to the status of the giver, amongst other things. In the absence of money earnings, a labour time measure of value may be useful in gauging the level of activity in a subsistence community. It may be particularly useful if we are making a study of how incentives operate as between the monetary and non-monetary economies - a subject of great importance in these countries. But labour, or labour-time cannot replacemoney as a measure of value because the relative time taken over different jobs or the relative hardness of work to be done are not the sole factors which make a man decide between two possible undertakings or between working for wages and working for non-cash gains. In many underdeveloped countries, status and obligation play a more important part in regulating economic activity than do considerations of real sacrifices and real rewards.

In spite of the problems of including the non-cash economy in a scheme of values whose unit of measure is money, it is too important in the economic affairs of these countries to be left out. In this study the output of the non-cash economy has been evaluated at the same rate as if it had been sold in the cash market. This solution by no means answers the problem fully and a further discussion of it is included later in this chapter. It must here be emphasised however that in countries in which a large proportion of the population is dependent on non-cash production, this sector must be included in national income estimates if a true picture of the economy is to be drawn, and full consideration should also be given to this sector of the economy in all aspects of economic planning and policy.

It often seems as if, because governments cannot easily tax the subsistence economy they are not interested in it. In dependent territories, one feels that the "economy" goes

peoples' houses, on the hillslopes near villages and in the interior is not always explicitly part of the "economy". It is unfortunate if this attitude prevails. The existence of a large subsistence economy is a very important consideration when taxes are being framed. The introduction of the cess on Fijian copra in 1952 (although a measure of compulsory saving rather than a tax) resulted from the realisation that most of the money income earned by Fijians was over and above their basic subsistence needs which were met, mainly, by non-cash production; and that it would be in their own interests for some of this income to be used for community development. The tax aspect is not the only reason why governments should take an interest in the subsistence economy. There seems little doubt that the level of production in the subsistence economy is closely related to factors in the money economy, particularly to the level of money incomes and wages and the price of store foods. If an economy enjoys a period of high prices for its exports, and therefore a high money income, there appears to be a decline in the subsistence economy which may be in absolute terms and not only relatively to the total national income. In times of depressed export prices, it is possible that subsistence production would tend to increase and this increase might help to insulate living standards against drastic reductions. On the other hand, adjustments may not easily be made, and a fall in money incomes might lead to an equivalent fall in real incomes. The existence of a subsistence economy also disguises unemployment to some extent, if the conditions for unemployment are present. In times of labour shortage, on the other hand, labour may be inefficiently employed in subsistence production when it could, from the short-term point of view, be better employed working for wages. Sometimes, important subsistence food crops

are also sold for money and exported as for instance coconut and bananas; so that there is a relationship between the subsistence economy and exports. If for instance the price of exportable crops falls, less store foods may be purchased by the native grower, who will then have to consume more of the food he may previously have sent for export, and the quantity available for export might fall.

Countries which are backward economically generally have a small range of exports and often the main part of their export trade is in one or two major crops. This means that the money income of such countries is subject to wide variations. A small change in the price of such crops will lower cash income considerably and in the past, crops of this type have been subject to very wide fluctuations in price. Climatic variations causing yields to fluctuate from year to year will also effect incomes considerably. If a backward country is the main supplier of a certain product to world markets, a poor harvest may bring about a rise in price and thus offset to some extent, the fall in cash incomes, but small countries such as Fiji are at the mercy of prices arrived at in world markets and on which they can have little influence.
If the range of exports is widened, the economy becomes less dependent on price movements of one or two main crops and if domestic industries grow up to supply local needs, dependence on overseas trade may be lessened, but during the last decade, prices for the main export products have been high and it would, it seems, rarely have been profitable for resources to have been diverted to other forms of production. This has tended to prevent diversification. Thus in a colonial economy the level of incomes is dependent on prices on world markets, and not, as in advanced countries, mainly on the level of investment.

In a country which is backward economically, factors of production may be slow to move from one economic activity to another. Such societies often pursue a form of life which has not changed for centuries and in which the use of labour and land is bound up with status, obligation and custom. Non-monetary incentives may be as valuable, or more valuable than monetary incentives in inducing any changes in the set pattern. Land may be inalienable and may not enter the economic market in the way it does in Western countries, its sale may be prohibited and its leasing and use may be severely circumscribed. Labour may be relatively immobile and leisure may be high on the scale of preferences. Capital will generally have to be attracted from outside.

Colonial economies are usually dependent, not only on outside capital but also on expatriate skills and techniques. Development will thus be of a non-indigenous nature and may bring about revolutionary changes in the economy at a speed which does not allow of corresponding adjustment on the part of local factors of production. Although the expected rate of profit will probably be the main determinant of investment, other considerations such as the availability of suitable land and labour, political security and race relations will also be important. Expatriates will come to the country to provide skills and perform other services only if the general conditions of living, including the monetary rewards are relatively attractive. The demands which the local subsistence economy makes on labour and land may decrease as the monetary economy grows but the changes cannot be made suddenly and the dependence of a large part of the population on subsistence economy, (and an apparent readiness to remain dependent on it) may create a bar to capital investment. This is nowhere better illustrated than on Fiji, where in the early days, economic progress could only be made with the assistance, not only of

overseas capital and skill but of overseas unskilled labour also.

A further major difference between the developed and underdeveloped countries is that in the latter there is often a plurality of races, and racial groups may have reached a different stage of economic advance. Differences in economic advance may result from historical circumstances and go back over many centuries, they may result from different degrees of control over economic resources (although it may be noted that control over land does not necessarily result in economic advance but quite often appears to prevent it). Differences in attitude towards economic gain are as important as differences in control over resources. This plurality of racial groups with different achievements, property and attitudes complicates considerably the problem of economic planning. It is easier to plan for a homogeneous society in which it is known that in general the same incentives apply, and the same aspirations are present throughout the population, than for one composed of a number of different groups, some of which may desire economic progress to a greater extent than others, and be prepared to work harder to attain their ends.

2. Limits of National Income measurement in underdeveloped countries

The problems of national income measurement in underdeveloped countries arise from the presence of a large non-cash sphere of economic activity and the problem of distinguishing between economic and non-economic activity, the paucity of statistical data, particularly in relation to the measurement of 'real' income changes, the presence of large blocks of overseas capital owned mainly by overseas shareholders, and the difficulties of making comparisons of living standards, productivity standards and other economic comparisons between groups within the country and between the country in question and external communities.

The non-cash economy has, in this study, as far as was possible, been evaluated at the growers' price paid for the product in the cash economy. Although food crops entering the monetary market were evaluated at the ex-farm prices which they obtained locally, the non-cash output has been evaluated at an average price, rather than that which it would obtain in the nearest local market. In Fiji it is not always the nearest market which is the most accessible, and in any case the range of prices between markets was low.

In the more advanced countries, ex-farm prices are used to evaluate non-cash output such as farm products consumed by farm families, and this method is used in the present study. Some investigators, particularly Dr. A.R. Prest, have favoured valuation of non-cash production at retail prices. Dr. Prest presents the conflict in the following paragraph :[1]

> " If we look at the value of subsistence production from the output or cost side it seems quite clear that the main activity is that of growing the food rather than that of transporting and distributing it. Therefore it should be valued at ex-farm prices as the opportunity cost or alternative product of the factors of production so engaged cannot be greater than their earnings in the next best use and this is judged to be that of selling foodstuffs to the market. If on the other hand, we think of the 'utility' of this output and look at subsistence producers in their role of consumers we can see that their standard of living is as high as if their incomes were sufficient to pay the market price of foodstuffs they consume. Therefore this output should be valued at retail prices. How do we resolve this conflict?"

The fact that the growers' price may include a small element of payment for an activity not present in the non-cash economy, does not however seem a good reason for evaluating non-cash production at the retail price and thus Dr. Prest argues that the 'opportunity cost' of the product (viewing it from the 'production' aspect) must be greater than the growers price, since if other openings were available, the scale of agriculture would be reduced by factors leaving agriculture and moving to other sectors. Such an opportunity cost approach is not however valid in Fiji, where, even if other opportunities

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(1) A.R.Prest and I.G. Stewart, National Income of Nigeria, p.11.

were available, factors would not follow cash incentives.[1] Traditional ties between Fijians and their villages and even between Indians and their holdings, cannot be equated purely with cash incentives. As Dr. Prest points out, a considerable amount of distributive activity may take place actually on the farm or by growers. This is true of cash crops as well as non-cash products. By adopting the "ex-farm" definition we make the conclusion of 'primary' stages take place when the crop leaves the farm, although in fact it may be true that some 'distributive' element may be included. Between the removal of the eggs from the nest to their sale in a metropolitan market many miles away, there are many possible scales of distributive values added, starting perhaps with home use and going on, for example to sale to the next door neighbour. These are a difference of degree rather than kind. But the ex-farm defintion excludes the distributive element on the farm. The result of this is that subsistence consumers appear to get their consumption goods cheaper than market consumers and that an increase in the monetary sector may show a national income rise with no corresponding increase in satisfactions! National income can never claim to be uniquely related to changes in 'satisfactions' however. Whereas an decreasing subsistence sector, in a structural change, worth showing in the final estimates.

Considerable discussion has taken place on what should be included in the national income measurement as an economic activity. In developed countries it is customary to exclude the majority of activities for which no money is paid, (such as for instance housewives' services) although farm produce consumed at home may be included. In underdeveloped countries it is more difficult to distinguish between those non-cash activities which are economic and those which are non-economic. Established national income convention, even although this

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(1) See Prest and Stewart. The National Income of Nigeria p. 13.

has developed in different economic environment has tended to influence the choice of activities to be included in the national income estimates. Thus, food production is included in this study whether it is grown for the market or for the use of farming families. Work performed in the home by women is excluded, and this covers, not only the everyday household chores but the making of mats and garments for the house (although when sold on the monetary market, handicrafts are part of the domestic product of the country). The value of firewood and the building of houses and boats has been included and a rent has been imputed for non-cash housing. No particular justification is claimed for this classification which includes the production of food, firewood, boats and housing in the non-cash sector of the economy but excludes household work and the making of handicrafts for personal use or gifts. At some point a line had to be drawn and this classification appeared as reasonable as any. A further item which was excluded from the calculations was the consumption of green (drinking) coconuts for which no market valuation could be found. As few Fijian communities produce the maximum possible copra it is not felt that the consumption of young nuts significantly lowers the copra output.

It must be admitted that the existence of a large non-monetary sector of the economy makes it impossible to construct national income estimates of such a comprehensive nature as those which are made for purely monetary economies. The evaluation of non-cash income by market prices is a measure of expediency, the shortcomings of which are obvious. Nevertheless it is felt that the existence of a non-cash sector in no way lessens the need for national income statistics. The estimates themselves are of value in illuminating the economic problems which arise from the existence of a dual money-subsistence economy. It is of importance, in the young countries,

to know how far the people are dependent on money incomes and how rapidly they are becoming absorbed into the monetary economy; and at what rate the subsistence economy is changing as a consequence of the development of the cash economy. National income estimates, particularly if they are maintained over time can contribute much to the knowledge of these problems. A further discussion on the validity of general economic concepts in the analysis of a mainly non-cash economy will be found in chapter X.

One of the most useful aspects of a national income study in a developed country is the derivation of the value of changes in "real income" as distinct from purely monetary changes. In young countries, reliable price data on which these estimates could be based are generally not available. The problem is complicated by the fact that prices, particularly agricultural prices may fluctuate exceptionally widely.[1] An index of 'real' income changes for these countries would need to differentiate between 'real' changes in income due to actual changes in domestic output, and real changes resulting from alterations in the terms of trade (or the ratio of import to export prices). Such an index to be very reliable, requires that very detailed price data be collected. An estimate of real output changes, based on existing data, has however been attempted, for Fiji, and the results appear in chapter XI.

The paucity of statistical data in many underdeveloped countries seriously limits the uses to which national income statistics can be put. It is particularly difficult to use them for such refinements as productivity measures, measures of investment and consumption relationships, and money flows, and detailed studies of the relationship between volume of

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(1) For a discussion of these problems see D.Seers. The Role of National Income Estimates in the Statistical Policy of an Underdeveloped Area. Review of Economic Studies. Vol.XX.No.3.

output and labour supply and 'multiplier' effects. As the economies develop and more data becomes available such studies may be an outcome of national income estimates.

On the otherland, because so little is generally known about the economy of an underdeveloped country, a national income study must, in some ways be much wider in scope than a similar study in an older country would need to be. Aspects of the economy, which in a developed country are analysed by other specialist writers, may have to be described in some detail by the colonial national income investigator who is treading on new ground.[1] This means that a colonial national income study must be more than a set of statistical tables; it must be something of an economic survey as well. Thus the limitations which conditions impose on the investigator in a young country may be more than compensated by the scope which such a field offers for the expansion of the study to relate national income findings to the wider and more general aspects of economic life in the country concerned.

In colonial countries, it is generally found that a large part, if not the major part, of capital originates from overseas. This results in an outflow of profit, interest and dividends to overseas owners of this capital; an outflow which is, in some places, a significant proportion of the Gross Domestic Product. In consequence it is always of great importance to state clearly whether we are discussing National Geographical Product[2] which includes this profit and other earnings attributable to domestic economic activity, or National Resident Income[3] which is the total of incomes accrueing to residents and which excludes this outflow. National income enquiries are perhaps more, rather than less valuable, as a result of this peculiarity of underdeveloped countries, because such studies can show up

(1) This is particularly true of the Pacific Islands, for which little economic information exists.
(2) Referred to as Gross Domestic Product throughout this work.
(3) See page 44 for definition.

the relationship between the Domestic Product and overseas investment and can indicate whether economic development coincides with a greater relative dependence on foreign capital or with a greater relative expansion of domestic investment.

A further shortcoming of national income estimates is that they cannot provide a very accurate basis of comparison between countries. This applies no less to developed than to undeveloped countries. No two economies have a price structure which is exactly the same and monetary comparisons are apt to be distorted by differences in pattern of the prices. Some comparisons of per capita income and other economic relationships between Fiji and other territories are shown on page 204. These can only be considered as very broad comparisons of living standards as they give insufficient consideration to non-monetary aspects of the standard of living. Surveys on the lines of the Indian survey described on page 167 could, if they were undertaken for a number of communities provide comparative data on certain aspects of the standard of living such as the relationship between nutritional standards and levels of income; but it is difficult to see how statistical data can be used to compare different countries' living standards (an expression itself subject to several definitions) in general.

Like many economic concepts, national income suffers from the background in which it has been developed. The old countries of the west have been heavily capitalised economies for many years and western economic concepts tend often to assume an economic background which is static in the sense that it assumes a mainly industrial economy rather than one which is undergoing a process of rapid change from an agricultural, part subsistence economy to a more developed, monetary economy. The measure of the success of national income estimates in

underdeveloped countries is likely to be the extent to which they can follow and record these important changes over time. So far, the data has not been collected for a long enough period in any one place for this to be accomplished. There will also be a conflict, in the continuance of such series between the need for consistency and the need for further improved data. But the development of this dynamic aspect of national income accounting in underdeveloped countries promises to be the most fruitful extension of this type of survey.

3. The Method of National Income Measurement

A national income survey is a statistical and economic analysis which aims to present a picture of a country's economic activity during a set period, generally a calendar year. It is not difficult to make an economic analysis of a small part of an economy for instance a firm or a village and present the results in the form of fairly general observations such as for instance indicating the firms' costs and profit, the number of people it employs and its investment, or stating the population of the village, their method of supporting themselves, number of houses and so on. When however we wish to describe a complete economy such general observations can give us only superficial information and may even be misleading if not supported by further observations. The national income method of presenting an economic survey has thus been evolved to fulfil the need to present, fairly scientifically, the main statistical aggregates defining a country's economic activity and to break these aggregates down into relevant sub-headings. It must however be remembered that as a picture of the economic life of a country, the national income study belongs rather to the impressionist than to the photographic school of painting. Many of the figures

are necessarily based, or partly based, on estimates, and although the resulting picture may show clearly the composition of the economy some of the lines may be somewhat blurred.

The economic activity of a given country can thus be measured firstly be showing the money value of total Output of goods and services brought into being during a given period; secondly by showing the money value of all Incomes earned during the period by factors of production, and thirdly by showing the method in which these incomes are laid out on Expenditure on consumption goods or on investment, the latter reflecting the addition to wealth resulting from the community's saving part of its income rather than using it all for consumption purposes.

Further details can be presented by breaking down these aggregates into sectors such as for instance households, or consuming units, firms or producing units, the government, capital formation and overseas accounts. Each payment made out by one sector will result in a receipt into another sector. Therefore such accounts can be made fully articulated as in Appendix II to the present study.

A further development of this inter-sector analysis can show relationships between industries. This method is used in the national income accounts of more advanced countries and attempted on a limited scale for some colonial countries.[1] This involves showing sales and purchases between sectors under an industrial classification i.e. agricultural, manufacturing, distribution, services, and overseas, capital and government sectors. Such detailed information was not available for Fiji but for certain products information enabled the drawing up of a 'consolidated account' which could not however be integrated with other sectors. Inter-sector tables are extremely useful in showing the structure and development of the economy and should be the ultimate objective for further studies. They are seen as an ultimate development of the 'aggregative' results, rather than as a substitute for them. But, owing to the conditions of the case, the bias in this study is on the aggregative figures.

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(1) Thorne A. Size, Structure and Growth of the Economy of Jamaica.

Percival and D'Andrade. The National Economic Accounts of British Guiana.

The definitions of various national income aggregates, are by no means standard throughout the world. Except for one or two minor differences, the definitions used in this work are the same as those used by the United Nations for National Income publications.

The totals of Output, Income and Expenditure, as they appear in Table 48 are expressed in terms of the Gross Domestic Product at factor cost. The Gross Domestic Product at market price could be arrived at by adding back indirect taxes less subsidies (see expenditure account). The Gross Domestic Product includes all production attributable to economic activity within Fiji even if some of the factors of production involved, as for instance capital is owned by persons resident outside Fiji. For this reason, however it excludes income accruing to Fiji residents from property or shares which they may hold in enterprises operating overseas. For some purposes, as for instance, the assessment of taxable capacity, we may wish to include these incomes which Fiji residents acquire from overseas. Gross Domestic Product at factor cost plus income from overseas may thus be defined as Gross National Income at factor cost. In the United Nations' definition income from overseas is included net of payments overseas as for instance outgoing interest and profit on overseas capital in the country (which as we have seen is part of the Gross Domestic Product). But in the case of underdeveloped countries it is felt that these two factors need to be considered separately. Both are theoretically taxable and therefore in our definition Gross National Income at factor cost includes both profits and interest earned by overseas capital operating in Fiji, and incomes paid to Fiji residents on account of their share in overseas concerns. Thus we may refer to a further aggregate; that of Gross Resident Income. This includes earnings from overseas accruing to Fiji residents, but excludes payments

made by firms operating in Fiji to residents of other countries. So as not to make the above explanation more confusing, all aggregates have been expressed as "gross" figures. If any of the above terms are stated as net, instead of "gross" quantities, it indicates that depreciation is excluded. In theoretical economics, the concept of net national income is emphasised, as it is only the net product, after capital has been maintained intact which is considered a true reflection of the value of the year's economic activity. Depreciation, although unlikely to coincide with the actual expenditure in any one year on repairs or replacements to capital, is considered the nearest statistical equivalent to the concept of "maintaining capital intact" and given a long enough period it must in fact coincide roughly with expenditure on repairs and replacements, unless there are serious fluctuations in the prices of capital goods. In colonial accounting, it is not the practice to depreciate government capital, but to consider repairs and replacements as a charge on current revenues. The figure for depreciation given in this study only includes depreciation on assets which are, or could be, depreciated according to the Inland Revenue definition and thus excludes, as well as government assets, much capital such as palms and livestock, in the non-cash sector. For all practical purposes the concept of Net Domestic Product is as useful as that of Gross product so that it has not been thought necessary to lay much emphasis on the distinction in our aggregated figures. It is more correct however, when discussing National Income, particularly if taxable capacity is under review to refer to Net National Income. The above definitions of our aggregates can thus be summarised as follows:

1. Gross Domestic Product at factor cost =

Output (or income) of resident factors.

+ Output (or income) of foreign capital operating in Fiji.

+ Depreciation.

2. Net National Income at factor cost =

Gross Domestic Product at factor cost.

- Depreciation.

+ Income accruing to Fiji Residents from abroad.

3. Net Resident Income =

Net National income at factor cost

- Output (or income) of foreign capital operating in Fiji.

It may be noted that in the above definitions, items are expressed as Output and Income but not as Expenditure. Expenditure should correctly be expressed at market price rather than factor cost and in table 4? it may be noted that indirect taxes (less subsidies) were deducted from the Expenditure total at market price to equate it with the factor cost totals of Output and Income.

It is not always clear to business accountants how double counting is avoided in national income studies. The avoidance of double counting follows from the allocation of the product between various sectors of the economy and for any one industry the procedure can be summarised on the basic account shown in Table A . In this 'account' Revenue from Sales is used in the same sense as in business accounting. The term is employed in this same sense elsewhere in this book and means simply the receipts from all sales of goods and services in the current year.

TABLE A

Receipts	Outlay
A. Revenue from Sales	C. Purchases from other sectors
B. Subsidies	D. Indirect Taxes
	E. Depreciation
	F. Salaries and Wages
	G. Rent and Interest
	H. Profit surplus

From this account it will be seen that items C and D are included in the income of other sectors rather than in that of the industry concerned whose gross income is the sum of E.F.G and H, or the net income the sum of F.G and H.

This basic account is also useful in indicating the method in which total Output and Income tables are drawn up. Ideally, all information leading to a self balancing Income-Output table could be abstracted from accounts in this form if they were available for all industries. In fact such accounts are only available for a few industries in which the degree of concentration is high and for the remaining part of the economy they must be estimated from whatever data is available. From this account, table A, it will be seen that the product of a given industry can be expressed as Gross Output by subtracting items C and D from itemsA and B; and the net output can be reached by subtracting items C. D and E from items A and B. If the Product is expressed in the form of Gross Income, the items E to H will be aggregated and if Net Income is to be reached, item E will be excluded. This indicates how for all economic activity, Income and Output tables could be drawn up from the same basic double-entry accounts.

In the construction of the Expenditure table, the items A and B in this account for all industries supplying the final

consumers with domestically produced goods would need to be aggregated. The capital accounts of enterprise are used to obtain data on capital expenditure of firms, which must be added to consumers expenditure. Domestically produced exports are not part of the national Expenditure whereas the retained imports are part of this Expenditure. The difference between imports and exports will thus be shown in the Expenditure account. Government current and capital expenditure must also be included (See Table 54). From this description it will be seen that although Income and Output can be derived from similar double entry accounts and are self balancing, Expenditure cannot be derived in this way. In table 48, Expenditure is equated with output and income by treating private capital formation as a residual. An independent estimate of private capital formation (see page 130) did not however deviate from the figure as reached by residual very greatly; thus indicating a reasonable standard of reliability for main aggregates.

A further breakdown of the Account shown in Table A, could indicate the amount of saving which took place out of profit, and the amount of interest paid on loans. Such information is valuable in indicating the saving-investment relationship in a given sector and for indicating the amount of capital formation taking place and its reliance on other sectors for investible funds. Such a fine breakdown was not possible in the Fiji study but it should be emphasised that the dynamic aspects of a country's development can be helpfully illuminated if inter-sector material can be shown in this way.

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(1) See p. [illegible] however for description of treatment of interest.

Chapter III

OUTPUT OF AGRICULTURE, FORESTRY AND FISHING

1. Measurement of Agricultural Values

In countries such as Fiji, where statistics directly relating to agricultural incomes are very scant, the output approach to national accounting tends to be, at least for these primary industries the most reliable method. As far as is possible, figures of the gross volume of output have been obtained by multiplying the acreage under given crops by average yields. These figures are in turn multiplied by average market prices. From this calculation a figure which we shall call Revenue from Sales results. To arrive at Agricultural Output it is then necessary to make deductions to avoid double counting. Increments to value made by the non-agricultural sector of the economy such as the fertiliser and machinery input must be deducted. Deductions must also be made for double counting within the agricultural sector. For instance, if locally grown (or imported) feedstuffs are given they must be deducted from livestock values as they will already have been accounted for elsewhere.

The accuracy with which agricultural values can be measured is dependent on the amount of statistical data which has been collected by agricultural officers and other field workers who are familiar with local conditions. It is not usually possible for a national income investigator to collect, from their primary sources, details of acreages planted to certain crops, average yields, numbers of livestock and local prices for agricultural and livestock prices. Such information can only be obtained by those who are able to check the figures

stated by farmers, by their own observations and knowledge of local conditions. In Fiji, the Department of Agriculture endeavours to collect comprehensive annual records of crop acreages and yields, livestock numbers and local produce prices. The reliability of these figures varies from crop to crop and from district to district. It is recognised that in some of the remoter, less accessible district, these figures are fairly broad estimates. Nevertheless, the existence of this type of survey is of great value to a national income study.

The agricultural values are thus based mainly on the Department of Agriculture's figures. The estimated acreage of each crop has been multiplied by the average yields for that year. These figures have been multiplied by average prices. Although there are no direct checks, in the form of income data, in agriculture, some rough checks can be obtained. In the case of crops mainly for export, adjusted export value can be used as a check and in the case of crops mainly for home consumption, dietary and nutrition values have proved in some cases to be useful checks.

Prices were obtained from various sources. Payments made to farmers for sugar cane were provided by the Colonial Sugar Refining Company. The price fixed by the Banana Board, which is payable to growers for the export crop, has been taken as the basis of banana valuation. Prices paid by the Copra Board have been used to evaluate copra output.[1] An annual rice survey has been made by the Department of Agriculture and information on rice values has been taken from this survey. Department surveys also provided data on potato prices.

No record has been kept of vegetable and fruit prices payable to growers. Prices have been estimated by deducting

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(1) Allowance being made for the fact that copra passes through agent's hands between and the Copra Board. Information on the number of middlemen and the size of the cut taken by them is lacking and this has brought an element of unreliability into the figures of grower's receipts.

transport costs and trader's margins from local retail prices, records of which have been kept for a number of years.

Only cattle passing through registered slaughter-houses are recorded; but these probably include the majority of cattle if not of pigs. An estimate has been made for the killings of wild pigs and cattle based on figures of average food consumed. Butterfat production can be evaluated accurately for amounts entering butter factories. In estimating additional values for this and other dairy products, much use has been made of E.B. Rice's Survey of the Dairy Industry 1949, modifications having been made to allow for changes in prices and quantities over the last few years.[1]

Prices differ from market to market for most locally consumed products and the estimating of average prices has involved the use of weights to allow for the fact that greater quantities of a given crop may change hands at one local price than at another.[2]

2. Measurement of Agricultural Output

The Revenue from Sales, which has been arrived at by multiplying yields, acreages and prices, must be adjusted for the avoidance of double counting before Agricultural Output can be estimated. In dairying for instance, fodder already allowed for, under either imports or other agricultural production, if the fodder crop is home grown, must be deducted. In sugar-cane production, payments made for fertilisers, tractor hire and other goods and services included in other sectors of the economy must be deducted from Revenue from Sales. For many crops, particularly those produced under the native Fijian system of agriculture, so few of these outpayments are made that it is safe to assume that the actual (or imputed, in the case of

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(1) E.B.Rice. A survey of the Dairy Industry of Fiji. Council Paper 23/49 Fiji Legislative Council.

(2) Non-cash production has been evaluated at the growers' price of the product when it is sold for cash. A discussion of the problems involved in the measurement of non-cash production is included in Chapter II.

subsistence crops). Revenue from Sales is identical with the value of Agricultural Output. In the native economy land, labour and a few simple implements are the only costs of production. The more highly developed is a country's economy the greater is the dependence of agricultural industries on non-agricultural industries. For sugar cane production, and other relatively well organised branches of agriculture in Fiji, it is necessary to know how the costs of production are distributed so that Output figures can be reached.

There are several possible sources of information on production costs. If farm costing studies or crop costing studies have been attempted, these can be of value in making the calculations. Although a few crops costing studies have been made in Fiji they are mainly concerned with conditions on the Department of Agriculture's experimental farms, and although for livestock, these are thought to bear some relationship to costs throughout Fiji agriculture, it must be remembered that conditions on a farm of this type are rather different from those on say a peasant smallholding, owing to differences both of scale and technique. The Inland Revenue Department provided aggregated figures, totalled from a number of the larger farms and more prosperous smallholdings. When due allowance had been made for a 'taxpayer's bias' these aggregated accounts provided some valuable data on the pattern of costs, particularly for dairying and sugar cane production. Smaller and poorer farms could only be costed by a survey, and a few small Indian farms were visited and questions were asked. Although information gained was scant this in general, reinforced by observations made on the visit, indicated that the pattern of costs differed on the smaller farms, there being a greater proportion of family to paid labour and there being less use of fertilisers or machinery on small farms. Allowance was therefore made for this difference when results were finally computed.

Agricultural output is firstly presented as net Output, as it is assumed to represent the net addition of goods accruing to the sector from the years' economic activity, after capital has been maintained. Depreciation added back to reach gross Output, in table 27, relates only to depreciation of assets in branches of agriculture carried on in the more organised commercial fields such as sugar cane and dairy farming. Depreciation of crop bearing trees, native livestock and small implements has not been included. Apart from Inland Revenue returns no data exists on depreciation. Figures for individual branches of agricultural industries represent net Output. In Fiji where agricultural assets are low the difference is small, and it probably is only on cane farms, dairy farms and copra estates that any significant financial amortisation takes place.

3. The Agricultural Sector

For copra estates and cane farms an estimated consolidated account has been drawn up. For most other branches of Fiji agriculture the item "payments to other industries and sectors" would be so small as to be insignificant. Thus material providing a picture of the complete inter-sector relationship between agriculture and other parts of the economy would not mean a great deal for Fiji. As sugar cane farms are provided with a great deal of their requirements by one company which imports directly, a further breakdown of farm purchases would have disclosed private information and would not have shown a significant relationship with other parts of the economy. It is interesting to note however, that the ratio of total sales revenue from agriculture to net agricultural output was in 1953 86.2%. This percentage is high and reflects the almost complete dependence of Fiji agriculture on land, labour and small capital not requiring heavy maintenance charges. A decline in this proportion would indicate a greater interdependence of agriculture on non-agricultural industries, taking the form perhaps of inputs of

fertilisers, fuels and maintenance work. If may thus be well worth while, in future national income investigations in Fiji, that further attention be given to the refinement and expansion of tables such as tables 4 and 9, and particularly to a breakdown of the item "outlays to other industries and sectors" as *such a refinement* could show important directions of development in Agriculture.

The total agricultural sector has been broken down into a number of such sectors and these have been designed to indicate seperately non-cash output, cash output for local sales, and cash output ultimately designed for export. There are some crops, particularly coconut and bananas, which are relevant to all three ends and as far as possible an estimate has been made of the value of output for each end. In this chapter, the 'output' approach to measuring the agricultural product is emphasised. It may be noted that in Chapter V in which all incomes in the economy are classified, that it was not considered possible to distinguish between all wages and profits in agriculture, as in small farming the income may be neither a wage nor a profit but a bit of both. Fijian cash incomes from agriculture are thus not divided up and it could well be argued that the estimates made for the divisions as regards Indian agriculture are somewhat forced. In non-cash production, it may be argued that only 'output' and 'expenditure' (or consumption) are relevant as 'income' is meaningless when the monetary exchange media is removed. In any case the figure for non-cash production is identical in the income, output and expenditure table and an inter-sector relationship denotes simply sales by farmers as producers to themselves as consumers.

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(1) The equivalent figure for U.S.A. agriculture in 1939, was 57.1% (Ruggles, National Income and Income Analysis). and for British Guiana where there are more large estates in 1951 was 77.5%. (The National Income Accounts of British Guiana. Percival and D'Andrade Table 1).

4. Sugar Cane

The main agricultural crops in Fiji are sugar, copra and bananas, and these rank with gold as Fiji's four main exports. Although sugar cane can be grown in many districts of Fiji it prefers the drier leeward sides of the islands and is produced mainly in the north of Vanua Levu and north-west and south-east Viti Levu. Although an expansion of sugar acreage has taken place in recent years, this is unlikely to go very far. Sugar acreage is limited by access to mills and suitable transportation. It is also limited, as far as Indian farmers are concerned, by the amount of land available for leasing. Thirdly it is limited by the fact that Fiji as a member of the Commonwealth and indirectly of the International Sugar Agreements cannot export an indefinite amount of sugar. In any case the expansion of sugar acreage is probably not desirable from the national viewpoint, as too great a reliance on one crop tends to bind the whole economy to the price changes in that crop.

Payments made by the Colonial Sugar Refining Company to cane farmers during the four years under review were as follows :[1]

TABLE 3

Payments for Cane

	Tons of cane harvested	Average price per ton	Total payment to farmers
			£ 000
1950	723,738	49/2	1,776
1951	811,364	58/7	2,374
1952	984,497	65/10	3,236
1953	1,444,364	71/6	5,146

(1) Information provided by Colonial Sugar Refining Company

To arrive at the Output in sugar cane production it was necessary to find out the pattern of costs, so that wages, rent and profit, the Output items, could be distinguished from other costs of production. A consolidated account for cane farming for the four years under review has been drawn up and the figures on these estimates are shown in table 4.

TABLE 4

Consolidated Account for Sugar-Cane Farming

RECEIPTS

£000

	1950	1951	1952	1953
Income from cane	1,776	2,374	3,236	5,146
Income from gang labour	160	210	281	298
	1,936	2,584	3,517	5,444

EXPENDITURE

Misc. Costs (Payments to other sectors)	865	878	1,182	1,721
Depreciation	75	91	98	110
Gang Labour	160	210	281	298
Wages	350	402	510	710
Rent*	50	50	55	55
Surplus	436	953	1,391	2,550
	1,936	2,584	3,517	5,444

* Rents are based on the average received by the Native Land Trust Board. Most sugar land is leased either from the C.S.R. or the Native Land Trust Board and the C.S.R. maintains its rent in line with the official rents. The average of about 12/6 an acre is much lower than the official rent for new tenancies. More recently, many leases have fallen in and the rents have risen so that the average would now be higher.

The item 'gang labour' is self-balancing on the account as it includes pay and bonuses made by sugar farmers themselves when working on each other's farms as harvesting gangs. Wages include wages paid to part-time, full-time, permanent and casual workers outside the farmer's family, and a corresponding wage payment imputed to adult male members of families (over

16 years of age) who are working for most of the year at home. The Output of sugar cane growing is thus valued as follows:-

TABLE 5

Net Output, sugar cane

£000

	1950	1951	1952	1953
Wages	510	612	791	1,008
Rent	50	50	55	55
Profit	436	953	1,391	2,550
Output	996	1,615	2,237	3,613

It is seldom that cane is the sole source of income on a farm. Amongst other activities engaged in by cane farmers, were, hiring out tractors, trucks or taxis, rice milling, retailing, money-lending, dairying, rice growing and other agricultural activities.[1] The income from these activities is added into the relevant category in our Output tables. In 1952, sugar farmers' net income from activities other than cane farming was estimated at approximately £825,000. A few of the more prosperous farmers may make a net income of about £2,000 a year from all activities but the average net income from all activities is probably about £350 per annum.

In sugar cane farming, fluctuations occur from year to year in the profits, taken as a ratio of total revenues. Sugar cane takes slightly longer than a year to mature and in some years more cane was planted and less harvested than in others. Larger areas cultivated in 1951 and 1952 raised costs in these years but showed benefits in 1953. Yields also influenced profits. Figures of acreage and yields are shown in table 6.[2]

(1) They are also employed as casual road labourers by Government and the C.S.R.

(2) Figures from Department of Agriculture.

TABLE 6
Cane Acreages and Yields

	Acreage Cultivated 000 acres	Acreage Cropped 000 acres	Average Yield Tons per acre
1950	93	45	16
1951	96	42	19
1952	102	52	19
1953	104	61	24

Most costs of production, but particularly labour, tractor hire and materials increased throughout the four years, but the increase was most marked in 1953.

5. Copra

Fiji produces copra on both an estate basis and as a villagers' or smallholders' crop. In 1950 a survey by the Department of Agriculture showed that the acreage under palms was 167,627, of which 91,170 acres, of 54% was Fijian, and 71,457 acres, 46% of the total, was estate acreage. Rotuma's acreage, which should be included under native production, accounts for approximately 8,000 acres so that native acreage represents 58% and estate acreage 42%.[1] Native production is assumed to be poorer than that of estates owing to too close spacing, neglect and inefficient collection of nuts. Fijian copra is generally inferior to estate copra due mainly to bad methods of drying. Driers in Fijian villages are generally smoke traps made out of rubble, corrugated iron, timber and grass. Copra is often smoked, scorched and burnt. Sun drying is difficult in such a wet country as Fiji but some good copra was seen drying on platforms of reeds which though exposing the product to the rain allows the air to circulate through the copra from beneath.

Although much encouragement has been given to new planting by Fijians, the results have been disappointing. It also

(1) The Banaban Estate in Rabi Island is also included under native production.

seems evident, that in Fiji, as in other other parts of the Pacific, only a small part of the comfortable profits now being earned in plantations is finding its way back to the copra industry. When land is fully planted with bearing palms it is rarely profitable to uproot old stock and plant young palms which might take five or six or even eight years to bear; particularly when present prices are good and future prices uncertain. Owing to the low per acre profit in copra there has always been a tendency to plant up every available acre leaving little room for expansion on plantations. There is probably more room for expansion on land not already bearing palms amongst villagers than there is on plantations. There is certainly plenty of room for increasing the product in the villages by clearing, better harvesting, and drying and ultimately by better distanced planting and use of better types of palms.

All Fiji copra is purchased by the Copra Board for export or sale to the mills. Since 1942 there has been a system by which only a limited number of licensed agents can purchase copra from the growers for sale to the Copra Board. There is a very small export tax on copra in Fiji, and native growers have, since 1952 been subject to a cess of £10, a ton, which is a method of encouraging saving rather than a tax. By selling green copra to unauthorised agents many natives have in the past been evading this cess, but this evasion is gradually being brought under control. It is considered that the difference between the growers' price and the price paid by the Copra Board (which includes agency and inter-islands transport) was about 12% in the years in question, but it is probable that this will fall as more of the small unlicensed dealers are eliminated.

TABLE 7

Value of Copra Produced

	Value of Copra. £. Bought by Copra Board	Estimated Value to Growers. £.
1950	1,209,229	1,074,222
1951	1,942,053	1,709,007
1952	2,569,507	2,261,167
1953	2,358,417	2,075,407

Value to growers represents the Revenue from Sales of the producers. In villages, Output values coincides with this figure as costs other than labour and land costs are negligible. On estates, an analysis of costs indicates that Output was valued 88% of the Revenue from Sales 12% representing expenditure on machinery, boats etc. which has been accounted for elsewhere in the domestic product. It is estimated that 45% of the production of copra in Fiji is attributed to estates and a consolidated account for estates is shown below:-

TABLE 8

Consolidated Account. Copra Estates

Receipts	1950	1951	1952	1953
Revenue from sales	483	769	1,018	934
	483	769	1,018	934
Expenditure	**1950**	**1951**	**1952**	**1953**
Misc. costs, paid to other sectors	43	78	102	92
Depreciation	15	15	20	20
Wages and Sal.	157	250	332	304
Profit	261	418	555	509
Rent	7	8	9	9
	483	769	1,018	934

Adding the output items, excluding depreciation, we find that net output for estates, during the four years equalled

III 13

in 1950 £425,000; 1951 = £676,000; 1952 = £896,000; and 1953 = £822,000. Estimates have also to be made of subsistence consumption of coconuts. It is estimated that it takes 4,500 nuts to make a ton of copra in Fiji (Department of Agriculture) and it is on this basis that subsistence coconuts are evaluated at 3d. per ripe nut for the years 1950-1952 and at 3½d per ripe nut for 1953. There are few figures available of coconut consumption amongst Fijians although owing to the greater variety of their diet it is believed that they consume rather fewer than the average of about 2 ripe nuts a day observed to be the consumption amongst the atoll dwellers in the Gilbert Islands.

If the entire Fijian population is estimated to consume 4 ripe nuts per head a week the total value of subsistence consumption in 1950 = £338,000; 1951 = £343,000; 1952 = £351,000 and 1953 = £421,000. This figure includes ripe nuts only; it excludes green (drinking) nuts which having no cash price are impossible to evaluate[1] a further £100,000 per annum is added for the regular consumption of nuts by non-Fijians, some of these nuts enter the cash markets but the value of these is extremely small and quite impossible to compute.

TABLE 9

Output of all copra and coconuts. £000

	1950	1951	1952	1953
Estate Cash	425	676	896	822
Fijian Cash	591	940	1,243	1,141
Total Cash	1,016	1,616	2,139	1,963
Subsistence	438	443	451	521
TOTAL	1,454	2,059	2,590	2,484

(1) The consumption of drinking nuts is considerable and in districts where food competes with copra for coconuts, the consumption of young nuts would seriously effect the copra production. As few Fijian villagers utilise all their coconut supplies however, the real cost involved in the consumption of green nuts is low.

6. Bananas

Bananas are Fiji's third most important export crop. A considerable amount of this fruit is also consumed at home by all groups of the community. The figures for banana exports as shown in the trade returns are given below. Banana producers received on average, 47% of the f.o.b. price, the remainder included packing and exporting costs and the profits of packers and exporters. Growers are practically all Fijian villagers. Co-operative banana packing stations have been set up by the Fijian Banana Venture in Tailevu and Ra provinces to enable the producers to obtain some of the profit from packing.

TABLE 10

Banana Export values

	Value of exports f.o.b. Suva £000	Value of exports to growers £000
1950	101.9	47.9
1951	136.9	64.3
1952	60.5	29.4
1953	332.9	156.5

The low figures for 1952 indicate the effect which the hurricane of 1952 had on the banana industry. This hurricane, which occurred in January of that year swept through the banana growing Rewa valley. It did not have the same serious effect on the home supply of bananas, as production for local consumption is more widely spread than production for export, the main part of which comes from one region. The figures below show total values of banana output (for both export and home consumtpion). The total receipt by growers plus a comparable valuation of the non-monetary output are considered as equal to the value of Output, bananas being produced with native labour on native land and little in the way of machinery or fertilisers being employed.

TABLE 11

All Banana Values

Value to growers of:

	Export Bananas	Home consumed bananas		Total
		monetary	non-monetary	
		£000		
1950	47.9	31.9	63.7	143.5
1951	64.3	29.8	59.5	153.6
1952	29.5	26.0	52.0	107.4
1953	156.5	34.8	69.5	260.8

7. Root Crops

Root crops are mainly native subsistence crops in Fiji, and only a small proportion enters into the cash market. Here again it is assumed that no machinery, fertilisers or other 'outside' help is brought in to assist with production and no deductions were made from gross values for the purpose of avoiding double counting. Table 12 shows values of production for the four years based on Department of Agriculture figures of acreages and yields. The final four columns in the table show how much of the total value of output is estimated to result from cash sales. These figures of sales are estimated from data on family expenditure, town markets and Fijian money income. Large buyers such as Mining Companies also provided figures, but no great accuracy can be claimed for the proportion stated as 'cash' sales.

8. Other Agricultural and Vegetable Crops

Output values for all other agricultural and vegetable crops are shown in Table 13.

Figures for the crops listed in this table were provided by the Department of Agriculture but the estimates for miscellaneous vegetables were mainly based on information in dietary and expenditure surveys. This item includes all vegetables

TABLE 12

Root Crops

	AREA CROPPED Acres				VALUE OF OUTPUT £000				CASH INCOME £000			
	1950	1951	1952	1953	1950	1951	1952	1953	1950	1951	1952	1953
Dalo	12,500	12,500	13,370	12,000	1,350	1,719	2,166	2,016	52	60	92	115
Yams	2,800	2,800	2,990	2,780	628	628	699	627	15	15	16	15
Potato	100	60	250	130	12	8	43	20	9	7	37	15
Sweet Potato	700	900	960	860	63	81	86	120	8	10	10	20
Tapioca	15,000	15,000	16,050	16,050	423	423	450	460	13	13	14	20
	31,100	31,260	33,620	31,820	2,476	2,859	3,444	3,243	97	105	169	185

TABLE 13

Agricultural and Vegetable Crops

Crop	Estimated value of Output £000			
	1950	1951	1952	1953
Maize	5.6	4.8	4.8	3.5
Millet	.8	.7	.7	.7
Tobacco	14.1	13.0	13.0	13.0
Beans, peas and pulses	49.6	50.2	50.0	47.3
Coffee	-	-	1.0	1.0
Groundnuts	30.0	13.4	15.0	13.4
Tomatoes	45.3	45.3	47.3	42.3
Miscellaneous vegetables	45.0	45.0	53.0	54.0
Cabbage	6.7	6.7	7.4	7.0
Lettuce	30.2	30.2	32.4	29.1
	227.3	209.3	224.6	211.3
Estimated sales for cash	94.0	85.0	91.0	86.0

not included elsewhere and also various condiments such as chilli, mustard and tumeric which are widely used by the Indian population. There has been a tendency for the acreage of some food crops to decline during the last few years. This may reflect increased money incomes and the tendency to deploy labour from food crop production to cash crop production and to substitute store foods for cultivated foods in the diet.

Maize is a valuable food for stock. The crop competes with groundnuts for land to some extent and insufficient production has led to high prices and shortages of stock feed. Groundnut production has fallen off as prices fell off and land could be employed more profitably in other ways. Pulses are grown extensively by Indians for the making of dhall, an important item of their diet. But a considerable quantity is imported. Tobacco is grown for local use by is also made into cheroots by a firm near Labasa. Candlenut oil and tapioca starch have also been made from local crops but on a very small scale.

TABLE 14

Number of Rice Growers and Acreage

District	INDIAN		FIJIAN		OTHERS		TOTAL	
	Number of growers	Acres	Number of growers	Acres	Number of growers	Acres	Number of growers	Acres
SOUTH	2,559	4,930	225	387	18	109	2,802	5,427
NORTH	4,492	9,531	239	425	21	45	4,752	10,002
WEST	8,932	18,413	572	1,090	11	22	9,515	19,537
	15,983	32,874	1,036	1,902	50	176	17,069	34,966

9. Rice

A fairly thorough survey is undertaken of rice, annually by the Department of Agriculture. Rice is grown by many small farmers as is shown in table 14 relating to the 1953/54 season.

Of the total 34, 966 acres grown, 21,020 were cultivated by farmers who were also growing sugar cane. It is interesting to compare these figures with the total acreage for 1944, which was 28,244 acres.

The values of Output for the years under review are shown in table 15.

TABLE 15

Value of Padi Output

	Area Grown acres	Tons	Estimated Value to Growers $000
1950	36,508	25,555	1,022
1951	34,352	24,329	1,095
1952	35,235	24,816	1,125
1953	36,640	25,648	1,154

No deduction has been made from Gross Revenue from (actual and imputed) Sales to arrive at Output. For the most part, rice is produced on a small scale by means only of land and labour and a few implements. Some rice costing studies are available from the agricultural station at Koronivia but they are not very representative of farming under normal conditions. The 24,816 tons of padi produced in 1952 provided approximately 15,000 tons of milled rice (the conversion rate estimated by the Department of Agriculture is 33 cwt of padi = 1 ton of milled rice). This figure when added to the 993 tons imported during 1952 approximated very closely to quite independent estimates made of rice consumed in the colony for that year.

It is difficult to estimate how much rice entered the monetary market and how much was consumed by producers and their families. Presumably the 17,069 growers would provide rice for their own families and employees on a non-monetary basis. Farming families were found to be greater consumers of rice than were urban Indians who consumed a greater quantity of sharps in lieu of rice. Monetary rice has been estimated at 40% of total output but this is a broad estimate.

Rice types most widely used are Ramcajara, China Patna and New Guinea. Rice yields are lowered by neglect and stagnating water which produces rice yellows. Damage is also caused by army worm and leaf roller.

10. Livestock products

The Department of Agriculture made estimates of head of cattle slaughtered and value to producers. The Output at 90% of value of sales is shown in the following table.

TABLE 16

Output of Beef

	Head of Cattle Slaughtered	Revenue from Sales £000	Output £000
1950	4,461	62	56
1951	5,142	72	65
1952	5,042	71	64
1953	7,030	98	89

The value of pig Output has been estimated by the same method. The figures are as follows:-

TABLE 17 Output of Pigs

	Pigs Slaughtered	Revenue from Sales £000	Value of Output £000
1950	1,480	10	9
1951	1,667	11	10
1952	1,790	12	10
1953	1,675	11	10

In the case of pigs and cattle, the difference between Sales Revenue and value of Output is for the most part the value of feeding stuff which is accounted for elsewhere in the domestic product. The above tables relate only to pigs and cattle passing through registered slaughter houses and it is assumed that all this meat enters the monetary market.

Goat meat is consumed by Indians but the carcases dress at very light weights owing to malnutrition and parasites. The goat industry has increased quite considerably during the past few years and goats have been allotted the following value of output for the four years; 1950 = £4,000, 1951 = £6,000, 1952 = £6,000, 1953 = £10,000.

A further estimate has been made to cover the value of bush pigs and cattle and wild birds killed for meat. The figures also include a number of Fijian domesticated pigs which are not killed through registered slaughter houses. Pig is an important ceremonial food in the Fijian tradition. It is felt that this estimate is probably on the low side but it is not easy to get accurate data on unregistered slaughtering and the figures were estimated mainly from knowledge of dietary habits. The figures for the four years are 1950 = £40,000, 1951 = £38,000, 1952 = £46,000, 1953 = £44,000.

Figures of cattle and pig output include value of all saleable parts excepting hides and skins. The value of hide and skin output estimated from the Department of Agriculture figures is as shown in table 18. Fiji hides are generally free from tick damage and frequently top the Sydney market price list.

The figures for dairy products have been obtained from several sources. The Department of Agriculture provided figures of butterfat quantities and values as sold to local factories. The manufacture of butter in these factories, of which there are two in Fiji, is not included in the dairy industry but is

TABLE 18

Hides and Skins

	Number	Estimated net Output £000
1950	9,486	13
1951	9,734	14
1952	10,723	15
1953	14,047	18

accounted for under processing and manufacturing. A comprehensive survey of the dairy industry was carried out in 1949. It is not considered that the quantity of milk produced has increased very much since that time, although it is known that more factory produced dairy and coconut oil fat products are consumed, possibly at the expense of home-produced milk and ghee.

The cost structure of 38 dairy enterprises was analysed, and some costing made by the Government farm at Sigatoka were seen. It was thus possible to gain a rather better picture of the cost pattern in dairying than for other livestock industries. It was found that on average, wages and salaries equalled 38% of revenue from sales, rent was 10% and profit 42%. Net Output was about 90% of Revenue from Sales. There was a slight change in the change in the costs during the period however as profits were higher in 1953. This is shown in table 19.

TABLE 19

Output of Dairying

	Revenue from Sales £000	Output £000	Output as % of Sales %
1950	306	269	88
1951	319	283	89
1952	384	345	89
1953	404	374	92

In 1952, it is estimated, sales were made up in the following way:-

TABLE 20

Details of Dairying Values

	£000
Butterfat	102
Milk and ghee produced by peasant farmers	120
Town milk supply	150
Privately owned cows	12
	384

A census was taken of numbers of poultry in the colony at the same time as the Census of Population was collected in 1946. This was probably not complete but no more recent data are available. The average laying output of Fiji hens is thought to be about 100 eggs a year. Weighted by average prices for each of the four years the egg Output is estimated in table 21.

TABLE 21
Egg Output

	Total Value of Egg Output	Value of Egg Output Entering Cash Market
	£000	£000
1950	268	129
1951	280	134
1952	280	134
1953	286	137

It is estimated that about 48% of the Output entered the monetary market.

11. Yaqona

Yaqona, the root from which the Fijians make their favourite drink, kava, is estimated, from Department of Agriculture figures, to be of values shown in table 22.

TABLE 22

Yaqona Output

	Tons	Total Value	Value of Output entering Cash Market
		£000	£000
1950	2,000	80	25
1951	2,000	80	25
1952	2,000	86	27
1953	2,300	92	36

Although yaqona isa Fijian village crop, there has been an increased tendency for it to be used as a cash crop in sales amongst Fijians themselves. In Vanua Levu, it was found that certain inland villages were "specialising" in this crop and selling it to the copra producing villages on the coast for cash. Indians too grow this crop as a cash crop, to sell to Fijians and for their own consumption. Estimate of the cash proportion can only be a broad indication of the amount sold for cash, but this is believed to be increasing.

12. Fruit

Pineapple was canned during the years under review at the canning factory at Lautoka, owned by the Colonial Sugar Refining Company. A small quantity of citrus and mangoes was exported. Careless handling has however led to considerable rejections at the wharf. The Output values are shown in table 23.

TABLE 23

Output of Fruit

	Citrus		Pineapple		Other Fruit	
	Cash	Total	Cash	Total	Cash	Total
	£000					
1950	30	80	50	66	25	65
1951	30	80	50	66	25	65
1952	41	93	70	86	30	70
1953	42	95	58	66	35	70

13. Forestry

The Forestry Department Report for 1952[1] records the area of forests in Fiji, including mangrove. There are 232 square miles of state forest, 2,354 square miles of communal forest, 300 square miles of private forest, the total acreage of forest being 2,886 square miles of 41% of the colony's land area. The Forestry Department has as its main object, the protection and development of natural vegetation and the conservation of soil and water and reafforestation. The Department maintains nurseries both for the purposes of experimentation and the distribution of seedlings. Forest conservation in a country like Fiji demands attention not only to the exploitation and replacement and generation of commercially valuable timber, but perhaps more particularly, it demands that the fuel and building requirements of the indigenous peoples be protected. Many good commercial timbers grow naturally in Fiji and a few other types have been introduced. Although Fiji is a small exporter of timber she is a very heavy net importer. Much imported timber is of a type for which the best production conditions do not exist in the colony. Nevertheless Fiji should be able to export worthwhile quantities of high grade home-produced timbers, and in some cases valuable home-grown timbers are being used in Fiji for uses in which lower grade imports

(1) Council Paper 34/53.

could be utilised once an export business had been built up.

Imports and exports of timber for the four years were as follows:-

TABLE 24

Imports and Exports of Timber

	f.o.b. Value of Exports Domestic Produce	c.i.f.* Value of Imports** Less Re-exports
	£	£
1950	1,009	146,980
1951	3,362	357,462
1952	6,251	326,842
1953	1,441	202,719

* Trade Returns.

** Fluctuations in imports and exports are mainly irregularity in shipping services.

There were, in 1951, 17 sawmills, 23 in 1952 and 26 in 1953.[1] Other parts of the forestry industry include pit-sawing, firewood cutting and charcoal burning. The Revenue from Sales in each of these sections is shown[2] in table 25.

TABLE 25

Revenue from Sales of Timber

	1950	1951	1952	1953
	£	£	£	£
Mill Output Timber	135,225	151,282	237,379	257,899
Roundwood	14,682	12,935	9,831	15,334
Pitsawn Timber	11,947	16,632	39,322	31,260
Firewood and Charcoal	105,000	152,301	139,548	130,609
	266,854	333,150	426,080	453,102*

* Prices average: Timber 5/- per cubic foot.
Roundwood £10 per cubic foot.
Firewood 1/4 per solid cubic foot.

(1) Forestry Department Annual Reports 1951, 1952 and 1953.
(2) Forestry Department Reports 1950/53.

The value of Output in sawmilling was estimated as being 75% of Revenue from Sales. It is a higher percentage in pit sawing and firewood cutting and for the whole industry the value of Output is estimated at 80% of Revenue from Sales and is thus as follows for the four years. (A further estimate has been made to cover value of timber cut for firewood and native building but not entering the cash economy. The estimates are mainly based on observations made in villages and settlements but must be considered partly as guesswork.)

TABLE 26

Net Output of Timber Products

	Cash	Non-cash	Total
	£000		
1950	213	122	335
1951	267	122	389
1952	341	134	475
1953	362	144	506

14. Fishing

Fishing ranks amongst those industries for which data are very scarce. Fishing is carried on mainly by Fijians, although Indians are becoming more active in the business. In some Fijian Villages it is known that up to 5lb of fish per head may be consumed each week. On the other hand the inland villages rarely see fresh fish. Crab, shellfish and the freshwater bivalve called kai are also important Fijian foods. On a fairly conservative estimate it is thought that the colony consumes something like 14 million pounds of fish a year. The total value of this at sale prices is £350,000 of which 5% is deducted to allow for expenses such as new boats and nets which have been included elsewhere in the national income. Actual cash income, including the wages and salaries of one fishing company (which

operated at a loss in the years 1950 to 1952) is estimated at £75,000 for four years. Prices in 1953 were slightly higher but the absence of expenses of the fishing company makes a corresponding reduction in the money income. These estimates are too broad to make it worth while introducing refinements for small price and quantity changes and the total value of output at £333,000 with cash market share at £75,000 is assumed for the four years.

15. Shell

The following values of trochus shell were exported from Fiji during the years under review. 1950=£23,626, 1951=£44,745, 1952=£28,828, 1953=£38,199.[1] The proportion of this price paid to the producer varied, but on average was 60% of the export price. Shell was also retained in the colony for manufacture into curios. Two shell button factories started operating in 1954 but were not active in the period under review. Output of the shell industry is estimated as follows:- 1950=£19,000, 1951=£34,000, 1952=£23,000, 1953=£34,000.

(1) Trade Returns 1950-1953.

TABLE 27

National Output of Fiji 1950-1953. Agriculture, pastoral, forestry and fishing

£000

	1950			1951			1952			1953		
	CASH	NON-CASH	TOTAL	CASH	NON-CASH	TOTAL	CASH	NON-CASH	TOTAL	CASH	NON-CASH	TOTAL
Sugar Cane	996		996	1,615		1,615	2,237		2,237	3,613		3,613
Copra	1,016	438	1,454	1,616	443	2,059	2,139	451	2,590	1,963	521	2,484
Bananas	80	64	144	94	60	154	56	52	108	191	70	261
Root Crops	97	2,379	2,476	105	2,754	2,859	169	3,275	3,444	185	3,058	3,243
Other Agric. and Veg.	94	133	227	85	124	209	91	134	225	86	125	211
Rice	408	614	1,022	438	657	1,095	450	675	1,125	461	693	1,154
Meat and Hides	82	40	122	95	38	133	95	46	141	127	44	171
Dairy Products	188	81	269	193	90	283	213	132	345	235	139	374
Eggs	129	139	268	134	146	280	134	146	280	137	149	286
Yaqona	25	55	80	25	55	80	27	59	86	36	56	92
Fruit	105	106	211	105	106	211	141	108	249	135	96	231
Forestry	213	122	335	267	122	389	341	134	475	362	144	506
Fishing	75	258	333	75	258	333	75	258	333	75	258	333
Shell	19		19	34		34	23		23	34		34
Total Net Output	3,527	4,429	7,956	4,881	4,853	9,734	6,191	5,470	11,661	7,640	5,353	12,993
Depreciation*			119			130			146			177
Total Gross Output			8,075			9,864			11,807			13,170

* Depreciation is based on actual depreciation as shown in accounts and estimates made for non-accounting units in cane-growing, copra estates, dairy farming, forestry and fishing.

Chapter IV

NATIONAL OUTPUT OF MANUFACTURING, PROCESSING, DISTRIBUTION, PUBLIC AND PRIVATE SERVICE INDUSTRIES

1. Method of Evaluation

The estimates of agricultural output were reached by evaluating the physical volume of output and making appropriate deductions where values were attributable to other sectors. Details of industrial output in physical terms was however only available for a few of the larger non-agricultural industries and in some cases, for instance, professional and service industries, it is not possible to envisage a physical output, so that purely monetary measures must be used. Thus the material which makes up the National Income estimates in chapter V is also an important part of the material which makes up these Net Output estimates.

For some manufacturing businesses such as sugar milling and coconut oil manufacture, physical output and Revenue from Sales was obtainable by reference to the companies concerned. Output figures were obtained in the same way as for the agricultural sector, by deducting from Revenue from Sales, costs other than payments to factors of production in the industry concerned. For smaller manufacturers, distribution and service industries estimates were made of value of materials and other outlays which have been included in other sectors' Output and the corresponding deductions made from Revenue from Sales. It was, of course, impossible to obtain data from every small business in the country but a sample were questioned regarding retail margins and other costs. Information on labour and wages supplied by the Department of Labour was supplemented by questioning many small businesses on the numbers of family

workers employed. Aggregated accounts of small businesses, particularly in retailing, were obtained from the Inland Revenue Department and after correcting for a 'taxpayers' bias' provided valuable information on the structure of costs and profits in the various industries. Gross turnover figures were checked against figures collected for the estimates of National Expenditure. (See chapter VI)

One of the least satisfactory aspects of this section is the large amount of overlapping between industries. In the sugar processing industry, for instance, it was impossible to make separate estimates for sugar and sugar transport, which should rightly have been put in the transport category. The Sugar Company runs a light railway, which although mainly used for cane transport, also carries out small but valuable communications services to otherwise inaccessible regions. The accounts of this railway were inseparable from other parts of the Company's enterprise. The Sugar Company also runs a cattle station and enters retailing and other distributive industries on a minor, and probably non-profit-making, scale. The Company also had a pineapple cannery during the years in question and this cannery has not been separated from sugar milling as it comes under the same classification of processing and manufacturing. Cattle killings are of course evaluated under livestock. But it has not been possible to make separate estimates for all the many functions performed by the Sugar Company, which although connected with the sugar business should not, strictly speaking, have been classified with sugar milling and processing. Similarly, in the retail and wholesale trade, it was impossible to separate out transport of goods supplied by a business in its own vehicles, although this item should properly be listed under transport. Many engineering works were also sellers of vehicles and parts, and an estimate was made of the value of such sales so that it could be added to retailing and subtracted from engineering.

As a separate chapter of this work has been devoted to Government income and expenditure, there was thought to be no particular virtue in keeping all Government output under one heading in this section. Public works have been included under building and construction, and medical and education salaries have been included under professions. In the latter group it was easy enough to distinguish between professional staff and administrative staff although in the Public Works category, overlapping could not be avoided. All Government administrative output, defence and local government is included under the heading "Government and Defence".

The Output measured is geographical Output or that Output attributable to Fiji production. Therefore values derived by foreign based companies and subsequently removed as profits are included. Owing to the necessity of respecting the business confidences of these companies and also some Fiji resident companies it has been impossible to show separately the values attributable to some of the more important industries. There are only two coconut oil processers, two butter factories and one sugar milling company. It is unfortunate that the statistics for these important branches of industry must be aggregated but to separate them would involve infringing the confidences of the companies concerned. Figures relating to the goldmining concern are substantially the same as those appearing in the annual report and accounts of the company but some further data was contributed by the mining companies and appears in this report by their permission.

2. Gold Mining

The data for gold and silver mining were supplied by the Emperor Mines and associated mining companies, and supplemented from Trade Returns and from Annual Reports of the Department of Mines. The Company's accounting year ends in June so that an average has been used to bring the figures into line with the

calendar years. The exports of gold and silver from these mines for the four years were as follows:[1]

TABLE 28

Exports of Gold and Silver

	Gold		Silver	
	Fine oz.	Value £	Fine oz.	Value £
1950	103,111	1,420,378	31,408	8529
1951	93700	1,296,403	30227	10,538
1952	80,190	1,170,247	22035	7,519
1953	70467	993,698	14677	5,006

The net output of the industry which consists of the sum of wages in money and kind, salaries, profits and royalties was as follows for the four years in question: 1950 = £927,000, 1951 = £876,000, 1952 = £734,000 and 1953 = £680,000.

The Loloma Mine and the Emperor Mine are the two largest gold mines. In 1953 the ore from Loloma decreased slightly in grade and although more ore was treated, actual production of gold and silver declined. The Emperor Mine had started to exploit an important new discovery of high grade ore.[2] Total operating costs per ton of ore milled in Emperor were 62/9.2 in 1951/52 and 71/1.9 in 1952/53.[3] The rise is attributed to an increase in fuel costs and the fact that the ratio of underground to open-cut mining increased. In the Loloma Mine, however, costs per ton fell slightly and this was attributed to a greater utilisation of plant capacity.

The gold mining companies operate a scheme whereby mine workers obtain regular rations of food as part of their payment. This ensures that energy and health do not deteriorate through irregular feeding habits which are so often found amongst Fijians

(1) Trade Returns 1951/1953.
(2) Department of Mines. Annual Report 1953.
(3) Department of Mines. Annual Report 1953.

on purely wage incomes. The companies make extensive purchases of dalo for these rations from local villages and other growers, but sufficient roots could not always be obtained and the ration was supplemented with imported rice.

The fall of Output in the gold mines as shown in the figures is characteristic of the state of gold mining in a period of increasing costs. Gold is a commodity whose price has not altered but most of the costs associated with mining have increased steeply. Wages have increased and this would lead to a slight rise in Output Value but this has been far outweighed by increases in other costs particularly imported machinery and the fall in profits has necessitated some relief in royalty payments being granted to the companies. Royalties were approximately £132,000 in 1951 £45,000 in 1952 and £23,000 in 1953.

Manganese mining began to yield a return in 1952. Previously initial prospecting was probably being carried out at a small loss. In 1952 and 1953, export values were £36,258 and £33,391[1] respectively. In 1953 there were 3 mines and 11 prospects in operation. Net Output for 1952 and 1953 is estimated at £16,250 and £14,120 respectively. There was a fall in the price of manganese in 1954.

3. Building, Construction and Public Works

The number of firms in the building and construction industries in 1952 was 18, of which 12 were Indian firms. Several firms had more than one branch so there were actually 24 businesses. There were four independent architects and there were 8 other small firms engaged in allied trades such as surveying and plumbing; there were also a few individuals operating in such allied trades in a small way. The most extensive operator in building and construction was the Public Works

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(1) Trade Returns. 1953.

Department which in 1952 employed 115 salary earners[1] and 2,444 wage earners.[2] The Royal New Zealand Airforce and New Zealand Public Works Department also carry on construction work on a smaller scale, mainly in connection with defence. The Fiji Public Works Department builds and maintains roads, harbours, water supplies and public buildings and operates quarries.

Throughout this study, profits are included net of depreciation for private businesses. The Gross National Income and Output is then finally assessed by adding back depreciation. It should be noted however, that no depreciation is charged against Public Works. This follows a convention common in Government accounting to consider capital expenditure as a charge against current revenues.

The Net Output of building and construction during the four years was as follows:

TABLE 29

Net Output of Building Construction

	£000			
	1950	1951	1952	1953
Private and RNZAF	387	417	430	445
Public Works	392	428	514	590
Total	779	845	949	1,035

During 1952, a large amount of small construction and repair work was carried out by individuals as well as by building firms following damage from the hurricane. In 1953, building costs rose considerably.

An estimate must be also made for the value of Fijian housing built communally under the village system. It is reckoned that the population increase should lead to a net

(1) Civil List. March 1953.
(2) Department of Labour.

addition of 169 bures (Fijian houses) to the total number of bures each year assuming the ratio of Fijian bures to population remained constant.[1] These new bures are valued at £91 each so that the net addition to income is £15,379 per annum.[2] The replacement of houses in Fijian villages takes place, on average, every 7 years. The replacement of existing housing is thus valued at £152,063 per annum. As Fijian bures are not depreciated in the monetary sense this expenditure is viewed as replacement of existing capital while the increase in housing per year is viewed as net addition. Thus, while replacement of housing enters into the Gross Domestic Output, net addition to housing is a part of the Net Domestic Output. A further estimate is made for other public works performed in Fijian villages and the Net Output from all Fijian construction and village works is set at £18,000 for each year, whilst the replacement and repairs to existing housing was estimated at £152,000. This is a high figure compared with the depreciation on Indian housing which was probably about £100,000 per annum, but it reflects the wastefulness in terms of labour values which is inherent in the construction of such short lived housing as the Fijians customarily erect. Although many Indians erect their own houses the cost can be compared, roughly, with that of Indian houses erected by Indian builders in small business.

4. Engineering

Engineering includes vehicle and marine engineering and allied work, also blacksmiths and other workers in base metals. There are in Fiji, 56 engineering businesses most of which are

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(1) During the census of population in 1946 it was shown that there were 11,855 bures (Fijian houses). Between then and 1953. Fijian population has increased by 11%. Assuming the number of houses increased at the same rate and net addition to housing was approximately 169 a year.

(2) It is not very easy to evaluate these houses, as few are let. A few bures near towns are let at approximately 5/- a week. The life of a bure was found in enquiry at 35 villages to be, on average 7 years.

concerned with vehicle repairing and maintenance and electrical maintenance. 27 of these businesses are in the Suva district and 29 are outside Suva. Of the total 56 businesses 29 are owned by Indians, 8 by Chinese and 19 by Europeans. There is some overlapping between engineering and other industries. The Public Works Department is involved in some engineering and allied activities but these could not be separated from constructional work. Many garages deal in vehicles as well as servicing them and repairing them. Estimates have been made of these activities so that values can be transferred to the distributive industries on account of dealing in vehicles and parts.

The Net Output of engineering was estimated to be as follows for the five years under review: 1950 = £205,000, 1951 = £250,000, 1952 = £237,000 and 1953 = £248,000.

5. Processing and Manufacturing

Figures for all processing and manufacturing have been aggregated. To show data for each industry separately, would, in several cases divulge business information relating to a few major enterprises. The number of manufacturing and processing businesses which existed during the main part or whole of the 4 year period is shown below. The smaller businesses are enumerated from the Pacific Islands Trade Directory which is compiled from licensing lists. It is possible that there are still a number of small craftsmen in these businesses who have not been recorded owing to evasion of licensing.

Sugar milling and pineapple canning company	1
Aerated water manufacturers	11
Bakers	48
Saddlers, upholsterers and leather workers	8
Rice mills[1]	16
Jewellery and curio makers	45
Boat builders	6
Electricity suppliers	10
Carpenter and cabinet makers	11
Coconut oil processers	3
Butter factories	2
All others	18

(1) Only larger rice mills employing labour are included.

As far as is possible distributing activities of such people as manufacturers of leather work, electricity, jewellery and aerated water were transferred to the distributive industries classification. The group 'bakers' which also includes a biscuit factory was not however divisible in this way and all parts of the bakery business are included under this heading. The Net Output for processing and manufacturing was: 1950 = £1,254,000, 1951 = £1,360,000, 1952 = £1,760,000, 1953 = £1,709,000.

These figures indicate that the contribution made by manufacturing and processing in the Fiji economy is still extremely small compared with that made by primary industries. Even in the sugar industries, the value added by processing is much smaller than the Output of cane production (which of course ... to be shared by a larger number of people). In coconut processing, although the export value of milled products approached 2 million pounds in 1953, most of the revenues were swallowed up by the purchases of copra and the aggregated incomes created by the processing industries are relatively small. The increase in Output values is however a healthy sign pointing towards a greater diversification of the economy. A slight fall in the value of Output attributable to these industries during 1953 can be mainly accounted for by the rise in the price of raw materials and imported machinery. Some new industries have made their appearance since 1953, two pearl button factories have started and two cigarette factories are in operation. Biscuits and soap are the only fully manufactured goods exported from Fiji in any quantity, although some manufactured cooking oils and butter are also exported in small quantities.

6. Wholesale and Retail Distribution

Wholesale and retail business in Fiji is carried out both by large and small firms. Most of the well known Pacific trading houses have large businesses in Suva and many branches in the

country. Most small stores are, however, run by Indians or Chinese; and all over Fiji, the Indian stores, selling practically all items of everyday demand, are a common sight. Retailing and wholesaling includes all forms of distribution, for as well as the selling of consumer goods in the domestic market, the banana and copra industries provide incomes for middlemen and export and import business creates more wealth for the colony. Fiji has a small but growing entrepot trade as she is becoming a centre of distribution for the other Pacific Islands, fuel oil and textiles are the most valuable items in this trade.

The number of businesses existing in 1952 classified by Suva and country is shown in table 30.

When the main line of business is concerned with a specifiable selling activity the business has been included under the appropriate heading in table 30. Most retailing businesses in Fiji sell many commodities and the majority of shops selling footwear, chemicals, fruit and vegetables, books and benzine are mainly general dealers, so that only the few specializing stores are separately classified in this table. Tailoring was carried on by many Indian general stores and drapers. It is realised that tailoring is not really a distributive trade. It was however so commonly carried on in these circumstances that to separate it from this group would give an inadequate picture of the businesses. A summary description of the tailoring business is however presented in chapter IX.

It has not been possible to separate values contributed by traders' own vehicles in the transportation of merchandise, from values of other distributing activities. When it was known that traders charged freight or hired out vehicles to other firms this value was included under transport rather than under distribution. All shipping is classified under water transport.

TABLE 30

Number of Retail and Wholesale Businesses in Fiji 1952

	SUVA					OTHER PARTS OF FIJI				
	Indian	Chinese	Fijian	European	Total	Indian	Chinese	Fijian	European	Total
General stores, drapers and tailors	111	84		8	203	704	199	114	15	1032
Mainly:										
Butchers		3		1	4				1	1
Boot and shoe	14			1	15	17				17
Chemists	1			4	5				3	3
Fruit and Veg.	3	4	1		8	8	3	1		12
Sale of Benzine						4				4
Book selling	7			4	11	7			1	8
Agents, wholesale, import and export	13			24	37	2			2	4
Hawkers	2	1			3	36	4	9		49
Total	151	92	1	42	286	778	206	124	21	1129

A consolidated account showing Sales Revenue, outlay and operating costs for distributive trades is shown below:[1]

TABLE 31

Consolidated Account. Distributive Trades

	Receipts £000			
	1950	1951	1952	1953
Sales (+ increase in book valuation of inventories)	11,738	12,897	13,735	13,927
	11,738	12,897	13,735	13,927

	Outlay			
	1950	1951	1952	1953
Purchases and outlay to other sectors	9,464	10,332	11,102	10,875
Depreciation	170	205	205	253
Wages	803	899	924	948
Salaries	180	210	235	301
Rent	60	60	60	60
Profit surplus	1,061	1,191	1,209	1,490
	11,738	12,897	13,735	13,927

The net output for the four years was as follows:

1950 = £2,104, 000, 1951 = £2,360,000, 1952 = £2,428,000

1953 = £2,799,000.

(1) Stocks carried by stores were related to Sales Revenue for each year and from a sample it was estimated that stores carri stocks valued at 26% of Sales Revenue in 1951 and at 20% in 1953 when there was a general tendency to run down stocks. Th larger the firm the greater the value of stocks carried in relation to turnover. It should be noted that profit is arrived at after deducting "Purchases" and not "Cost of Sales" in the current year, and after allowing for changes in stock valuation.

7. Transport

The road transport business in Fiji is mainly in the hands of Indians who operate taxis, passenger buses and goods carrying vehicles. The profit from operating one vehicle depends on the amount of use, loading and the age of the vehicle. Output figures were arrived at from figures of average profits and costs per vehicle which had been based on available accounts. The number of vehicles registered in the colony was provided by the Traffic Department. In 1950 there were 358 taxis, 843 lorries and trucks, 152 vans and 263 public service buses. In 1952 the numbers had increased to 492 taxis, 1,077 lorries and trucks, 182 vans and 266 public service vehicles. About 70% of the vehicles were generally driven by the owners while the remainder were driven by paid labour. After deducting the vehicles already added into distribution Output, the value of Output was as follows:

TABLE 32

Output, Road Transport

£000

	Taxis	Trucks and vans	Passenger buses	Total
1950	90	30	78	198
1951	89	25	84	198
1952	92	28	81	201
1953	91	28	91	210

Interest, which is not separated from profit may be paid by owners of taxis in many cases, as money is frequently borrowed for the purchase of vehicles. This part of profit does not therefore accrue to the operator but no details of these loans are available.[1] Profit declined in the taxi business in 1952 and 1953 and it appears that the number of taxis operating has

(1) An estimate has however been made to cover bank interest which is accounted for under bank profit see page 92.

increased more than the number of fares, resulting in a reduced income per vehicle. Cost of parts and vehicle maintenance has also increased.

Nadi Airport was used regularly by four major airlines, during this period, and the flying boat base at Laucala Bay, by two. Foreign Airline companies are non-resident concerns and their profits (or losses) are not included as part of Fiji's National Output and Income. These companies maintain large staffs in Fiji however and their salaries and wages are of course included. There is one internal airline in Fiji and its profit or loss is included in calculations of the net output and income. The figures of Output given below thus include the wages and salaries of resident employees of non-resident companies and the wages salaries and profits of the one resident concern. For the four years in question they equalled 1950 = £152,000, 1951 = £191,000, 1952 = £357,000 and 1953 = £403,000.

An island colony like Fiji is dependent on water transport for much of her internal trade. The number of vessels registered with the Fiji Marine Board was as follows:

TABLE 33

Number of Vessels Registered in Fiji

	Number	Tons
1950	55	1,899
1951	61	1,991
1952	67	2,468
1953	96	3,712

11 of these vessels were barges with no means of self propulsion, 6 were Government owned, and 9 were not in commercial use during the period in question. The remainder were engaged in inter-island transportation of goods and passengers. Copra was the most important cargo carried.[1]

(1) There is one Fiji registered company which registers larger ocean-going freighters in Fiji. As all the transactions of this company are carried on outside Fiji, the only contribution it makes to these values are payments in salaries and wages to Fiji residents, and taxation to Fiji government.

Throughout the four years, many owners of ships failed to make profits in this business. In many cases shipping services, which did not, in themselves pay, were maintained to carry copra and for the larger concerns, copra profits were in the book-keeping sense subsidising shipping. There was a net loss in shipping for the colony as a whole in 1950 and 1952. Very small profits were made in 1951 and 1953.

Many smaller and unregistered boats are used by Fijians and others for carrying produce and passengers for monetary return an estimate for these has been added to the wages, salaries and profits of registered vessels. The net output from water transport is thus put at the following figures: 1950 = £55,000, 1951 = £104,000, 1952 = £97,000 and 1953 = £114,000.

8. Catering

In 1951, there were, in Fiji 35 hotels, guest houses or rest houses; 14 were in Suva and 21 were in other parts of the colony; 4 of these buildings were irreparably damaged in the hurricane of 1952. Since then however 2 new hotels and 2 Indian lodging houses have been opened.

The accommodation and meals trade of hotels has been increasing, mainly due to the improvements in shipping and air-services by which tourists can be brought into the colony. The liquor trade has also increased during the four years but this is influenced much more by the level of incomes than by the number of tourists. There are also clubs in all the larger centres in Fiji and these account for a good proportion of the liquor sales. Returns sent in from the majority of these clubs indicate that in all they had liquor sales valued at approximately £30,000 in 1952. Clubs do not however aim to make a profit over the long period and hotels who are the main sellers of liquor contributed the greatest value to this industry.

There were in 1952, 91 cafes and restaurants in the colony, the majority of which were run by Chinese. There are probably a number of small 'kava shops' in Fijian districts which were not licensed. The Net Output of catering is shown as follows (the liquor trade accounts for approximately 55% of the total). 1950 = £224,000, 1951 = £300,000, 1952 = £297,000 and 1953 = £336,000.

9. Domestic and other service and Entertainment

Domestic and personal service includes all domestic servants' Output and the Output of such service industries as hairdressing, laundering, undertaking, entertainment, press and broadcasting. The values attributable to domestic servants are based on rather unreliable estimates. Estimates of wages paid to this class of worker were fairly easily obtained but the number of workers was a matter for 'informed guesswork'. There is always a large number of people in the private domestic group whose contribution to the economy falls outside the scope of evaluation. In no country is it the practice to include work performed by housewives as part of the National Income and Output. In Fiji, particularly amongst the Indians, there is a large number of family workers performing both domestic services and also perhaps participating to some extent in farm work and other commercial work. Generally speaking, where data are available, only the contribution made by adult males is considered as an income-creating activity. Figures of estimated Output for domestic and service industries are given in table 34.

TABLE 34

Domestic and Personal Service

	£000			
	1950	1951	1952	1953
Hairdressing	23	24	24	28
Laundries and undertakers	48	47	46	52
Entertainment, press and broadcasting[1]	45	50	53	56
Private domestic and personal service	299	329	339	376
TOTAL	415	450	462	512

10. Banking and Financial Services

The treatment of interest, in National Income accounts has been the subject of considerable discussion.[2] It can be considered as a distinct type of factor income arising from the productive activity of lending money, or it can be considered as a transfer from profits of enterprises, the whole of which are considered as factor income. The last method, which is used in the U.K. national accounts,[3] is employed in this survey. Consumption loans which are quite common amongst the Indian community but do not add up to a significant sum of money have been excluded. In a study of this kind, it would not be possible to distinguish all interest from profit and thus, in general, profit surplus is added in to the National Income before the distribution of interest and thus excludes interest. It has however been necessary to exclude Bank interest from this treatment. Banks in Fiji are branches of overseas concerns, and in the Balance of Payments the profits of banks are included in the profits of all overseas firms which are removed from the colony. Thus bank profit must be distinguished. As bank profit is largely composed of interest,

(1) Includes wages, salaries and rent of Cable and Wireless Ltd.

(2) See particularly H.P.Brown. Some Aspects of Social Accounting - Interest and Banks. August 1949, "Economic Record".

(3) National Income Statistics. Central Statistical Office, P.2.

double counting, would result if we did not exclude from profits of businesses, interest paid to banks. Any profit made on money changing and other services by banks is also included in Output of "Banking and Financial Service". Other items included in this Output are, wages and salaries of employees in banking, accounting and insurance, and interest paid to depositors by the banks and the Government Savings Bank. The reason for including this last item is perhaps clarified if deposit interest is viewed as a form of profit appropriation. Depositors are in a sense 'shareholders' and if interest were not paid to them the amount would be added on to profit. The Net Output of this sector of the economy for the four years under review was estimated at (£000) 1950 = 376, 1951 = 412, 1952 = 502 and 1953 = 511.

11. Professions

The net Output for professional services in this period was as follows:

TABLE 35

Net Output. Professions

	1950	1951	1952	1953
Medical Services	190	198	195	201
Education	330	336	375	395
Religion	57	58	58	59
Law	36	40	40	53
TOTAL	613	632	668	708

These figures include incomes from all medical and educational services whether performed by the government, missions or private bodies and individuals. All mission incomes are included except when those employed are specifically engaged on non-religious work. Law includes net incomes of individuals, and firms engaged in law.

12. Government and Defence

Government salaries were computed from the figures of personal emoluments in government annual accounts and the Civil List. Salaries already included under medical, educational or Public Works were of course excluded. Salaries paid to members of the Fiji Military Forces resident in Fiji and members of the New Zealand Forces (other than public works personnel) were also added into the estimates. Wages paid to Government employees were obtained from the Labour Department.

It is usual in National Income and Output studies to impute a rental value to government property. Many government owned houses were, of course let at given rentals but the rent of other property was imputed by reference to rating rolls. The Output figures are as follows (£000).

TABLE 36

Government Output

	1950	1951	1952	1953
Government salaries (excluding "Professional" and Public Works)	558	676	706	702
Government Wages, (excluding Public Works)	54	67	69	72
Resident Fiji Military Forces and R.N.Z.A.F. Forces (approx.)	100	105	145	155
'Rent' of government property	70	72	73	75
	782	920	993	1,004

13. Ownership of Property

The rents of all housing must be added into the Net Output of the country and if houses are owner-occupied a rent must be imputed. For Suva properties, a complete valuation roll is maintained for rating purposes. These valuations fall below the market rental values of properties but they provided useful information on relative values of different types of properties, loss of values due to hurricane damage and the number, in the area, of each type of dwelling. A comparison, of rents given

in this roll, with enquiries made of rents payable for 120 rente dwellings showed that the valuation roll rents stated were an average 70% of actual rents paid for unfurnished premises. Rent of business premises have been included in the product of the industry concerned. All land rent has been allocated to the crop or product concerned.

Net rents (after allowing for maintenance and repairs) were 75% of gross rents in the average years but owing to hurric damage repairs, were, in 1952 about 65% of rent income on average for the whole colony.

Outside Suva the number of dwellings was obtained from the figures in the Population Census of 1946 after allowing for increases in the population since that year. The net imputed rent of Fijian type houses is estimated at 50% of the gross imputed rent of £13 per annum per house and the net imputed rent of Indian type dwellings at 50% of the gross imputed rent of £18 per owner-occupied house. The property owned by missions, school and similar non-profit making institutions is included. For this category annual rentals were believed to be worth (£000) 1950 = 36, 1951 = 40, 1952 = 40, 1953 = 43. (Churches are not included) The annual net rent, actual and imputed for all buildings other than those occupied for commercial and government purposes was estimated at (£000) 1950 = 663, 1951 = 750, 1952 = 820, 1953 = 821.

TABLE 37

Domestic Output of Fiji. Manufacturing, Processing, Distribution, Public and Private Service Industries

	Net Output £000			
	1950	1951	1952	1953
Mining	927	876	750	694
Building and Construction	779	845	949	1035
Engineering	205	250	237	248
Processing and Manufacturing	1,254	1,360	1,760	1,709
Wholesale and Retail	2,104	2,360	2,428	2,799
Road Transport	198	198	201	210
Air Transport	152	191	257	403
Water Transport	55	104	97	114
Catering	224	300	297	336
Personal Service and Entertainment	415	450	462	512
Professional	613	632	668	708
Finance and Insurance	376	412	502	511
Government and Defence	712	848	920	929
Property Ownership[1]	663	750	720	821
Government Property	70	72	73	75
TOTAL MONETARY	8,747	9,648	10,421	11,104
Fijian houses, net construction	18	18	18	18
TOTAL NET OUTPUT	8,765	9,666	10,439	11,122
Depreciation:				
Mining	39	50	61	59
Construction and Engineering	48	53	57	60
Processing and Manufacturing	402	433	450	450
All others	412	425	369	366
TOTAL MONETARY	901	961	937	935
Fijian Housing	152	152	152	152
TOTAL DEPRECIATION	1,053	1,113	1,089	1,089
GROSS OUTPUT	9,818	10,779	11,528	12,211

(1) Although much of the income from property ownership is imputed or non-monetary, it has not been possible to ascertain the proportion of owner-occupiers to tenants. In accordance with usual National Income practice all rental values whether actual or imputed are included as part of monetary Output.

TABLE 38

Net Domestic Output, All Branches of production

	1950		1951		1952		1953	
	£000	%	£000	%	£000	%	£000	%
Monetary Copra	1,016	6.08	1,618	8.32	2,139	19.72	1,963	8.14
Sugar	996	5.96	1,615	8.32	2,137	10.17	3,613	14.98
Bananas	80	.48	94	.48	56	.25	191	.79
Other Monetary (Agricultural etc.)	1,435	8.58	1,556	8.02	1,759	7.99	1,873	7.77
All Non-Monetary Output (Agricultural etc.)	4429	26.49	4853	25.03	5470	24.87	5353	22.20
Mining	927	5.54	876	4.52	750	3.41	694	2.88
Building and Construction	779	4.66	845	4.36	949	4.32	1035	4.29
Engineering	205	1.23	250	1.29	237	1.08	248	1.03
Processing and Manufacturing	1,254	7.50	1,360	7.01	1,760	8.00	1,709	7.09
Wholesale and Retail	2,104	12.58	2,360	12.16	2,428	11.04	2,799	11.61
Transport	405	2.42	493	2.54	655	2.52	727	3.01
Catering	224	1.34	300	1.55	297	1.35	336	1.39
Personal Services	415	2.48	450	2.32	462	2.10	512	2.12
Professional, Financial	989	5.91	1044	5.38	1,170	5.32	1219	5.05
Government Defence	712	4.26	848	4.37	920	4.18	929	3.85
Property Ownership	733	4.38	822	4.42	793	3.60	896	3.72
Fijian Housing Net Construction (Non-monetary)	18	.12	18	.09	18	.08	18	.07
	16721	100.00	19400	100.00	22000	100.00	24115	100.00
Depreciation	1,172		1,243		1235		1,264	
Gross Domestic Output	17893		20643		23235		25379	

Chapter V

THE DISTRIBUTION OF THE NATIONAL INCOME

1. The Occupied Population

In the compilation of Income tables, we have called heavily on the same sources of data as were used for Output calculations, particularly on those used for the non-agricultural group of industries. Some of the data on which these figures are based was however employed only as a check on the output figures in the method described in chapter II. The emphasis now, however, shifts from Output values which have been classified by industries and types of agricultural production to Income values which are classified by the four races (Europeans, Indians, Fijians and Chinese) which predominate in Fiji's economy and are also classified in wage incomes, salaries, profit, interest and rent, and in cash income and non-cash income.

During the Population Census of 1946,[1] an occupational and industrial classification of the population was attempted. The changeover from a 'war' to a 'peace' economy and other big economic changes have made these occupation figures of little value today, and in fact the problems of obtaining accurate answers to questions on occupation in Fiji make the value of such a survey very suspect.[2] A by-product of the present study has been a certain amount of data on how the occupied population is distributed as between industries. These figures which are shown in table 39 must be considered as very broad estimates.

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(1) Report of the Census of Population 1946. Fiji Legislative Council Paper No.35 1947.

(2) Because many people do not understand the nature of the question. Many people, particularly Fijians may state an occupation which they have pursued at some time but are not necessarily doing at the time. As many villagers work part of the year, this may tend to "inflate" various occupations.

TABLE 39

Distribution of Occupied Population by Industrial Groups

1952

	European and Part European	Fijians and other Islanders	Indian	Chinese
Agriculture and Villages	950	30,000*	23,000	450
Mining	200	1,250	200	10
Sugar Processing	468	500	2,300	-
Tailoring	-	-	1,000	-
Other Manufacturing	250	500	1,000	100
Retail and Wholesale	1,500	1,500	5,000	900
Transport, Communications	370	1,000	2,000	20
Building, Construction and Engineering	500	2,000	3,000	100
Public Service and Professional	1,600	1,650	1,200	40
Hotels, Cafes and Personal Service	500	2,000	4,000	200
General Workers and Seeking Work	200	2,500	3,500	200
Total estimated population occupied	6,538	42,900	46,200	2,020

* Number of adult males between 14 and 60 believed to reside in villages for the most part of the year. The Fijian figures are complicated by the preponderance of casual and part-time workers who reside in the village for varying periods. About 2,000 Fijians and other islanders undertake farm work either on own account or as paid workers for the main part of the year.

The census figures, as quoted by the Department of Labour's Annual Report in 1950,[1] indicated that there were 26,621 salary and wage earners in Fiji and 22,407 people occupied as employers, or on their own account. There was thus a total of 49,000 in the colony who may be considered as working for mainly money returns. Table 39 shows the number of people estimated as occupied on mainly full time work, supporting themselves either through cash or non-cash returns. In this table Fijian villagers, if males of working age, are included although shown separately. This table shows the distribution by race and industry of Fiji's total occupied population. The Department of Labour's own annual figures account for approximately 19,000 wage earners listed by industries and occupations but exclude salaried workers, personal service, stevedoring and various office employments which can account for approximately 8,000 additional workers. Further there are many younger brothers, sons and other relatives of small businessmen who gain a share in the firms' proceeds, which whether it is viewed as a share in the profit or a wage, entitles them to be considered as part of the occupied population. (These adults are numerous on sugar farms and in Indian small businesses.) Thus when comparing the 49,000 salaried, wage earners, employers and own account workers of the 1946 census with the 96,000 given as 'occupied population' in table 39; it should be remembered that the latter includes about 30,000 villagers, and perhaps a further 8 or 9 thousand family workers and others who were not included in the 49,000. The estimated increase in the working population since 1946 does not seem to be high when it is noted that in 1946 there were 36,000 males of between 5 and 14 years of age (Census of population 1946 Table II) and all survivors

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(1) Annual Report of Labour Department 1950. Legislative Council Paper 34, 1951.

in this group would enter the "occupied" age groups during the subsequent decade. The high ratio of children to adult population brought about by the high birth rate and low mortality rate now characterising both the main races will ensure a continual stream of young workers entering the 'occupied' category.

2. European Incomes

Owing to the methods of abstracting information, much of which came from official and semi-official sources,[1] names were used as a means of allocating firms and individuals to racial groups. Exceptions to this rule were made in the cases of firms bearing European names, but which it is well known are Chinese or Indian. Companies have been treated separately as there is, in theory, no such thing as an "Indian company" or a "European company". In theory a company cannot limit its shareholders to members of a given race. In practice it would, in Fiji, not be difficult to allocate the companies to given racial groups at present. It would however not be desirable to initiate a procedure which could not be upheld should companies become more mixed in their racial constituency in the future.

Part-Europeans generally bear European names. No distinction can therefore be made between these groups. It is safe to say that nearly all wage-earners in the European category are part-European. About two-thirds of the salary earners in the colony are European or part-European. In table 40 which shows European Income, salaries are shown distinctly from wages. There were no indications, during the period in question, of

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(1) Main sources were - (a) Department of Labour's annual statis
(b) Figures supplied by larger companies on salaried and wage-earners.
(c) Inland Revenue Department.
(d) Rating valuations.

TABLE 40

European Incomes 1950-1953

£000

	1950				1951				1952				1953			
	Wages	Salaries	Profit Interest Rent	Total	Wages	Salaries	Profit Interest Rent	Total	Wages	Salaries	Profit Interest Rent	Total	Wages	Salaries	Profit Interest Rent	Total
Copra	9	10	189	208	12	15	338	365	19	16	456	491	19	16	393	428
Other Agric. and Pastoral	28	6	58	92	28	6	63	97	32	7	65	104	30	8	57	95
Forestry and Fishing	8	8	18	34	9	10	28	47	13	14	43	70	10	15	14	39
Agricultural Rents			8	8			8	8			9	9			9	9
TOTAL AGRIC. Etc.	45	24	273	342	49	31	437	517	64	37	573	674	59	39	473	571
Mining	20	51		71	12	51		63	17	58		75	18	58		76
Building and Constr.	46	62	7	115	50	72	7	129	55	85	9	149	65	99	12	176
Boat Building	10	2	8	20	9	4	7	20	9	2	2	13	8	2	2	12
Engineering	14	8	7	29	19	8	5	32	21	9	5	35	25	9	6	40
Sugar Milling	18	280		298	25	310		335	28	349		377	32	330		362
All Other Manuf.	20	12	20	52	22	15	38	75	21	20	32	73	26	12	31	69
Wholesale and Retail	52	90	104	246	55	92	98	245	50	200	64	314	89	282	88	459
Air Transport	9	72		81	9	92		101	9	134		143	12	192		204
Road Transport	7			7	9			9	9			9	11		1	12
Water Transport	8	6	-2	12	8	6	1	15	16	8		24	14	8	1	23
Finance		145	6	151		160	7	167		176	5	181		175	5	180
Personal Service etc.	21	2	2	25	21	2	2	25	22	3	1	26	20	3		23
Catering	7	25	30	62	10	32	50	92	11	33	45	89	11	40	49	100
Professions		216	32	248		210	40	250		208	37	245		223	45	268
Government and Defence	20	359		379	22	393		415	18	422		440	20	430		450
Property Rents			155	155			170	170			192	192			250	250
TOTAL Non-Agric.	252	1,330	369	1,951	271	1,447	425	2,143	286	1,707	392	2,385	351	1,863	490	2,704
ALL EUROPEAN INCOMES	297	1,354	642	2,293	320	1,478	862	2,660	350	1,744	965	3,059	410	1,902	963	3,275

any major slide towards placing indigenous people in jobs regarded as mainly for Europeans, but four years is not a sufficiently long period to show this move which is undoubtedly taking place, if rather slowly. The majority of people in the European category are part-Europeans who are permanent local residents. The group who, in the interests of economy, it would be worth replacing by local people is the expatriate group of salaried officials of government and the larger firms. The overall number of these expatriate Europeans increased during the years in question but only in proportion to other increases in the occupied population. Some companies managed to achieve a reduction in the ratio of their expatriate to local staff.

3. Indian Incomes

Indians in Fiji are found employed in a greater diversity of industries and following a more varied range of occupations than are other races. There are several kinds of work in which Indians are the only people, or the overwhelming majority. The provision of road transport services is practically 100% by Indians and in all branches of the sugar industry both in cultivation and in processing of the crop, Indians predominate. In small retail business, tailoring and shoemaking, the larger share of business is in the hands of the Indian. He enters both as wage earner and employer in practically all types of business in which Europeans are occupied such as building, engineering, wholesaling, importing and exporting and many others.

This variety of businesses, and the predominance of the small firm and own account worker amongst Indians creates many problems when Indian income is to be measured; and in fact makes the Indian estimates rather less reliable than those which have been made for other races. Not all small businesses make

TABLE 41

Indian Incomes 1950-1953

£000

	1950				1951				1952				1953.			
	Wages and Salaries	Profit and Interest	Non-Monetary	Total	Wages and Salaries	Profit and Interest	Non-Monetary	Total	Wages and Salaries	Profit and Interest	Non-Monetary	Total	Wages and Salaries	Profit and Interest	Non-Monetary	Total
Agricultural and Pastoral	892	848	1,089	2,829	884	1,457	1,099	3,439	914	2,101	1,112	4,127	1,326	3,245	1,118	5,689
Forestry and Fishing	44	53	90	187	57	65	90	213	59	66	96	221	74	55	101	230
TOTAL Agric. Etc.	936	901	1,179	3,016	941	1,522	1,189	3,652	973	2,167	1,208	4,348	1,400	3,300	1,219	5,919
Mining	59			59	48			48	34	2		36	37	6		43
Building and Constr.	351	25		376	386	14		400	418	20		438	462	30		492
Boat Building	9	4		13	9	3		12	2	6		8	2	6		8
Engineering	72	13		85	89	18		107	99	18		117	85	21		106
Sugar Milling	222			222	248			248	300			300	360			360
All other Manufactures	50	50		100	50	52		102	53	56		109	92	62		154
Wholesale and Retail	420	580		1,000	425	660		1,085	470	642		1,112	555	647		1,202
Air Transport	28			28	38			38	40			40	80			80
Road Transport	78	105		183	88	90		178	73	102		175	88	82		170
Water Transport	15	1		16	20	2		22	27	-2		25	27	10		37
Personal Service and Entertainment	227	55		282	248	55		303	247	58		305	272	72		344
Catering	74	4		78	74	7		81	75	7		82	77	10		87
Financial	10	90		100	14	113		127	10	132		142	11	169		180
Professions	130	23		153	143	23		166	157	33		190	153	40		193
Government	121			121	138			138	168			168	166			166
Property Ownership		370		370		428		428		380		380		410		410
Total Non-Agricultural	1,866	1,320		3,186	2,018	1,465		3,483	2,173	1,454		3,627	2,467	1,565		4,032
ALL INDIAN INCOMES	2,802	2,221	1,179	6,202	2,959	2,987	1,189	7,135	3,146	3,621	1,208	7,975	3,867	4,865	1,219	9,951

Inland Revenue returns, and of those that do make them, probably a minority are perfectly accurate. Linking these figures with the figures of overall sales used in Output estimates and with data of imported goods sold, we can get a fair idea of the average profit current amongst Indian small business. Inland Revenue figures are, in aggregate fairly sensitive to relative changes in profits and stocks as between years even if the absolute quantities they disclose are dubious in their accuracy. Bigger employers of Indian labour supplied information of wages paid. The net income of sugar cane farmers was estimated in the basis of information obtained from the C.S.R. on total payments to farmers and from enquiries made on costs of production. Costing and other studies available on sugar costs of production are however wholly inadequate.

The scale of indebtedness amongst Indians is considered to be fairly high. While undertaking the family expenditure survey amongst poorer Indians near Suva a considerable amount of small debt was discovered. For the most part Indian debt is of a small, temporary nature. Anyone who has saved may lend to some other person in need. By next year lender and borrower may have reversed roles although there will always tend to be, in any small group, the chronic lender and the chronic borrower. It has not been possible to make any estimates of the income from this kind of lending but it is certainly not of great significance. On a more business-like level we found, quite commonly, loans of a few hundred pounds for housing or business purposes. The lender was frequently one who lends in varying degrees to several debtors. Any suggestion that the Indian community is drawing large inflated incomes from loans gives a false picture of the position. A few, perhaps not more than 20 Indians in the colony, are drawing net incomes of over £500 per year from this kind of investment. For the most part the process of accummulation has not been proceeding fast enough or long enough , for

any large fortunes to have been built up. Nevertheless Indian saving both large and small, and investment in real property has shown remarkable growth during the past five years and should it proceed at the same rate the distribution of income is bound to lean more and more heavily towards the Indian. What is perhaps more important at the moment is that Indian saving is providing a small but steadily increasing source of investable capital by which the development of the economy can be furthered.

Table 41 shows the estimated distribution of Indian income (excluding companies' profits and interest). The increasing trend of practically all industrial groups is due both to increased levels of money incomes and to the entry of more young people into the employed age groups. The period of five years is not long enough to indicate whether there is any major movement from farms to urban employment. The limits on land available to Indians should lead to the absorption of much of the population increase in town employment. On the other hand this movement is to some extent deferred by the higher incomes on cane farms, which today, can and do, support more than one adult male and their families.

4. Fijian Incomes

Fijians, when they are employed as wage earners, tend to be concentrated in a few industries such as mining, building and construction and stevedoring. These industries offer both regular and temporary employment and are able to draw on the labour resources of villages and provide means of earning money to Fijians, who need not break completely away from the traditional village life, but can remain members of this community and return to it at the expiry of their term of working for wages. Fijians are constantly drifting backwards and forwards between villages and centres of employment and not many follow

the same occupation for as long as a year at a time.[1] There is no contract labour in Fiji as is common in the Gilbert Islands, where employers contract with the island authorities to take a given number of men at stated conditions for a period of a year or two years. In Fiji, Fijians can virtually walk in and out of jobs as the spirit moves them and a high labour turnover results.

In the village economy it is not possible to classify the money earnings in terms of "wages" or "profits". In the copra and banana industries, for instance, most Fijians are working on their own account, although a few may be working for other Fijians, for the village as a group, or for Co-operative Societies or Missions. Of the £1,529,000 earned in the copra industry in 1952, £286,000 is estimated to be wages paid to Fijians employed on mainly European-owned private copra estates. In the non-agricultural industries, money earnings are mainly wages but in 1953 it was estimated that about £29,000 was income derived from Fijian's trading, selling handcrafts and providing services as "own account" operators. Fijian salary earners' incomes were worth approximately £295,000 in 1952. Salary earners worked in Medical, Educational, Religious and Administrative spheres of life but there were no Fijians employed as salary earners by private firms, as far as could be ascertained, although there were several Fijian foremen and a number of office workers.

Figures of wages were mainly obtained from the larger employers and of course include the value of payments in the form of rations and housing as well as in actual money. Non-monetary 'Income' is identical with the value of the non-monetary Output of Fijian villages, and an estimate has been added in for the imputed value of new buildings in Fijian villages. Nevertheless,

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(1) The number taking on regular employment is however thought to be increasing.

TABLE 42

Fijian Incomes 1950-1953

£000

	1950			1951			1952			1953		
	Money Income	Non-monetary	Total	Money Income	Non-monetary	Total	Money Income	Non-monetary	Total	Money Income	Non-monetary	Total
Copra	724	338	1,062	1,150	343	1,493	1,529	351	1,880	1,400	421	1,821
Other Agric. and Pastoral	280	2,594	2,874	392	3,003	3,395	401	3,578	3,979	470	3,372	3,842
Agricultural Rents	85		85	86		86	90		90	92		92
Forestry and Fishing	140	285	425	150	285	435	196	286	482	234	291	525
TOTAL INCOME AGRICULTURE ETC.	1,229	3,217	4,446	1,778	3,631	5,409	2,216	4,215	6,431	2,196	4,084	6,280
Mining	181		181	256		256	297		297	308		308
Building and Construction	250	18	268	282	18	300	297	18	315	310	18	328
Boat Building	23		23	23		23	23		23	19		19
Engineering	14		14	18		18	20		20	23		23
Sugar Milling	28		28	38		38	55		55	56		56
All other Manufacture and Processing	53		53	48		48	52		52	55		55
Wholesale and Retail	221		221	231		231	257		257	379		379
Air Transport	42		42	52		52	65		65	106		106
Road Transport	6		6	8		8	13		13	18		18
Water Transport	26		26	41		41	47		47	45		45
Personal Service and Entertainment	96		96	104		104	107		107	124		124
Catering	20		20	29		29	29		29	30		30
Professions	203		203	206		206	226		226	242		242
Government and Defence	210		210	293		293	310		310	310		310
Property Ownership	78		78	84		84	79		79	84		84
TOTAL INCOME NON-AGRICULTURAL	1,451	18	1,469	1,713	18	1,731	1,857	18	1,875	2,109	18	2,127
ALL FIJIAN INCOMES	2,680	3,235	5,915	3,491	3,649	7,140	4,073	4,233	8,306	4,305	4,102	8,407

it is felt that the contribution of Fijian unpaid labour in the native villages may be underestimated.

The aggregate incomes of Fijians is shown in Table 42 to be fairly substantial, and is not really so far behind that of the Indian community as often assumed. It is also possible that the physical volume of Fijian non-cash production has been slightly underestimated in this study. It is however dangerous to use these figures as a comparison of the living standards of the two groups unless it is first noted that the Fijians' total income has a much higher non-cash component, which means that the Fijians' choice of consumption goods is more limited and that they enjoy less purchasing power in the monetary market. It would however be equally dangerous to make a comparison between the purely monetary part of Fijian income and the monetary income of the Indian group. Non-cash income is an important contribution to the real standard of living for both groups and the non-cash income is greater in the Fijian sphere than in the Indian sphere. These differences make living standards almost impossible to compare. Nutrition studies indicate that the Fijian tends to consume a greater quantity of food than the Indian, but the Indian probably gets more variety in his diet, and certainly buys more non-food goods and services than does the Fijian. People in Fijian villages generally work shorter hours and with less consistency or intensity than does the Indian small farmer. Indeed if leisure was to be considered as a component of real living standards, one would be tempted to conclude that the Fijians are actually better off then the Indians in spite of the Indians' higher money income.

5. Chinese Incomes

The Chinese population of Fiji numbered 3,719 in 1952. It is estimated that about 2,000 are occupied. Most Chinese are found in the retailing, dealing and catering trades. There were found to be 199 small Chinese stores outside Suva, and many were in more isolated islands. There has been a tendency for the Chinese storekeeper to move out of centres where he is in competition with Indian stores and into purely Fijian areas. Chinese small traders often trade goods for copra with the Fijians and the recent limitations on copra dealing (see page 57) have hit the Chinese dealer to some extent. There are however larger Chinese firms amongst the Copra Board's licensed agents. Chinese are found as market gardeners, and many small shopkeepers also sell fruit and vegetables. The majority of cafes and restaurants in Suva and other centres are run by Chinese.

Although there is a group of Chinese who were born in Fiji (some even who speak only English) there is still a constant movement between Fiji and China (or Hongkong). Some Chinese plan to return to China but, owing to present unsettled conditions in that country, an increasing number are settling in Fiji, and, where possible, bringing relatives out from China to join them.[1]

Chinese wage statistics were obtained from Department of Labour tables from information supplied by employers. Profits of small businesses are calculated by the same method as for Indian businesses (page 104). Table 43 indicates the distribution of Chinese incomes by wages, salaries and profits, rent and interest and by an industrial classification.

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(1) Migration is restricted, but there is much movement of members of already established businesses and families.

TABLE 43

Chinese Incomes 1950-53

$000

	1950				1951				1952				1953			
	Wages and Salaries	Profit and Interest	Non-monetary	Total	Wages and Salaries	Profit and Interest	Non-monetary	Total	Wages and Salaries	Profit and Interest	Non-monetary	Total	Wages and Salaries	Profit and Interest	Non-monetary	Total
Copra	5	3	12	23	5	14	12	31	6	20	12	38	5	18	12	35
Other Agricultural and Pastoral	16	16	16	50	20	18	16	54	20	25	25	70	23	28	28	79
Forestry and Fishing	8	6	5	19	8	6	5	19	10	10	10	30	9	8	10	27
TOTAL AGRIC. ETC.	29	30	33	92	33	38	33	104	36	55	47	138	37	54	50	141
Mining	1			1	1			1	2			2	1			1
Building and Construction	10	5		15	12	2		14	15	7		22	22	9		31
Boat Building		2		2		2		2					1			1
Engineering	16	9		25	22	7		29	26	7		33	25	9		34
Sugar Milling	2			2	2			2	2			2	2			2
All other Manufacture	20	1		21	22	10		32	28	11		39	26	14		40
Wholesale and Retail	58	163		221	64	230		294	67	213		280	79	127		206
Air Transport	1			1	1			1	2			2	2			2
Road Transport	1	1		2	2	1		3	2	2		4	8	2		10
Water Transport	1			1	2			2	2	1		3	2	1		3
Personal Service and Entertainment	3	7		10	12	6		18	12	6		18	12	5		17
Catering	20	20		40	25	26		51	29	26		55	33	36		69
Financial		5		5		6		6		7		7		6		6
Professions	1	1		2	2			2	1	1		2	2	1		3
Property Ownership		24		24		28		28		29		29		35		35
Government	2			2	2			2	2			2	3			3
TOTAL NON-AGRICULTURE	136	238		374	164	318		487	190	310		500	218	245		463
ALL CHINESE INCOMES	165	268	33	466	202	356	33	591	226	365	47	638	255	299	50	604

6. Company Incomes and Other Incomes

There were in 1952, 51 registered companies operating in Fiji and these are included under "Resident companies" whose incomes are listed below. These incomes include profit, rent, and interest, (and rent payable to the company in a few minor cases). There were 26 companies whose activities were mainly trading activities, although 5 of these entered copra production and manufacturing and engineering as well. There were 2 copra producing companies, 6 engineering or construction companies, 6 in various types of manufacturing and processing; 2 in transport; 3 in service or entertainment industries and 6 registered in the financial and professional field. Non-resident companies are companies whose headquarters are situated overseas, and whose profit income from Fiji is included with the incomes from overseas branches for such purposes as Company Reports, declaration of dividends etc. These incomes are considered to be removed from Fiji and do not enter into the Fiji resident incomes. Of these Companies, 1 was a Sugar Company, 7 were companies with branches in Fiji for the distribution of such products as fuel oils, office machinery, or for retailing and wholesaling. 1 was an association of goldmining companies. 3 were banks and 9 were branches of insurance companies. There were also approximately 12 film companies who carried out minor distributive activities in Fiji. 5 overseas Airline and Shipping Companies also had branches or offices in Fiji but it has not been possible to allocate any part of the profit or loss of these transport companies to "Fiji business". The incomes of non-resident companies are of course a constituent of the National Output, but they are not a part of the Net Residential Income and have been shown separately in Table 44. This figure also includes remittances overseas, of dividends and interest by resident companies.

Government Income from property must be added to the sum of personal incomes, if Net National Income at factor cost is to be reached. The figures are given as (£000) 70 in 1950, 72 in 1951, 73 in 1952 and 75 in 1953.[1]

There is a group of incomes received in Fiji which are not part of the Output of the country in the geographical sense but must be included as part of the resident income. This group includes dividends, interest and other earnings received by Fiji residents and companies from overseas investments. Information on private incomes has been difficult to obtain and the figures of this group of incomes must be taken as broad estimates. They equalled (£000) 168 in 1950, 190 in 1951, 308 in 1952 and 275 in 1953.[2]

TABLE 44

Company Profits

	£000			
	1950	1951	1952	1953
Resident Companies:				
Agriculture etc.	60	52	73	82
Building, Construction, Engineering	75	84	73	53
Manufacture and Processing	45	99	153	108
Wholesale and Retail	337	427	417	486
Transport		23	5	17
Services	2		6	3
Catering	24	47	42	50
Finance, Insurance, Professions	7	8	15	14
Company and Mission Income from property	36	40	40	46
Total Resident Companies	586	780	824	859
Expatriate Companies	1199	1022	1125	944
TOTAL COMPANIES	1785	1802	1949	1803

(1) See page 36.
(2) Includes Private and Companies investment income. Remittance to RNZAF personnel, donations of individuals and missions.

7. Wages, Salaries and Profits

On the whole, the labour position in Fiji has been happily balanced in the years in question. Although there was no real labour shortage, except in some skilled and semi-skilled trades, jobs were sufficiently plentiful to enable workers to secure wage increases commensurate with rises in the price level. Two main employers, the Government and the Colonial Sugar Refining Company allow wages to move with movements in the Cost of Living Index[1], this helped to establish in the country, what in practice amounted to a minimum wage, although no legal minimum had been ordered.[2] Minimum rates payable by these two employers, for an 8 hour day are shown below.[3]

TABLE 45

Minimum Wage Rates

	1939	1950	1951	1952	1953	1954
Government minimum	2/6	6/6	7/10	7/10	7/10	8/4
C.S.R.	1/9½	6/2	7/10	7/10	7/10	8/3½

These movements are fairly representative of wage movements throughout the Colony's industry although seamen and some of the less organised employees of small businesses have not secured corresponding advances. These are minimum rates. At the other end of the scale many skilled workers have been securing £6 or £8 a week, but they are numerically small.

Fijian village labour provides a reservoir of unskilled labour which can be tapped if sufficient inducements can be offered. It has been government policy to protect and foster

(1) This practice ceased in 1955 following general wage adjustments.
(2) Part IV of Labour Ordinance No.23 of 1947 makes provision for minimum wage fixation but has not been brought into operation.
(3) Department of Labour and C.S.R.

the Fijian system of community life and it has also been policy to keep, for village labour, employments of a casual type such as stevedoring which provides a source of extra money income for the villagers. Government has arranged with employers of stevedoring labour to employ only a small number of Suva domiciled Fijians on the wharf. This policy prevents the growth of a 'casual' labour force in Suva which would be idle during the, sometimes long, period between ships. The Suva Wharf has been free of any stoppages since the formation of a Stevedores' Union in 1947. A long shift of 10 hours with a break for a meal is worked. This is favoured by both the workers, who gain overtime rates for the last two hours of the shift, and by the employers who reduce their costs of housing and transporting workers and speed the turn round rate for shipping. Most other workers in Fiji work a 48 hour week although underground workers at the gold-mines work only 44 hours a week. Seasonal changes in labour forces are important only in the sugar industry. Approximately 800 more mill workers may be employed during the crushing season which may last about 100 days. On the sugar farms extra labour may be employed during harvesting. About 42% of workers involved are, in cane cutting, however, reckoned to be cane farmers themselves cutting co-operatively, and many more will be members of farm families. So that the seasonal nature of this employment does not cause a labour problem; farm families may work shorter hours or, (more probably) enter into other profitable side-lines in the off season.

At one time Fiji used to import her skills and few of the indigenous inhabitants would be found in skilled trades or professions. Nowadays most tradesmen and many professional people are of local origin. Nevertheless in view of the actual and potential needs of industry and agriculture the supply of skilled people and the training facilities for them is inadequate.

The C.S.R. has recently started an apprenticeship scheme and the Government has run one for Public Works employees for some time and these schemes are contributing to filling the gap and raising the standard of workmanship. There is a great need for better facilities for technical training in Suva and other centres, but of course there is, in most trades, no better school than that of the wise employer who engages a limited number of well-selected apprentices to work with and under a craftsman at the trade they have chosen.

It has been the Governments' policy during the last 12 years to encourage the growth of responsible trade unionism on representative lines and to encourage collective bargaining. By 1954, all numerically important groups, except agricultural labour and domestic service, were organised although many employees of small businesses, where hours are long and rates low, are not covered by unions. Unionism is growing up on industrial rather than on craft basis, and this is believed to create the best conditions for collective bargaining. Strikes have been very infrequent during the last five years, and have been the impetuous action of small groups rather than union-led operations when they have taken place. Fiji is blessed with very good labour-management relations on the whole. Under the Industrial Associations ordinance, groups of cane farmers, formed to undertake negotiations with the C.S.R. have been recognized as unions. These organisations have, however, tended to weaken their bargaining position by dividing into various rival factions following political groups.

The Cost of Living Index which is used, is based on 1939 but uses family budgets collected by Carne in 1943. Budgets were collected in Suva and in the rural area and prices are collected by the Labour Department in both Suva and rural areas. In spite of the changes in goods available since 1943, the basic diet of Indian families has probably changed little, (see page 172).

Nevertheless more is now spent on non-food items than could then be afforded. Although not representing quite accurately the pattern of Indian expenditure, the index has been a fair guide to the influence of changes in Indian purchasing power. Its main fault is that the high (possibly too high) weight given to rice and to some extent to sharps causes large changes in the index when the prices of these items fluctuate. Rice, particularly, which is sometimes subjected to 'cornering' by various Indian interests has shown large price fluctuations and probably, overall, has suffered from an average price higher than a purely free competitive price. The figures in Table 45 indicate that minimum wages have increased from 100 to 333 since 1939 (average wages have increased to approximately 270) this is a slightly greater increase than the increase in the Cost of Living Index which for Suva and outskirts stood in July 1953 at 256, with 1939 at a 100. The country index stood at 291 for the same month. Rice and sharps, which have risen steeply in price, are even more greatly weighted in the country index, whilst rent, which has changed relatively little, is more heavily weighted in the town index. The indications that the real standard of living has improved were born out by the 'Standard of Living Survey' done for Suva-Indian families and described on page 167. The higherprice of Fiji exports are the main factors giving rise to Fiji's higher standard of living and although increases in the productivity of domestic industries and greater use of home resources may be a contributary cause; it should not be forgotten that the 20% improvement in the terms of trade since 1949 means a corresponding betterment in the country's living standard and that in the absence of any other big changes in the economy, that betterment of living standards stands or falls with the terms of trade position.

Salaries rose on an average by 15% between 1950 and the end of 1953. Comparing government salaries in 1938 with those in

1953 salaries were found to be approximately 70% higher and this is a smaller relative rise in incomes than in either wages or profit incomes. (Many salary earners however received substantial increases in 1954). The numbers of salaried staff in the country both in Government and business increased considerably during the period under review.

There are, unfortunately no available pre-war figures on profits earned in various industries before the war. But it is obvious that compared with an average for the 1930s, profits, particularly in primary producing industries, have risen considerably. In copra production particularly, many plantations could not even cover costs in the 1930s, whereas in the last few years some estates have booked profits at the rate of about 50% of a turnover of perhaps forty or fifty thousand pounds per annum. Many of these estates are, however, only just able to consider themselves free from heavy debt, and mortgage commitments of the previous period, and to make funds available for improving plantations and drying equipment. Of other primary products, sugar has been enjoying a steady market under the protective effects of the Commonwealth Sugar Agreement. As the Colonial Sugar Refining Company is the only miller in the business and is in fact part of an Australian Company, it is not possible to divulge figures of its profits attributable to Fiji operations. It may however be noted that the rate of profit on capital invested is considerably lower than the average for all concerns in Fiji. This lowness of the "profit to total assets" ratio is particularly marked when it is remembered that much of the C.S.R.'s capital is longstanding and is valued at an initial cost which is far below present replacement cost.[1]

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(1) In 1943 it was estimated that the net profit of the Sugar Company had not exceeded 4% on total assets during any one year between 1933 and 1943. (See C.Y. Shepard, The Sugar Industry in Fiji) A recent statement put the value of the Company's Fiji assets at about £6,000,000. But they are certainly undervalued at present replacement prices.

Of other industries which have attracted capital since the war, timber-cutting has made a fair return, although the export of timber, which is likely to prove a more profitable enterprise is only in its infancy. Coconut oil processing and the manufacture of coconut products are developing on a sound basis. Small trading business has booked its share in the general prosperity although some businesses received a slight setback in 1952 due mainly to overstocking during price increases. There were very few bankruptcies in any lines of business. Gold-mining has of course, suffered from increasing costs while the price of its product remains fixed, and profits have fallen sharply.

Table 46 indicates the distribution of income in Fiji as between wages, salaries, profits of small business, resident company profits, income from overseas, Fijian money income from agriculture etc. and all non-cash income. Although the 4 year period is too short to indicate long term trends, it is interesting to note that from 1950-1952 the percentage share of wages in the national income fell from 25.10% to 21.72% but recovered to 24.01% in 1953. This recovery was not at the expense of profits of unincorporated enterprises whose share rose steadily throughout the period; to some extent the increases share of wage in 1953 was gained at the expense of lower company incomes and smaller copra profits, but it was mainly caused by a reduced share of the national income accruing to the non-money sector, this share which fell from 28.34% in 1950 to 22.91% in 1953 is a reflection of the tendency to substitute bought goods for non-cash consumption and also reflects the fact that although the market prices, by which these non-cash goods are valued, increased during the period, the increase was not comparable with other price increases, particularly those for export crops. If we consider money incomes alone the five year period shows a slight tendency for the share of wages to fall and the share

of profits of unincorporated businesses in the national income to rise. This is generally a characteristic of a period of increasing prices. Profits of non-resident companies are not included in the National Resident Income but taken as a percentage of Gross Domestic Product, fell from 7.21% in 1950 to 5.26% in 1951, 5.11% in 1952 and 3.91% in 1953. It appears that companies and particularly non-resident companies did not share the relative profit increases noted in non-incorporated enterprises but rather that their profits declined, not absolutely[1] but relatively to other incomes.

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(1) Non-Resident Companies profits declined absolutely in 1951 and in 1953. Non-Resident Companies profit here also includes a small profit remitted to various non-resident partners in Fiji partnerships.

TABLE 46

Distribution of Income in Fiji 1950-53

£000

		1950	%	1951	%	1952	%	1953	%
Wages	European	297		320		350		410	
	Indian	2,541		2,664		2,811		3,537	
	Fijian (Non Agricultural)	939		1,104		1,217		1,437	
	Chinese	162		198		223		250	
	TOTAL	3,939	25.10	4,286	23.08	4,601	21.72	5,634	24.01
Salaries	European	1,354		1,478		1,744		1,902	
	Indian	261		295		335		330	
	Fijian	403		499		536		552	
	Chinese	3		4		3		5	
	TOTAL	2,021	12.88	2,276	12.26	2,618	12,36	2,789	11.94
Profit, Interest* and Rent of Unincorporated Enterprise									
	European	642		862		965		963	
	Indian	2,221		2,987		3,621		4,865	
	Fijian	99		110		104		120	
	Chinese	268		356		365		299	
	TOTAL	3,230	20.59	4,315	23.24	5,055	23.86	6,247	26.64
Fijian Money Income from Agric.		1,229	7.83	1,778	9.58	2,216	10.46	2,196	9.36
Profit of resident Companies		586	3.74	780	4.20	824	3.89	859	3.65
Government property (imputed)		70	.45	72	.39	73	.35	75	.32
Subsistence Income									
	Indians	1,179		1,189		1,208		1,219	
	Fijian	3,235		3,649		4,233		4,102	
	Chinese	33		33		47		50	
	TOTAL	4,447	28.34	4,871	26.23	5,488	25.91	5,371	22.91
Income from Overseas		168	1.07	190	1.02	308	1.45	275	1.17
TOTAL RESIDENT INCOME		15,690	100.00	18,568	100.00	21,183	100.00	23,446	100.00
Less Income from O/seas + profit of non-resident Companies		+1,031		+832		+817		+670	
NET** DOMESTIC PRODUCT		16,721		19,400		22,000		24,116	

* Excluding Bank Interest. ** As equated with Output. Depreciation is added back in Table 48.

Chapter VI

THE PATTERN OF NATIONAL EXPENDITURE

1. Estimation of Expenditure Totals

So far we have classified the National Product of Fiji as Output and Income. The Output Tables indicated the value of production attributable to all the separate industries and other economic activities in the colony. The Income tables showed the way in which the earnings from these activities were distributed amongst various groups in the community. It now remains to present Expenditure Tables which illustrate how these earnings were laid out on consumption and investment of all types.

Much of the material on which the Expenditure Tables are built up was obtained from Import Returns. The addition of import duties and distribution margins to the c.i.f. value of imports gives us the market price. Although, in 1953, the value of Imports was only 45% of the estimated Gross Expenditure at factor cost, the addition of import duties and distribution margins brought this figure up to approximately 65% of the Gross Expenditure. Non-cash production accounted for a further 20% so that money expenditure on goods and services of purely Fiji origin accounted for only 15% of all estimated Expenditure. The information on which non-import items of the Expenditure tables are based is mainly taken from the same sources as Income and Output data. Useful checks were however obtained from nutrition and family expenditure surveys,[1] which

(1) C.H.Carne. Cost of Living of Indian Urban families 1943. Fiji Government. D.Langley. Dietary Surveys and Growth Records in a Fijian Village Naduri 1952. S.Holmes & C. O'Loughlin. Economic and Nutritional conditions in Indian Households. South Pacific Health Service Reports. Also diet needs tables for Government Institutions.

show in what ways certain communities spend their money resources, and what is consumed in the way of subsistence foods. Although the usefulness of these surveys were somewhat limited by the fact that they generally applied to a small community and related to a short span of time they nevertheless assisted in the building up of approximate consumption patterns for all the main groups in the community which being completely independent from the other data in this survey enabled a very valuable check to be made both of Output and Expenditure.

The figures in the Expenditure Tables 47 and 48 relate to Gross National Expenditure and the figures are thus comparable with Gross Output and Income. Figures comparable with Net Output and Income could be reached by deducting depreciation from Gross Expenditure figures. It is however, considered that this is misleading because actual expenditure on the replacement of fixed assets would rarely be found to equal the sum of depreciation allocations even over a number of years. By accepting depreciation allocations as the outlay on "maintaining capital intact" we are adhering to the usual National Income convention, and this is a matter of convenience rather than accuracy. In times of rising prices depreciation allocations, particularly as allowed by the Inland Revenue Department, whose figures are used in this study, may fall below the actual expenditure necessary to maintain capital.

Table 47 shows the pattern of Gross National Expenditure and in Table 48 National Income, Output and Expenditure are presented together. The heads in the Expenditure Tables include the following data.

Personal expenditure[1] includes the outlays of all persons residing in Fiji and the current outlays of non-profit making organisations such as Missions. Non-cash expenditure is equated to non-cash income and output. It may be argued that non-cash expenditure should, to be equal to the equivalent cash expenditure,

(1) See Appendix I for classification of imports under various expenditure heads.

TABLE 47

National Expenditure 1950-53

	£000			
	1950	1951	1952	1953
Personal Expenditure				
Food	8486	9626	10652	10763
Other	5954	6582	7024	7501
Government Current Expenditure	1756	2149	2598	2697
Domestic Investment				
Private	3272	5814	4701	3022
Government	492	753	1049	897
Foreign Investment	+107	-2569	-893	+2432
TOTAL NATIONAL EXPENDITURE AT MARKET PRICE	19,167	22,355	25,131	27,312

contain a non-cash equivalent of distribution and marketing expenses. This however, is not felt to be a valuable addition to the figures, as in fact, the bulk of the subsistence production is grown by the consumers and very little distributive activity could be associated with it. It does, however, mean that whereas, when we view non-cash production as Output the figures are strictly comparable to cash production, when viewed as Expenditure, non-cash consumption is somewhat "cheaper".

Government expenditure includes all Government current expenditure on goods and service maintenance, and personal emoluments (less reimbursement for government services) but excludes transfer payments and capital items. The figures include central and local governments.[1]

Domestic investment includes private investment and Government investment. Private investment is a "residual item" in these tables and considerable fluctuations will be noted. Much of the fluctuation is contributed by changes in stocks as, in Fiji, where shipping services are irregular, stocks of export goods tend to fluctuate greatly from year to year. In 1953,

(1) Full details are given in Chapter VII.

TABLE 48

Gross Domestic Product 1950-1953

£000

OUTPUT

	1950	1951	1952	1953
Cash Agric. etc.	3,527	4,881	6,091	7,640
Non-cash Agric. etc.	4,429	4,853	5,470	5,353
Mining	927	876	750	694
Building, Engineering	984	1,095	1,186	1,283
Processing, Manuf.	1,254	1,360	1,760	1,709
Distribution	2,104	2,360	2,428	2,799
Transport	405	493	655	727
Catering and Service	639	750	759	848
Government and Professions	1,701	1,892	2,090	2,148
Property	733	822	793	896
Depreciation	1,172	1,243	1,235	1,264
Non-Monetary Housing	18	18	18	18
	17,893	20,643	23,235	25,379

INCOME

	1950	1951	1952	1953
Wages	3,939	4,286	4,601	5,634
Salaries	2,021	2,276	2,618	2,789
Profits of unincorporated enterprise	3,230	4,315	5,055	6,247
Fijian money income from Agric. etc.	1,229	1,778	2,216	2,196
Profits of Res. Comp.	586	780	824	859
Government Property	70	72	73	75
Income from Overseas	168	190	308	275
Non-Money Income	4,447	4,871	5,488	5,371
TOTAL	15,690	18,568	21,183	23,446
Less Income from Overseas Plus profits etc. of Non-Resident Comps.	+1,031	+832	+817	+669
Plus Depreciation	1,172	1,243	1,235	1,264
	17,893	20,643	23,235	25,379

EXPENDITURE

	1950	1951	1952	1953
Personal Expenditure				
Food	8,486	9,626	10,652	10,763
Other	5,054	6,582	7,024	7,501
Government Current Expenditures	1,756	2,149	2,598	2,697
Domestic Investment				
Private Investment	3,272	5,814	4,701	3,022
Government Investment	492	753	1,049	897
Net Exports	+107	-2,569	-893	+2,432
TOTAL	19,167	22,355	25,131	27,312
Less: Import duties etc.	-1,369	-1,757	-1,933	-1,975
Plus Subsidies	95	45	37	42
	17,893	20,643	23,235	25,379

import cuts and the high level of exports brought about a reduction of stocks by the end of the year. Stocks of consumer goods were run down considerably during 1953. It must however be remembered that, being a residual item, "private investment" will also contain fluctuations and inaccuracies resulting from errors and omissions under other heads.

"Net exports" in the expenditure account is the surplus (or deficit) in the current account section of the Balance of Payments (Table 66).

The sum of these items is the Gross National Expenditure at market price. By deducting indirect taxes (import duties etc.) and adding subsidies we arrive at the National Expenditure at Factor Cost which, in Table 48 is equated to Gross National Output and Gross National Income.

2. Expenditure patterns of Various Communities

Expenditure patterns relating to the main sections in the community were drawn up, based on the general expenditure figures[1] and supplemented with nutrition and family budget survey data. The Indian Community was estimated to have the following pattern of personal expenditure in 1952.

TABLE 49

Indian Expenditure 1952

	£000	%
Food cash	2,350	35.4
Subsistence	1,179	17.8
Drink and Tobacco	469	7.1
Clothing and Drapery	899	13.5
Household goods	600	8.8
Other goods	342	5.0
Services	250	3.9
Housing	414	6.2
Internal Transport	148	2.3
	6,651	100.00

(1) These estimates were checked against the income estimates for each group.

These figures can be compared with the results of the survey for urban Indian workers in Chapter IX. The comparison indicates that urban workers spend more on housing (debt interest is however included under Services in the above table) and more on household goods and other goods. The general indication is that the average Fiji Indian spends more on clothes than is evidenced in the Suva Survey (but the fact that this covered only a two-week period could bias this item considerably) on average, a slightly higher proportion of expenditure goes on food for the Indian Community generally but this is because non-cash consumption is included and in this section the substitution of non-food for food items, possible in a purely monetary economy, is not feasible. Both the sets of figures based on import and output data and those based on the Indian survey indicate that a lower proportion of expenditure is now spent on food than was spent in 1943 when Carne's survey was undertaken. This in turn indicates some increase in the real as well as the money standard of living although it is also to some small degree due to the fact that the prices of non-food items have increased slightly more than the prices of food items during the intervening years.

Amongst the Fijian Community we find a far higher proportion of total outlay going in food, but again this is due to the large amount of non-cash food grown and consumed for which non-food goods cannot be substituted. The following pattern of expenditure was estimated for the Fijian Community for 1952. Fijian expenditure on "services" is mainly composed of contribution to missions. The Fijians are the main supporters of missions. In the Indian accounts, for instance, the payments for services are mainly for financial services, particularly interest,[1] whilst in the European accounts the item "services" is fairly evenly distributed between personal service and religion, finance,

(1) Which is however a "transfer" in the national accounts tables.

TABLE 50

Fijian Expenditure 1952

	£000	%
Food Cash	1,300	16.9
" Non-cash	4,183	53.9
Drink and Tobacco Cash	300	3.8
" " Non-cash	60	.9
Clothing and Drapery	602	7.8
Household goods	423	5.6
Other goods	285	3.8
Services	208	2.8
Housing (imputed)	267	3.4
Internal transport	90	1.1
TOTAL	7,718	100.0

private education, medicine etc. The bulk of medical and education services are of course financed by the Government and appear on the Government account.

Europeans include Europeans and part-Europeans. The pattern of expenditure of both these communities is probably rather different so that the table is only of limited value. Food expenditure is however a much smaller proportion of total income for all Europeans as would be expected, whilst expenditure on drink and tobacco is conspicuously greater.

TABLE 51

European Expenditure 1952

	£000	%
Food	520	21.0
Drink and Tobacco	280	11.3
Clothing etc.	472	19.0
Household goods	326	13.2
Other goods	410	16.5
Services	280	11.7
Housing	150	6.1
Internal Transport	34	1.2
TOTAL	2,472	100.0

The personal accounts of the above three groups includes 91% of personal expenditure as stated in Table 47. The remaining 9% is the expenditure of the Chinese community, on whose consumption habits no data is available, and that of non-profit making bodies such as Missions.

3. Capital Formation

The details of Government Capital Expenditure are shown in Table 54. Private capital formation has however, in the total National Expenditure Table, (Table 47), been shown as a residual item. Independent estimates have been made, to arrive at the constitution of private capital formation. The figures are shown in Table 52.

Private capital formation, as reached by residual appears somewhat lower than the figure calculated from independent data for all four years. It is not possible to say, with the limited data at our disposal which items are responsible for this difference. It must also be remembered that, being a residual item, private capital formation, as taken from the expenditure account, contains errors or omissions which may be attributable to the other parts of the account. Information on stock changes is felt to be particularly weak in this study and table 52 highlights the importance of this item in national income calculations.

Stocks of consumer goods were, it seems, built up in 1951 and 1952, and were run down in 1953. The actual amount of change in consumer stocks could however only be derived from a sample (including most of the larger firms) and this may not be fully representative. Figures for export stocks at the beginning and end of the years were obtained from the main companies and organisations concerned, but differences in accounting periods and procedure (although corrected as far as possible) were felt to have distorted the picture slightly.

TABLE 52

Details of estimated Private Capital formation

£000

	1950	1951	1952	1953
Private Building				
Net output*	387	417	430	445
Materials etc.**	559	774	913	719
Machinery and Vehicles				
Imports + margins, installing etc.	1,866	2,146	2,415	1,985
	2,812	3,337	3,758	3,149
Less*** Imports to Government	-121	-116	-159	-172
Private contracts to Government	-44	-49	-26	-52
	-165	-165	-185	-224
TOTAL	2,647	3,172	3,573	2,925
Depreciation	1,172	1,243	1,235	1,264
Inventory Change	-101	+1,597	+860	-462
TOTAL PRIVATE INVESTMENT	3,718	6,012	5,668	3,727
Private Capital formation as reached by residual	3,272	5,814	4,701	3,022

* From Chapter V.

** Imports + domestic supplies and margins. Timber and cement are main items.

*** Figures supplied by Public Works Department.

It can hardly be emphasised too strongly, that accurate figures of export and consumer stocks, collected at the beginning of each accounting period, can provide the administration of a colonial territory with information valuable in itself and essential for national income purposes. Figures for export stocks collected from exporting firms should where possible be checked against actual shipments. The Inland Revenue Department of such countries obtain some information on changes in merchandise stocks and the aggregated figure for all concerns making returns, although subject to some bias and not covering the whole economy, can give a valuable indication of change

from year to year. Ideally, change in merchandise stocks should be separated in our figures, from that for export and other stocks, but the figures collected for this survey were not considered to be reliable enough for this distinction to be made. Inventories of all kinds were estimated to have been as follows, at the end of each relevant year:

TABLE 53

Stock Changes

Stocks at	12/49	12/50	12/51	12/52	12/53
£000	1,913	1,812	3,409	4,269	3,807
Change		-101	+1,597	+860	-462

These figures indicate that, in spite of a reduction of stocks in 1953 heavy inventories were being carried at the end of the period relatively to those at the beginning. The value of using inventory figures to draw conclusions of economic importance is however lessened by the influence which shipping movements have, particularly on export stocks. It is possible that one of Fiji's main exports may be shipped in, say an average of four ships a year; but for one year only three ships may call, and in the next perhaps five or six overseas vessels may remove the export product in question. Therefore any statement on the inventories position should be accompanied by information on shipping movements.

Some very broad estimates of personal saving which were made from family expenditure enquiries and other figures, but which have a large element of 'guessing' indicate that in an average year Indian and European private income earners saved approximately 6% of their incomes, whilst Fijians saved about 2.5% (including the cess on Fijian copra). The social accounts in Appendix II indicate, for 1953, a higher level of personal

saving than would follow from these percentages. The high level of exports and low level of imports for this year would indicate a rather higher level of saving than for other years. It is however possible that merchandise stocks were run down even more than estimated and that expenditure on personal consumption was thus slightly higher than estimated. The difficulty of obtaining exact figures of stocks, discussed above, makes it impossible to explain the high personal saving in 1953 with exactness.

Chapter VII

THE GOVERNMENT SECTOR

1. Government Accounts

An analysis of Government Revenue and Expenditure is included in this study as it can provide information on such questions as the importance of the Government Sector in the economy, the sources of revenue and incidence of taxation on different groups in the nation, the direction of expenditure, the current cost of Government and the extent of Government capital formation.

The expenditure account in Table 54 is drawn up on the lines necessary for the analysis of the Government's part in National Expenditure (see Chapter VI) and the footnotes explain from which tables in the Colony's annual accounts the figures are taken. This table classifies expenditure by type and distinguishes between current expenditure on salaries and goods and services and capital expenditure. It is also of value to classify expenditure by the uses to which the outlays are put and for this purpose the usual main heads of classification are Administration, Law and Order, Defence, Economic Services, Social Services, Public Debt Service, Pensions and Subsidies. These figures are shown in Table 56.

The Government Revenue and Expenditure account is also presented in percentage form (Table 55). It is easier to read changes in the structure of revenue and expenditure from these figures than from the actual amounts involved. It will be noted that percentages are slightly distorted by the fluctuations in the item "Expenditure from surplus balances", a fall in this item in 1951, inflated the shares of almost all

TABLE 54

Central Government Accounts (Excluding Development Budget)

£000

		Revenue[1]			
		1950	1951	1952	1953
A	Indirect Taxes				
	Customs Duties	1,226	1,605	1,812	1,813
	Licences, fees etc.	129	139	110	112
	Forestry royalties	14	13	11	16
	Copra tax and Port and Customs Service tax[3]	72	61	101	158
		1,441	1,818	2,034	2,099
B	Direct Taxes and Transfers				
	Direct taxes	917	853	1,139	1,190
	Widows and Orphans	19	26	26	28
	Miscellaneous	22	29	92	143
	Interest	92	108	58	54
	Mining Royalties	132	128	45	24
	Inter Government	753	221	286	-
		1,935	1,365	1,646	1,439
C	Payments and Reimbursements for Services etc.				
	Wharfage	33	34	47	47
	Post Office	116	104	119	147
	Rent	40	49	51	54
	Other	233	243	289	323
		422	430	506	571
TOTAL		3,798	3,613	4,186	4,109

		Expenditure			
		1950	1951	1952	1953
D[5]	Current Expenditure				
	Personal Emoluments[2]	929	1,133	1,293	1,309
	Goods and Services	691	781	1,116	1,161
	Maintenance Provision	433	503	576	682
		2,053	2,417	2,985	3,152
E	Transfers				
	Persons and Organisations[3]	190	217	239	257
	Internal Governments	58	89	81	115
	Interest	57	57	66	96
	Sinking funds	95	95	125	153
	Allocation to Development	50	50	50	50
	Surplus balances	812	370	216	-
		1,262	678	777	671
F	Capital Items				
	Special Expenditure[4]	47	44	110	134
	Works non-recurrent	126	152	291	306
	Unallocated stores	6	38	209	2
		179	234	610	442
G	Subsidies	95	45	37	42
	Surplus (+) or deficit (-)	+209	+39	-223	-198
TOTAL		3,798	3,613	4,186	4,109

Notes 1. From Appendix II of Reports on Accounts & Finances 1950, 1951 and 1952.

2. Wages are included in "goods & services". Personal emoluments refers to salaries.

3. Pensions and gratuities, educational grants, destitute relief, subscriptions.

4. 2/3 of this item in the accounts is allocated to capital items and 1/3 to goods and services.

5. Government Current Net Expenditure in Expenditure Table 48, consists of head D less head C and Port and Customs Service Tax in head A, and + Local Government. In the Social Account (App.II) Head C is however included in both sides.

6. Government Capital Expenditure in Expenditure Table 48 consists of head F above.

TABLE 55

Central Government Accounts

Proportions of Heads of Revenue and Expenditure

	Revenue			
	1950	1951	1952	1953
Customs Duties	42.7	49.0	47.9	47.2
Income tax	27.5	22.0	24.7	25.3
Residential tax	1.6	1.5	1.3	1.3
Port, Wharf and Light Dues	1.5	1.5	1.5	1.1
Widows and Orphans Scheme	.6	.8	.7	.7
Fees of Court etc.	12.1	11.2	10.4	9.9
Licenses etc.	4.3	4.9	5.5	5.9
Post Office	3.8	3.1	3.0	3.6
Rent	1.3	1.4	1.3	1.3
Interest	3.1	3.2	2.3	2.3
Miscellaneous	1.5	1.4	1.4	1.4
	100.0	100.0	100.0	100.0

	Expenditure			
	1950	1951	1952	1953
Personal Emoluments	25.9	31.7	29.3	30.3
Current Goods and Services	19.3	21.9	25.3	26.9
Maintenance Provisions	12.1	14.1	13.1	15.9
Transfers:				
Persons and Organisations	5.4	6.1	5.4	6.0
Internal Governments	1.6	2.5	1.9	2.7
Interest	1.6	1.6	1.9	2.2
Sinking Funds	2.6	2.6	2.8	3.6
Subsidies	2.6	1.2	.8	1.0
Special Expenditure	1.3	1.1	2.5	3.1
Works non-recurrent	3.5	4.3	6.6	7.1
Allocation to Development	1.4	1.4	1.1	1.2
Expenditure from surplus balances	22.7	10.4	4.9	
Unallocated Stores		1.1	4.8	
	100.0	100.0	100.0	100.0

the other heads of expenditure; the rise in the share of personal emoluments from 24.5% to 31.3% was however partly due to a salaries revision in 1951. The accounts of the Development Programme are shown separately at the end of this chapter. Although development expenditure declined after 1952, the item Public Works (non-recurrent), increased absolutely and relatively to other

TABLE 56

Expenditure analysed according to purpose*

	£000		£000		£000		£000		£000	
	1938	%	1950	%	1951	%	1952	%	1953	%
Administration	244	32	652	25	762	26	933	26	1,175	30
Law and Order	49	6	175	7	210	7	253	7	253	6
Social Services										
Education	58	7	317	12	390	13	480	13	466	12
Medical	94	12	439	17	542	18	632	18	655	17
Relief	5	1	29	1	32	1	34	1	37	1
Economic Services										
Agriculture	24	3	84	3	89	3	120	3	123	3
Communications	115	15	339	13	398	13	444	12	525	13
Forestry			26	1	26	1	31	1	32	1
Power and Water Supply	7	1	32	1	40	1	55	2	88	2
Defence	7	1	134	5	137	5	236	7	171	4
Public Debt	119	16	141	6	141	5	156	4	200	5
Pensions	44	6	132	5	152	5	170	5	182	5
Subsidies			95	4	45	2	37	1	42	1
	766	100	2,595	100	2,964	100	3,581	100	3,949	100
Works Non-Recurrent	43		126		152		291		307	
Expenditure from Surplus Balances	157		863		420		329		50	
Unallocated Stores			5		38		209		2	
TOTAL	966		3,589		3,574		4,410		4,308	

* Figures for 1938, 1950 and 1951 are abstracted from Appendix I of The Report of the Fiscal Review Committee, Council Paper 7/54. Those for 1952-53 are abstracted from the Report of Accounts and Finances for those years.

TABLE 57

Towns and Townships Accounts

£000

	Revenue			
	1950	1951	1952	1953
Rates and Taxes etc.	57	60	61	59
Grants	41	63	54	87
Loans	58	43	28	55
TOTAL	156	166	143	201

	Expenditure			
	1950	1951	1952	1953
Salaries	7	8	8	9
Current goods and Services	77	79	69	89
Maintenance	18	18	18	18
New Works	49	75	49	78
Interest and Repayment on Loans	5	5	5	6
Deficit (-) or Surplus (+)		-19	-6	+1
TOTAL	156	166	143	201

items of expenditure. Servicing of public debt also increased a little during the period, but it remained a low proportion of Government expenditure. Two Development Loans were raised in 1951 and 1952 and statutory sinking funds were increased during these two years.

Table 56 which shows expenditure classified by purpose indicates some important changes in the structure of outlay since 1938. Whereas the costs of administration are taking a slightly lower share, social services outlays have increased relatively. Social Services here include medical, educational and relief services. Economic services which include agriculture forestry, communications, power and water have maintained a fairly constant share of outlay, whilst expenditure on defence has increased, as would be expected.

There are 7 local government authorities in Fiji: Suva City and Lautoka are governments under the Local Government (towns)

TABLE 58

Local Government Accounts

Provincial Accounts 1950-1953*

£000

	Revenue			
	1950	1951	1952	1953
Provincial Rates	63	68	71	79
Court Fees and Fines	9	10	11	14
Interest	1	2	2	3
Sundries	5	4	4	5
Government Grants	17	26	27	28
Earning of Vessels	2	3	2	6
TOTAL	97	113	117	135

	Expenditure			
	1950	1951	1952	1953
Salaries	60	74	77	78
Other charges	35	44	48	46
Surplus (+) or Deficit (-)	+2	-5	-8	+11
TOTAL	97	113	117	135

* From Annual Reports of the Fijian Affairs Board 1950-1953

Ordinance and Nadi, Ba, Nausori, Labasa and Levuka are townships. Owing to the inconsistent accounting methods used by local governments it has been difficult to make out very accurate consolidated accounts for these authorities but some approximate figures are given in Table 57. The Native Government in Fiji is carried out under the direction of the Fijian Affairs Board and revenue is obtained from provincial rates paid to provincial councils. The accounts for this branch of local government are shown in Table 58.

Consolidating the revenue of central and local government we obtain the following figures:-

TABLE 59

All Government Revenue

	£000			
	1950	1951	1952	1953
Central Government	3,797	3,613	4,185	4,109
Local Government	228	232	231	283
	4,025	3,845	4,416	4,392
Deduct inter-Government transfers	58	89	81	115
	3,967	3,756	4,335	4,277

The Government accounts are linked to the main tables by the following method. 'Government current expenditure' in Table 48 includes all expenditure under Head B, in Table 54 plus local Government expenditure, and less reimbursements for services and Government income from property in Head C. It is conventional to include export duties, which are really a form of indirect taxation, under Government income from property for this purpose so as to avoid double counting. In fact the U.K. National Income White Paper has changed in recent years from considering export taxes as government property income to considering them as indirect taxes. The older method has more logic however in cases where export prices are unlikely to be effected by taxes (see Prest and Stewart The National Income of Nigeria. H.M.S.O. 1953 pages 19-20).

In the National Accounts presented in Appendix II. The items under Head C have been included in both sides of the account, but Government salaries have been separated from other current expenditure as they are viewed as a payment direct to consumption accounts rather than to production accounts.

'Special expenditure' which is expenditure of a non-recurrent nature was considered, after careful analysis of government accounts, to be approximately 2/3 capital formation and

1/3 current expenditure on goods and services. "Government investment" in Table 48 includes all items in Head F of Table 54, plus local government capital formation and the total investment under the development budget. The social accounts in Appendix II also show a figure for Government net saving which equals additions to Government funds which were not actually employed in capital formation. This net saving is of course included in official capital outflow in the Balance of Payments, as Government funds are, for the most part retained outside Fiji.

2. Incidence of Taxation

The Annual Report of the Inland Revenue Department classifies individual taxpayers by race and it is possible by relating these figures to the totals of wages, salaries, profit, rent and interest attributed to the different racial groups in Chapter V to estimate the incidence of direct taxation on the main racial groups. Including income tax, surtax and residential tax, local and provincial rates and the copra cess we find that Europeans pay 9.9% of their money income on direct taxes, Indians 1.5% Chinese 6.5% and Fijians 5.2%[1] (including the copra cess) or 1.8% (excluding the copra cess). These figures relate to 1953.

The contribution to indirect taxes made by different racial groups is on rather a different pattern than that of direct taxes. Of those taxes which fall on articles of direct consumption, it is estimated that approximately 25% are paid by Europeans 50% by Indians, 22% by Fijians and 3% by Chinese. This estimate is only an approximation based on the supposed racial consumption of various imports and the duties falling on them. But in 1953,

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(1) It may be argued that the copra cess is a method of saving rather than a tax, and it is dubious whether it should be included as a tax in any sense.

duty on these goods equalled approximately £1,300,000. If we relate this to the total money income of each group we find that Europeans spend 9.9% of their total money income on indirect taxes, Indians 6.9% Fijians 7.8% and Chinese 7.0%. Adding direct and indirect taxes the figures are; Europeans spend 19.8% of their money income on taxes, Indians 7.4% Fijians 9.6% (excluding the copra cess) and Chinese 13.5%. These figures are not quite complete as they exclude licenses and fees and indirect taxes which fall on goods used for manufacture in which case it is impossible to allot the tax to any racial group. It is not considered that the addition of these items would materially alter the above figures either relatively to each other or in absolute terms.

The estimates can give only a general indication of the incidence of taxation. It must be remembered that the non-cash component of National Income is unassessable for direct tax and immune from indirect tax, thus that portion of the community, mainly the Fijians and other Islanders, who command a large proportion of this non-cash component pay a smaller proportion of their total income in tax than would appear from the above comparisons. The fact that the Fijian contribution to indirect tax is a higher proportion of Fijian money income than that of the Indians in proportion to their income reflects the tendency for Fijians to purchase more of the highly taxed non-essentials relatively to the low taxed necessities such as flour and sharps, as the Fijian basic necessities are provided largely by the non-cash economy.

An exact analysis of the incidence of Fiji taxation on the different industries in the colony has not been made for this study,[1] but it is interesting to note that the agricultural

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(1) This would not, however, be difficult if tax payments were classified industrially from returns. It is understood that the Inland Revenue Department are making this classification.

sector of the economy pays a relatively low proportion of the total taxation. As regards direct taxation, company tax is paid by a few registered plantations and timber mills, income tax is paid by plantation owners and by a few hundred sugar cane and other larger farmers but this taxation amounts only to approximately 1.5% of the Net Output of this sector whereas tax on manufacturing processing, distribution, services and professions approximates to 6.5% of the value of Net Output in the non-agricultural sector. Distribution, with the exception of large trading firms, also pays a low proportion of tax in comparison with its earnings, owing to the large number of small traders and some degree of tax evasion, (which however, is being brought under control).

As regards import duties, it is not possible to relegate their incidence strictly to industry or to agriculture as items such as machinery may be used for both or either. The duty on chemicals and fertilizers, goods mainly used in agriculture, totalled only 2.6% of the value of these imports in 1953. On motor lorries, which may be used in either sector the duty was 18% and for cement, mainly used in building and construction it was 3.5%. To generalise, it appears that agriculture may have been slightly favoured as regards duty on imported materials and tools.

Extreme caution should be used in drawing conclusions on further possible sources of revenue from the above estimates. Full account must be taken of the effects of taxation on production whenever a new tax is being considered. It is inevitable under a progressive tax system that the group with higher money incomes and smaller families i.e., the Europeans, will pay the highest taxes relatively to their money income and it is also inevitable while subsistence agriculture remains important that processing and manufacturing, which support a relatively small proportion of the population should contribute a larger proportion

to taxation than agriculture which supports the bulk of the community. Nevertheless high taxes on profits of manufacturing and processing can retard the diversification of an economy whilst a country which needs to attract skilled and qualified expatriates will have to offer terms competitive with the all-round conditions offered for this type of employee elsewhere.

In the Report of the Fiscal Review Committee of 1954[1] a new secondary income tax was proposed to replace the residential tax which is considered to be outdated and unpopular. This tax intends to impose a flat tax of £4 on all individuals of taxable income rising by 10/- for every further £50 of taxable income with allowances for dependents similar to those in the primary scale. This tax will help to bring in more revenue from many small taxpayers and thus make the collection of taxes in this quarter relatively more worthwhile. It does not, however, solve the problem of evasion, nor does it contribute anything to the consideration of non-cash income as a possible factor in taxable capacity. The Fiscal Review Committee also recommended the eventual imposition of a land tax when the demarcation of native lands was complete. This tax was viewed as a possible incentive to better land use rather than a revenue source. It would also have some value in bringing non-cash income into the scheme of taxable capacity in an indirect way.

The Report of the Fiscal Review Committee noted with concern the expansion of social services relatively to economic services and suggested that the former were imposing an increasing burden on the revenues whilst lack of the latter was retarding development and expansion of National Income from which extra revenues could be drawn. No mention was made of the possibility of State run lotteries as a means of raising funds for extra social services, probably in deference to religious opinion. However,

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(1) Council Paper 7/54 p.16.

Governments and even religious groups use this method to raise revenue for buildings and social services in Australia and other Commonwealth countries and, in Fiji, should lotteries be acceptable, they would be well supported and would reach "taxable surpluses", particularly amongst the Indians, which are not easily touched by orthodox methods.

3. Development Programme

A Development Committee was set up in 1943 to discuss and to formulate a plan for the Colony's post-war development. The plan proposed that £4.5 million should be spent in ten years, the revenue being obtained mainly from loans floated in the money market,[1] partly from Colonial Development and Welfare Grants and partly to be raised from surplus funds. The programme was not well accepted by the Secretary of State on the grounds that Fiji still had unpaid war debt, that insufficient thought had been given to annual recurrent costs of the expenditure and that the plan aimed at too fast a rate of development in a post-war world in which materials would be scarce and expensive. The plan was much debated in Fiji and a general feeling that it emphasised social services too greatly at the expense of development gave rise to the revision of the plan in 1948, and by the time this new plan was formulated, the colony's war debt to the United Kingdom had been cancelled and arrangements made to repay New Zealand by ten annual payments of £50,000 the remainder being cancelled.[2]

Under the plan at present in operation, it is hoped to spend approximately four and a quarter million in ten years

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(1) In 1946 a Development Loan of £540,000 was issued at par and bearing 3½% interest rate was issued for local subscription, the response was poor and came mainly from banks and business houses.
Two Development Loans were issued in 1952. A conventional loan was supported but mainly by larger institutions. A premium bond issue which has a 'lottery' aspect was not so well supported. It is felt that straight lotteries with low priced tickets would receive support.

(2) For a detailed discussion of the first plan see Stanner 'The South Seas in Transition' p.252-256.

beginning in 1950. It was originally proposed to raise just under half from loans, to appropriate £50,000 annually from Revenue and to raise the remainder from surplus balances. The amounts to be spent under the new scheme were originally planned as follows.

TABLE 60

Expenditure estimated under Second Development Plan

		£000
A.	Agriculture and Forestry Development	148
	Land and Feeder Roads	567
	Industrial and General	778
	Research Schemes	39
	Total Development of Natural Resources	1,532
	Percentage of Total Expenditure	36.05
B.	Medical and Public Health	367
	Educational	302
	Housing and Amenities	370
	Research Projects	39
	Total Social Services	1,078
	Percentage of Total Expenditure	25.35
C.	Communications and General	1,455
	Percentage of Total Expenditure	34.25
	Reserves	185
	Percentage	4.35
	Total Expenditure proposed	4,250

The figures in Table 61 indicate that the Development Scheme has grown much on the lines envisaged in the second plan. Up to 1951 no revenue was contributed from loans but the loans floated in 1952 and 1953, helped to correct the revenue position which had relied so far on appropriations from surplus balances. Even so in the first four years of the plan, loans,

TABLE 61

Accounts of the Development Programme 1950-53*

£000

	Revenue			
	1950	1951	1952	1953
Colonial Development and Welfare Grants	40	87	108	104
Loan Funds				1,065
Appropriation from Revenue	50	50	50	50
Appropriation from Surplus Balances	741	217	217	
TOTAL	831	354	375	1,219

	Expenditure			
	1950	1951	1952	1953
Schemes				
A Production and Development of Natural Resources	49	52	30	68
B Social Services	118	127	179	205
C Communications and General	97	266	181	104
Total	264	445	390	377
Difference between Revenue and Expenditure	+567	-91	-15	+842
TOTAL	831	354	375	1,219

* Report on the Accounts and Finances 1950-53. Appendix XV.

which were supposed to contribute nearly a half of the funds, actually contributed only 38.3% whilst appropriations from surplus balances contributed 42.2% (Colonial Development and Welfare Grants 12.2% and appropriations from Revenue 4.3%). The result of this was that the Government's reserves were, in 1952, at a lower level than they had been for many years, equalling only 3.6 months revenue as compared with an average of 7.3 months revenue over the previous five years. It is however, debatable whether the building up of Government reserve funds is itself a desirable object since it represents 'lending abroad'. The running down of reserves, if it

indicates worthwhile capital formation in the country concerned, cannot in itself be viewed with apprehension, providing a margin of safety is maintained.

As far as Development Expenditure is concerned, the "A" schemes have accounted so far for 13.5% of total expenditure, "B" Schemes for 42.6% and "C" Schemes for 43.9%. Amongst the "A" Schemes which were already well under way by the end of 1953 were the aerial survey (completed in 1954), the geological and soil survey, the two Agricultural Stations at Sigatoka and Koronivia, forestry development and the construction of feeder roads. Several schools, the Suva Medical Centre, Tuberculosis and Leprosy Hospitals and water supplies were developed under the "B" Schemes and under the "C" Schemes development of Nadi Airport, Suva Wharf and road construction and surfacing and telephone communications took place.

It is as yet too soon to make any estimates as to whether the recurrent expenses resulting from these outlays will be fully met or exceeded by the increased prosperity of the country and the increases in revenue which this must ultimately cause. The results of the aerial and geological surveys will assist greatly in developing the country and in attracting investment to the right places but their full benefit may not be felt for some years. The Development Plan, in common with all capital development programmes, is under constant need for revision of its estimates of expenditure on each item owing to the changes in costs.

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Chapter VIII

BALANCE OF PAYMENTS AND INTERNATIONAL TRADE

1. The Terms of Trade

The wealth of dependent territories is generally built up on the exportation of raw materials or half processed materials. Few such territories have internal sources of capital and for the most part capital is brought into the country from outside mainly by those who are concerned with the extraction or cultivation of the major export goods. The term 'dependent economy' is used generally to describe countries which are dependent on outside sources for capital and skill. Such territories usually depend on outside markets for the main part of their money income and on outside sources for their imports of manufactured goods and machinery. The distinction is, of course, a question of degree: if there were fewer restrictions on international movements of trade and capital, there would be more international interdependence. Manufacturing countries are to some extent dependent on the exports of raw material of the colonies as the colonies are on their capital, skills and manufactures. The really dependent economy paying its way on the basis of grants in aid from the imperial power is now a rarity and Fiji is certainly not in this category.

Fiji's prosperity is however extremely dependent on the world market prices for her main crops. In 1953 the value of exports was 52% of the Gross Domestic Product, and any large decline in the prices of exports brings about a corresponding decline in this large part of The National Income which is earned from exports. This dependence on exports is moreover distributed widely throughout the population. Cane farmers and Fijian copra

and banana growers constitute by far the largest part of the population and their interest in current world prices is not therefore academic. In industrialised countries it is generally considered that the level of current investment plays an important part in determining money incomes and employment and their governments can make important direct contributions to the level of current investment. But in Fiji, the level of money income depends almost solely on the prices in world export markets and the Government can do little to control this position. Since the war, governments in 'dependent' territories have been torn between giving all encouragement, (both moral and fiscal) to new domestic industries so as to lessen the dependence of the territory on a few world markets, and giving similar priorities to the older, export industries in which in the post war world the country's wealth has undoubtedly lain. It is often said that diversification, more domestic industries and more processing and manufacturing export industries are appropriate aims for a young country, but true as this is, it is a pity that in the post war years equal emphasis was not given to the production of more primary products in many of these small countries whose extra output would not materially have effected the supply or price in world markets but would have brought relatively large revenues, some of which could have been canalised into fixed investment in the country concerned.

Increases in export prices will result in increased money incomes, but whether or not real incomes will increase significantly will depend partly on domestic production, but mainly on import prices. If export prices rise more than import prices, the importing country gets more imports for a given volume of exports and there is a gain; the terms of trade are in the importing country's favour.

An index of the terms of trade can be constructed. This is based on a comparison of export to import prices and figures are shown in Table 62 for the four years under review. The base chosen is an average of the years 1950-52 as by taking three years it is hoped that the influences of peculiar seasons will be wiped out.

TABLE 62
Terms of Trade

	Export prices 1950-52 = 100	Import prices 1950-52 = 100	Terms of Trade Exports / Imports
1938	29	23	126
1950	84	82	102
1951	100	102	98
1952	116	108	107
1953	119	100	119
1954	118	98	121

This index is of the type $\frac{p_1 q_0}{p_0 q_0}$ where po equals base year prices, qo base quantities, pl equals 1st year prices p2 = 2nd year etc. Figures for 1938 are put in as a very general guide to price changes. In fact, the type and quality of both imports and exports has changed significantly in the intervening years and the comparison is dubious. Exports included in the index are sugar and mollasses, bananas, gold, coconut products and trochus, which together accounted for 85% of the value of Fiji's exports. The only important change since 1950 in the composition of exports has been the increased production of coconut oil and greater export of this product instead of copra, which has declined. This means that part of the increased export prices are due to the greater exportation of a more valuable product. On the import side it was only possible to include 55% of the total value of imports. This is not sufficient to make a really reliable index and it is hoped that Trade Returns will, in the future include more details of quantities imported, which will enable this index to

be improved. Fiji appears to have enjoyed a decline in import prices in 1953 and 1954 as well as an increase in export prices. Cotton goods and wheat flour which are important imports in Fiji, declined in price and these goods are included in the index. Machinery, which is not included in the index increased in price, but the imports are not large. If all imports could have been included it is felt that the prices of imports in the index would not have declined quite so much; but that the terms of trade were overwhelmingly moving in Fiji's favour cannot be denied and this indicates that Fiji enjoyed a "real" as well as a "money" improvement in her living standards during this period.

Comparison between recent years and pre-war years by means of an index is however dubious, and does not show up well the changes in volumes of trade. It may be noted that whereas total trade equalled £4 million in 1938 it equalled £23 million in 1954. How much of this increase is due to volumes and how much to values? Table 63 shows the volumes of all main exports and about half (by value) of the value of Fiji's imports. Although only one year is taken in each case (1938 and 1954) these years are in most respects 'normal' years. Fluctuations in imports are not great from year to year. Of exports, by far the greatest part of the increase in the value of sugar, coconut products, bananas and trochus arose through increased prices rather than increased volumes. Sugar exports were (000 tons) 141, 149 and 135 in the years 1936-1938 and 133, 178 and 137 in the years 1952-54. So that in spite of the increase in output for the period 1950-53, it does not appear that a long period trend showing increases in production has taken place. It is not easy to compare production of coconut products owing to the greater exports of coconut oil today but it seems that more copra is entering the export trade in some form or other now than in the 1930s. On the whole, however, the

TABLE 63

Volume of some Imports and Exports 1938 and 1953*

Imports

	1938	1954
Flour 000 tons	26	19
Ghee 000 lb.	58	491
Milk 000 lb.	263	1,338
Vegetable and Fruit 000 tons (fresh)	2	4
Meat and Fish 000 lb. (canned and fresh)	2,048	4,494
Beer 000 gals.	87	398
Cigarettes and Tobacco 000 lb.	137	300
Manures 000 lb.	6	6
Cordage 000 lb.	158	624
Cloth and Silk Piece Goods 000 s.yds.	4,399	8,063
Bags and Sacks 000 cwt.	178	39
Boots and Shoes 000 pairs	84	140
Motor Vehicles. Number	264	913
Iron and Steel 000 tons	3	2
Kerosene 000 gals.	304	1,414
Coal 000 tons	24	21
Timber 000 S. feet	6,613	7,712
Rice tons	3,250	663
Coffee 000 lb.	38	42
Tea 000 lb.	323	655
Canned Fruit and Vegetable 000	216	493
Wines and Spirits 000 gals.	26	70
Confectionary 000 lb.	140	436
Edible Oils 000 gals.	72	99
Wire tons	309	356
Matches 000 gross	57	92
Soap 000 lb.	485	357

Exports

	1938	1954
Coconut meal 000 tons	-	7
Coconut oil 000 tons	2	17
Copra 000 tons	33	4
Sugar: raw 000 tons	135	137**
Mollasses 000 tons	23	41
Gold 000 fine oz.	89	78
Bananas 000 bunches	315	689
Trochus tons	140	267

* Fiji Trade Returns 1938 and 1954.

** But the years 1950-53 showed a consistent increase in the volume of production - see Chapter XI.

the figures indicate that, whereas the increase in export values is mainly a monetary increase, the increase in import values is partly monetary and partly real. This of course follows from the improvement in Fiji's terms of trade, but it is perhaps worthwhile reiterating this important fact by showing volume figures as in Table 63. It is vital that the foundation of Fiji's prosperity be understood.

2. Direction of Trade

As far as visible imports and exports are concerned, figures showing the direction of trade can be obtained from Trade Returns and these figures are shown in Table 64 for the years 1935, 1939, 1946, 1950 and 1953. The export proportions show quite wide fluctuations from year to year. The bulk of sugar exports may sometimes be shipped to the United Kingdom as in 1953 but more frequently has gone to Canada and New Zealand. Gold has sometimes (as in 1950) been shipped directly to U.S.A. This sort of variation which results purely from sterling area arrangements of convenience appear to have a marked influence on the direction of exports but actually, apart from these variations in the share out of export trade between Commonwealth countries, there have probably been no marked changes in the direction of export trade over the long period.

Imports too, show a fairly set regional pattern. Imports from the United Kingdom have never quite made up the leeway lost during the war when Australia and New Zealand gained some of the market in Fiji for manufactures. Since 1950, the countries in the "other countries group" have increased their sales in Fiji, particularly France and French dependencies, and Indonesia from whom oil is procurred. India remains the most important seller to Fiji in the 'other countries' group, her trade consisting mainly of Indian traditional goods and clothing, and copra sacks and sugar sacks.

Although attempts have been made to classify invisible current and capital items of Fiji's trade by countries the figures were felt to be somewhat misleading. Foreign travel, for instance, could only be classified according to countries of embarkation for Fiji or by immediate destination of departing travellers. This gave a quite unreasonable bias to Australia and New Zealand. Capital movements also, will often

TABLE 64

Direction of Trade

Exports

£000

Destination	1935	1939	1946	1950	1953
United Kingdom	897	673	681	2,208	6,800
Australia	130	829	79	151	1,177
Canada	456	800	704	2,612	1,957
New Zealand	109	62	1,197	814	1,951
U.S.A.	41	215	806	1,503	107
Other countries	170	150	115	347	839
Ships stores	17	17	22	176	350
TOTAL	1,820	2,746	3,604	7,811	13,181

% of total exports (values)

Destination	1935	1939	1946	1950	1953
United Kingdom	49.3	24.5	18.9	28.3	51.6
Australia	7.1	30.2	2.2	1.9	8.9
Canada	25.1	29.1	19.3	33.4	14.8
New Zealand	6.0	2.2	33.4	10.4	14.8
U.S.A.	2.3	7.8	22.4	19.3	.8
Other countries	9.3	5.6	3.2	4.4	6.4
Ships stores	.9	.6	.6	2.3	2.7
TOTAL	100.0	100.0	100.0	100.0	100.0

Imports

£000

Country of origin	1935	1939	1946	1950	1953
United Kingdom	496	442	849	2,230	3,643
Australia	307	510	1,416	2,106	3,099
Canada	56	117	125	155	276
New Zealand	46	71	298	624	587
U.S.A.	95	161	436	438	569
Other countries	257	324	446	1,408	2,374
TOTAL	1,257	1,625	3,570	6,961	10,548

% of total imports (values)

Country of origin	1935	1939	1946	1950	1953
United Kingdom	39.6	27.2	23.8	33.0	34.5
Australia	24.4	31.4	39.7	29.3	29.4
Canada	4.4	7.2	3.5	2.2	2.6
New Zealand	3.7	4.4	8.4	8.9	5.6
U.S.A.	7.4	9.9	12.2	6.3	5.4
Other countries	20.5	19.9	12.4	20.3	22.5
TOTAL	100.0	100.0	100.0	100.0	100.0

appear as transactions between banks, the true source of the capital being obscure. On the whole it was felt to be safer to state generalities about the direction of Fiji's invisible trade rather than to quote dubious figures.

Travel in and out of the colony would show residents of European and Indian races contributing the most in value; with travel thus directed towards Australia, New Zealand, United Kingdom and India. The tourist trade has been predominantly with Australia and New Zealand but tourists from North America have increased in numbers since 1950 as transport facilities for dollar tourists increased. The lack of first class hotels is a limiting factor in the expansion of this type of business but several plans are afoot to increase good hotel accommodation. There is some movement of Chinese residents between Fiji, China and Hong Kong. Travel round the Pacific itself is increasing as more islanders can afford trips to other groups and as business houses extend their operations from Fiji.

Monetary transactions, whether they are movements of capital or payments of interest on loans to or by Fiji, occur mainly with Australia, New Zealand and the United Kingdom. Government financial activities are linked directly with London while the banking houses with branches in Fiji are branches of Australian or New Zealand banks but of course, have extensive dealings with London. Movements of private capital to and from Fiji are mainly Australian in origin. During the years under review it is known that one or two of Fiji's larger business houses were moving capital from their Fiji headquarters to build up branches in the other island groups but it is probable that the funds would be moved directly from deposits in an Australian or New Zealand bank or financed from sales of securities on the Australian money market. Missions aim at being self supporting in Fiji, the small amount of information

that could be obtained from these bodies indicated that the flow of donations into the country was small and came mainly from the United Kingdom. It appears that many of the more highly Christianised countries of the mid-Pacific, are, in the case of one mission at least, net contributers to the missions work overseas, particularly in the more difficult territories of Western Melanesia, but the funds being moved on this account are small.

3. The Balance of Payments

The first attempt at estimating Fiji's Balance of Payments was made in 1936. This study was recognised at the time to be inadequate owing to the difficulties of obtaining data. However, the estimate is of interest in providing a sketch of Fiji's position at that time and in giving a comparison with more recent data. Comparing the figures of the 1936 study, Table 65 (which was made by the Bank of New South Wales) with our 1953 figures we find that most of the values have been multiplied about six times. Although the figures in an early study may be slightly underestimated, this comparison shows a big increase in the value of Fiji's trade and movements of capital since the earlier date.[1]

More recent estimates were made by the Fiji Government on the Balance of Payments for 1950 and 1951 and the years 1952 and 1953 were covered during the present survey. Table 66 indicates the main heads of receipts and payments.

Certain items in the Balance of Payments are easily abstracted from published data, merchandise trade is available from Trade Reports and various Government transactions are published in the Government Accounts. Much of the information for invisible current and capital items is extremely difficult to

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(1) This information was supplied by the Bank of New South Wales in Sydney.

TABLE 65

Estimate of Fiji's Balance of Payments in 1936

£000

Payments		Receipts	
Current			
Imports	1,379	Exports	1,740
Freights etc.	173	Shipping and Tourists	67
Fiji residents travelling abroad	110	Remittance, donations etc.	88
Profits and other Remittances abroad	285	Interest and Dividends	45
Government Pensions paid overseas	22		
Interest and Dividends			
Government	59		
Private	65		
Capital			
Changes in assets held by Government and Private Account	58	Private capital inflow	156
		Govt. " "	44
		Unexplained " "	11
TOTAL	2,151		2,151

obtain and for a few items the figures can be little more than informed guesses. More figures were available for 1952 and for 1953 than for the previous two years and for this reason as well as for the reason of increased values and activity the figures for the two earlier years are somewhat lower than those for 1952 and 1953.

The merchandise import figures have been reduced by the value of insurance and freight which has been added into the "transport and insurance" category. Other small adjustments have been made; the addition of sugar preference certificates, the subtraction of imports by New Zealand Armed Forces, (who are not considered to be residents of the country) and of ships stores and bunker fuel taken by Fiji registered shipping. Gold, which is sometimes excluded from merchandise, is in Fiji's case considered as a merchandise export as it has no monetary importance in Fiji. The Tourist Bureau in Suva provided estimates of the number of tourists, average length of their visits and average expenditure. Immigration statistics

TABLE 66

Balance of Payments, Fiji 1950-53

£000

	1950		1951		1952		1953	
	Receipts	Payments	Receipts	Payments	Receipts	Payments	Receipts	Payments
Current Account								
Merchandise	7,812	6,961	7,313	9,368	10,998	12,009	13,181	10,549
+ sugar preference certificates	197		197		118		127	
- Ships' stores and bunker fuel	-177		-203		-250		-350	
Freight and Insurance on C.I.F. imports		-633		-851		-1,092		-959
Other	-16	-16	-20	-54	-18	-62	-21	-87
TOTAL IMPORTS AND EXPORTS (including gold)	7,816	6,312	7,287	8,463	10,848	10,855	12,937	9,503
Travel	102	225	122	280	203	263	255	466
Transport and insurance	416	1,043	750	1,510	1,477	2,312	1,345	2,149
Investment income official)*	160	874	167	829	182	27	212	27
private)					129	1,082	120	915
Government current transactions**	279	150	335	150	529	50	675	50
Miscellaneous		15		15	300	35		21
TOTAL GOODS AND SERVICES	8,773	8,619	8,661	11,247	13,668	14,624	15,544	13,131
Donations private		100		100	77	110	40	122
official	59	6	119	2	98	2	104	3
TOTAL CURRENT TRANSACTIONS	8,832	8,725	8,780	11,349	13,843	14,736	15,688	13,256
Capital Account								
Private Capital movements	450	10	501	12	772	19	460	16
Official and banking capital movements	749	437	1,004	893	1,301	2,193	795	1,146
Total identified capital movements	1,199	447	1,505	905	2,073	2,212	1,255	1,162
Unidentified capital movement		859	1,969		1,032			2,525
TOTAL CAPITAL TRANSACTIONS	1,199	1,306	3,474	905	3,105	2,212	1,255	3,687
TOTAL CURRENT AND CAPITAL TRANSACTIONS	10,031	10,031	12,254	12,254	16,948	16,948	16,943	16,943

* Including interest on Government Savings Bank Funds. **Including payments made by foreign Governments to Nadi Airport.

show numbers of residents leaving and entering the colony, and estimates were made of their probable expenditure overseas and fares to and from the colony.

Investment income includes income earned from investments in Fiji and remitted abroad on the payments side, and on the receipts side it includes remittances into Fiji on account of foreign investments held by Fiji residents and Government. Profits of branches of non-resident concerns, shares of profits paid to overseas partners and interest on Fiji investments held overseas is included on the payments side. This figure, which has been approximately £600,000 in the past few years is, of course, net of Fiji company tax. Part of the profit of these concerns is undistributed profit and an estimate must also be made for reinvestment in Fiji of this proportion which enters into the capital account. Other heads of investment income include interest received on Government-owned securities and a small item of interest received on account of foreign securities held by resident individuals and companies. Interest paid on Government debt represents a payment on the "investment income" account.

There are various Government current transactions which are not included in the above heads. They are defence payments by New Zealand, subscriptions by other Governments to the Central Medical School, Leprosy Hospital and other services provided in Fiji and used by other Governments. Nadi Airport, which is the responsibility of the New Zealand, Australian and the United Kingdom Governments as well as Fiji, brought in a sum annually for maintenance which was on average about a quarter of a million. Certain payments are also made by the War Office for the Fiji Military Forces.

Donations and remittances abroad and into Fiji must also be included in the Balance of Payments. The net amounts on account of missions in Fiji is relatively small as most missions

aim at being self supporting. In 1952, about £30,000 was received by Fiji for hurricane relief. The major part of this item is, however, remittances abroad by expatriate Europeans, Indians and Chinese for the support and education of overseas dependents. These figures were estimated from Inland Revenue information on the number of dependents claimed as having been supported overseas. Colonial Development grants actually received are also included under this head.

Information regarding capital movements is not easy to obtain accurately. Government transactions are of course known and banking movements can be calculated quite easily if the banks give sufficient information in their annual balances. Changes in the nominal value of securities held in the various Government Funds and those of the Currency Commissioners have been taken as the amounts by which these capital values change. It would, however, be more precise to distinguish between that part of this change which is a change in the actual amount of securities held and that part which is accounted for by value changes, the latter not being offset by a monetary movement. As 'nominal value' has been used in previous years, it is adhered to here, the difference is not very great and until other monetary movements can be more accurately estimated it is not worth changing this method.

Monetary movements, as deduced from the entries "balances due to and from banks abroad", in bank balances bear little relation to monetary increments which might be expected from other results in our estimates. So much of the monetary activity reflecting real activity in a country such as Fiji by-passes the colony's monetary institutions, the wide charges on exchange through Fiji banks alone causes many business houses to make their monetary transactions through Australian and New Zealand Banks' headquarters.

The balancing item for the capital and current account is large and it is unfortunate that more details cannot be given. This item on Balance of Payments tables is sometimes explained as "Errors and Omissions" and sometimes as "unexplained capital movements" both explanations are somewhat misleading; although a minor part of the amount may be due to errors in other figures, this figure mainly accounts for monetary movements which are conducted on account of Fiji business but do not enter Fiji, and for lags between real transactions and monetary transactions. It is not quite accurate to refer to it solely as a capital item as there are probably a few omissions on the current account side included. It will be noted that for most years the item is roughly equal to the deficit or surplus on the current account figures. It is considered that it could be more adequately explained if details were available regarding dates of payments made for sugar and copra. If sugar payments are outstanding, for instance, part of the capital outflow would be explained. If advances are made, or drawings are made on funds outstanding for a previous year, this would explain part of the capital inflow shown in some years.

An Overseas account is presented on rather different lines, in Appendix II (Table 79) and the link between the main accounts and the Balance of Payments is explained in that Appendix. The item 'net exports' in Table 48 is however taken straight from the Balance of Payments Table (Table 66) and is the difference between receipt and payments in the line "total current transactions".

Chapter IX

INDIAN FARMERS, WORKERS AND BUSINESSMEN

1. Farmers

In 1953 the Indian population numbered 154,803. Table 39 gives a broad indication of how the Indian population was employed as between industries. It is estimated that of these 46,000 or so Indians who were occupied, about 56% were working for wages, salaries or were adult male workers on farms or businesses run by a relative. There were thus approximately 20,000 Indians working on their own account as proprietors of small businesses or as farmers. In 1952 there were 9,033 Indian cane farmers.[1] The Department of Agricultures' Rice Survey showed that there were 15,983 rice growers. Many of these rice growers were also cane growers and it would be fairly safe to assume the practically all Indian farmers are rice growers. Many rice growers are "backyard" or part-time farmers doing some other work as a main job. Of the 20,000 Indians working on their own account in 1952 it is estimated that 9,000 were mainly cane growers 14,000 (including this 9,000) were mainly farmers. 2,000 were dividing their time fairly equally between farm and non-farm enterprises and the remaining 4,000 were working on their own account in non-farm enterprises.

The Fiji Indians are extremely versatile people and these categories are by no means clear cut. One Indian farmer was found to be farming 10 acres, running a store, running a taxi and occasionally working for wages. This sort of thing is by no means uncommon.

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(1) Figure from Colonial Sugar Refining Company. Refers to growers from whom purchases were made in that year.

The cane farmers are the largest single occupational group of Indians in Fiji. The cane growing districts are in the North and West and Nausori regions of Viti Levu and in the North of Vanua Levu. Some cane farmers are tenants of the Colonial Sugar Refining Company and the land farmed by them is leased from the Company and is either freehold land owned by the Company or Native land which the Company leases from the Native owners through the Native authorities. Other cane growers are contractors to the Company and arrange their own leases with the Native Land authorities or with freeholders. A few hundred acres are owned by Indian freeholders.

In 1954 the Native Land Trust Board estimated the cane lands of the colony to be as follows. There were 53,500 acres of Native land leased to the Sugar Company and generally sublet by them to their own tenants. There were 65,000 acres of land held under freehold title in the cane belt and 60,000 acres of small Native lease in which cane was a crop grown. Of this total of 178,500 acres of 'cane belt' land 101,000 acres were actually used for cane cultivation.

Efforts are made to keep the rental charged by the Company in line with that charged by Native Land authorities. In 1954, rents for new leases were increased to accord more with the rises in farm prices and incomes. Increases were in the region of 40% of the old rate and brought the rent of the best cane land in Viti Levu up to £5 per acre per annum; but the average was in the region of £2.10.0 per acre per annum at the new rent. Most rents are, of course, on account of long-standing leases, and the average actually paid is considerably lower than this - probably in the region of 12/6 per acre per annum where the land is exclusively cane land and about 5/- per acre per annum where other crops are grown.

There have been many complaints in the past that tenancies have been too short for Indian farmers to feel a sense of

security and improve land accordingly. As far as concerns Company land, tenancies have been for ten years and are, in almost all cases, renewed at the request of the occupier.[1] As most fixed capital and fertilizers are provided by the Company, the complaint did not have strong grounds as regards this land. The Native Land authorities are aiming to increase the terms of all tenancies and give a greater degree of security, and better conditions will be furthered by the demarcation of Native Lands, now in progress, which will indicate which lands will be available to non-Fijian cultivators for some years ahead.

The abuse of short, insecure tenancies is thus steadily being brought to an end. There remains, however, a hard core of bad landowners or lessors who let on very short, sometimes annual tenancies. These short tenancies are rare in the cane belt and only occur when a lessee has sub-let, sometimes illegally, to a sub-tenant or when freehold land owned by a relatively small landowner is let. Short tenancies are more common in the mixed farming district of Navua which was once a cane district but is now mainly a dairy centre. This is however, by no means representative of the position amongst Fiji Indian farmers generally.

The Sugar Company meets many of the needs for farm credit, firstly by supplying much of the fixed farm capital and secondly by making loans at 4% for the provision of farm needs. The Company also supplies fertilisers and implements at cost. of this, much indebtedness has grown up amongst farmers, some of it between farmers themselves. Loans are sometimes made on crop liens, others are sometimes unsecured and are at high interest rates. They are also sometimes made on the security of leases which are, however not legally recognised collateral for debt. In 1938 it was estimated that existing debt exceeded £500,000 amongst cane farmers. It is considered that the post-war period has seen a reduction of debt, if not absolutely, at least relatively to

(1) The Company states that leases are now granted for 21 years with the right to renewal under certain conditions.

incomes. It is also considered that more loans are secured by fixed investments today and that the interest rate is correspondingly lower. This is a subject, however, which requires further investigation than could be attempted in this study.

Many cane farms are only of an acre or two. Although most of the Company's tenants farm between eight and fourteen acres, over 62% of the contractors farm less than eight acres, whilst at the other extreme about 5% of the contractors are larger, independent farmers farming 20 acres and more. Only about 60% of the cane acreage is actually harvested in each year and the harvested acreage per annum per grower only averages about six acres. Indian sugar farmers are engaging more and more in non-farming activities, many of the wealthier ones, particularly, were found to own cars and tractors which were hired out. They also lend money at interest and occasionally they run a store.

The following account is drawn up from information relating to a number of farms in 1953. The account relates not to an actual farm but to a 'typical' farm on the better cane lands. The farmer has one adult son helping him and casual labour for part of the year.

The gross income of the farm was £755 from selling cane, £9 for some money lent at interest and approximately £30 worth of rice padi, mainly consumed by the family. For the year in question the farmer had 6 acres under plant cane, 6 acres under ratoon or second crop cane and 1 acre under other crops. He had rights for grazing his two bullocks on some common grazing land. His outlay for the year was £48 paid to the Sugar Company for rent, fertilisers and some small goods. Weeding cost him £25 mainly in wages, ploughing cost him £36 including maintenance and depreciation of a plough and bullocks. His payment to gang labour at harvest time equalled £63 and other casual labour cost him £20. In addition, he spent £26 on tools and

twine and other purchases. His net income was thus £576 for the years' work. This farm was not an average farm, the acreage farmed, cane sold and net profit were representative of the rather more prosperous farmer typical of the better farming lands. The average farmer made a net profit of approximately £223 in 1953, which was an outstandingly good year.

Crops grown on mixed farms include tobacco, maize and of course rice, a few Indians grow bananas for sale and export, and a few cut copra. Dairy farming is carried out in the Tailevu and Navua regions and many Indian farms, unless the proprietors are Mohammedans, keep pigs. Near Suva, native food crops, particularly yaqona is grown for sale to urban Fijians and landless Indians. Most mixed farms are smaller and often appear to be poorer than the cane farms. Tenures are usually less secure and indebtedness is severer.

2. Wage earners

Indians occupy all kinds of jobs as wage earners. In and around Suva they work for each other in small trading, transport and manufacturing firms; for Europeans in domestic service and hotel service and for the larger employers such as European trading companies, manufacturing establishments, building and public works, and on the wharf. In 1952 about 2,700 were on average working in the sugar processing industry throughout Fiji. Although wages paid for the same work were roughly equal for Fijians and Indians, in most industries the Indians tended to hold the better paid jobs, mainly because they worked longer for the same employer. Thus in sugar milling Fijian wages averaged 10/2 per day and Indian wages 10/9, in wholesaling and retailing Fijians averaged 8/3 and Indians 10/9. In building (non-Government) Fijians received 9/8 and Indians 11/9.[1]

(1) These figures relate to one days' wages in 1953. They are taken from the Department of Labours' Returns.

What does the Indian wage represent in terms of living and nutritional standards? Information which could answer this question and information on Indian expenditure was lacking in official sources. So, during the investigator's stay in Suva, it was decided to do a survey, in co-operation with the Government Nutritionist.[1]

In May 1954 a survey was conducted amongst some of the poorer wage-earning Indian families in the outskirts of Suva. The aim of this survey was to obtain family expenditure data, and at the same time combine a nutrition survey with the expenditure survey so that a measurement of actual standards of living, at least as regards food intake, could be combined with the purely monetary survey. Nutrition and family budget surveys have frequently been made before, both for administrative and research purposes but they have generally been conducted separately. A combined enquiry can however give valuable data on real standards of living. It can show whether families with limited incomes are making the optimum allocation of their resources in respect to nutrition criteria, and whether families whose incomes rise above the minimum level are making corresponding improvements in their food intake.

This survey is little more than a pilot survey in using this technique. It deals with a small number of households (71) in one community - that of Indian wage earners living in the outskirts of Suva. The Indians constitute the majority of the wage-earners in Fiji and the Indian families in this survey live almost entirely in the money economy; their production of subsistence foods is in fact negligible. In the country, in Fiji, however the Indian expenditure pattern would be found to be different in many ways; home grown foods would for instance replace bought food to some extent.

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(1) This survey was conducted by the writer and Mrs S.Parkinson (nee Holmes) Senior Nutritionist to the South Pacific Health Service, assisted by four Indian trainee teachers.

The period of the survey was two weeks. Each house was visited once during the first week. After the purpose of the study had been explained to a family elder, questions were asked concerning all purchases made during the past week. The same information regarding the current weeks purchases was collected by the interviewer during the second visit in the following week. Most householders visited the store rarely, except on Saturdays so that the risk of forgetting the week in which a purchase was made was small. Further information collected included details of family income, numbers in family, age and sex of each member, occupations, housing conditions and tenancies, sanitation, water supply, rates and taxes, indebtedness, gardens and garden produce and animals owned. In addition, questions were asked concerning expenditure incurred for doctors, medicine, school fees, transport and all other possible items. Details of food eaten at recent meals was obtained at each visit, cooking utensils and cooking facilities in each household were enumerated and information was gained on foods customarily eaten by diabetics (a disease common amongst Fiji Indians), invalids, infants and at feasts.

A "household" is defined as a group of persons whose budgeting and cooking arrangements are combined into one unit. Many of the households in this study included more than one full-time married wage-earner. In the computation of per head values of food consumption each child under five has been counted as ½ a unit. Thus the total number of adult units in the surveyed households was 450.

Households fell roughly into two income groups, the lowest consisted of 49 households whose complete household income did not exceed £6 per week and the highest, a group of 22 households whose income exceeded £6 but did not exceed £10 per week. In the former group the majority of incomes were in the £3 - £5 range. The total of household income was often considerably more

than that obtained from the chief wage earners' main occupation. The average size of the higher income group families was 9 and that of the lower, 6. It was mainly the existence of more wage earners that put these larger families into the higher income groups. The following table gives numerical data for the two groups.

TABLE 67

Numerical Data for 71 Households

	Group I	Group II	Total
No. of Households	49	22	71
Number of adults (15 and over)	140	92	232
Women	63	43	106
Men	77	49	126
Number of children 5-14	103	85	188
Number of children under 5	39	21	60
TOTAL	282	198	480
Number per household (average)	5.7	9.0	6.7

The question which was put to the families regarding income was not felt to be satisfactorily answered. Often the wives appeared ignorant of their husbands' earnings. Sometimes the imposition of a new tax, resulting from the information may have been feared. It was thus necessary to supplement the data by enquiries from employers regarding full-time pay, overtime and casual work. On the basis of the data available and these enquiries, it was estimated that the contract wages of the chief wage earners in the family averaged £8.9.1 for the fortnight. Contributions to household income from other full-time workers, odd jobs and pensions brought the average household income up to £12.8.11 (lower income group £9.12.9 per fortnight, higher group £18.3.10 per fortnight). Total income earned from all sources by the 71 households was £872.8.6 during the fortnight. This figure, although based on

TABLE 68

Expenditure of 71 families on food, household goods, etc. two-week period

	Lower Income				Higher Income				Total			
	£	s	d	%	£	s	d	%	£	s	d	%
Food	4	16	8	58.7	8	4	7	56.0	5	17	11½	57.5
Cleaning		5	8	3.5		9	3	3.2		6	10	3.4
Household articles		2	0	1.2		1	4½	.5		1	11	.9
Fuel and Light		8	7	5.2		13	2½	4.5		10	0½	4.9
Linen, Clothing		19	0	11.5	2	5	11	15.6	1	7	5	13.4
Toilet Goods		3	2	1.9		6	11	2.4		4	6½	2.2
Doctors and Medicine		12	2	7.4		18	6	6.3		13	11	6.8
School Fees, Books, Paper		3	8	2.3		9	0	3.1		5	3½	2.6
Transport		4	5½	2.7		11	6	3.9		6	8	3.3
Personal Expenditure		9	3	5.6		13	3	4.5		10	3	5.0
	8	4	7½	100.0	14	13	6	100.0	10	4	10	100.0

independent estimates, exceeds the figure of total expenditure by £46 only. The amount of saving done by these families is probably quite small although 3 families had spent up to £10 on holidays in the past year and several families had purchased such articles as a sewing machine, radio or furniture without incurring debt. One family had made a loan of £10, and two said they had hoarded. None had accounts with the Government Savings Bank.

Table 68 indicates the actual amounts spent per family on all main items of expenditure (excluding rents, rates, taxes and indebtedness), and the percentage of total expenditure which each item represents.

It must be remembered that the actual money figures contain a bias owing to there being larger families in the higher income group. The percentages show a slightly smaller share spent on food in the higher income group and a greater emphasis given to linen, clothing, toilet goods, school fees and transport. Clothing particularly, was of better quality in the higher income homes visited. Most of the poorer women wore simple white cotton clothes.

Household and other non-food items have been analysed on a per family basis but it was felt to be more accurate to analyse the details of food expenditure on a per head basis and the figures for these calculations are shown in Table 69.

All details of housing, sanitation gardens and stock are given in Table 70. Most houses were two-roomed (including kitchens) structures of timber and iron. Twenty households containing 90 people were living in one-room houses (one of these families included 13 persons). The standard of housing was extremely low, and on a much worse level than the general standard of living of these people. Houses in the districts visited had suffered severely from the hurricane of 1952, and many debts for hurricane damage repairs were still outstanding.

TABLE 69

Expenditure on food. Per head per fortnight

	Lower Income	%	Higher Income	%
Rice	2. 4½	14.3	2. 4½	12.9
Bread, cakes, sharps, flour oatmeal	3. 7½	21.8	3. 6½	19.6
Potato, cassava and dalo	11½	5.9	1. 0	5.6
Dhal and Bhoda	10½	5.3	8	3.6
Vegetables	1. 6½	9.2	1. 8	9.0
Fruit	5½	2.6	6	2.9
Eggs, meat, fish	1. 6	9.1	1. 7½	8.9
Oils and fats	2. 1½	12.7	2. 8½	14.6
Sugar, jams etc.	10½	5.1	11½	5.4
Beverages	9½	4.6	1. 5½	7.9
Milk, cheese	10½	5.3	1. 1	6.0
Spices and condiments	8	4.1	8½	3.6
	16. 7	100.0	18. 3½	100.0

Indebtedness was very closely linked with housing and in this respect house-owners were much worse off than tenants. The £41.15.10 showed as the total payments by the families during the fortnight on account of debt interest and repayment was shared by 24 families, the payments ranging from £8 to 5/- per fortnight. It was not always clear how much of the payments represented interest and how much repayment of capital. The existing debts, represented a total initial indebtedness of about £3,500 of which about £2,000 had been repaid. £1,000 had been contracted with banks and the rest with private lenders. Seventeen families admitted to being in debt to storekeepers and other retailers. Larger debts were often caused by the marriage of a daughter which cost anything between £50 and £100.

Total expenditure on all items in the families' outlay is shown in Table 71.

The results of this survey indicated that some changes have taken place in Indian expenditure patterns since a similar survey was conducted by C.H.Carne in Suva in 1943, when family budgets were collected to further the construction of a cost of living index. In Carne's survey, expenditure on food

TABLE 70

Details of Housing, sanitation and Debts

	Group I		Group II		Total	
Number of households	Number	(%)	Number	(%)	Number	(%)
Renting rooms or houses	15	(31)	5	(23)	20	(28)
Owning houses, renting land	28	(57)	9	(41)	37	(52)
Owning house and land	6	(12)	8	(36)	14	(20)
	49	(100)	22	(100)	71	(100)
Number of persons per household (average)	5.7		9.0		6.7	
Number of persons per room (average)	2.9		2.5		2.7	
Sanitation						
Number of pit latrines	29		17		46	
" " bucket latrines	6		1		7	
" " septic tanks	10		5		15	
" " main drainage	2		1		3	
Water						
Number of households with:-						
piped water	41		19		60	
well water	5		3		8	
rain water	3		-		3	
Gardens and stock						
Households with cultivated gardens	23		11		34	
" " " fowls	19		11		30	
" " " cows	4		2		6	

20 Households renting houses or rooms

Expenditure on:-	Group I			Group II			Total		
	£	s	d	£	s	d	£	s	d
Rent, Land Rent, rates and taxes	20	5	4	13	19	4	34	4	8
Debt interest and repayment		1	0		5	0		6	0
Total	20	6	4	14	4	4	34	10	8
Per household	1	7	1	2	16	10	1	14	6

51 Households owning houses

Expenditure on:-									
Rent, Land Rent rates and taxes	14	17	0	8	10	2	23	7	2
Debt interest and repayment	24	6	10	17	9	0	41	15	10
Total	39	3	10	25	19	2	65	3	0
Per household	1	3	1	1	9	4	1	6	6

TABLE 71

Summary of Total Household Expenditure for the 71 Families for Two Weeks

	Lower Income Group £ s d	% of Total Expend:	Higher Income Group £ s d	% of Total Expend:	All House-holds £ s d	% of Total Expend:
Rents, Rates, Taxes and Debts	59 10 2	12.83	40 3 6	11.06	99 13 8	12.06
All Food	236 18 6	51.13	181 18 0	50.08	418 16 6	50.67
Clothing	20 11 2	4.44	35 3 0	9.68	55 14 2	6.75
Cleaning	14 2 8	3.05	9 15 10	2.69	23 18 6	2.89
Fuel and Light	21 15 6	4.70	14 5 0	3.92	36 0 6	4.36
Other Household	40 6 5	8.70	24 12 0	6.78	64 18 5	7.85
Doctor and Medicine	30 4 1	6.52	20 4 0	5.56	50 8 1	6.10
Miscellaneous (Transport, School Fees, Pictures etc.)	40 1 0	8.63	37 3 7	10.23	77 4 7	9.34
Total Expenditure	463 9 6	100.00	363 4 11	100.00	826 14 5	100.00
Estimated Income	472 2 6		400 6 0		872 8 6	
Margin of Saving	8 13 0		37 1 1		45 14 1	

accounted for 68% of total expenditure, as compared to 51% in the present survey. This comparison indicates that many of these poorer families are now able to afford certain items which would have been regarded as luxuries at the earlier date. A comparison with the Carne survey indicates that increased purchasing power has nearly all gone on non-food items of expenditure. In spite of a tendency for the households to eat more local vegetables, especially root vegetables at the later date (which resulted in a relatively cheap source of calories) little of the increased money income has gone on food items and the general conclusion is that the basic diet of these families has changed little. The tendency to spend extra income on non-food items is shown in a comparison between the two income groups in the present survey, the higher income group spent a smaller proportion of its total income on food. The item which most obviously increased in consumption as income increased was clothing. The differences in clothing standards between poorer and better-off families was very apparent in the homes visited. It is felt that the total clothing expenditure of these families is slightly underestimated (total imports and local sales of materials and clothing indicate a higher consumption of these goods see p. 127).

Nutritionally, it was found that the diets of these Indian families was low; average intake of calories, the B vitamins and vitamin A being below the standard of adequacy set for tropical conditions. Minerals, iron and calcium were barely adequate, but protein, most of which came from vegetable sources was fairly adequate. Indians tend to adhere strongly to dietary traditions even when changes are possible. Conditions of bad health due to nutritional deficiencies were observed particularly amongst women. The standard of housing and overcrowding was extremely low although most dwellings were clean.

Thus in spite of indications that real standards have improved since the Carne Survey in 1943, an unhealthy level of poverty existed in many of these wage earning homes, and it was evident that the family income did not leave much leeway in face of sudden emergency expenditures. As in all communities, some poverty was clearly due to mismanagement of income, resulting in a relatively high expenditure on non-necessities, at the expense of nutritional requirements. Indebtedness was another cause of apparent poverty. On the other hand there were relatively low income households where the standard of management was high, clothing being plain but adequate, food being up to good nutritional standards considering the income level. In these few "model" households there was money for the childrens' education, for an occasional 'luxury' and indebtedness was avoided.[1]

3. Small business

The difficulties of obtaining land has inevitably driven many Indians, descendants of agricultural workers, into urban occupations. These Indians have been joined by Indian immigrants, people from the districts around Bombay and other trading centres, who are by tradition a trading and commercial people. One of the most prominent trading groups in Fiji is the Gujeratis, from districts of Bombay, who are nearly always found to be the proprietors of the more prosperous small retail stores. Many Gujeratis consider Fiji only as a temporary business home. They maintain wives and families in India. Sometimes an elder son or other relative manages a Fiji branch of a family business in India. Many of these merchants, have

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(1) A full report on this Survey was issued by the South Pacific Health Service. Holmes and O'Loughlin. A Survey of Economic and Nutritional Standards in Indian Households.

however brought their families to Fiji and a few intend to make this colony their home. It is interesting to note however, from Inland Revenue records, that Indians claimed to be maintaining 528 dependents in India in 1953. None of these was a sugar farmer. The farmers seem to have severed relations with their mother country and are, except for the older generation, mainly Fiji born. But Indian traders and Chinese traders make frequent trips to their respective countries and import many goods from home for sale in Fiji.

Indian stores are nearly all general stores. In many of these enterprises, a considerable business is done in tailoring and dressmaking. Tables showing the numbers of retail stores and their income position are shown in Chapter IV. It was considered misleading for the purposes of that Chapter to break up Indian small business into separate categories of retailing and tailoring[1] as by far the greater part of tailoring is done by Indians who are also general storekeepers. It is, however, interesting to note the economic position of the few, usually wealthier tailors who specialise in this business (although materials are sold off the bale by these shops as well). The following description and accounts are compiled from information relating to a number of such establishments and does not relate to a particular firm.

The shop which this description typifies is situated in one of the larger centres in Fiji. It is a partnership, a form of business which is well suited to the Indian 'family' form of ownership. In this case there are three partners, the tailor, his brother, an absentee, and the tailors' oldest son who is 24 and already experienced in the trade. The son has brought his

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(1) There are about 260 establishments in Fiji in which tailoring is undertaken. Approximately 50 of these could be said to specialise, although materials and drapes would also be sold. There were in 1952 469 employers and partners and 546 labourers. In tailoring alone, Net Output equalled approximately £186,000 (excluding all retailing).

wife from India and she lives with the family, but the elder's wife and other children remain in India.

The annual takings of this store, in one year were £6,218. The greater part of this was on account of sales of material both for making up and off the bale. A few ready made clothes, buttons and thread were also sold. Purchases of stock equalled £4,013; there was little change in stock valuation between the beginning and end of the year. Gross profit was thus £2,205. One worker was employed at a wage of £200 inclusive of rations and accommodation. A boy was also employed and cost £110. Rent of the premises was £130 a year and other expenses of trade equalled £90. Net profit to be shared between three partners was thus £1,675.

This business although typical of many in the larger centres is much bigger than the average small Indian business in Fiji. The average net income for the single proprietor businesses from retailing alone was estimated to be approximately £230 in 1953, but it must be remembered that quite a number of the proprietors of these businesses were farmers or pursued some other activity besides retailing.

The majority of taxi and bus owners in Fiji are Indians and they are increasingly entering the motor garage business as proprietors as well as labourers. There were indications in 1953 that the number of taxis was increasing at a faster rate than the number of fares and the income per car was thus decreasing. Other industries in which Indian small business is common are contracting, shipping and boat services, curio making and other handicrafts, leatherwork and bootmaking, woodwork and cabinet making. The Fiji Indian does well as a small businessman. He will work for many years for low returns and the many flourishing and developing businesses in Fiji with annual turnovers of between ten and fifty thousand pounds illustrate that thriftness has gained its reward. There have been very few bankruptcies

amongst this group of businesses in the last few years. Amongst the numerically much larger group of businesses of less than two thousand pounds annual turnover, failures are more common; but in the smaller businesses too, the Indians' ability to survive spells of bad luck or poor business, is shown to be much greater than that of European small businessmen.

Chapter X

THE FIJIAN VILLAGE ECONOMY

1. The Fijian Village and the Money Economy

There are over a thousand villages in Fiji (including Rotuma) and roughly 120,000 islanders living in their traditional village environment. The villages are on average small, containing about 20 households. It is quite common to find villages of less than fifty people and small villages of twenty or so inhabitants are also found. On some of the inhabited islands, population of less than 50 to a whole island are not uncommon.

The Fijians are a people of mainly Melanesian origin, but with strong Polynesian influence, mainly in Taveuni, Vanua Levu and the Lau islands. The Fijians have a highly developed social organisation with a patrilineal system of inheritance and succession and an emphasis on chieftainship and status. There are many variations of custom in Fiji and there are indications that the culture of Western Fiji was more like Melanesian culture there being matrilineal forms of social organisation and more complex kinship systems.[1] The conservation of the Fijian way of life has been the main aim of the British administration as regards its relations with the Fijians and it appears that the patrilineal organisation and emphasis in chieftainship has tended to become more universalised for all Fiji under the British administration.

There are several kinship divisions in the Fijian villages. Not all these have important economic functions. The Yavusa

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(1) See W.Stanner 'The South Seas in Transition'. p.173 and Buell Quain, Fijian Village.

is the largest kinship division of common descent. It consists of several Matagali which in the old tradition were groups of households within the Yavusa each of which had a specific function. These 'functions' were mainly ceremonial in nature and did not, it seems, produce any significant division of labour in important economic activities, except possibly in times of war. Nevertheless the Matagali is one of the important kinship divisions still in modern Fiji because the Matagali is the land owning, or land holding unit of kinship. Land is held by the Matagali and may be used by members of the Matagali. These Matagali may range from one or two members to twenty or more and the amount of land available to a man will therefore vary according to the numbers in the Matagali and the amount of land it holds. If the Matagali is the land holding group, the Tokatoka or village unit of related households may be considered the land-using group. The economic activities of Fijian life are mainly centred round the needs of the village.

The Fijian village is traditionally a fairly autonomous economic unit. Food gardens are grown by households, and in many places women have separate gardens in which particular crops predominate. All household gardens grow root crops such as dalo (taro) cassava, kumala and yam. Yam is, however, a feast food and may be grown in special gardens. Green crops, corn and rice are also grown; but the expansion of these crops in the Fijian village is a relatively new development and for nutritional reasons, it is desirable that more green vegetables and fresh fruits should be grown. Most households possess poultry; and pigs both domesticated and wild are a source of food both for general use and ceremonial occasions. Certain activities are done communally in the village particularly house and boat building, bush clearing and making of gardens, road and path making and sometimes sea fishing and hunting. These are generally men's work. Women's work includes cooking and food preparation,

mat making, the manufacture of tapa or bark cloth and fresh water fishing with nets. Traditionally women worked in their own gardens too. Nowadays there is probably less distinction between the types of garden activity done by men and women. There is also some division of labour between old and young in village economic activities.[1]

Fiji society is a chiefly society and the organisation of labour and even land use may be under the jurisdiction of the chief and village elders. Village duties are in any case, in the traditional system, of greater priority than an individual's own work. Since the spread of literacy, chiefs have been required to draw up written 'programmes of work' which indicate the nature of communal duties which will be expected of the village. Some conflict has naturally been experienced between the demands of the village and the work which individuals may be undertaking, particularly when more enterprising individuals are engaged in cultivation of cash crops. Exemption from village duties may be granted by the chief. An exempted man must pay a fee. It was found that exemptions generally fell into one of three categories (a) men exempted to work away for wages (b) men exempted to farm their own land for cash income and (c) men exempted to perform some specialised work for the village such as cultivating rice or driving a tractor, or to work in a village cash enterprise.

Although villages in the traditional system achieved a high degree of autonomy, a certain amount of specialisation has always been present in Fiji life between certain villages and districts, even before the coming of money and the speeding up of transport

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(1) Buell Quain in 'Fijian Village' noted that in housebuilding older men cut vines and bamboo; younger men carried heavy timbers and posts and middle-aged men employed their skill in weaving house walls and general supervision.

facilitated exchange. And this specialisation led to barter and exchange arising between various districts. Men who spent a lot of time fishing, as in some of the Lau islands also acquired techniques of boat building and other forms of carpentry. Some villages had local clay suitable for pottery. Between inland and coastal villages some exchange of foodstuffs went on. These exchanges still continue and specialisation is still found in native crafts. Exchange is usually carried on by barter unless those concerned are related in which case the exchanges may take the form of "reciprocal giving" where the "price" may or may not, according to customary considerations, be equivalent to that under barter. All these activities took place outside the monetary economy. Nowadays, although the exchange of native products still takes place by barter or giving, money is used widely also.

The introduction of money brings certain important changes into economic valuations and relationships in a subsistence society. In Chapter II some problems were listed which arise from the institution and growth of a monetary economy alongside a non-monetary economy taking the nation or the national economy as our unit. Some similar factors, and many different economic factors are seen to operate in the smaller units of the part-subsistence, part-cash economy. Relations of the village, as a unit, with other villages or outside bodies such as trading firms or Government, present one set of problems. Within the village relations between individuals or groups of individuals which may have been severely modelled by custom, acquire, when these relationships are economic, a new aspect when money is introduced as a regular medium of exchange into the village community.

The examination of the impact of money on traditional economic values is much more the work of an anthropologist than of an economist. We cannot discuss here the resistance or the

weakness of various native customs in face of the challenge from monetary standards of valuation. We know these problems exist and information of them would throw much light on the contribution of the Fijian village to the developing national economy as a whole. The field is a rich one for anthropological investigation. In Fiji particularly we find an extremely closely circumscribed form of society in which one might expect, on the surface, to find greater devastation caused by the introduction of monetary standards of evaluation, than could be expected in the apparently more adjustable and pliant social systems of western Melanesia and Micronesia.

But even if it is the anthropologists' field to examine the impact of money on native custom, it is still the economists' field to discuss the impact of native custom on money. Money in the Western sense, and as a Western economic institution does not function in quite the same way in a native village as it does in a Western community. Most of our concepts in Western economics, are supported by, not always defined, but often implied, western economic institutions. Thus established economic concepts can only be applied to other cultures if we constantly bear in mind the likelihood that other societies have other institutions, other scales of values and other physical problems than those often assumed of our own society, in our economic discussions.

Having cleared the ground, we can however return to the more positive work of rehabilitating our concepts in a new setting. Not surprisingly we find that all those important problems of real choice which run through economic thinking exist no less in the non-cash economy than in the cash economy.

What are the land and labour resources of our community? In what way can we organise the resources of our community so as to gain the greatest production for the least effort? This problem which was supposed to be answered by the workings of the

market economy in classical economics may well be answered by centralised direction in a Fijian village where village chiefs and leaders have much control over the organisation of resources. Here status and custom decide in what way the choice shall be made.

A non-cash community has to decide too, how much of the current year's production shall be consumed and how much saved for seed. How much labour should be used for satisfying present needs and how much for increasing the community's buildings, canoes, or area of cultivated land. Again decisions on labour organisation may well be decided centrally. The decisions regarding the allocation of food crops to seed purposes is much more likely in the village unit to be the result of many independent decisions.

How shall the total product of the village be allocated between the members of the village? The distribution problem exists no less in the village society than in our own. In societies such as the Fijian village society in which status is established, and mobility between classes difficult, status has an important bearing on the pattern of distribution. Chiefs for instance, will have the use of more land, special goods will be their prerogative and in the Fijian tradition, goods which are tabu kaisi (forbidden to commoners) cover a range of native products. The keri-keri system by which certain relatives cannot easily be refused in their requests for gifts may also influence the distribution of the village product. Within the prescribed limits, however, there is still scope for acquisition through hard work. Land shortage is only a limitation on production in a few places or for members of a minority of Matagali, although land may only be good for certain crops. The most effective limits to acquisition is neither custom nor land shortage but the high position which leisure occupies on the scale of preference, due partly to devitalisation from climatic and nutritional factors and due also to the comparative ease with

which basic needs can be met. Allied with the problem of distribution in Fiji society is the important part occupied by feasts. Much productive effort, particularly in the cultivation of special yam gardens and the hunting of pigs, takes place particularly for ceremonial feasts. Here again a cultural and institutional factor influences the allocation both of labour and of its product.

Problems of external economic relations exist in a Fiji village, no less than in a monetary society. The advantages of specialisation were known in Fiji long before money, in our sense, was known. Visits by members of other communities who would bring products of their own specialisations in craft work were encouraged in old Fiji. Some villages are complementary as for instance, inland villages may supply coastal villages with roots and handcraft in exchange for coconuts and fish. The wider use of money has probably furthered this business as several instances were found of villages which sold kava to coastal villages for some of the money acquired by the latter for copra production. It is probable that even in the entirely non-cash economy certain things were produced solely with a view to "export" to other communities.

"Taxation" problems too, exist in a non-cash economy, particularly in a country such as Fiji where chiefs could exact tribute in terms of goods or labour both for their own use and for community use. Wise chiefs and their advisers must always have considered the effect of chiefly and communal demands on general food production, on the health and efficiency of the labour force and on the morale of the community generally. Here again free decisions by those in power are limited by customary obligations and usages but these customs themselves could not have survived if some kind of balance in the community's economic activity had not been achieved.

Before the coming of money and the opportunities for earning money by wage employment elsewhere, there were few conflicts (other than the usual personal ones) between a man and the economic demands of the village society. The development of wage earning in Fiji thus led to a loosening of the economic ties binding the individual to the community and a corresponding tightening of the formal code which demands the individual's recognition to the community's primary option on his labour. In this factor, one of the major challenges of the cash on the non-cash economy arises. The tradition of living in which the Fijian villager is bred demands that he be present to fulfil his communal obligations when the need arises. The satisfaction of his increasing cash requirements tempts him into wage employment. Business interests and some community leaders see in the old tradition a yoke on the mobile labour force necessary to the nation's economic growth and a drag on the development and emancipation of the Fijian himself. Others including most of the chiefs fear the break up of the village society and the consequent 'detribalisation' of the Fijian if emancipation should take place. A degree of compromise is reached in the system by which an individual may become exempt from communal duties on payment of a money fee. The exempt men may work away for wages or may cultivate land as peasant farmers. The decisions regarding exemptions rest again with the bulis or chiefs. The more progressive bulis see that exempt men may bring advantage to their village by bringing back money and by the greater productions of cash crops. Some more conservative bulis endeavour to prevent all exemptions, but the fear of men absconding, of general unrest, and lack of cash in the village are factors operating against the conservatives.

2. Village economies in South West Viti Levu

For information on village economic life, the national income investigator must lean heavily on information supplied by anthropologists and by administrative officers resident in the district concerned. A thorough understanding of all the economic relationships in a native village would require continual contact with that village over a period of at least a year. But this method of research, which supplies the material on which the anthropologist or sociologist works, would be of limited value only, in an economic study in which the unit of study is the colony as a whole rather than the small village community. One is struck by the similarity which native villages have to each other. One is also struck by the range of differences which can be found in such a seemingly limited economic field. It is, therefore, of greater value in an economic investigation of this type to discover salient economic factors influencing the economic life of a number of villages, to compare the villages with each other, if possible to classify them according to some economic characteristics and to assess their importance in the country's economy, rather than to make an intensive study of one small community which may or may not be representative of the village sector of the economy as a whole.

The Sigatoka Valley district is part of the administrative province of Nadroga and Navosa in South West Viti Levu. The Sigatoka is one of the widest and longest rivers in Fiji. It rises in the northern hills of Viti Levu and flows to the south west coast. In its higher reaches the valley is generally steep and good land is limited. In a few places cliffy gorges embrace the river. In its lower reaches, however, the Sigatoka River flows through a particularly fertile, wide valley. The banks of the river are not characterised by the usual mangrove swamp and flood plain found in the area of most Fiji rivers and the villages clustered along its banks are in possession of some

of the best land in Fiji. Since the opening of the Manganese mines in this district in 1951 a road has been built for about 35 miles up the valley from Sigatoka, near the river's mouth. This road has brought some important changes to the villages in this district. Besides the river valley district, information was obtained on coastal villages in the cane belt west of Sigatoka, on coastal villages east of Sigatoka in the direction of Suva and on some inland villages not easily accessible by road or from the sea.

Information on villages economies was obtained by the District Officer in 1951 and 1952 and for some villages again in 1955 and this information is considered to be the more authoritative, as the District Officer was in continual contact with the villages and could check the answers given. The writer made two visits to the district in June and September 1954. Five villages were visited and questions were asked and observations made. Questionnaires supplied by the writer were filled in by literate bulis and teachers. The questions were of a general, qualitative type and not very much quantitative data were either requested or supplied.

The villages which are least developed in the cash economy in this region are the villages in the upper reaches of the Sigatoka and its tributaries and in the inland regions, north east and north west of Sigatoka. These villages do not produce copra for sale and are generally too far from transport to sell bananas. Their economies are geared mainly to the demands of subsistence. Yaqona was one of the few cash crops sold by these villages. Four villages in the upper area of the Sigatoka sold Yaqona at Ba, a township near the North coast of Viti Levu which was reached by horseback. Transport to market is difficult and few villagers go regularly. Of seven villages in this district in 1951, only 2 grew rice. One of these villages had a co-operative society which owned 2 pairs of draft animals and gear. One man was exempted to do the village ploughing. A small field

of tobacco was also grown. They used to plant more rice and potatoes but the co-operative was breaking up. In these inland villages food is monotonous and consists mainly of roots with occasional pigmeat. Although these villages are some distance from the manganese mines and benefit little from the road, a few men had come down from some of them to work in the mines in 1954 and were able to buy cash goods and food with their wages, to take back. Inland villages have the least contact with money and throughout Fiji, they tend to follow the same poor, limited economy. Although no actual figures were obtained, it is thought that more men were away working in the gold-mines and other centres of employment from these villages than from the coastal villages and it would be expected that, in view of the limited economic scope in the inland villages, chiefs would be more amenable to men going away to work. A buli from one village and a teacher from another of these inland villages said that they would grow vegetables and other crops for market if the Government would bring a road to them. The consciousness of economic isolation and aspirations for transport facilities was very obvious amongst inland villagers both in Viti Levu and Vanua Levu. This demand probably arises as much from the Fijian love of riding to market on a bus or truck as from actual thoughts of economic gain. Some villages which were situated inland but nearer to the mouth of the Sigatoka River had sold peanuts, kumala and tapioca in Sigatoka Market.

Before the coming of the road from Sigatoka to Nasaucoko, a village near the manganese mines, in 1953, most of the villages in the central valley of the Sigatoka River had economies similar to the upper inland villages. What cash crops were grown consisted mainly of roots and yaqona and products for market were taken over the hills by horseback, north west to Nadi or Lautoka. The existence of a road to Sigatoka with a weekly bus and frequent trucks has meant that produce can be more easily transported to Sigatoka nowadays. The rich agricultural potentialities of the

valley were already evident before the manganese was found but the find could not have been more fortuitously placed in that it forced the construction of a valley road, which might have taken many years to achieve, if the valley's agricultural development had been the only reason for its building.

This district was one of the earliest to receive attention from the Co-operative Department in Suva and many of the villages have Co-operative Societies which are members of the Sigatoka River Planters' Co-operative Union. There was formally a co-operative marketing association in this region but it failed in 1952. Co-operation in this district has suffered from lack of loyalty, lack of trained officers and a willingness to remain dependent on official help or help from outside firms or European individuals where possible. In spite of the potentialities of the valley, it must also be remembered that the valley products do not have such a high profit margin as does copra, and societies cannot gain the same degree of easy financial security as can copra marketing societies.

A village farm has been started, on a co-operative basis at Naduri a village of about 140 inhabitants and situated about seven miles from Sigatoka to which it is accessible by road and river. Fairly ambitious plans were put forward for the cultivation of a large block of village land but it was found necessary to reduce the area of land which it was hoped would be cultivated, owing mainly to the calls of village obligations on labour. About six men were ultimately allocated to work full time on the farm however. On the limited scale in which it is now run the farm is a success and has now purchased its own tractor. Labourers are paid in shares per labour unit day. A dietary survey done by Doreen Langley[1] in June 1952 and in January and November 1953 showed how this village Naduri, had benefited from

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(1) Doreen Langley. Dietary Survey and Growth Records in a Fijian Village.

the farm project. The use of store foods appeared to have doubled since the first and last visits and food gardens held a greater variety of crops, as the author of this dietary survey says "A secondary, but important aspect of the (farm) experiment has been the teaching by demonstration of improved agricultural methods and improved production and soil conservation". The project has been assisted by the fact that the road runs by and is accessible from Suva. Its success also rests on the proximity of a Department of Agriculture experimental station only a few miles away. Indeed, it is doubtful whether the farm could have carried on without the advice and encouragement which it received from this station. The sale of crops from this farm brought in about £500 in 1953.

The building of the road and the opening of the Manganese mines have brought many changes to the villages in the central sector of the rivers' valley. Villages which previously followed the limited, inland type of economy are now branching out into new, money-making lines of business. Men from Nasaucoko, a village near the mines, work for wages in the mines and this and other villages nearby grow roots and other foods for the labour from other districts. Once a week, a bus comes up the valley and takes villagers down to Sigatoka, small bundles of produce are taken down by women, for sale in Sigatoka. The existence of the bus is a spur to money-making activity. Not only must the bus fare be paid but a visit to the small town, with its range of Indian stores, requires spending money. Some questions were asked concerning changes in the diets of dwellers in roadside villages since these new developments. Tinned meat or fish and tinned milk appear to be the most popular additions. Several teachers who were questioned about village diets, thought that most people tried to consume store foods in addition to, rather than as a substitute to garden foods. But in a few of the villages, extra sales of roots to the mines would, it is thought,

induce the substitution of flour and flour products for roots in the diet.

Crops sold by these villages include a few cases of bananas which are transported to Suva, corn, tobacco, fruit, roots, peanuts, yagona, greens and potatoes. The latter root grows particularly well in this region but unfortunately is very seasonal under present methods of cultivation; Sigatoka potatoes being scarce in all but about two months of the year when they glut the market.

Villages, other than Naduri, market their produce co-operatively but crops are generally grown individually. In 1952, in ten villages of the central valley, about 40 acres of rice were grown by about 30 individuals; approximately 100 individuals were growing tobacco in small plots, about 20 men grew corn - generally about an acre each. Most of the villages owned a pair of draft beasts and gear and some owned two or three sets. These were generally owned by individuals.

On the coast, west of the Sigatoka River there is a cane belt. Many of the Fijian villages in this district grow cane and here is found a village economy differing in some respects from that of the river people. In ten of these villages 84 men were taking part in cane growing as individuals and were, in 1952, cutting an average of 1½ acres each, two of the villages were growing cane 'vakoro' (or as a village group). In 1955 some new planters had started, but taking these ten villages as a whole the acreage had declined somewhat. A few of these villages were starting to build up a banana industry and where this was most successful it appeared to be at the expense of the cane. Most of these villages are coastal and they sell copra as well. Five villages which sold copra, had outputs of from 5 to 20 tons per annum, the usual quantity being about 7 tons per annum. Trochus shell was also sold by two villages, fish by three, whilst two sold firewood in 1952. Besides the usual food crops, rice was grown in most of these villages, there

usually being three or four men growing a couple of acres each. These villages owned several pairs of draft beasts and gear, sometimes individually and sometimes co-operatively, in general they were accessible to all who needed them. There were several other cattle in the villages and complaints were made that the crops were continually suffering from trespassing cattle. Few of these coastal villages grew tobacco, corn or peanuts in any significant quantity. Every encouragement is given to Fijian planters by the Sugar Company, from its branch at Cuvu, near Sigatoka. The impression one gained, in 1954, was that the Fijian planters' agricultural standards were below those of Indian planters, much less care being given to weeding, draining and the protection of crops from cattle. A few Fijians consider sugar cane farming as a main occupation and may give to it nearly as much time as the average Indian. But on the whole, the Fijian planter appeared to be much less single-minded about his cane-farming and more ready to wander off in some other line of activity or to give to village social and political matters a greater importance than to farming. The villages of this region do not have any major transport worries. They are near the main road between Suva and Lautoka, and the Sugar Company's light railway runs nearby.

Villages on the coast, east of the Sigatoka river, follow the same type of economic pattern as would be found in many coastal, roadside villages in Viti Levu. In this district bananas are an important cash crop. Copra, ranging from 2 to 20 tons per village per annum, is also sold from this area. New planting was being encouraged in 1955 and four villages had worked out programmes and three had started planting yaqona, corn timber and trochus were also sold from this area. Six villages had rice fields but in three of these flooding and poor drainage had affected the crop. One village, Malovu was planning, in 1955, to plant cocoa.

AUSTRALIAN NATIONAL LIBRARY UNIVERSITY

Another village, further along this coast in Serua province had a fairly active co-operative in 1954. They ran a store and sold copra. About 50 cases a month of bananas were sent to Suva. This village, Serua is a fairly large village and these activities were carried on in spite of the absence of 20 or so men who had commuted their village obligations and paid the village 25/- a year for permission to work away. One other was exempted to grow bananas locally. Fish and vegetables were also sold in Suva market and the buli said that nine to fifteen villagers went to Suva market each week which is 52 miles away. In spite of the relative accessibility of this village, transport costs were blamed as a discouragement to the production of cash crops. The people thought that the owners of a boat and road transport were taking the cream of their profits.

3. Village Economies in other islands

Only six villages in outer islands were visited. 22 questionnaires were sent to teachers or bulis of which five were checked by a District Officer. The wide distances between islands precluded a widespread study, but in general, coastal villages in the outer islands do not differ markedly in their economic activities. Copra is by far the most important cash crop of these islands. Except in Bega and Kadavu the distance from Suva prohibits the production of bananas. Trochus is sold by some of these villages; a few are able to sell fish and vegetables at markets such as Labasa and Levuka and of course, some island villages, particularly in Lau and Taveuni are noted for handcrafts, but other sources of income are of small importance as compared with copra production. In their domestic economies there is a range of difference between island villages which is determined by the productivity of the land. In some islands, notably in the southern Lau group, soil is infertile and many food crops found in other parts of Fiji cannot be grown in the more rocky of these islands. Fish and coconuts are the main items of diet in such places.

The villages in the survey included 2 in the Lau Islands, 1 in the Yasawas, 2 in Kadavu, five coastal villages in Cakaudrove province (Taveuni and nearby islands and the south coast of Vanua Levu) 5 in Bua Province and 4 in Macuata Province, 2 in Bega and 1 in Koro Island.

The sources of money income of these villages were copra, bananas (Bega and Kadavu only) trochus, handicrafts, vegetables (Bega, Koro and Macuata) timber (Bua) kava, Fijian pudding and fish. Although the money income per head is generally greater in coastal than in inland villages there are fewer different sources of money income. In these 22 villages 10 said that copra was their only source of money income from village production, although in 49 of these villages men were away working for wages and brought a little money back. In the remaining 12 villages, 1 had eight sources of money income, 1 had six sources, 2 had 5 sources, 2 had four sources, 1 had three sources and 5 had two sources. The number of men working for wages depended largely on the nearness of employment. In Vanua Levu and Taveuni, men found employment (mainly casual) in the sugar industry round Labasa or copra plantations. There were eight men altogether from these villages serving with the Military Forces.

Copra is cut by members of the village working either in family groups or as individuals. Copra is supposed to be sold only to authorised agents of the Copra Board, but throughout the smaller islands and coastal villages one finds small Indian and Chinese stores who have built up a business through trade between Fijians and themselves. These storekeepers have acted as middlemen, buying copra and other native products and selling trade goods to the islanders. In some districts it has been felt both by the authorities and the islanders themselves that these storekeepers have used their monopolistic position in inaccessible districts to cream off much of the profit due to native production. This feeling has partly been responsible for

the growth of small native business in some of the islands. Businesses are run co-operatively (generally unregistered) or by individual Fijians. The mortality rate of native business is very high and in the 22 villages in the survey, there had been four native businesses which had failed during the year and two which had started. The failure of business is generally due to the granting of credit and making of gifts. Because of the tradition of sharing, in Fijian life, almost insurmountable problems face the individual Fijian who would take up store-keeping. The more successful of the co-operatives are those which forbid or restrict credit. Although there are few registered co-operatives in the outer islands, some of the more successful are associated with copra production which offers a good, safe margin of profit from which reserves can be built up.

Marketing problems are very apparent in these villages and village leaders themselves are extremely conscious of them. In fact it seemed that rather too much emphasis was placed on the view that big strides in economic development could take place if only 'the Government' would improve transport facilities. The building of more roads in Vanua Levu will help villagers both in the interior and on the coast to bring vegetables and other products to Labasa. In the islands, however, shipping is the only means of transport. Some places are relatively well served whilst in others facilities are inadequate. Months sometimes pass between copra ships' visits, and money is short and trade stores are often empty for much of the intervening period. The islands of Koro and Bega send vegetables to markets in Levuka and Suva. The sight of a Fijian canoe crossing a lively sea, laden down with vegetables, melons, paw-paw, bananas, fish, mats and perhaps a couple of well built Fijian women as well as their menfolk convinces one that the lure of the market is strong to the Fijian people in spite of their apparently apathetic approach to economic activity.

Chapter XI

CONCLUSIONS

The purpose of this study has been to estimate a National Income and Balance of Payments for Fiji for the years 1950-1953. The main part of the work is thus contained in Chapters three to eight, in which the results of these estimates are presented. The first Chapter, which describes in summary form the geographical, historical and population background of the Colony, and includes some notes on its institutions, is intended mainly to set the stage for those readers who may be unfamiliar with these islands. The second Chapter includes a description of the methods, techniques and definitions employed in this study. This, in view of the wide variation in the techniques and definitions of various authorities, is essential to any national income study.

Whilst the collection of data for this study was taking place several field surveys were found to be necessary, particularly for obtaining data on consumption and expenditure habits, and on Fijian village production. Some of the results of these surveys were felt to be worth including in the final report, and they appear in Chapters nine and ten where they are related to other aspects of the everyday life of the Indian and Fijian peoples. Three appendices appear at the end of the study. The first outlines the sources of data on which the study is based, the second presents the statistical information in the form of articulated social accounts, and the third is a short note on the evaluation of hurricane damage.

A Chapter of conclusions was felt to be necessary to pinpoint the main totals and relate them to the economic situation generally, so that from these figures comparisons could be made

and conclusions drawn. Although it is sometimes tempting, when drawing these conclusions to enter the field of economic policy, and to offer counsel on various problems, it is felt that the function of this study is to provide information rather than to offer advice and, although in a few obvious cases, specific policies have been hinted at, controversial discussion has, generally, been avoided as being outside the role of this thesis.

During the four years under review, the gross domestic product of Fiji rose from 17.9 million pounds to 25.4 million pounds representing a rise of 42%. It is known that prices rose steeply during this period and the first question suggested by these figures will ask how much of this increase may be attributed simply to price increases and how much represents an actual physical increase in the Colony's product. In the absence of comprehensive price and quantity data a complete answer to this question cannot be given, but a fairly reliable estimate can be made.

For agricultural production, estimates of acreages and yields covering a large proportion of output were available, these indicated that real agricultural output expressed as an index number increased by the following percentages during the period; 1950 = 100, 1951 = 106, 1952 = 120, and 1953 = 129. This increase in the real product was strongly influenced by increases in a few major crops, and particularly by the building up of sugar output over the period. As the total increase in value (money and real) of agricultural output over the period was 63%, it is estimated that just under half the increase was due to higher real output and the remainder was due simply to price factors.

Information on physical output for non-agricultural industries is not available and in service industries it is not easy to measure a real, as distinct from a monetary increase

in output. A large part of the processing and distributing sector is however linked closely to agricultural output and it is considered that there was an increase in non-agricultural as well as in agricultural output. Sugar processing enters of course into non-agricultural output and the increased sugar production would influence processing. The sugar industry has, however a greater importance in the agricultural sector of the country's economy than in the non-agricultural sector.

If it is assumed that only agricultural output was subject to a real increase as stated, and that all other increases were due solely to price movements, a minimum rate of increase of the real product over the four years can be estimated. In the following table three index numbers are shown; the first shows the total value increase in percentage form, of the gross domestic product (table 48). The second index shows the movement of the real product assuming that only agricultural production showed an increase and that the volume of non-agricultural production remained, in real terms, stationary throughout the period. The third shows the movement of the estimated real product assuming that non-agricultural production did increase in volume, but by slightly less than the increase in agricultural production. The true position lies between that of index B and index C, but is probably nearer to index C than to index B which is a minimum.

TABLE 72

Money and real increase in Gross Domestic Output

	1950	1951	1952	1953
A. Money value Index (G.D.O. at current prices)	100	115	130	142
B. Real increase (assuming no real increase in non-agricultural, 29% real increase in agricultural)	100	102	109	112
C. Real increase (G.D.O. at 1950 prices 20% increase in non-agricultural, 29% in agricultural)	100	104	112	117

Although there appears, from these figures to have been a sustained and substantial increase in the real output of the economy, it must be emphasised that four years is far too short a period for any major trend to be observed. Any sharp fluctuations in the output of Fiji's major crops, particularly of sugar, could prevent this consistent rise from being sustained. It must also be noted that the rate of increase of sugar production during the four years was unusually high and it is unlikely (and may not even be desirable) that it signifies a permanent trend. It is largely fortuitous, that, for the four years in question, a consistent increase in the real product is registered. In countries where agricultural production is important and seasonal fluctuations are to be expected, figures of this type may be expected to show wide variations.

In Fiji in 1953 primary production (which includes agriculture, forestry, fishing and mining) accounted for 56.4% of the net domestic product (table 48). Secondary industry (engineering, construction, processing and manufacturing) for 12.8% and tertiary industries (including distribution, transport, service industries and government) for 30.8%. It is sometimes claimed that these proportions are of significance in indicating the stage of a country's development, an early stage of which may be marked by the expansion of tertiary industries. A comparison between a large number of countries, indicated, however, that little could be deduced from the proportion of tertiary industry, although, as is evident, an expansion of the "secondary" proportion is likely to be associated with industrial expansion. As compared with other underdeveloped countries, the proportion of net product resulting from secondary industry, in Fiji, is low. In British Guiana, secondary industry accounted for 21.7%, in Belgian Congo for 13.3%, in Kenya for 17.4% and in Northern Rhodesia

for 15.3%. Only in Pakistan was the proportion lower than that of Fiji and Pakistan's position has improved rapidly since these figures which relate to 1951 and 1952, were current.

Although this proportion may give an indication of the relative importance, in the economy, of agriculture and industry and provide some measure of the degree of diversification it must not be assumed that a low "secondary" proportion is necessarily a sign of "backwardness". Some countries, as for instance Hong Kong, may have based their prosperity on trading rather than productive activity, and in other places rapid improvements in agricultural techniques may increase the "primary" proportion, even whilst secondary development is taking place. The relative prices between a country's agricultural and non-agricultural products will also influence the picture. The desirability of industrial advance must be gauged from various factors in a country's economic and social system, as for instance, availability of resources and materials for domestic industries, the market outlet for the product of such industries, the availability of capital and suitable labour, and the chances of winning labour from agricultural and subsistence pursuits. One factor which may be relevant in Fiji, is the potential existence of a large and expanding reserve of Indian labour with only limited access to land, which may seek outlets in non-agricultural occupations. This problem which does not appear, in the current position of relatively scarce labour, may show itself the sooner in the event of agricultural prices falling and a consequent reduction in the number who can be supported in cash agriculture. In the economic sphere, the Indian is quick to see a profitable opportunity, can work hard, and has shown ability to accumulate small (and even sizeable) amounts of investable capital. The policy of reserving the major part of the Colony's land resources to the Fijian people

is often justified on social and political grounds, but it can also be justified on economic grounds if the problems of obtaining land draws Indians into profitable non-agricultural pursuits and thus leads to a greater diversification in the economy and a lessening of the dependence on prices of a few main products. The obstacle to this would appear to be the lack of basic services, particularly of power, on which manufacturing and processing is dependent. This position is already suggested by the high proportion of Indian savings which find an investment outlet in trading, transport, and the erection of house property. It is felt, that just as the Indians are quick to put a bus on every new road which is opened, so they would speedily take advantage of any facilities provided for the growth of small industry. But the provision of such services, particularly of hydro-electric power, may be extremely expensive and cannot be undertaken without some assurance that full utilisation will follow. It may, at some stage be considered worth while for the administration to appoint a commission of enquiry, composed of people who are in a position to know the capital resources and investment inclinations of all business groups, and the possibilities of attracting outside capital; with a view to ascertaining the capital support which a domestic industries scheme would be likely to receive.

In discussions of economic development, industrialisation tends to take a major role, but certainly in the early stages, agriculture is no less important. Fiji's prosperity is based mainly on her agriculture, and any improvements in productive techniques which may be adopted will, at present prices, yield speedy and worthwhile dividends. Every effort is being made by the Department of Agriculture to spread new knowledge in the Colony and it is evident that this must receive a high priority even if first results are disheartening. Primary production in Fiji (which includes mining) accounts for 56.4% of the net

domestic product, as compared to 50.2% in Belgian Congo, 37.2% in British Guiana, and 20.1% in New Zealand (for the year 1953).

The proportion of the gross domestic product which is devoted to capital formation indicates the rate at which resources are being put towards future production rather than being consumed in the present. Actual figures of fixed capital formation are not always easy to obtain and the method of constructing national income in which private investment is taken as a residual leads to fluctuations in the figures from year to year. The proportion is perhaps more reliable if a four year period is taken. Over the period 1950-53, capital formation in Fiji accounted for 29.2% of the gross domestic product. Figures for the same period were available for certain other countries and showed the following proportion of Capital formation to Gross Domestic Product, Belgian Congo 25%, Burma 13.2%, Ceylon 12.1% and in Northern Rhodesia 25%.[1]

There are many drawbacks to making a comparison of per capita incomes as between countries. Firstly, the money in which the incomes are expressed may have a different value in the different territories, and secondly the subsistence component in the income is greater for some countries or racial groups than for others. Even a comparison of Indian and Fijian per capita incomes, within Fiji, is of dubious value. The Indians had a much higher money income, nearly double that of the Fijians in 1953. But the Fijians had a much larger subsistence income, which when valued at market prices brought their total income per head nearly to the Indian level. But these per capita incomes which include markedly different proportions of subsistence income are not strictly comparable as a high subsistence proportion implies a smaller element of choice.

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(1) Statistics of National Income and Expenditure. U.N.Series H.No.6 Table 5.

The comparison, dubious as it is even for groups within Fiji, is of an even broader nature when applied to groups in other countries. The figures for the different racial groups in Fiji are presented below, and for interest, and very broad comparison, the per capita incomes of other outside groups are appended to the table.

TABLE 73

Per Capita Incomes

In Fiji 1953	Income per head. Cash and subsist-ence	Income per head. Cash only
	£F	£F
Indians	64.2	56.3
Fijians	60.5	30.2
Europeans & part-Europeans	233.9	233.9
Chinese	151.0	139.5
All groups (including "others")	73.27	56.5
Outside Fiji		£ sterling
Cash income of Africans (natives only)*		
Kenya		3.3
South Africa		24.0
Southern Rhodesia (including immigrant labour)		12.0
Uganda		11.6
Belgian Congo		8.8
	£ sterling	
Jamaica (all races) 1952	71.00	
India 1953	21.37	
Pakistan**	25.71	

* Report of the Royal Commission on East Africa. 1953-55.p.45.

** Figures for Jamaica, India and Pakistan were taken from Statistics of National Income and Expenditure. U.N.Series H.No.8. Table 1 and U.N. Demographic Year Book 1954. National Income at factor cost is, for all totals, divided by population for year stated. Rupees are expressed in £ sterling at current exchange rates.

It is reasonably safe to conclude from these figures, that the Fijian is rather better off in terms of cash income than is the average African. It can also be assumed that, on average, the Fijian obtains a greater quantity and more diversity

of foods from his subsistence production than does the average African, although of course African conditions cover an enormous range. As would be expected, the Fiji Indian is substantially better off than is his cousin in India or Pakistan. The total for Jamaica, which has a smaller subsistence sector is roughly comparable with the figure for Fiji.

Total government revenue, taken as a proportion of gross domestic product is sometimes quoted as an indication of the costs of government which must be borne by the economy. Here again, comparisons between countries are subject to certain qualifications. Some government services, as for instance administration and export services, secure economies of scale when they are spread over a larger population and may thus be a smaller proportion of the gross product in countries with higher populations. On the other hand, large distances and inaccessibility of certain country may put up costs in other territories. A poor country with a low national income may find that essential government services absorb a large part of it. In Fiji, government revenue was equal to 21.6% of gross domestic product in 1950, 17.7% in 1951, 18.6% in 1952, and 16.8% in 1953. The falling proportion may be ascribed to the particular structure of Government Revenue in Fiji, which did not, during these years, enable it to move up at the same rate as the national income rose. There is in Fiji, a high dependence on import duties and imports did not increase as much as might have been expected from the increased incomes and the Colony's high propensity to import. The greatest part of the raised income from cash crops accrued to low income groups who do not pay direct taxes, and could only have been reached by export taxes. It may of course, be considered desirable that the relative value of the public sector of the economy should be reduced as the country becomes more prosperous, and in any case the falling

proportion illustrated by the above figures may not be attributable to a long term trend but may follow from the relatively high increase in agricultural incomes during these years. The average proportion of government revenue to gross domestic product for a number of British dependencies was, in 1952, 16.5% which is comparable with the figure for Fiji. It is perhaps possible to lay too much emphasis on this relationship between national income and government revenue. It is after all the direction of government participation in the economy which has a greater bearing on economic development than the actual extent of government participation. It is not felt to be the function of this study to offer advice on the pattern of current government outlay, but in view of the importance of the development schemes and the interest which they have aroused in the Colony, some discussion of the effects which various types of expenditure may have on the gross product of the country will be of interest.

At present prices, it is likely that development expenditure which in anyway succeeded in raising the production of the main cash crops would show the speediest and highest returns. From a long term point of view however, a more sustained increase in the national income might result, not so much from the centring of resources on the present highly valued crops but by concentrating on the raising of general agricultural standards including those of subsistence agriculture and by encouraging diversification of the economy and the growth of domestic industry. Improved communications may be considered a prerequisite both to higher agricultural output and to the development of industry. Perhaps the most urgent aspect of this problem in Fiji, is the lack of communications in places outside Viti Levu. Although attention is being given to the road needs of Vanua Levu and may assist the economic development of that island, the key position is that of the inter island shipping

services and it is noted that competition in this field is almost always unprofitable and wasteful, and in Fiji is unlikely to provide the services needed. Improved communications may play an important part in increasing the prosperity of the Colony, although their exact influence on this may not easily be calculated. A more obvious aspect is perhaps the encouragement of overseas ships and planes by better wharfage and airport facilities.

Development expenditure on agriculture, industry, and communications, or the provision of 'economic' services may thus need to strike a balance between quick maturing, more profitable schemes and those which seek to give the economy a more stable and diverse basis. The provision of educational services, although often considered as 'social' rather than 'economic', may in fact have an important influence on the level of real output in a country. A higher average level of education of the employed population may secure a higher level of money income, a higher productivity per man and a reduced dependence on expatriate labour and skill. Technical education, particularly, may have an important effect on the level of taxable income in the country and may increase real output. Medical services also have an "economic" aspect, in that a healthier population would be expected to have a higher productivity. The influence of medical expenditure is however indirect and it is usually considered as a mainly "social" service.

One of the main concerns of the administration, when embarking on economic projects, may well be whether the project will pay for itself. Direct charges may in some cases be charged to cover the current cost of providing the service, but in general, the government looks to a higher tax harvest, resulting from the economic development concerned increasing the country's prosperity. Thus it may be of some importance to ensure, at

least in respect of that part of the increase in the national income which may be related to government expenditure that a tax system is such as to yield a proper return.

In this Chapter, a few general conclusions have been drawn from the main figures in this study. To those concerned with business or administration specific points may be considered as more important than general conclusions. This study does not however set out to provide an answer to the economic problems large and small of the different sectors of the community, but merely to present information which may be of assistance to those who have to make the decisions. Some emphasis has been put on the part of government in economic development, mainly because central planning is possible, in regard to public investment, but it is realised that private enterprise has, and will play by far the bigger part in Fiji's economic life.

A young country planning its economic future may perhaps be compared with a young man choosing a career. If he is wise he will plan, rather than leave his livelihood to chance. But perhaps he will, if he is wise, be prepared to adjust himself to changed circumstances and to seize new opportunities rather than to stick rigidly to the set plan. He may be very ambitious and plan to become rich in material things but it is little use him dreaming of such successes unless he is prepared to work very hard and to save, or unless he has capital resources. He may be the kind of man who prefers to make a reasonably good living and enjoy some leisure rather than to enslave himself to enrichment. If he knows his own capabilities and inclinations and plans accordingly he is less likely to be disappointed with his achievements. Similarly the young country should plan for its future but should not tie itself to too rigid a plan. (Flexibility in production, in response to changed circumstances, pays high dividends in these days of uncertain

markets). Above all the young country should gear its plan, not only to its ambitions for material improvement but to its ability and willingness to carry it out. No amount of wise government, of foreign skill and capital and enterprise can bring about a high material standard of living if the people prefer leisure. If on the other hand there are people who really think a leisurely life is preferable to material improvement, that is perhaps their own affair, but they should not be surprised if they find that others around them are acquiring new goods and are getting richer, whilst they acquire little, and seem by comparison to be getting poorer.

Appendix I. Sources of Statistical Data

Much important material was obtained from published Government documents or from unpublished records of government officers. The main information made available by official or semi-official sources was as follows :

The Department of Agriculture

Published papers of this department used, were the Annual Reports 1950-53, which provided general information on agricultural progress. E.B. Rices' Survey of the Dairy Industry in Fiji : Council Paper 23/49, from which basic data on the structure of the dairy industry were obtained and the Annual Reports of the Co-operative Officer, which were used for information on co-operation and village agriculture. Unpublished statistical data furnished by the Department of Agriculture included acreages cultivated and cropped, yields, and value to growers, of total production of all main crops; and comparable livestock figures. These statistics were estimated mainly from the returns of Agricultural officers or from special crop and marketing surveys done by the Department. These figures provided the basic data for the estimates of agricultural Income and Output. Other useful information on the structure of production costs in different branches of farming was obtained from studies of maize, bananas, rice, tapioca and livestock economics made at the Department's farms at Sigatoka and Koronivia.

Most of the total production values presented in Chapter III were taken directly from the Department's crop and livestock census data, exception being copra and sugar which were estimated mainly from statistics provided by the Copra Board and Sugar Company respectively. Cost of production figures were derived from the other survey mentioned above, and from there, net and gross output figures were estimated.

The Forestry Department

Figures of output and prices were obtained from Annual Reports 1950-53. Supplementary material on prices of forest products and on hurricane damage was also provided by the Department.

Department of Inland Revenue

Tax returns can provide valuable information for a national income survey. Strict secrecy however, limits the use which may be made of this source. In U.K. it is generally ruled that totals including five or more firms of approximately the same size may be published without infringing the secrecy of any one enterprise. In this study of Fiji, no published figure relates to the affairs of fewer than fifteen enterprises except where special permission has been obtained. Inland Revenue figures obtained, included accounts for a number of cane and dairy farms which were used in the estimated agricultural output figures. Accounts for small trading enterprises, transport, catering and construction were also obtained. Separate details on salaries and dividends were also available. This information provided much of the basic material in Chapter IV and contributed to the figures of income distribution in Chapter V. The published Annual Reports of the Commissioner of Inland Revenue were also used to obtain information on the pattern of direct taxation.

If a punched card sorting system is not available, certain techniques must be followed for the analysis of Inland Revenue data. An industrial coding was drawn up so that the individual or enterprise could be allocated to the relevant industrial group. A letter was also used to indicate relevant racial group. The data for salary and wage earners, for each year were transferred on to sheets of paper, ruled into columns which

were headed as follows :

1	2	3	4	5	6	7	8
Industrial group	Occupation group	Resident (R) or Expatriated (X)	Salary	Employers' contributions	Insurance paid	Tax paid	Remittances dependents overseas

Both columns 1 and 2 were filled by a coding cipher, column 3 could not always be accurately filled in as it was not always apparent whether the tax-payer was a permanent resident or not. Such information, which would be very interesting, is not really easily derived from returns and it is probably not worthwhile including this column in future analyses. Column 4 states gross salary in £ Fijian per annum and column 5 shows employers' insurance contribution, and contributions such as free housing which must be added to the gross salary to reach the relevant income figure. Column 6 gives useful information on the rate of personal expenditure on insurances amongst the salaried group. Taxpayers often made claims for allowances in respect of parents, wives or school-children, students maintained overseas. As this information is needed for the Balance of Payments as much as was available was recorded in column 8.

Enterprise accounts were analysed in detail, a card being used for each enterprise to show the details for the four years. Details of Revenue and of deductions of expenditure were included as it was considered that the latter would be useful for inter-sector analyses. In fact the material on the expenditure side was not good, and apart from the furnishing of some useful checks on wage and salary data, it hardly justified the work involved. The data obtained on the card was as follows :

Side 1

Industrial group (cipher)									
Revenues	1950	51	52	53	Expenditures	1950	51	52	53
Sales to consumers					Wages				
" to other enterprises					Salaries & fees				
Government					Interest. Bank				
Overseas					Other				
Property income					Rents				
Stocks out					Purchases from enterprises				
Transfers					Overseas				
					Stocks in				
					Profit				

Side 2

Profit	Taxes
Subsidies	Depreciation
	Allocation of profit-dividends undistributed profit

Liabilities	Assets
Issued share capital	Fixed capital
Creditors Overseas	Debtors Overseas
" In Fiji	" In Fiji
Reserves	Cash in Banks
Special reserves	Investments

The card described above was used for all companies and for some of the larger individual enterprises. As there was a large number of smaller retail enterprises however, it was found simpler in the case of these enterprises, to head columns

on a wide sheet of paper with the major accounting items listed above. A number of these businesses could thus be detailed on the same sheet of paper and the details aggregated.

The card for farm and estate enterprises was planned in a slightly different way as more details of livestock appreciation and machinery claimed for depreciation purposes was required. Some larger cane farms' accounts showed processing costs rather than factor and material costs (i.e. costs of ploughing, planting, weeding and harvesting, rather than labour costs, machinery costs, etc.). This method is less useful for national income purposes, but data for the farms so costed were abstracted on a separate sheet as throwing useful light on farm cost structure.

Customs Department

Trade returns are published annually. Figures of imports, of consumer goods (less re-exports) contributed to the estimates of expenditure on consumer goods, and figures for capital imports to the estimates of capital formation. The figures for merchandise trade were used in the Balance of Payments, and in addition, information on import duties, shipping and aircraft was available from these publications.

Ideally, it is desirable to make, for national accounting purposes, a complete classification of imports, in three broad groups : A. Consumer goods. B. Capital goods. C. Materials and other goods imported for further processing in use in business.

Most of the consumer goods imports represent a payment made from the Distributive sector to the Overseas sector rather than a payment from consumers direct to the overseas sector. Nevertheless, it is convenient to disregard this factor temporarily, so that the import content of consumer expenditure can be measured. Import duties and distributors margins must

then be added so that the actual consumers' expenditure on these imported goods can be gauged. A large number of the goods in category B and C may also pass through the hands of agents or dealers before being allocated to an industry. It is useful however if these goods can be allocated to a specific industry as it facilitates inter-sector analysis. Materials in group C will sometimes become consumer goods after a small amount of processing has been undertaken by such sectors as catering, motor-repair etc. It may be more convenient to consider catering in the same light as distribution as regards food imports, adding an additional value for service when adding distribution margins. Certain durable consumer goods such as refrigerators, motor cars, radios and sewing machines, may also be a capital good in specific industries and an estimate will have to be made of the proportions involved.

Imports were not classified under the standard international Trade classification in Fiji, but for convenience the S.I.T.C. number is given in the following description of the import classification used.

The following are the main heads of consumer goods imports :

All food imports (011-099) excepting certain goods used for food processing, such as part of the flour (046.01) imports, yeast (099.09.07) certain fats, flavouring essences (099.09.12) ice-cream mixtures (022.02.1). Animal feedingstuffs (08) are also excluded and are a C group item to agriculture. Live animals for rearing and breeding are a B group (capital) item to agriculture. Drink and tobacco are classified as a consumer good except when cigarette and tobacco manufacturing take place, when a proportion must be allocated to the B group (materials).

A part of motor spirit and oil, tyres and tubes (313.01.3.629.01) used in private cars goes to the A group. But parts of durable consumer goods will be allocated as a C item (materials) to the 'repairs' industry. Medicines (841) must be allocated between consumer and hospital and dispensing

use. Other items of consumer goods are as follows :

Perfumes, toilet soap, cosmetics and household cleansers (522 & 899.14) excepting laundry soap (522.02.03). Manufactures of rubber and leather small goods. Items of household and kitchen ware (632.09.1, 699.13 - 16,665,666) unless industrial use is specified. Electric household equipment (721.04 and 721. 12.1). Lamps and lamp parts (812). Furniture (821) except office furniture. Ready-made clothing (84). Textiles and fabrics (65) except for an allocation to the clothes manufacturing and tailoring industries which will depend on the size of this group. Durable consumers goods such as cars (732.01), bicycles, motor-cycles (732.02). Domestic refrigerators (899.08.1) prams (733.09.3) sewing machines (716.08) and radios (721.04.5) excepting that a proportion of private cars will go to business or taxi work (this can be found out from the licensing authorities) and a proportion of sewing machines must be allocated to tailoring. Personal items such as jewellery (673) sports goods (691.02.2,899.14) musical instruments and records (891) writing materials (899.16).

Many of the capital goods (group B) can be allocated directly to the industry concerned. They are as follows :

Agriculture : livestock (001) agricultural machinery (712) fencing wire (699.05). Mining : mining machinery (716.01 and 716.03.4). Transport : vehicles and parts for railway (731.03, 731.07), Aircraft (734, 711.04.1 & 2), road vehicles and engines and parts (711.05.1, 732.01.3 & 732.03 & 05), boats and parts (656,02.2, 711.05.2,735). Communications : transmitting and telephony apparatus (721.04.1-3, 721.05). Rice milling : milling machinery (716.13.2). Sugarmilling : sugar-making machinery (716.13.3). Entertainment : cinematograph machinery (861.02.4). Medical services : equipment and instruments (721.11, 861.03). Electricity supply : generating machinery (711.01), wires (721.13). Sawmilling : woodworking machinery (76.04). Printing : printing machinery (716.07).

Textile manufacture: textile machinery (716.08-11 (part). Food and catering: commercial refrigeration (899.08.05), water and beverage coolers (899.08.09).

Building and construction is considered as a capital goods industry. Thus all its imports are included in the B (capital) group and none in the C (materials) group. The main imports are : timber and lumber (242 & 243), plywood, gums, board (631.02, 631.03-09, 632.03,641.05,06), stone, lime (builders), cement (272.08.019, 661.01.3, 661.01.2, 661.03, 661.09), bricks, tiles (662); glass bricks and panes (664.01, 664.03 & 05, 664.06 & 08), joist and girders and structures (811, 681.04, 699.01-04), fittings (821.01.03,699.07.1,699.22), paints and paintbrushes (533.01.4), wallpaper (641.08 & 655.04.1).

Goods mainly used for road and allied construction work are : tar, asphalt, stone etc. (272-01-04,313.09,521.01, 629.01.09) road making equipment and parts (716.3.4-7), railway tracks (681.11).

Finally there is a long list of items which cannot, unfortunately, be allocated to specific industries. It was possible during the Fiji study to obtain further information on the reason for importation of certain major capital goods. Larger firms may import equipment directly and it can thus be discovered for what purpose the import is intended. Generally the undefined group may include the following main heads : metals and metal goods (68), unspecified as to industry, boilers and stationery engines (711.02.03, 721-01), tools (716.05, 721.12 & 19, 699.12.2 & 699.29) chains and springs (699.29.3-5), industrial tractors (713.02), bearings and parts (716.14 & 15), measuring instruments (861.09) bolts, nuts etc. (699.072.03), and a number of minor groups.

Allocation of these items to specific industries may be simplified if the purchases by industries are known, otherwise only a broad estimate can be made. Much of the building and

construction imported material may be used for capital formation in specific industrial sectors, and further information than is provided by the import returns will be required before an estimate can be made. The import figures of capital goods were used in reaching the capital formation estimates (chapter VI). Installation margins were added to the import price plus duty. It will be noted that whereas spare parts of durable consumer goods are allocated as a group C item (materials) to the 'repairs' sector, spare parts of capital equipment are included as part of capital imports. They should however be separated from imported whole equipment as they may indicate the extent of capital maintenance in certain sectors.

It is not intended to describe in detail the classification of the C group (materials) as this was not attempted on a comprehensive manner in Fiji. There will be some materials (such as sacks to the sugar industry, aviation spirit to air-transport and so on) which can clearly be relegated to a specific industry but there will also be a large unclassifiable section of these goods. A complete breakdown can assist in an inter-sector analysis and can show the dependence of specific industries on imports.

Department of Labour

The published Annual Reports of this Department provided some useful statistics on rates of pay. The Department also publishes statistics showing the numbers of each race employed in each industry at stated wage levels. These figures provided useful information for some of the larger industries, but did not incorporate comprehensive returns for other industries. Price material collected by the Department was used in the expenditure estimates and the surveys done by C.H. Carne in 1943, to provide data for the cost of living indices, although now out of date, provided useful checks on expenditure estimates. Supplementary information also obtained on stevedoring and government wage employees.

Treasury and Secretariat

The annual report on the Accounts and Finances of the Colony provided most of the statistics on which the Chapter on the Government Sector is based. Accounts of local authorities were also made available.

A report of the Fiscal Review Committee of 1954, also provided valuable tabulated information, some of which was also used in Chapter VII.

Registrar General's Department

Population figures were obtained from published reports; the Census of Population of 1946 and Annual reports.

The Public Works Department

Information was obtained on the value of Government imports, which is used in the figures of capital formation and in the social accounts. Information on the value of Government contracts to private firms was also obtained so that double counting could be avoided. The Public Works Department also retains a valuation role of Suva properties for purposes of rating, and this provided some guide to property values and to the extent of loss from the hurricane of 1952.

The Medical Department and South Pacific Health Service

Information on diets and nutrition provided a valuable guide when expenditure patterns of the various communities were being drawn up. Apart from the surveys which were done mainly to provide data for this study, use was made of D. Langley's Dietary Survey and Growth Records in a Fijian Village, and of papers on Ration Scales for Fiji institutions.

Other material supplied by official and semi-official sources included Annual Reports of the Government Savings Bank and the Commissioners of Currency, Annual Bank balances, aggregated for all the trading banks. Information was supplied by the Royal New Zealand Air Force, the Assistant Colonial

Secretary for Economic Development and the Fiji Military Forces. This information which was mainly on foreign transactions was used particularly for the Balance of Payments. Information was also obtained on Civil Servants' salaries, from the Civil List. The Copra Board also furnished some figures on copra purchases and sales for milling and for export.

Many private firms and organisations filled in questionnaires for the study. The Colonial Sugar Refining Company provided figures of cane prices, numbers of farmers, yields and payments for cane, and of wages and salaries in milling. The Gold mining Companies furnished information on wages and salaries, profits and investments and also some interesting information on payments in kind and sources of dalo purchases.

Surveys done particularly for this study were as follows :

1. Survey of large and small business.

Questionnaires were sent to all large trading firms and to a sample of smaller firms. The response was good and valuable information was gained on employment, turnover, stocks and investment. Most of the business men concerned were interviewed. The material acquired has been aggregated and contributes to the estimates of incomes and output. Material on retail margins, particularly on imported goods was obtained and used in the expenditure estimates.

2. Survey of non-profit making organisations.

Questionnaires were sent to missions and clubs and leaders of missions were interviewed. Although some interest was displayed and information on economic activities, employment, donations etc. was provided by two of the larger missions and by some clubs, the response to this survey was less encouraging than to that of profit-making organisations. Some missions, particularly seemed to think that an "economic" evaluation of their services was implied and was out of place. The group was however a small sector of the total economy.

3. Nutritional and Economic Survey of Some Indian Households in Suva. (With S. Holmes)

This survey was done, not only to provide information on family expenditure, but to gain nutritional information at the same time. It is described in more detail on pages 167-176 the material was used in estimate of Indian patterns of expenditure.

4. Fijian Village Survey.

Thirty questionnaires were distributed to teachers and to more literate Fijian leaders, asking simple, mainly qualitative questions on the economic life of the villages. Although the response was good the quality of the information varied. Personal checks could only be made in a minority of cases, but a number of villages in the Sigatoka region, in Vanua Levu and near Suva were visited. The village survey which is described in more detail in Chapter ten, provided a useful guide to consumption habits and the structure of village agriculture in various types of village. Some further data, of a rather more reliable nature were supplied by a former District Officer in Sigatoka.

5. Survey of the Banaban people of Rabi Island.

A survey was made personally of the resettled people (formerly of Ocean Island) now on Rabi. Some information was used to incorporate the economic activities of this group into the general accounts for this national income study. But most of the information gained on this survey will be published elsewhere.

Appendix II. A Set of Articulated Accounts

Articulated social accounts are presented in this appendix for the year 1953 with the purpose of indicating the relationship which main sectors of the economy have to each other. It is impossible to show articulated accounts for smaller sectors, or in greater detail; partly because accurate information is not available and partly because an individual business may account for a large part of the total business of one industry. Some of the accounts given in Chapters III and IV of this work, although not fully articulated are in fact sector accounts of smaller sectors.

In the following accounts each item appearing as an outlay in one table appears as a receipt in another table and vice versa. All accounts are thus interrelated. Tables 75 to 79 show five sector accounts separately and Table 74 shows all these accounts arranged as a matrix so that the interrelationship can be seen at a glance.

The five articulated accounts which have been drawn up are as follows: producers' account, consumers' account, capital account, government (local and central) account and overseas account. As in our main tables the capital account contains most of the 'residual' items and is therefore the weakest. The articulated social accounts can be directly related to our main aggregates of national income and the following summary shows where the figures will be found in the main tables:

Purchases of Goods and Services. Table 47. (less subsistence)

Subsistence. Table 46.

Public Authorities Current Purchases. Tables 54, 57 and 58. (less personal emoluments)

Subsidies. Table 46.

Transfers. Table 54. Part of items "N". Mainly interest to firms.

Public Authorities Capital Formation. Table 47. (also see Tables 54, 57, 58 and 61).

Private Capital Formation. Table 47.

Merchandise Exports. Table 66.

Travel in Fiji. Table 66.

Transport and Insurance. Table 66.

Investment Income. Table 66. Part of items "Investment Income" and "Government Transactions". Includes mainly upkeep of Nadi Airport, Interest on government savings bank investments, and Investment income of companies.

Wages and Salaries. Table 46. (less government salaries. Table 54)

Distributed Profit. Resident Coys. Table 46. Proportion of dividends distributed in Fiji.

Distributed Profit Unincorporated Enterprise. Table 46. Proportion estimated as distributed.

Fijian Cash Agriculture. Table 46.

Public Authorities Salaries. Table 54, 57 and 58.

Transfers. Table 54. Part of items "E".

Investment Income: Table 66. Mainly interest and dividends from abroad, Banaban royalties.

Transfers from Overseas. Table 66.

Mainly pensions paid to Fiji residents, remittances into Fiji.

Business Fees and Taxes. Table 54. Breakdown from annual report of Commissioner of Inland Revenue.

Indirect Taxes. Table 54.

Payments and Reimbursements for Services. Table 54. Items "C".

Direct Taxes. As for Company's taxes.

Widows and Orphans Contributions. Table 54.

Loan Funds. Table 61.

Interest in Funds. Table 66.

Subscriptions and Grants. Table 66.

Undistributed Profit. Table 46. Res. Companies and unincorporated enterprise, invested profits.

Depreciation. Table 48.

Residual. Accounted for by Overseas borrowing and investment by overseas residents.

Net Saving. Residual assumed to be personal saving.

Public Authorities Capital Formation. Table 47. (and above)

Net Saving. Surpluses on current government accounts, plus unallocated development funds. Tables 54, 57, 58 and 61.

Known Private Capital Inflow. Table 66.

Known Official Capital Inflow. Table 66.

Merchandise Imports. Table 66. (excluding government direct imports)

Transport and Insurance. Table 66.

Film Hire. Table 66.

Investment Income Paid Overseas. Table 66.

Travel Overseas by Fiji Residents. Table 66.

Remittances and Donations Overseas. Table 66.

Transfers Overseas. Table 66. Pensions paid overseas, certain grants and subscriptions, war debt repayments.

Imports by Government. Information from Public Works Department.

Known Private Outflow. Table 66.

Known Official and Banking Outflow. Table 66.

Unknown Outflow. Table 66.

Table 74

FIJI SOCIAL ACCOUNTS 1953

£000	PRODUCTION		CONSUMPTION		PUBLIC AUTHORITIES		CAPITAL		OVERSEAS		
			Purchases of goods & services.	13079	Current purchases in Fiji.	1820	Public Authorities Capital Formation. (Private Capital Formation	897 3022)	Merchandise Exports.	12937	
Production			Subsistence	5371	Subsidies.	42			Travel in Fiji.	255	
					Transfers.	65			Transport & Insurance.	1345	
									Investment Income.	460	
				18450		1927		3919		14997	39293
	Wages & Salaries (Ex Govt.Salaries.)	7027			Salaries	1396			Investment Income.	36	
	Subsistence.	5371			Transfers.	243			Transfers and		
Consumption	Distributed Profit Resident Companies.	138							Donations.	140	21188
	Distributed Profit Unincorp.Enterprise.	4647									
	Fijian Cash Agriculture.	2190									
		19373				1639				176	
	Business fees & taxes.	976	Direct	446					Interest on		
Public	Indirect taxes.	1975	taxes.						funds.	157	
Author-	Payments & Reimburse-		Widows &						Grants & sub-		5700
ities	ment for services.	695	Orphans'				Loan Funds.	1065	scriptions.	358	
			contribution	28							
		3646		474				1065		515	
	Undistributed profits.	1900			Public Author-				Known Private		
	Depreciation.	1264	(Net Saving)	1676	ities Capital				Capital Inflow.	460	
Capital	(Residual	758)			formation.	897			Known Official		8670
					(Net Saving	920)			Capital Inflow.	795	
		3922		1676		1817				1255	
	Merchandise Imports		Travel Over-		Transfers paid		Known Priv-				
	(Ex.Government).	9331	seas by Fiji		Overseas.	145	ate capital				
Overseas	Transport & Insurance.	2149	residents.	466	Imports by		outflow.	16			
	Film Hire	21	Remittances		Government.	172	Known				16943
	Profits (non Res.Coys.).	650	& Donations.	122			Official &				
	Dividends Interest etc.	201					Banking				
							outflow.	1146			
							(Unknown				
							outflow	2524)			
		12352		588		317		3686			
	39293		21188		5700		8670		16943		

Table 75

6000. Fiji 1953. Production Account

Payment to Factors of Production		Sales of Goods and Services		
Wages and Salaries (excluding Government Salaries)	7027	to persons		
Fijians' Cash Income from Agriculture	2190	Residents	13079	
Subsistence	5371	Visitors	255	
Distributed Profits of Unincorporated Enterprise	4647			
Distributed Profit of Resident Companies	138	Subsistence	5371	
Company Taxes and Fees	976	Public Authorities Current Expenditure and Transfers	1885	
Indirect Taxes	1975			
Payments and Reimbursements for Government Services	695	Public Authorities Capital Expenditure	897	
Undistributed Profit	1900			
Depreciation	1264			
(Residual. See notes)	758	Private Capital Account	3022	
Merchandise Imports (Excluding Government)	9351	Subsidies	42	
Transport and Insurance paid O/seas	2149			
Payment O/seas for film hire	21	Merchandise Exports	12937	
Profits, dividends and interest remitted O/seas	851	Transport and Insurance paid in Fiji	1345	
		Income from Overseas	460	
	39293			39293

Table 76

£000. Fiji 1953. Consumption Account

Purchases of Goods and Services in Fiji	13079	Wages and Salaries (Ex. Govt.)	7027
		Government Salaries	1396
Subsistence	5371	Distributed Profits Unincorporated Ent.	4647
		Distributed Profit. Resident Companies	138
Travel by Fiji Residents Abroad	466	Fijian Cash Income from Agriculture	2190
		Subsistence	5371
Direct Taxes paid by Individuals	446		
Widows and Orphans' Contributions	28	Income from Abroad	176
Remittances Overseas	122	Government Transfers	243
Net Saving	1676		
	21188		21188

Table 77

£000. Fiji 1953. Public Authorities Account (Local and Central Government)

Purchases of Goods and Services in Fiji on Current Account		1820	Direct Taxes, Companies etc.	976	
Direct Imports by Government		172	Persons	446	
Salaries		1396			1422
Transfers to Businesses etc in Fiji	65		Widows and Orphans' Contributions		28
to Persons " "	243		Indirect Taxes		1975
Subsidies	42				
to Persons Overseas	65		Payments and Reimbursements for Services		695
Interest paid Overseas	27		Interest on Funds		157
Grants etc.	53		Subscriptions from Overseas		60
		495			
			Grants etc.		298
Public Authorities; Capital Formation		897	Loan Funds		1065
Public Authorities; Net Saving		920			
		5700			5700

Table 78

£000. Fiji 1953. Capital Account

Purchases of Goods and Services in Fiji.	Private Capital Account	3022	Undistributed Profit. Resident Companies Unincorporated Enterprise	1900
Purchases of Goods and Services in Fiji.	Public Authorities	897	Personal Saving	1676
			Depreciation	1264
			Public Authorities Saving	1817
Loan Funds (to Public Authorities)		1065		
Known Private Outflow Overseas		16	Known Capital Inflow (Private)	460
Known Official and Banking Outflow		1146	Known Capital Inflow (Banking and Official)	795
Unknown Outflow		2524	(Residual. See notes)	758
		8670		8670

Table 79

£000. Fiji. Overseas Account 1953

Merchandise Exports	12957	Merchandise Imports	9503
		Payment for film hire	21
Travel in Fiji	255	Transport and Insurance paid O/seas	2149
Transport and Insurance paid to Fiji	1345	Travel Overseas by Fiji Residence	466
Persons and Coys. Investment Income	175	Persons and Companies Resident O/seas Income from Investments in Fiji	851
Government and Currency Commissioners Investment Income	157	Government Interest on Public Debt and Payment of war debt	77
Private and Company Receipts of Grants and Donations	57	Private Remittances, Grants, Donations etc.	122
Official Receipts of Grants and Donations	762	Government Remittances, Grants, Donations	68
Known Capital Inflow Private Account	460	Private Capital Known Outflow	16
" " " Banking and Official	795	Banking and Official " "	1146
		Lending Abroad, Unexplained Capital Item	2524
	16943		16943

Appendix III. A note on Hurricane Damage

Hurricanes cause damage to growing crops and bring about a loss in the current years income, and in some cases in the following year's income from standing crops. Capital loss occurs from damage and destruction of crop-bearing plants and commercial timber and of house and other property. Some part of the group may be visited by hurricane in most years, but in 1952 a hurricane occurred in Viti Levu and caused particularly high damage as it affected areas in which cash crops are grown and in which population is relatively dense.

Any reduction in current income would be reflected in the national income figures in this study, and although export bananas and rice and root crops were seriously affected in Viti Levu and in a few localities were almost a total loss, it appears that the increase, generally, in agricultural output, during this year was greater than the loss due to the hurricane and that no absolute fall in production therefore resulted.

Although account will therefore be taken of loss in current income due to hurricanes, no estimate has been made, in the national income figures, for capital loss due to hurricanes. The hurricane of 1952 visited some of the best timber bearing regions and is estimated to have damaged approximately 150,000 acres of forest which was then economic or had a future economic value. At a very broad estimate the damage was considered to be about £105,000, but may have been considerably greater. Some coconut palms and native housing are probably destroyed each year by hurricanes visiting some part of the group, but the 1952 hurricane caused more widespread damage, which influenced subsequent copra production to some extent.

Damage to housing was considerable, particularly amongst small Indian dwellings. Here again assessment of damage is difficult. Many corrogated iron roofs were blown away, only to be recovered and used again by someone else. Property damaged and destroyed in and around Suva, is estimated to have suffered loss approximating to £100,000. It would be possible, if information was collected soon after the event to get a much better estimate of the damage, but all that can be said from this distance of time, is that it was probably between £500,000 and £750,000, damage to standing crops being excluded from this figure.

Assessment of loss due to hurricanes and earthquakes raises some interesting problems regarding the calculation of present and future values. (There is also a possibility that by clearing away strangling growth, a hurricane may actually confer benefits to some economic plants.) But in the absence of reliable data, no estimate of capital loss, either for the earthquake of 1952 or for the hurricane of the previous year, has been made for the national income estimates.

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STANDARD FORMS AND QUESTIONNAIRES USED IN SURVEYS

Form 1. Indian family budget survey (PP. 167-176)

Form 2. Non-profit making organisations. Clubs and Societies.

Form 3. Non-profit making organisations. Religious organisations.

Form 4. Fijian village survey : questionnaire (PP.188-196).

INDIAN FAMILY BUDGET SURVEY.

DISTRICT_____ TH._____ INTERVIEWER_____

FAMILY_____ AGE_____

MEMBERS OF HOUSEHOLD:		AGE:	MAIN OCCUPATION:		INCOME FROM MAIN OCCUPATION:		INCOME FROM OTHER SOURCES (SPECIFY)		CONTRIBUTION TO FAMILY UPKEEP:	
Week 1	Week 2		Week 1	Week 2	Week 1	Week 2	Week 1	Week 2	Week 1	Week 2

FORM 1.

H O U S E

TENANCY (owned, rented unfurnished, rented furnished, rent free)_____

ACCOMMODATION (whole house, flat or part house)_____

Number of rooms:_____

Number of bedrooms:_____

Type of building:_____

Toilet facilities. (W.C. pit latrine. bucket. none)_____

Water Supply:_____

Rent per month_____ Mortgage charge per month_____ Water rates_____

Land Tax_____ General Rates_____ Other_____

Electricity per month_____

G A R D E N

PRODUCED: Amount:				GIFTS OF FOOD TO FAMILY: Amount:				GIFTS TO OTHERS Amount:				PRODUCE SOLD Amount:			
Item	Week 1	Week 2	Week 3	Item	Week 1	Week 2	Week 3	Item	Week 1	Week 2	Week 3	Item	Week 1	Week2	Week 3

Animals owned_____

K I T C H E N

METHODS OF COOKING

BOILING
BAKING
GIRDLE
FRYING

COOKING UTENSILS OWNED

POTS BUCKETS
PANS STOVE
KETTLE OPEN FIRE
JUGS SINK
BOWLS WATER SUPPLY

SPECIAL FOODS

FEASTS

SICK PEOPLE

DIABETICS

INFANTS

FORBIDDEN FOODS

DIET LIST

WHAT DID YOU EAT ?

TODAY	YESTERDAY	TODAY	YESTERDAY

E X P E N D I T U R E.

FOOD:

	W E E K 1.			W E E K 2.			W E E K 3.	
	Kind	Amount	Cost	Kind	Amount	Cost	Kind	Amount	Cost
BREAD									
BUNS, CAKES etc.									
FLOUR									
RICE									
SHARPS									
OATMEAL									
HONEY									
JAMS									
JELLIES, ICES									

Sugar

FOOD:	WEEK 1.			WEEK 2.			WEEK .	
	Kind	Amount	Cost:	Kind	Amount	Cost:	Kind	Amount
VEGATABLES								
POTATO SWEET								
POTATO ENGLISH								
CASSAVA								
YAM								
DALO								
DURUKA								
BREADFRUIT								
CORN								
GARLIC								
PEPPER								
CHIVES								
ONIONS								
TOMATO								
BEANS								
CABBAGE								
BHINDI								
AMARAGOSA								
CHIKAU								
BAIGAN								
CHICHINDA								
LONG GORGE								
RADISH								
CUCUMBER								
MINT								
DHAULA LEAVES								
BODHA								
FRUIT								
PINEAPPLES								
MANDARINES								
SOURSOPPER								
GARANADILLA								
ORANGES								
GRAPEFRUIT								
RIPE FIGS								
LEMONS								
APPLES								
MANGO								
PAW-PAW								

FOOD	WEEK 1.			WEEK 2.			WEEK 3.		
FRUIT CONT:	Kind	Amount	Cost	Kind	Amount	Cost	Kind	Amount	Cost
MELON									
BANANA									
AVOCADA PEARS									
CANNED FRUIT									
DRIED FRUIT									
MEAT									
BEEF									
COW HEEL									
TRIPE									
LIVER or OFFALS									
PORK									
MUTTON									
(WILD MEAT)									
BACON & HAM									
FOWLS									
CANNED MEAT									
FISH									
SALALA									
HUQU									
GITAWA									
SHELL FISH									
CANNED FISH									
DRIED FISH									
Eggs									
FATS									
BUTTER									
DRIPPING									
PEANUT OIL									
LARD									
GHEE									
COCONUT OIL									
MARGARINE									
PUROL									
SAISCO									
FIJOL									

FOOD	WEEK 1. Kind	Amount	Cost	WEEK 2. Kind	Amount	Cost	WEEK 3. Kind	Amount	Cost
MILK									
COWS									
GOATS									
CONDENSED									
POWDERED									
CHEESE									
DHAL									
PULSES									
CONDIMENTS									
SALT									
CORRIGANDA									
VINEGAR									
DHANIA									
SOUPH									
JEERA									
MUSTARD									
LOUNG									
CLOVES									
METHI									
BALDI									
TUMERIC									
CHILLI									
DHALCHINI									
CINNAMON									
BEVERAGES:									
SOFT DRINKS									
TEA									
COFFEE									
COCOA									
OVALTINE ETC									
BEER									
SPIRITS									
WINE									
YAGONA KAVA									

HOUSEHOLD:	WEEK 1.			WEEK 2.			WEEK 3.		
	Kind	Amount	Cost	Kind	Amount	Cost	Kind	Amount	Cost
CLEANSING									
HOUSEHOLD SOAP									
SOAP PO DER									
SANDSOAP									
Blue									
FLIT									
DDT.									
Starch									
BROOMS BRUSHES									
CROCKERY									
CUTLERY									
POTS									
PANS									
Kero									
LAMPS									
WICKS									
BULBS(LIGHT)									
Benzine									
DRAPERIES									
LINEN									
MEDICINE									
DOCTORS									
NURSES ETC.									
LAUNDRY									
POTIONS									
COSMETICS									
TOOTHBRUSH									
TOOTHPASTE									
HAIRDRESSING									
RAZOR BLADES									
SOAPS									
COTTON WOOL ETC.									
NEWSPAPERS									
STAMPS									
BOOKS									
NOTE PAPER									
WRITING PAPER									
SCHOOL FEES									
Gas Fares									

HOUSEHOLD:	WEEK 1.			WEEK 2.			WEEK 3.		
	Kind	Amount	Cost	Kind	Amount	Cost	Kind	Amount	Cost
CLOTHING									
MENS									
WOMENS									
CHILDRENS									
SHOES									
MENS									
WOMENS									
CHILDRENS									
DIAPERS									
MATERIALS									
COTTONS ETC:									
TAILORING									
BOOT-MENDING									
WAGES									
ALL OTHER									

	WEEK 1.		WEEK. 2.		W	
	Kind	Amount Cost	Kind	Amount Cost	Kind	Amount
"POCKET MONEY"						
SWEETS						
GAMES						
PICTURE						
TOBACCO						
CIGARETTES						
DRINKS (N.E.S)						
ANY OTHER						

NOTES FOR YEAR:

INDEBTEDNESS: DATE INCURRED _____ DATE REPAID _____

TOTAL AMOUNT _____ INTEREST PAID _____

LENDING: DATE LENT _____ DATE REPAID _____

TOTAL AMOUNT _____ INTEREST PAID _____

SPECIAL EXPENDITURE EXCEEDING £5.0.0. DURING YEAR (SPECIFY REASON AND AMOUNT) _____

PAYMENTS TO CLUBS, TRADE UNIONS ETC _____

BENEFITS FROM CLUBS, TRADE UNIONS ETC _____

Y

FORM 2

CLUBS AND SOCIETIES

		1950	1951	1952
1.	Total Revenue from subscriptions and donations.			
2.	Amount subscribed from overseas:			
3.	Outlay on Wages:			
4.	Number of wage earners employed:			
5.	Outlay on Salaries:			
6.	Number of Salary earners:			
7.	Rent paid:			
8.	Rent received:			
9.	Interest paid:			
10.	Interest received:			
11.	Total Revenue from provision of goods and services to members (i.e. sales of liquor)			
12.	Profit (+) or loss (-) on sales etc (on item 11)			
13.	(Games clubs) total expenditure overseas.			

FORM 3

RELIGIOUS ORGANISATIONS

	1950	1951	1952
RELIGIOUS WORK:			
1. Gross Revenue from Overseas:			
2. Gross Revenue from Fiji:			
3. Outlay on Wages:			
4. Outlay on Salaries:			
5. Outlay on Rent:			
6. Outlay on Interest:			
7. Income from Rent:			
8. Income from Interest:			
9. Maintenance of Buildings:			
10. New Building:			
EDUCATION WORK:			
1. Income (fees etc.).			
2. Outlay on Wages:			
3. Outlay on Salaries:			
4. Maintenance of Buildings:			
5. New Building:			
MEDICAL & OTHER WELFARE WORK:			
1. Income:			
2. Total Wages:			
3. Total Salaries:			
4. Maintenance of Buildings etc.			
5. New Building:			
AGRICULTURAL ENTERPRISE:			
1. Gross Revenue:			
2. Net Revenue:			
3. Wages:			
4. Salaries:			
5. Rent Paid (Land Rent: other than Native land leases)			
6. Rent Received (Land Rent)			

Please state separate figures, if possible for agricultural enterprises engaged in (a) mainly coconut (b) mainly agricultural (c) mainly pastoral.

FORM 4

C/- Vale ni Volavola ni Sekiretari
Levu ni Matanitu,
SUVA.

I'saka,

Au vaqaqa ka vakadikeva tiko e na gauna oqo na i tovo ni bula vakailavo e Viti ka'u sa kerei kemuni yani kina oqo, kei ira na lewe ..i vuqa na veikorokoro tale e so, mo ni vukei au ka tukuna mada mai na i tovo ni bula vakailavo e na veikoro Vakaviti. Dina ga ni levu duadua na veivoli e Viti e caka tiko e na veikoro Vakavavalagi, ka vakayagataki vakalevu talega kina na i lavo, ia sa ka bibi talega ki na noqu cakacaka na noqu vaqaqa na i tovo ni nodra cakacaka kei na nodra bula na tu e na veikoro Vakaviti. E dina ni ra sega ni dau vakayagataka wasoma na i lavo e na nodra veivoli ko ira oqori,ia e vakayacori tiko ga e na nodra veikoro na mataqali veivoli tale e so se na veisau i yaya.

Au na sega ni dede e Viti, ka na dredre kina vei au me'u taleva taucoko na veikorokoro e na vanua oqo, ka sai koya ka'u kerei kemuni yani kina mo ni vukei au e na nomuni sauma mai na taro ka ra sa vakau yani oqori. Kevaka ko ni tukuna rawa mai na i wiliwili dodonu ni veika e so ka tarogi tiko yani, sa na yaga dina sara vakalevu. Ke rawa talega mai na veika ko ni nanuma ni dina se volekata na i wiliwili dodonu, sa na ka ni veivuke talega. Ia, kevaka e buwawa vakalevu vei kemuni na i sau ni dua na taro, e vinaka cake mo ni kakua ni sauma na taro oqori ka kakua ni vola kina e dua na ka.

Kevaka e rawa mo ni vakamacalataka mai e so tale na ka baleta na i tovo ni bula vakailavo e na nomuni koro, mo ni qai vola mai e na drau ni pepa lala sa vakau yani oqo. Na veika oqori sa na yaga sara vakalevu vei au kei ira kece era gadreva me ra kila na i tovo ni bula e na koro Vakaviti.

Au vakavinavinaka vakalevu e na nomuni veivuke.

Koi au
Ko

Research Economist.

KORO..... TIKINA..... YASANA.....

1. (a) E tiko li e dua na sitoa e na koro ? .....
   (b) E sitoa ni kai Idia, i Taukei, i Soqosoqo Cokovata ni Veivoli se kai Jiaina ? .....
   (c) Ko ni dau vakayagataka vakalevu duadua na lewe ni koro na sitoa oqori ? .....
   (d) Era lewe levu talega na kai Idia dauteitei era vakayagataka?....
   (e) Era vakayagataka talega vakalevu na Vavalagi ? .. ..

2. E dua li na lewe ni koro e vakamotoka ni usa pasidia, lori,waqa se tractor (misini ni siviyara) ka ra dau sauma e na i lavo na lewe ni koro ni ra vakayagataka ? ....

3. (a) E lewe vica na lewe ni koro era dau la'ki cakacaka tani e na loma ni dua na yabaki taucoko ? .....
   (b) Lewe vica e cakacaka tani e na dua ga na i wasewase ni yabaki ? .....
   (c) Vakaevei ko ira na dui watidra, era dau tu ga e na koro se ra lako vata kei watidra ? .....
   (d) E dau kau lesu tale yani ki na koro e dua na i wase ni kedra i sau me yaga vei ira na wekadra, se ra dau vakayagataka taucoko ga e na nodra tu tani ? .....
   .....

4. Era dau tei i voli li se ta niu ko ira na tu e na koro me la'ki volitaki tani ? .....

5. (a) Mo ni toqa e dua na i vakatakilakila vakao oqo (/) e na tutu ni yaca ni vua ni qele ka cavuti tu oqo e ra, a ya na kena walega ko ni volitaka.
   (b) Kevaka ko ni kila na levu ni veika oqori ka volitaki mai na koro ki taudaku e na loma ni dua na macawa, se vula, se yabaki, mo ni vola talega e tutunanna kena levu yadua :-

   Niu cici rawa:
   Jaina:
   Draunikau bulabula:
   Kakana dina:
   Weleti:
   Vainaviu:
   Vua-ni-kau tale e so:
   Ika:
   Lewe ni manumanu:

6. (a) E so beka na tagane e na koro era voleka ni vakayagataka taucoko na nodra gauna ni cakacaka e na tei i voli ka sega soti e na ka me laukana e vale ? .....
   (b) E lewe vica era cakava tiko vaka kina ? .....

(c) Era dau qarava vata li vakailawalawa ko ira na tagane e na koro e dua na cakacaka ni teitei se susu manumanu ? .....
....

7. (a) E so li vei ira e tei dovu me volitaki ki na Kabani ni Suka ?
.....
(b) Era tei dovu yadudua se ra tei dovu vakailala ? .....

8. (a) E vakaevei na cakacaka ni liga e vale, era dau cakava li e na koro na tagane ? . .....
(b) Se ra cakava na yalewa ? .....
(c) E dau volitaki me rawa kina na i lavo ? .....
(d) E dau volitaki vei ira na lewe ni veikoro tale e so ? .....
(e) Se volitaki kivei ira na veisitoa se dau veivoli ? .....
(f) Se kivei ira na dau lako mai vakagade mai vanua tani (tourists) ? .....
(g) Kevaka ko ni kila na levu ni i lavo e dau rawata na nomuni koro e na dua na vula se dua na yabaki mai na kedra volitaki na i yau ni cakacaka ni liga oqori,mo ni vakaraitaka mada e ke ..... .

9. (a) E rawa vakatabakidua li mai na i teitei na kedra kakana na lewe ni koro, se dau voli talega mai na sitoa ? .....
(b) Se dau voli mai na so tani tale na koro ? .....

10. Sa tu oqo e ra na yaca ni kakana e so. Mo ni yalo vinaka ka vakaraitaka mada na kena levu yadua eratou kania rawa e na loma ni dua na macawa e dua na vuvale e na nomuni koro (ko ya me wili kina ko tama, tina, 4 na gone kei na dua na qase). Mo ni vola donumaka na dui yaca ni kakana oqori na i wiliwili se na levu ni ka eratou kania e na dua na macawa. Ia, kevaka ko ni sega ni kila na i wiliwili dodonu ni ka yadua e laukana, mo ni qai vola e tutuna e dua vei iratou na ka e tolu oqo :-

(a) laukana wasomo; se
(b) laukana vakavudua; se
(c) sega ni bau laukana vakadua.

Madrai:
Falawa:
Lewe ni manumanu tawa i tini se ika tawa i tini:
Raisi:
Suka:
Uro:
Ti:
Sucu:
Dalo:
Uvi:
Tavioka:
Draunikau bulabula:
Kakana dina tale e so me vaka na tivoli,kawai,via,kumala:

Jaina:
Niu:
Vuanikau:
Ika bulabula:
Kai:
Qari,lairo, mana kuka:
Vivili:

11. Kevaka e dua na kakana ko ni dau kania wasoma na lewe ni koro ka sega ni volai tu e cake, mo ni qai bau vakacuruma talega kina.

12. Sa tu oqo e ra e so na i yaya ni kana. E vica na kedra levu yadua ko ni nanuma ni tu e na dua na vale e na koro, - sega ni vuvale levu sara se vuvale lailai, na vuvale vakarauta ga ? i ira oqo na i yaya :-
Kuro ni vakasaqa kei na kuro ni ti .....
Kuro sosivani .....
Peleti ni kana .....
Bilo ni ti .....
Na i yaya tale e so ni vale ni kuro .....

13. (a) Ni ra dau la'ki volivoli e na sitoa na lewe ni koro, era dau sauma na i yaya ni sitoa e na i lavo ? .....
(b) Se ra sauma e na vua ni qele ? .....
(c) Se e na niu cici rawa ? .....

14. (a) A cava na kena yawa na makete voleka duadua mai na nomuni Koro ? .....
(b) A cava ko ni dau vodoka ni ko ni lako ki na makete ? .....
(c) E lewe vica beka na tamata mai na nomuni koro era dau lako kina e na veimacawa ? .....

15. E vica beka na veika ka cavuti tu oqo e ra e taukeni vakoro (mo ni tukuna talega kevaka e dua na ka oqori e taukena ga e dua na tamata ka sega ni taukeni vakoro).
Vale vakaviti:
Waqa:
Bulumakau ni cakacaka:
Bulumakau tale e so:
Ose:
Vuaka:
Me:
Toa:
Siviyara:
Tractors:
Veimataqali misini ni cakacaka tale e so:

E vica beka na yabaki na kena vakayataki e dua na vale ? .....
E vica na vale e tara e na yabaki oqo ? .....
E vica na boto e ta e na yabaki oqo ? .....