

UNITED NATIONS TRUSTEESHIP COUNCIL



Distr.
LIMITED

T/L.1124
22 June 1967

ORIGINAL: ENGLISH

Thirty-fourth session
Agenda item 4 (b)

CONDITIONS IN THE TRUST TERRITORY OF NEW GUINEA

Report of the Drafting Committee

1. At its 1306th meeting held on 8 June 1967, the Trusteeship Council appointed a Drafting Committee composed of the representatives of China and New Zealand to propose, on the basis of discussions which had taken place in the Council, conclusions and recommendations on conditions in New Guinea and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the next report of the Trusteeship Council to the General Assembly.
2. The Drafting Committee held five meetings. It had the benefit of the assistance of a representative of the Administering Authority.
3. In the light of the general discussions in the Council on conditions in the Territory, the Committee drafted a number of conclusions and recommendations which it considered as reflecting the opinion of the majority of the members of the Council and which are set forth in the annex to the present report.
4. The Committee recommends that the Trusteeship Council adopt the revised working paper on conditions in New Guinea (T/L.1119 and Add.1) as the basic text for the chapter on conditions in that Territory to be included in the next report of the Trusteeship Council to the General Assembly.
5. The Committee also recommends that the Trusteeship Council adopt the conclusions and recommendations set out in the annex below and include them at the end of each appropriate section or sub-section of the chapter.

ANNEX

DRAFT RECOMMENDATIONS AND CONCLUSIONS

I. GENERAL

1. The Council notes that the declared policy of the Administering Authority towards Papua and New Guinea is self-determination, to be exercised at a time to be decided upon by the people themselves, and that the House of Assembly, particularly through its Select Committee on Constitutional Development, is keeping the question of the pace and direction of political advance under continuing study and review. Nevertheless, while acknowledging that this situation is unexceptionable in principle, the Council considers that experience suggests that at these crucial stages before self-determination there is a need for stimulating more rapid advance in the political field, particularly by handing over more financial powers to the House of Assembly and by accelerating the transfer of policy-making posts and bodies to New Guinean control. The Council is encouraged in this view by evidence of the Territory's increasing degree of self-reliance and growth in the economic field.

II. POLITICAL ADVANCEMENT

Development of representative, executive and legislative organs and the extension of their powers

(a) Central government organs

2. The Council, recalling the recommendation of its thirty-third session that serious consideration be given to the views of the House of Assembly's Select Committee on Constitutional Development, takes note of the full implementation of the Select Committee's report of August 1966, including recommendations that the number of open electorates be increased from forty-four to sixty-nine and that electorates previously reserved for non-indigenous candidates be thrown open to all candidates possessing a relatively modest educational qualification. The Council recognizes that an absolute majority of indigenous representatives is virtually assured in the new legislatures and that as before the great majority

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of the members of the House of Assembly will be elected on a basis of a universal adult franchise and a common roll. It also appreciates the Select Committee's point of view that a special category of seats was justified in order to ensure that the House of Assembly has members, indigenous or non-indigenous, with wider skills and experience. The Council expresses the opinion, however, that the retention of such special educational qualifications for candidates, as well as the retention of official members in the House, should be regarded as a transitional phase only and that early consideration should be given to moving toward a House of Assembly made up completely of members elected from open electorates. The Council feels that the results of the 1964 elections in the open electorates tended to illustrate that the people choose their representatives carefully and wisely without the need to reserve seats for specially qualified candidates.

3. While appreciating that until the exercise of self-determination and the termination of the Trusteeship Agreement Australia retains final legislative and administrative responsibilities in the Territory, the Council is of the opinion that consideration should be given to the progressive reduction of the number of fields in which the power to disallow legislation may be exercised. It advocates this in the conviction that only by transferring greater legislative powers to the House of Assembly can the members of the House learn to exercise full responsibility in this field.

4. A general theme of Council members' statements was that the process of involving Papuans and New Guineans in policy-making and executive bodies needed to be significantly accelerated. The Council takes note of the Special Representative's statement that the second section of the report of the Select Committee, to be tabled in June 1967, would be devoted to this question and awaits the Select Committee's findings with considerable interest. In the interim, the Council notes the Special Representative's statement that as a result of a recent review of the Under-Secretary system, an attempt has been made to define more clearly the duties of an Under-Secretary, including participation in the preparation of draft departmental budgets, departmental policies and the framing of bills. Bearing in mind both the account of practical difficulties met in the course of carrying out their duties given by the two Under-Secretaries attending

the Council session and earlier expressions of dissatisfaction over the working of the Under-Secretaryship system, the Council expresses the firm opinion that significant steps toward a responsible ministerial system - particularly through raising the status of the Under-Secretaries and substantially extending their responsibilities and powers - should be taken at this time by the House of Assembly and the Administering Authority.

5. The Council notes with interest the statement made at its thirty-fourth session by the Under-Secretary for the Treasury of Papua and New Guinea that the Administrator's Council of which he is a member has been operating more effectively and trusts that this improvement will be accelerated by bringing before this body the widest range of policy matters and reinforcing its status as the most important policy-making body in the Territory.

(b) Local government councils

6. The Council is pleased to note that with the establishment of five new local government councils and the extension of twenty-two others since June 1966, local government councils now cover three-quarters of the population. The Council considers that the local government councils play a vital role in developing a sense of self-reliance at the local level, in enabling the indigenous inhabitants to acquire the arts of self-government and in engendering a sense of participation in a community wider than the immediate neighbourhood. In the light of this view and whilst acknowledging the physical and communication difficulties which have to be faced in the remote areas involved, the Council considers that the time has now come to pursue an even more vigorous campaign to bring the balance of the population under the system within the immediate future. The Council notes with approval the change in the composition of many local government councils from a wholly indigenous to a multiracial character and assumes that the trend towards extending the powers and scope of activity of the councils will continue.

7. The Council welcomes the statement of the Administering Authority that regional meetings of local government councils are being held. It recommends to the Administering Authority that conclusions and suggestions formulated at these meetings and similarly recommendations made by the town and district advisory councils receive the most earnest attention by the Administering Authority and the House of Assembly and that participants in meetings of such bodies subsequently be provided with a formal report of action taken upon their proposals.

Political parties

8. In the belief that the emergence of territory-wide political parties would contribute substantially to the growth of both political coherence and a sense of nationhood, the Council expresses the hope that initiatives will be taken within or outside the House of Assembly to form representative political parties to contest the 1968 elections.

III. ECONOMIC DEVELOPMENT

General

9. The Council commends the people of the Territory and the Administration for their achievements in expanding and diversifying agricultural production at a continued rapid rate. It also notes continued expansion of secondary industries. It believes that the increase in the degree of economic self-reliance which is gradually resulting will contribute towards ensuring that all political options before the people of the Territory are kept open. Bearing the latter factor in mind, the Council considers it essential that increasing indigenous participation not only in primary production but in industrial and commercial enterprises as well should be promoted at an ever more rapid rate. It has already called for significant acceleration of the process of involving Papuans and New Guineans in decision-making bodies and stresses that in no area is this more important than in the area of economic direction and planning.

10. As a general observation, the Council suggests that since it is investment in economic development, particularly the commodity-producing sector, which is giving Papuans and New Guineans their most direct and permanent stake in the economy, there may be a need to consider concentrating public expenditure even more heavily than in the past on this field.

11. While appreciating the lead being given by savings and loan societies, for example, in forming capital from indigenous sources, the Council notes that the potential for developing domestic capital is restricted. Given the need for outside capital, the Council notes with interest the Development Capital Guarantee Declaration adopted by the House of Assembly. The Council recognizes at the same

time that recent shortfalls in private investment indicate a continuing need for heavy public investment, that is, Australian subventions, in major projects for an indefinite period. It welcomes the entering into operation of the Development Bank, with its authority to extend credit, particularly to indigenous enterprises, and to acquire equity interest and hold it for later disposition as a future government of a self-governing territory might determine. The Council notes the Bank's initial grant of more than \$A1 million and that the Bank has made eighty loans thus far. It expresses the hope that the Bank will further expand its activities in the forthcoming year, that it will pursue flexible policies and that further capital will be made available.

12. The Council notes that international sources of assistance are now being called upon to contribute to the Territory's development. It urges the United Nations Development Programme and the specialized agencies to expand as rapidly as possible the assistance which they have begun to render the Territory, expresses the hope that the International Bank for Reconstruction and Development (IBRD) will see its way clear to financing projects in the Territory and encourages the Administering Authority to avail itself increasingly of assistance of this sort.

13. The Council is interested to learn that, subject to further investigation, it is expected that the value of the Territory's export production may be doubled in seven years as a result of a new mining venture. It notes the provisions giving the people of the Territory a 20 per cent equity interest in the operation. The Council is of the opinion that it is in the long-term interest of the people that both the Administering Authority and the House of Assembly continue to give the closest scrutiny to contracts with private companies wishing to exploit the natural resources of the Territory, particularly with a view to ensuring that the Papuans and New Guineans are given the widest opportunity to share in the holdings, management and profits of such ventures. The Council suggests to the Administering Authority and to the House of Assembly that further co-ordinated surveys would assist in securing comprehensive geological and geophysical information on the Territory's resources.

Public finance

14. The Council welcomes the substantial increase - from \$A62 million to \$A70 million - over the last year in the Administering Authority's direct grant to the budget of the Territory. It regards as a significant example of the potential strength of the New Guinean economy the fact that while the Australian subvention has risen in absolute terms by over 130 per cent during the last six years it has nevertheless been reduced in proportionate terms during that time from 65 per cent of total receipts to 58 per cent in the latest financial year. The Council regards the increase in the proportion of locally raised revenue, a significant indication of the move towards economic self-reliance, as a good augury for the future of the Territory.

Agriculture

15. The Council, aware of the vulnerability of an economy based largely on the production of tropical primary commodities, and aware of the desirability, for example, of building up secondary industry to process local commodities, recommends that diversification of the economy continue to be promoted and pursued.

16. The Council notes the establishment of a palm oil industry in New Britain. It welcomes the provision applying to this industry whereby a 50 per cent financial interest will be held by indigenous people or by the Administration in the interests of the people.

17. The Council acknowledges the accomplishments of the agricultural extension services in the Territory in improving agricultural techniques and accelerating production by indigenous farmers. It encourages the Administering Authority to expand further its agricultural research and extension programmes, bearing in mind constantly the World Bank Mission's conclusion that the major emphasis in development should be given to the stimulation of production and the advancement of the indigenous people.

IV. SOCIAL ADVANCEMENT

Racial discrimination

18. The Council, recognizing that discrimination on the grounds of race or colour has been outlawed by legislation in Papua and New Guinea and recognizing further

that it is difficult to legislate with complete effectiveness on social behavior since legislation alone cannot convert an ideal into a fact, welcomes the establishment by the House of Assembly of a committee to review the "Discriminatory Practices Ordinance, 1963" and to recommend to the House any amendments which in the opinion of the Committee should be made to the Ordinance. In addition to legal remedies by the courts, the Council suggests that the House of Assembly consider initiating a continuing programme to investigate the enforcement of anti-discrimination statutes.

V. EDUCATIONAL ADVANCEMENT

19. The Council notes the statement of the Special Representative of the Administering Authority that enrolments at the University of Papua and New Guinea and the Institute of Higher Technical Education have significantly increased in the past year and that the number of students at Administration high schools has increased by more than a quarter in the same period. Given that investment in and development of, human resources is of great importance at this stage in the emergence of the Territory, the Council trusts that this quickening pace of development will be further accelerated, especially at the secondary and tertiary levels and in the field of vocational training. The Council considers that the educational system should be geared particularly to assisting in adapting Papuan and New Guinean society to the requirements of rapid political and economic development and therefore calls for a concentration of effort to produce scientists, agriculturists, administrators and technicians trained in the practical application of their knowledge.

20. The Council expresses the hope that the Administering Authority will encourage industrial and commercial firms established in the Territory to train New Guineans in both technical and managerial skills and to ensure maximum participation by indigenous people in these enterprises at all levels.

21. Since much of the productive capacity and leadership in many fields will necessarily have to come from the older generation of Papuans and New Guineans - who have had limited opportunities to acquire formal education - the Council believes it would be prudent to expand further the existing programmes of adult

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education, including practical demonstration courses in, for example, the domestic sciences, home economics, farming techniques and civics.

Dissemination of information on the United Nations

22. The Council commends the United Nations Information Centre and the Administering Authority respectively for the efforts which they have made and the facilities which they have extended to disseminate and broadcast information concerning the United Nations, including reports of the Trusteeship Council and resolutions of the General Assembly relating to Papua and New Guinea.

23. The Council notes with interest that the library at the University of Papua and New Guinea whose holdings are available to the public, has been designated a United Nations repository library.

VI. ESTABLISHMENT OF INTERMEDIATE TARGET DATES AND FINAL
TIME-LIMIT FOR THE ATTAINMENT OF SELF-GOVERNMENT OR
INDEPENDENCE

24. The Council takes note of the statements made before it by the two representatives of the House of Assembly expressing reservations about an immediate move to independence and reporting the inclination of their people to wait until a sound basis for the accession to independence has been created.

25. The Council accepts these freely stated views, of course, but, mindful of its mandate under the Charter and of the provisions of the Trusteeship Agreement and bearing in mind the provisions of relevant General Assembly resolutions, including the Declaration on the Granting of Independence to Colonial Countries and Peoples (resolution 1514 (XV) of 14 December 1960) and resolution 1541 (XV) of 15 December 1960, seeks to ensure that the people are brought to self-determination as swiftly as feasible. In this respect, it stresses three points. First, that all options for the future of the people of Papua and New Guinea continue to be kept open. Second, that the people of Papua and New Guinea, through further vigorously conducted and extensively publicized programmes of political education be made fully aware of the possibilities for their political future which lie before them and be kept informed of the implications of the options they have. Third, that, in the light of the statement made before the Council by a member of

the House of Assembly that the people of Papua and New Guinea fear a precipitate withdrawal of Australian assistance and financial support, the Administering Authority take every opportunity to reassure the people that such a precipitate withdrawal is not the alternative to their present status. In this regard the Council notes with approval the statement of the Special Representative that Australia does not propose any alteration in its financial aid to the Territory or in its other forms of practical assistance as long as these are necessary and the people want them. The Council considers that it is an essential part of making the people of New Guinea aware of the options before them to broadcast such assurances as widely as possible.

26. The Council is of the opinion that, although it might be from some points of view theoretically desirable to await an advanced degree of economic and administrative viability before assuming political independence, there is much evidence to suggest that to a significant extent these qualifies are finally dependent on the acquisition of full political powers. The Council takes note in this regard of the Special Representative's statement that the Australian Government has not said that the Territory should be economically viable or that it should have all the trained people necessary to make it administratively self-sufficient at the time of self-determination.

27. The Council is reassured by the evidence that the significant economic growth which has occurred in the Territory is helping to ensure that large-scale dependence on Australian assistance will not become a permanent feature of the economy of Papua and New Guinea: this will help to ensure that when self-determination is exercised the people will be in a better position to make a free choice.
