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President: Sir Alan BURNS (United Kingdom of Great Britain and Northern Ireland).

Present:

The representatives of the following States members of the Trusteeship Council: Australia, Belgium, China, Dominican Republic, El Salvador, France, Iraq, New Zealand, Thailand, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

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

Examination of the annual report of the Administering Authority on the administration of the Trust Territory of New Guinea for the year ended 30 June 1951 (T/958) (*continued*)

[Agenda item 3(c)]

At the invitation of the President, Mr. Halligan, special representative of the Administering Authority for the Trust Territory of New Guinea, took a place at the Council table.

1. Mr. SOLDATOV (Union of Soviet Socialist Republics) asked for more detailed information regarding the composition of the Legislative Council and particularly regarding the participation of the indigenous inhabitants in the election of the two indigenous members.
2. Mr. HALLIGAN (Special representative for New Guinea) explained that the two indigenous members had been nominated by the Administering Authority and appointed by the Governor-General. The indigenous inhabitants had not been asked for their views on the appointment.
3. Mr. SOLDATOV (Union of Soviet Socialist Republics) asked whether the establishment of separate legislative, executive or judicial bodies for the Territory of New Guinea, as distinct from the Territory of Papua and New Guinea, was envisaged.
4. Mr. HALLIGAN (Special representative for New Guinea) replied in the negative.
5. Mr. SOLDATOV (Union of Soviet Socialist Republics) wished to know whether the Administering Authority contemplated including indigenous inhabitants in the Executive Council, and whether there were any indigenous inhabitants on the judicial bodies.

6. Mr. HALLIGAN (Special representative for New Guinea) pointed out that according to section 19 of the Papua and New Guinea Act, 1949, the Executive Council consisted of at least nine officers of the Territory. All such officers were Europeans.

7. The judicial bodies did not at present include any indigenous inhabitants. When the Native Village Courts Ordinance came into effect, however, the members of the local courts in the section of the Territory concerned would be indigenous inhabitants.

8. Mr. SOLDATOV (Union of Soviet Socialist Republics) observed that the indigenous inhabitants had thus no part in either the executive or judicial bodies. Since the two indigenous members of the Legislative Council were appointed by the Administering Authority, they could not be considered as mouthpieces of the indigenous people, but merely as officials. The Administering Authority had not, in accordance with its obligations under the Charter, taken any steps to promote the political, economic, social and educational advancement of the inhabitants of the Trust Territory and their progressive development towards self-government or independence.

9. He asked the special representative what had been done since New Guinea had become a Trust Territory to train members of the indigenous population to take an active part in the administration of their country. If, five or more years previously, the Administering Authority had selected representatives of the people for special training, there would now have been a number of suitable persons ready to replace European officials holding posts in the Territory. He would like to know why that had not been done.

10. Mr. HALLIGAN (Special representative for New Guinea) maintained that, contrary to the assertions of the USSR representative, the Administering Authority had done much to prepare the indigenous inhabitants for participation in the administration of their country. To educate people at such a backward stage of development was a slow process, and education had greatly advanced during the previous five years; the fact that it had been possible to appoint two indigenous inhabitants as members of the Legislative Council was evidence of that. Others of the same calibre would no doubt be available in the near future. Moreover, the Native village councils would be a training ground for those who showed any capacity for administration, and they, with the help of that experience, would no doubt

later be able to take part in regional councils, then in the legislative councils and eventually in the judicial bodies of the Territory. Furthermore, a number of indigenous inhabitants had been sent to a conference held by the South Pacific Commission at Suva. That was the first time that people from New Guinea had come into contact with people from other areas of the Pacific, and although most of the latter were considerably more advanced, they had held their own well enough.

11. He added that the work of administering a Territory such as New Guinea required high qualifications and capabilities. It was difficult enough to find suitable European officers; they were very carefully selected and given a lengthy period of training, including actual experience in the Territory. The object of the Administration was to reach the point at which indigenous inhabitants would be able to take part in any phase of the administration of the Territory, but that would not be possible in the immediate future. Before any specialized training was given, either for administrative, medical or technical positions, there must be a sound general education. The number of schools in the Territory had been increased and there had also been an increase in the number of indigenous inhabitants employed by the Administration.

12. Mr. SOLDATOV (Union of Soviet Socialist Republics) considered that the special representative's reply showed that nothing had been done to prepare the indigenous inhabitants for self-government. Every effort should be made to improve educational facilities at the primary, the secondary and the higher levels, and special schools should be established in which indigenous inhabitants would be trained in administration.

13. He asked what had been done to enable the indigenous inhabitants to participate in the actual administrative machinery of the Territory.

14. Mr. HALLIGAN (Special representative for New Guinea) referred the USSR representative to the table on page 128 of the annual report,¹ which gave the occupations of indigenous inhabitants employed by the Administration. The highest post listed on that table was that of medical assistant. There were 226 male medical assistants, who were receiving a training that would enable them to replace Europeans in such posts. Furthermore, five indigenous inhabitants from New Guinea were attending the Central Medical School at Suva, from which, if they qualified, they would receive certificates as Native medical practitioners. Although they would not have the same status as a European holding a university degree, it was hoped that eventually such persons would comprise practically the whole medical staff of the Territory.

15. Mr. SOLDATOV (Union of Soviet Socialist Republics) observed that with the exception of a few posts such as educational instructor and educational assistant, the occupations listed in the table were menial ones.

16. He recalled that at the eighth session (337th meeting) of the Trusteeship Council the special representative had stated that the Administering Authority had taken steps to organize secondary education in the Territory, and asked how that statement could be reconciled with the information given on page 71 of the annual report that there was no secondary school in the Territory.

17. Mr. HALLIGAN (Special representative for New Guinea) pointed out that the educational section of the report gave an account of the whole educational system from the village school to the higher training centres. While it was true that there was no secondary education at present, there was provision for higher education in the future.

18. Mr. SOLDATOV (Union of Soviet Socialist Republics) referred to the statement on page 14 of the report that membership of the advisory councils was restricted to non-indigenous inhabitants, and asked whether that restriction applied to both district advisory councils and town advisory councils, and if so why, in view of the fact that their functions were purely advisory and that the indigenous population was presumably greatly in the majority in the towns and districts concerned.

19. Mr. HALLIGAN (Special representative for New Guinea) confirmed that the restriction applied in both cases. For the indigenous inhabitants to participate in any form of council was a new departure. They would be able to take part in the district and town advisory councils as and when the success of the village councils showed that they were fitted to do so.

20. Mr. SOLDATOV (Union of Soviet Socialist Republics) asked whether the members of the village councils were elected by secret ballot and who the voters were.

21. Mr. HALLIGAN (Special representative for New Guinea) said that the whole adult population of the villages was entitled to vote. As stated on page 18 of the annual report, the election could be by either open or secret ballot. He was unable to say which form of ballot had been used in electing each of the four village councils.

22. In reply to a further question by Mr. SOLDATOV (Union of Soviet Socialist Republics) Mr. HALLIGAN (Special representative for New Guinea) explained that after the election for the Rabaul Native Village Council had taken place, the Council had levied a tax of £4 on each male voter. Women were not obliged to vote, but if they did vote they were liable to a tax of £1. The village councils were authorized by the Native Village Councils Ordinance to levy taxes, subject to the approval in writing of the Administrator.

23. He was unable to say offhand how many persons had taken part in the elections.

24. Mr. SOLDATOV (Union of Soviet Socialist Republics) hoped that the special representative would be able to supply the Council with the information which he had requested.

25. He would like to know on what questions the village councils had made recommendations or decisions during the period under review and whether there were

¹ See *Report to the General Assembly of the United Nations on the Administration of the Territory of New Guinea from 1st July, 1950, to 30th June, 1951*, Commonwealth of Australia, 1951.

any instances in which the Administrator had failed to approve those decisions.

26. Mr. HALLIGAN (Special representative for New Guinea) recalled that the councils were a recent innovation. They could take decisions on certain matters such as the maintenance of local order and the provision of social and public services, to the extent their finances allowed, and they could carry out those decisions without further authorization. Minutes of village council meetings were kept and decisions were taken by resolution. The village councils were advised and assisted in their executive and financial work by a Native authorities officer, who devoted his whole time to such work; as the councils gained experience, they would be able to dispense with such guidance.

27. Mr. SOLDATOV (Union of Soviet Socialist Republics) having asked for an explanation of the fact that the district commissioners referred to on page 15 of the annual report combined administrative and judicial functions, Mr. HALLIGAN (Special representative for New Guinea) said that it had always been the practice in the Territory for the district officer (now the district commissioner) to be a magistrate, too. In certain areas such as Rabaul and Las where there was sufficient work to justify the employment of a full-time magistrate, such work was carried out by a district officer magistrate, the district commissioner retaining only administrative and executive functions.

28. In reply to further questions by Mr. SOLDATOV (Union of Soviet Socialist Republics), Mr. HALLIGAN (Special representative for New Guinea) stated that there were no indigenous magistrates in the statutory courts in the Territory because none of the indigenous population was sufficiently educated or had demonstrated that he would be capable of acting as a magistrate in one of the statutory courts. In the non-statutory courts around Rabaul, indigenous inhabitants did sit as magistrates, but not many of the indigenous inhabitants had shown that they were capable of carrying out judicial functions. The courts to be set up under the Native Village Courts Ordinance would represent the first step towards placing indigenous inhabitants in judicial positions in the statutory judicial system of the Territory.

29. So far no indigenous inhabitants had been sent to special schools to prepare them to serve as magistrates in the district courts. Such special training would be given when the general educational standard in the Territory made it possible and when the indigenous inhabitants had gained experience in the proposed village courts.

30. Mr. SOLDATOV (Union of Soviet Socialist Republics) inquired the reason for the increase in the number of convictions during the period under review, as seen in the table on page 84 of the report.

31. Mr. HALLIGAN (Special representative for New Guinea) replied that that increase was due to extended and intensified administration in the various areas, which had made it possible to bring the offences before the courts. The specific cases in which the number of charges before the courts for Native affairs had increased could be found in the table on page 103. The most common offence was threatening, abusive, insult-

ing or indecent language, an offence under regulation 83(c) of the Native Administration Regulations.

32. Mr. SOLDATOV (Union of Soviet Socialist Republics) felt that the number of convictions indicated that regulation 83(c) was a rather important regulation, and it was interesting to note that all 866 cases tried under that regulation had resulted in convictions. He would like to know what offences were included under it and suggested that a copy of the Native Administration Regulations might be made available to the Council, together with court records dealing specifically with violations of regulation 83(c).

33. Mr. HALLIGAN (Special representative for New Guinea) said that he could certainly obtain a copy of the Native Administration Regulations and that he would try to give some indication of typical offences under regulation 83(c). The court records, however, were kept at the headquarters of the district in New Guinea where the offence was committed and they would not readily be available. If it should prove possible to obtain them at a later date, he would arrange for them to be made available to the Council.

34. In reply to questions by Mr. S. S. LIU (China), Mr. HALLIGAN (Special representative for New Guinea) stated that the Legislative Council was composed of twenty-nine members and that all twenty-nine seats had been filled. The qualifications required of the three non-official members referred to in section 36, paragraph 1(c), of the Papua and New Guinea Act, 1949, were defined in section 8 of the Legislative Council Ordinance, 1951. Those qualifications might be summarized in the following manner: the person must be over twenty-one years of age and have resided for at least twelve months in the Territory; he must be a British subject or Australian protected person, not an indigenous inhabitant or an alien. In section 5 of the Nationality and Citizenship Act 1948-1950 the term "alien" was defined as a person who was not a British subject, an Irish citizen or a protected person. A further regulation of 12 October 1951, extended the term "protected person" to Australian protected persons and persons who were British protected persons under the law of the United Kingdom or New Zealand. The term "Australian protected person" meant a person born in New Guinea or Nauru who was not a British subject and had not, in accordance with the regulation, renounced his status as an Australian protected person.

35. In reply to a further question by Mr. S. S. LIU (China), Mr. HALLIGAN (Special representative for New Guinea) said that a number of the Chinese residents in the Territory were British subjects by birth elsewhere or Australian protected persons under the 1951 regulation and, as such, were entitled to vote in elections to the Legislative Council.

36. Mr. S. S. LIU (China) explained that he had information that a barrister representing the Chinese in New Guinea had been asked by the Government of the Territory to inform his clients at 3 p.m. on 11 October 1951 that the Administration had decided to permit all Chinese born in the Territory to apply for enrolment under section 8 of the Legislative Council Ordinance, 1951, such application to be filed by 6 p.m. of the same day. He pointed out that some of the Chi-

nese in question had British nationality by virtue of their birth in Hong Kong and wondered why only Chinese born in the Territory were permitted to vote. Furthermore, the notice had been given at such a late hour that it had been practically impossible for qualified persons to enrol.

37. Mr. HALLIGAN (Special representative for New Guinea) replied that the Chinese born in the Territory would be Australian protected persons and entitled to vote under the regulation of 12 October 1951. The Chinese born in Hong Kong, being British subjects, would come within the definition of persons under section 8 of the Ordinance and would also be entitled to vote. He had no knowledge of the specific matter raised by the Chinese representative nor of the advice given on 11 October. He saw no need for such advice, since the question apparently related to Chinese who were of British nationality and who were already entitled to vote under the Legislative Council Ordinance, dated 5 September 1951.

38. Mr. S. S. LIU (China) drew attention to the fact that the Chinese constituted approximately one-third of the non-indigenous population of the Territory and more than one-third of that population if all Asians were included. Since the Chinese had contributed much to the development of the Territory and suffered greatly during the war, it was only fair that they should have some representation in the Legislative Council. If the population was divided into indigenous and non-indigenous groups, the Asians, a minority in the non-indigenous group, could never hope to be represented under section 36, paragraph 1(c), of the Papua and New Guinea Act. He therefore suggested that the non-indigenous group should be sub-divided into a European section and an Asian section; at least one non-indigenous Asian representative would then be elected to the Legislative Council.

39. Mr. HALLIGAN (Special representative for New Guinea) did not see any special need to divide the population into particular groups and felt that there would be no logical end to such a process. If desired, however, he would convey the suggestion to his Government.

40. Mr. S. S. LIU (China) suggested that another method might be for the Administering Authority to include qualified Chinese in its nomination of the three non-indigenous non-official members referred to in section 36, paragraph 1(f), of the Papua and New Guinea Act, 1951.

41. Mr. HALLIGAN (Special representative for New Guinea) agreed that that would be possible, but pointed out that the three members in question had already been appointed. He drew attention, however, to the fact that Chinese representatives had been appointed to the town advisory councils.

42. He explained, in reply to further questions, that the term of office of members of the Legislative Council was three years.

43. Mr. S. S. LIU (China) asked the Administering Authority to give very careful and sympathetic consideration to the nomination of qualified Chinese to the Legislative Council when the term of office of the present members expired. Even then, the Chinese

would have to wait three years before they had any chance of being represented.

44. Mr. HALLIGAN (Special representative for New Guinea) said that he would convey the Chinese representative's request to his Government.

45. Mr. FORSYTH (Australia) emphasized that the conveying of a request signified no commitment by the Australian Government, whose attention would, however, be called to the Chinese representative's remarks.

The meeting was suspended at 4.20 p.m. and was resumed at 4.40 p.m.

46. Mr. S. S. LIU (China) wished to raise one or two questions relating to a petition submitted to the United Nations Visiting Mission to Trust Territories in the Pacific by the New Guinea Chinese Union (T/Pet/8/4 and Add.1).

47. A distinction was drawn between Chinese who had entered New Guinea before 1922—who were given the status of permanent residents with exemption certificates—and Chinese who entered the Territory after 1921; the latter were not considered permanent residents and were afraid to leave the Territory before obtaining exemption certificates. The distinction between permanent residents and others often meant the breaking up of family life and family businesses if one member, or more, of the family was not a permanent resident.

48. According to its report (T/791), the Visiting Mission had considered that it was logical and necessary that permission should be granted for permanent substitutes for elderly business men to enter the Territory and that the policy of granting permanent residence to the wives of Chinese already in the Territory should be interpreted in the broadest sense. It had hoped that the Administering Authority would review the whole question of immigration sympathetically. The *Ad Hoc* Committee on Petitions had endorsed that hope and had suggested in its report (T/L.152) that the Administering Authority should be invited to include in its following annual report information on its conclusions. Unfortunately, however, no such information was included in the report under review, though he personally had been gratified to note from the observations of the Administering Authority on the petition (T/965) that one question—the status of Chinese children born in the Territory—had been solved by the October amendment to the Nationality and Citizenship Act which had granted them the status of Australian protected persons. He would like further information on the other points he had raised.

49. Mr. HALLIGAN (Special representative for New Guinea) wished to make it clear that the Chinese nationals who had entered the Territory prior its administration by Australia as a League of Nations mandate were considered permanent residents and were not there under certificates of exemption. Later entrants had been admitted under exemption from certain provisions of the Immigration Ordinance, 1932-1940.

50. On 30 June 1951 the Chinese population of the Territory had been estimated at 1,949, the majority being permanent residents. There were, however, some 200 people who had arrived in the Territory in 1934

or 1935 under certificates of exemption—for an initial period of three years—and who had been unable to leave on account of the war in China and the Second World War. Those people had now resided in the Territory for from ten to eighteen years but had not yet been granted permanent residence. It was on their behalf that the petition had been submitted.

51. The whole question was being actively considered but no decisions had yet been reached.

52. Mr. S. S. LIU (China) drew attention to another matter mentioned in the petition, namely, the fact that Chinese were denied the right to acquire land. He wondered if the Administering Authority was prepared to remedy the situation and grant Chinese residents in New Guinea the same property rights as other non-indigenous residents enjoyed.

53. Mr. HALLIGAN (Special representative for New Guinea) replied that, subject to the paramount requirements of the indigenous inhabitants of the Territory, the Chinese were able to acquire land in the Territory and had indeed done so.

54. Mr. S. S. LIU (China) said that he had a report citing a number of instances to prove that the Chinese were denied the right to acquire land.

55. The PRESIDENT suggested that the speediest solution might be for the Chinese representative to let the Australian representative have that list.

56. Mr. S. S. LIU (China) asked whether the Administering Authority was taking any action with regard to another complaint in the petition: namely, that the scale of wages paid to Chinese workers in the Territory was lower than that of European workers.

57. Mr. HALLIGAN (Special representative for New Guinea) explained that he had not expected the petition to be dealt with at that meeting and so was not in possession of all the facts.

58. Mr. S. S. LIU (China) considered that in view of the urgency of the whole matter raised in the petition and of the fact that information had been requested for the present session, it would be legitimate to expect information in the Administering Authority's next report.

59. Mr. HALLIGAN (Special representative for New Guinea) stated that he would bring the remarks of the Chinese representative to the notice of the Australian Government and he hoped that detailed information on all the points raised would be included in the report for 1951-1952.

60. Mr. RYCKMANS (Belgium) drew attention to the statement in the annual report (p. 30) to the effect that a Native Land Commission had been established under the Native Land Registration Ordinance of 1951 for the purpose of determining the actual Native ownership of land and the areas in which concessions could be granted in the absence of any indigenous owners. In his opening statement (394th meeting), the special representative had said that the indigenous inhabitants could apply to the Commission to have land registered. He wondered what would be the status of land not dealt with by the Commission. Would the indigenous inhabitants be free to settle on it later, or would their rights be limited to the property recognized as theirs by the Native Land Commission?

61. Mr. HALLIGAN (Special representative for New Guinea) explained that the fundamental concept of the land policy in the Territory was that the land belonged to the indigenous inhabitants. Of the 93,000 odd square miles that made up the Territory, only 940,262 acres (approximately 1,450 square miles) had been alienated. The object of the ordinance was not only to establish and to record the ownership of land but also to determine what land, though allegedly belonging to the indigenous inhabitants, was not used by them and could therefore be available for agricultural development. Before any land was declared to be available there was a lengthy and careful procedure to ensure that the indigenous inhabitants did not require it for purposes of their own and that to declare it Crown land would not be detrimental to their interests.

62. Mr. RYCKMANS (Belgium) would have found it more satisfactory if the report, instead of stating that steps were being taken to determine the actual Native ownership of land, had declared that whenever application was made for land that was presumed to be Crown land, steps would be taken to see whether the land in question was really vacant. If steps were taken to determine the land at present occupied by indigenous inhabitants, the result might be to confine the indigenous inhabitants to Native reserves and to deprive them of any right to the land not at present in their possession.

63. Mr. HALLIGAN (Special representative for New Guinea) again stressed that the fundamental consideration of the Administering Authority was that the land in the Territory belonged to the indigenous inhabitants. The ordinance did not change that policy in any way; rather, it endeavoured to carry it out. Moreover, appeal was provided for. Any indigenous claimant who was not satisfied with a decision of the Commission could, within sixty days of being notified of that decision, appeal to a Native Land Appeal Court, to be set up by a judge of the Supreme Court.

64. There was no question of taking over large tracts of land used by the indigenous inhabitants. The purpose of the ordinance was rather to make the best possible use of the land and to promote the economic development of the Territory by making unused land available to any persons, whether indigenous or not, who were willing to settle in the Territory and expand its agricultural activities.

65. Mr. SAYRE (United States of America), drawing attention to the statement on page 31 of the report that the indigenous inhabitants were taking advantage of the assistance and encouragement given to them to participate in agricultural, trading and other activities, asked what was the Administering Authority's policy with regard to the encouragement of indigenous private enterprise and how and in what form assistance was given.

66. Mr. HALLIGAN (Special representative for New Guinea) explained, in the first place, that for some years to come private enterprise in the Territory would inevitably be mainly the enterprise of Australians. That did not, however, exclude the idea of indigenous private enterprise, which would undoubtedly develop in the course of time.

67. The assistance and encouragement given to indigenous private enterprise took the form of instruction, demonstration and agricultural extension work. There was the indigenous community project in the Amele area, for example, where rice was being cultivated for the first time, the annual produce being in the neighbourhood of 100 tons. A mill had been set up, the technical advice necessary for its establishment having been provided by the local officer of the Department of Agriculture, who visited the project frequently to give instruction and advice. The Administration had advanced the money required for the purchase of the necessary machinery and the loan had already been repaid *in toto*.

68. Apart from the project, which was more in the nature of a Rural Progress Society, there were numbers of formal indigenous co-operative societies conducted under the Co-operative Societies Ordinance, with a total membership of over 5,000 and a total capital of over £17,000. Then, again, there were many cases of individual indigenous inhabitants carrying out commercial activities: one had a store; others were running a plantation for the production of copra; another ran a boat service between the island of Karkar and the mainland; another was manufacturing salt by the evaporation of salt water; yet another group of indigenous inhabitants was growing vegetables in the highlands of New Guinea and had arranged for them to be flown to parts of the Territory where they were unobtainable.

69. Those were but a few examples of the type of enterprise in which the indigenous inhabitants were engaged, either individually or in groups. The Administration gave all possible assistance in the way of technical advice and encouragement and in some cases it advanced sums of money.

70. Mr. SAYRE (United States of America) asked what proportion of the agricultural produce exported from New Guinea during the year under review had been produced by indigenous growers as distinct from European growers.

71. Mr. HALLIGAN (Special representative for New Guinea) replied that indigenous growers are responsible for roughly 15 per cent of the copra exported. He doubted whether any of the cocoa or coffee exported that year was the produce of indigenous growers, since it had been only within the last few years that indigenous inhabitants had turned to cocoa and coffee growing and the plants would not yet be bearing.

72. The number of indigenous inhabitants producing copra was increasing and was already quite remarkable. Under the guidance of technical officers of the Department of Agriculture, they were also taking up the cultivation of cocoa with great enthusiasm.

73. Mr. SAYRE (United States of America) asked whether government officials participated in the indigenous co-operative societies as officers, or whether the indigenous people were themselves able to carry out the administrative work of the societies.

74. Mr. HALLIGAN (Special representative for New Guinea) replied that a few trained co-operative officers were provided by the Administration to give a certain amount of guidance to the co-operative societies.

75. He proceeded to read an extract from a report of the Director of District Services and Native Affairs describing the organization of nineteen co-operative societies in the New Ireland area, where the responsibility of running the societies had rested with the indigenous inhabitants, under the constant guidance of a co-operative officer. They had operated mainly as consumer stores and had been conducted with the greatest enthusiasm until that guidance had of necessity been withdrawn, after which there had been a breakdown in the operation of the stores and a general slackening of tempo. Later on, a co-operative officer had been allocated to the district to restore the societies to their former efficiency, and since that time they had been operating successfully. It had been found necessary, however, to concentrate for the present on copra production, until such time as the education of the indigenous inhabitants through the medium of the co-operative schools conducted by the Administration had reached the stage where consumer-store activities could be resumed.

76. Mr. SAYRE (United States of America) asked what progress the study of the taxation system of the Territory, which he understood had been going on for some time, had made.

77. Mr. HALLIGAN (Special representative for New Guinea) said that the inquiry, which was sufficiently extensive to cover all aspects of the financial obligations of the Administration, was still proceeding; as yet there was no indication of the conclusions that would be reached. To mention but one aspect of it, a committee had been set up to inquire into the question of a customs policy for the Territory: whether the present policy should be maintained or whether there should be some changes.

78. In reply to a further question by Mr. SAYRE (United States of America), Mr. HALLIGAN (Special representative for New Guinea) stated that the Customs Tariff Ordinance, which was to remove the main differences between the tariff in Papua and that in New Guinea, had been put into force on 1 July 1950 and was now law. There was no preference in the new combined customs tariff. At no time had there been any preference in the New Guinea tariff, under the Mandate or under the Trusteeship System. The only preference was in Papua law in relation to Australian wines and one other item.

79. Mr. SAYRE (United States of America) pointed out that while the export of gold from the Territory amounted to almost 25 per cent of the total exports, the revenue derived from royalties on gold represented only about 5 per cent of the internal revenue of the Territory. He understood from the report that the question of raising the rate of royalty on gold from its present figure of 5 per cent had been considered, but that no change was to be made. He wondered what were the reasons for that decision.

80. Mr. HALLIGAN (Special representative for New Guinea) stated that it had been decided to introduce no variation in the 5 per cent royalty payable on gold exported from the Territory. However, the question whether any further taxation or levy should be imposed upon the gold mining industry was still under consideration as part of the general over-all

fiscal policy that was to be established. The royalty was not the only contribution made by the gold industry to the Territory: like any other industry in the Territory, it contributed to indirect taxation, in the form of import duty, harbour dues, storage and licence fees.

81. Mr. SAYRE (United States of America) asked whether the gold mining industry was mainly in the hands of Australian non-official companies or individuals.

82. Mr. HALLIGAN (Special representative for New Guinea) replied that the industry was largely in the hands of companies, many of the individuals who had formerly operated in that field having been forced to abandon it owing to rising costs of production. As was shown on page 47 of the report, a few indigenous inhabitants were operating on their own behalf.

83. Mr. MUNRO (New Zealand) asked how the Rural Progress Societies referred to on page 31 of the report were composed, how they functioned and whether they received any financial assistance from the Administration.

84. Mr. HALLIGAN (Special representative for New Guinea) explained that the Rural Progress Societies were of a less formal nature than the co-operative societies, being nothing more than a banding together of a few indigenous inhabitants in an enterprise. They were not subject to any specific laws and they usually operated in cases where the indigenous inhabitants were not sufficiently advanced to work under the more formal and complicated co-operative societies.

85. An inquiry had been made recently regarding the need to grant formal financial assistance to such indigenous organizations but the results of the inquiry had not yet been published.

86. Mr. MUNRO (New Zealand) asked for some information concerning the Commonwealth Reconstruc-

tion Training Scheme for ex-servicemen, mention of which was made on page 31 of the report.

87. Mr. HALLIGAN (Special representative for New Guinea) replied that although there was a small scheme for European ex-servicemen in the Territory, the Training Scheme referred to in the report was for indigenous ex-servicemen. It had been established by means of subsidies to missions but was now being continued mainly through the Administration and had been extended to indigenous inhabitants generally.

88. Mr. MUNRO (New Zealand) asked what had been the expenditure on road construction during the year under review.

89. Mr. HALLIGAN (Special representative for New Guinea) replied that £232,221 had been spent on road construction during that period. That sum included £75,000 spent on maintenance.

90. Mr. MUNRO (New Zealand) asked what was the extent of forest reserves in the Territory and what was the Administering Authority's policy in the matter.

91. Mr. HALLIGAN (Special representative for New Guinea) replied that there were no forest reserves, since the whole Territory belonged to the indigenous inhabitants, but that the law provided for the creation of timber reserves and territory forests. The Administrator was empowered to declare any part of the Territory to be a territory forest or a timber reserve. The timber reserves, which had not yet been proclaimed, were to be two: one, in the Bulolo Valley, consisted of 40,000 acres acquired from the indigenous inhabitants and was to be used for the manufacture of plywood by the Commonwealth Government, in association with the Bulolo Gold Dredging Limited; another area not far from Lae would be let out by tender to the people who would work the timber on the area.

The meeting rose at 6.10 p.m.