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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: United Nations Educational, Scientific and Cultural Organization; World Health 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. HALLIGAN (Special representative for New Guinea) wished first of all to thank the President and members of the Council for their courtesy towards him. He hoped that his explanations in reply to the many questions which he had been asked had given a clear picture of the position and the progress achieved in the Territory.

2. He explained, in reply to a comment by the Belgian representative, that the *luluais* appointed by the Administering Authority were generally village chiefs recognized by the population and thus enjoyed sufficient authority to carry out, with the assistance of the Administering Authority, the duties conferred upon them.

3. With regard to the comments concerning forest conservation made at the 399th meeting by the New Zealand representative, he said that the Administering Authority was conscious of the importance of the problem and had made provision for the insertion of special clauses in all permits for tree-felling requiring the reforestation of the areas concerned. The Department of Forests had, moreover, drawn up a general

plan for afforestation and had established nurseries for that purpose. The Prime Minister of Australia had recently announced a plan for the exploitation of the pine stands in the Bulolo Valley. The plan provided for fifty annual cuts of 10 million square feet, or a total of 500 million square feet. The cutting was to be followed by progressive reforestation, thus making it possible to work the forests in perpetuity. Lastly, in the Goroka area and the Markham Valley an attempt was being made to combat erosion by new planting on the deforested slopes.

4. Turning to the question of land tenure, he said that all land belonged to the indigenous inhabitants and could only be purchased by the Administering Authority. The Native Land Registration Ordinance, 1951, made no alteration in the system hitherto in force for the purchase of land by the Administering Authority. It was merely intended to determine who the indigenous owners of land were and what land if any was not being exploited by the indigenous inhabitants, with a legal provision to the effect that any such land could pass to the Administering Authority. He also explained that a similar provision already existed in the Land Ordinance, 1922-1950. The only aim of the new ordinance was to promote the Territory's development by means of the rational utilization of land, with every safeguard provided to protect the rights of the indigenous inhabitants.

5. Some of the observations that had been made might give the impression that the Administering Authority was not taking all the necessary steps to ensure the participation of the indigenous inhabitants in the Territory's economic development. He pointed out that that was not the case, and that the Administering Authority was trying to enlist the joint efforts of the Europeans and the indigenous inhabitants, while keeping the paramount interests of the indigenous population always in the forefront.

6. Lastly, in reply to a remark by the USSR representative to the effect that the wages paid to the indigenous inhabitants were quite inadequate since a shirt cost a year's wages and the purchase of such articles as a box of matches or a pound of rice constituted an important item of expenditure, Mr. Halligan explained that indigenous workers were housed,

clothed, fed and given free medical care; the purchase of consumer goods such as those referred to by the Soviet Union representative did not therefore involve them in any expense.

7. Mr. FORSYTH (Australia) also wished to thank the members of the Council for their courtesy to the special representative and the care with which they had examined the annual report.¹

8. He thought that there was no need to re-emphasize the special problems which faced the Administering Authority in New Guinea. The method of peaceful penetration was indeed proving relatively slow in spite of the continuous effort which it involved, but it was greatly to be preferred to the use of force and the liquidation of dissident elements. By comparing the present report and the reports submitted in previous years, the members of the Council would realize that much progress had been made in a few years.

9. In the circumstances, he did not think that the Administering Authority could be reproached for not yet having succeeded in handing over to the indigenous inhabitants full responsibility for their own affairs. Both in the political and the economic field, the Administering Authority must take into account what responsibility the population was equipped to assume. Indigenous inhabitants were already sitting on the village councils and on the Legislative Council and the Administering Authority intended, as they developed, to give them an increasing number of important positions in the administration of the Territory. The process of evolution could be said to consist of three stages: first, the stage at which the indigenous inhabitants occupied subordinate positions; then the stage at which they had equal responsibility with Europeans; and lastly, complete self-government. The present predominance of Europeans—chiefly Australians in the case in point—in the administrative services was thus easily explained.

10. In the same connexion, it was obvious that the salaries of the European personnel in the administrative services, i.e., the qualified personnel, would necessarily be higher than those of the less qualified indigenous personnel; that was common experience in all countries which needed and obtained technical assistance. Adequate pay made it possible to secure the services of specially qualified foreign personnel in under-developed countries.

11. With regard to economic policy, he explained, in reply to a question asked by the United Kingdom representative, that the Australian Government had no intention of withdrawing its support from commercial enterprises in the Territory. The special representative had already pointed out that the Administering Authority supplied a large share of the capital needed for the development of the forestry industry, and the same was true of many other fields. For example, the Administering Authority supplied most of the transport facilities needed for exports from the Territory.

12. With regard to the small proportion of school-age children actually attending school, he pointed out that although progress had already been made in that respect, it could obviously not be expected that the whole Territory—some parts of which were still inaccessible—should have benefited in a few years from the steps taken by the Administering Authority. Moreover, it should not be forgotten that progress in education was closely linked with economic progress; as and when the more remote areas became able to take part in the economic life of the Territory, the need for new schools would be more acutely felt and more easily satisfied.

13. The French representative had rightly pointed out that in carrying out its task in New Guinea, the Australian Government could benefit from the experience acquired in other parts of the world by the colonial Powers. Australia was aware of that possibility and sought to make as much use of it as possible. In that connexion, he had noted with surprise that no representative had mentioned the South Pacific Commission, set up on the initiative of Australia and New Zealand and including in addition to those two countries, France, the Netherlands, the United Kingdom and the United States. The Commission studied fundamental problems which arose in the territories in the South Pacific in respect of public health, economic and social development and education, and Australia had reaped much benefit from the suggestions made by the various governments, thus putting to good advantage the experience acquired by the Powers to which the French representative had referred.

14. He also expressed surprise that only the United Kingdom representative had referred to the community development scheme mentioned in the annual report, the purpose of which was to induce the population to assume increasing responsibility in community development. Experiments of that kind showed that the Administration was not relying merely on traditional policies but was seeking new means of stimulating the interest of the indigenous population and giving them an opportunity to co-operate in community self-development.

15. Certain representatives had wanted to know whether the Administering Authority was endeavouring to effect a transition from tribal organization to a system of autonomy based upon democratic principles. Tribal organization, to the extent to which it existed in New Guinea, was a reflection of the way of life of the people. If the Administering Authority set out to destroy that practice, it would find itself compelled to impose upon the indigenous population a new system with which they were unfamiliar and which would fail to take their aspirations and traditions into account. The Administering Authority did not intend to adopt that attitude; far from wishing to create a class of proletarians, it intended to make use of those social elements which could be preserved to bring the population to methods consistent with modern democratic principles.

16. For that reason, moreover, the Administering Authority was not convinced that the setting up of special schools to train the indigenous population to occupy posts of increasing importance in administra-

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.

tive departments was the best method from the standpoint of the population's interests. The setting up of such schools would in fact imply the creation of a sort of privileged class which would become separated from the rest of the population and might eventually enjoy a monopoly over positions in administrative departments; in the circumstances, a better approach would be to train all the people without distinction to become aware of their duties as citizens.

17. The Australian representative observed, in concluding, that many questions of detail had been put to the special representative. It would be advisable, where it appeared that sufficient information to enable the Council to reach a conclusion on a particular point was not immediately available, to discontinue the questioning and to request the Administering Authority to study the matter further or to include a special passage on the point in future reports. Time could have been saved by that method, one which had been followed at the eighth session of the Council in connexion with the Paliau movement.

Mr. Halligan, special representative of the Administering Authority for the Trust Territory of New Guinea, withdrew.

Examination of the annual report of the Administering Authority on the administration of the Trust Territory of Nauru for the year ended 30 June 1951 (T/924, T/956) (continued)

[Agenda item 3(b)]

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

18. The PRESIDENT invited members of the Council to resume their questioning of the special representative on the subject of economic advancement in the Territory.

19. Mr. SOLDATOV (Union of Soviet Socialist Republics) pointed out that it was stated on page 16 of the annual report² that the deposits of phosphate would be worked out in about sixty-five or seventy years. The Council had already discussed at previous sessions the measures which the Administering Authority had adopted or intended to adopt to ensure the economic future of the Territory following the exhaustion of the phosphate deposits. He wondered whether the special representative could provide information on the subject.

20. Mr. HALLIGAN (Special representative for Nauru) stated that the Administering Authority had two solutions in mind: one was that the phosphate industry might be replaced by some other industry; the other that the whole indigenous population should be offered the opportunity to move to some other island. Investigations undertaken showed that the land, once the phosphate deposits had been worked out, would not lend itself to the development of other

economic activities and that consequently it was not likely that the population could continue to live on the island. Before finally discarding the first solution, the Administering Authority was continuing to examine the possibilities it held; the advice of scientists had been sought and they were currently engaged in extensive research and surveys. Although the problem was not particularly urgent, the Administering Authority was taking it into consideration in its plans for the development of the Territory, as the training now given to the indigenous population, designed as it was to facilitate their employment in certain posts in the phosphate industry or in the Administration, would have to be radically changed if they were to be transferred to another territory and forced to adopt a different mode of living.

21. Mr. SOLDATOV (Union of Soviet Socialist Republics) wished to know the price of Nauruan phosphate in relation to the price of phosphate on the world market.

22. Mr. HALLIGAN (Special representative for Nauru) stated that, so far as the financial aspects of the phosphate industry were concerned, he had no information other than that supplied by the British Phosphate Commissioners and given in appendix VII of the report. He was therefore unable to make a comparison between the price of phosphate in Nauru and on the world market.

23. Mr. SOLDATOV (Union of Soviet Socialist Republics) wondered whether the inability of the Administering Authority to reply to such a basic question could not be taken as an indication that the British Phosphate Commissioners had established a monopoly and did not report to the Administering Authority.

24. Mr. HALLIGAN (Special representative for Nauru) said in reply that the phosphate industry was the responsibility of the British Phosphate Commissioners, an independent organization formed by the Governments of the United Kingdom, Australia and New Zealand. Their operations were described on page 25 of the report. In the circumstances, he could add nothing to the information provided by that organization.

25. Mr. SOLDATOV (Union of Soviet Socialist Republics) wondered how the Administering Authority, since it did not know the price at which Nauruan phosphate was purchased and its relation to the world market price, could determine whether the royalties paid to the indigenous population and the wages paid to workers in the phosphate industry were fair. Moreover, the Administering Authority did not know the total production costs or the revenue of the British Phosphate Commissioners.

26. Mr. HALLIGAN (Special representative for Nauru) stated in reply that the royalties were fixed in agreement with the Nauruan Council of Chiefs and in negotiation with the British Phosphate Commissioners, account being taken of the current and future needs of the population; they were not established as a percentage of the export price of phosphate.

27. Similarly, salaries and wages were not fixed in relation to the market price of phosphate but were based on the worker's place of recruitment, and they

² See Report to the General Assembly of the United Nations on the Administration of the Territory of Nauru from 1st July, 1950, to 30th June, 1951, Commonwealth of Australia, 1951.

varied with the duties and responsibilities of the persons concerned. It was quite normal that staff recruited outside the Territory, who were mainly Australians, Chinese and Gilbertese, should receive remuneration similar to what they would be paid in their own country, plus certain allowances in some cases.

28. Mr. SOLDATOV (Union of Soviet Socialist Republics) considered the special representative's reply unsatisfactory.

29. Turning to another subject, the USSR representative asked why there was no fishing industry in the Territory.

30. Mr. HALLIGAN (Special representative for Nauru) pointed out that fishing had at one time been the main pursuit of the indigenous population, but the latter had gradually abandoned the fishing industry for employment with the Administering Authority or the British Phosphate Commissioners. Some of the thirty-five indigenous persons not employed by the Administering Authority, the British Phosphate Commissioners or the Nauru Co-operative Society were engaged in fishing and sold their catch to the population. Inquiries had been made into the possibility of establishing fishing on a commercial scale, but the results were not yet known.

31. Mr. SOLDATOV (Union of Soviet Socialist Republics), referring to page 15 of the annual report, wished to know why the expenditure of the Department of Education was three times less than that of the Department of Police and Judiciary.

32. Mr. HALLIGAN (Special representative for Nauru) felt that it was not a matter of mere comparison of respective figures; the amounts spent by the departments concerned had been sufficient to meet the cost of the services considered necessary.

33. Mr. SOLDATOV (Union of Soviet Socialist Republics) reserved the right to comment at a later stage on the reply given by the special representative.

34. Mr. S. S. LIU (China), recalling the special representative's statement with regard to the industrial future of the Territory after the phosphate deposits were exhausted, and referring to section 37 of the annual report, asked for further information on the results of the experiments made in the agricultural field and mentioned in section 36 of the report.

35. Mr. HALLIGAN (Special representative for Nauru) did not think that there was any prospect of establishing on Nauru an industry which would provide the inhabitants with earnings equal to those obtained from the phosphate industry. The sole purpose of the experiments mentioned in section 36 of the report was to produce additional foodstuffs for local consumption. The photograph opposite page 13 of the report gave a good idea of the value of worked-out phosphate land. In view of the limited resources of the Territory, it was unlikely that agricultural development would offer encouraging prospects once the phosphate deposits had been worked out.

Mr. Khalidy (Iraq), Vice-President, took the Chair.

36. Mr. SALAZAR (Dominican Republic) asked what taxes and duties made up the revenues of the Territory.

37. Mr. HALLIGAN (Special representative for Nauru) said that the major portion of the Territory's revenues came from royalties on phosphates. As shown in appendix IV of the annual report (p.35), the royalties on the phosphate industry and the payment in respect of customs duties made by the British Phosphate Commissioners amounted to a total of some £73,000, while the total revenue of the Territory came to £85,019 in all.

38. Mr. SALAZAR (Dominican Republic) noted, however, that it was stated on page 13 of the annual report that the sum paid by the British Phosphate Commissioners to the Administering Authority amounted to a total of £194,342. He wanted to know how that sum was broken down.

39. Mr. HALLIGAN (Special representative for Nauru), referring to pages 13 and 14 of the annual report, said that the sum included £110,920, representing the royalties paid to the Administering Authority and the Nauruans or credited to their account, and £83,422 paid in respect of customs duties by the British Phosphate Commissioners as well as the reimbursement of advances made to the Administration for reconstruction and for the indigenous housing programme.

40. In reply to a question by Mr. SALAZAR (Dominican Republic) regarding other revenues of the Territory, Mr. HALLIGAN (Special representative for Nauru) drew attention to the detailed table on page 35 of the report. Apart from the royalties on phosphates and the payment in respect of customs duties made by the British Phosphate Commissioners, the Territory's revenues were negligible.

41. Mr. SALAZAR (Dominican Republic) asked why the table on page 15 of the annual report showed that the Territory's revenues amounted to only £53,138, £31,881 and £60,000, corresponding respectively to royalties on phosphate, other revenue and rehabilitation advance.

42. Mr. HALLIGAN (Special representative for Nauru) pointed out that the table showed the total available revenue of the Administration for the financial year 1950-1951. Moreover, the sums of £53,138 and £31,881 made up the total of £85,019, which was broken down on page 35 of the report. The advance of £60,000 referred to was part of the global sum of £300,000 intended to cover the cost of reconstruction of public buildings and the administrative expenses of the Territory; it was reimbursable in annual instalments.

43. Mr. SALAZAR (Dominican Republic) thought that the public finances of the Territory were needlessly complicated in view of the fact that the island had only some 3,400 inhabitants and that the mining of phosphates was a monopoly granted to the British Phosphate Commissioners. He asked to what extent public accounting might be simplified.

44. Mr. HALLIGAN (Special representative for Nauru) pointed out that the Territory's budget was drawn up in accordance with generally accepted public finance methods. If, however, the Council considered that the Territory's budget was set out in the report in a manner likely to cause confusion, the Administering Authority would endeavour to correct that situation.

45. Mr. SALAZAR (Dominican Republic) asked to what extent the six royalties on phosphate might be replaced by a single royalty, or whether it might even be feasible to levy a kind of income tax.

46. Mr. HALLIGAN (Special representative for Nauru) replied that the poll tax had been abolished in the last financial year. The possibility of levying a tax on income had been considered, but so complicated a measure did not appear justified in the Territory.

47. Moreover, he did not think that the Trusteeship Council would have the detailed information it desired if the Administering Authority merely levied a global tax on phosphate. An initial royalty was paid to the owners of the land from which the phosphate was mined. In addition, royalties were paid to the Nauruan Community Long-Term Investment Fund, which had recently been established as a reserve fund for the royalties, and which would be used for the benefit of the Nauruans after the phosphate deposits had been exhausted.

48. In reply to a question by Mr. SALAZAR (Dominican Republic) on whether some of the phosphate royalties were not listed in the Territory's budget, Mr. HALLIGAN (Special representative for Nauru) drew attention to the table on the bottom of page 13 of the report. He pointed out that the royalties payable to the Administering Authority appeared in the budget while those paid to the Nauruans or credited to their account did not so appear. Of the total of £110,920 referred to on page 13, £47,737 were included in the Administering Authority's budget. The royalties paid to landowners came to £23,769; the royalties paid to the Nauru Royalty Trust Fund, which was used exclusively for the benefit of the Nauruans, amounted to £11,884; the royalties paid to the Nauruan Landowners' Royalty Trust Fund came to £7,923; and the royalties paid to the Nauruan Community Long-Term Investment Fund amounted to £19,607, making a total of £110,920.

49. Mr. SALAZAR (Dominican Republic) asked the special representative what the price of a ton of phosphate had been in 1947 and what the market price was on 30 June 1951.

50. Mr. HALLIGAN (Special representative for Nauru) replied that he did not have that information.

51. Mr. SALAZAR (Dominican Republic) asked whether the Administering Authority was planning to diversify the island's economy.

52. Mr. HALLIGAN (Special representative for Nauru) said that, apart from phosphate, copra was the only product which had ever been a definite source of revenue for Nauru. Much of the sparse flat-land suitable for the cultivation of coconut palms had been rendered useless during the war and the efforts to reconstitute the copra industry had been rather unsuccessful. Nevertheless, the Administration would continue those efforts.

53. The Administration was also studying the possibilities of building up a fishing industry, but the outlook was not very encouraging mainly because Nauru was so isolated.

54. The PRESIDENT asked the members of the Council to put questions to the special representative for Nauru on the section of the annual report dealing with social advancement in the Territory.

55. In reply to a question by Mr. RYCKMANS (Belgium), Mr. HALLIGAN (Special representative for Nauru) said that very few Chinese workers had been repatriated for health reasons before the expiration of their contracts. The details requested by the Belgian representative on the subject would appear in the following annual report.

56. To another question by Mr. RYCKMANS (Belgium), Mr. HALLIGAN (Special representative for Nauru) replied that the following annual report would also contain all available information on the reasons why men continued to outnumber women.

57. Mr. RYCKMANS (Belgium) wanted to know whether the Administering Authority intended to allow workers hired outside the island to bring their families in.

58. Mr. HALLIGAN (Special representative for Nauru) replied that it was still not feasible to allow those workers to bring in their families owing to the lack of housing and the land required for housing purposes. For that reason, some years previously, the term of their labour contracts had been reduced from two years to one.

59. Mr. SAYRE (United States of America), comparing the report for 1949-1950³ with the report for the current year, noted that the prices of consumer goods had risen sharply and asked what measures had been taken by the Administering Authority to protect the inhabitants from the consequences of that price rise.

60. Mr. HALLIGAN (Special representative for Nauru) pointed out that the diet of the Nauruans was composed of local products and food imported from Australia; the price of the latter varied with the fluctuations on the Australian market. To counter-balance the rise in the prices of those products, the salaries of Nauruan workers had been raised twice, on 1 July 1950 and 1 July 1951.

61. Mr. SAYRE (United States of America) asked what steps had been taken to ensure a regular water supply and to overcome the effects of periodic droughts.

62. Mr. HALLIGAN (Special representative for Nauru) replied that there were some artificial reservoirs and tanks. The Administering Authority was continually concerned with the question but did not, for the time being, plan to expand existing installations, which would be very difficult. When droughts were unusually long, the ships carrying phosphate away from the island brought water as return cargo.

63. In replying to another question from Mr. SAYRE (United States of America) Mr. HALLIGAN (Special representative for Nauru) said that on 30 November 1951, 244 of the 250 completed dwellings had been occupied. To facilitate the purchase of furniture,

³ See *Report to the General Assembly of the United Nations on the Administration of the Territory of Nauru from 1st July, 1949, to 30th June, 1950*, Commonwealth of Australia, 1950.

a fund had been set up to which the Australian Government had contributed £15,000 in compensation for war damage. It was likewise intended to pay into the fund some of the revenues from the copra industry. Those arrangements had not, however, yielded the expected results and the Administering Authority was still studying the matter.

64. In reply to still another question from Mr. SAYRE (United States of America) on the high incidence of leprosy and its treatment, Mr. HALLIGAN (Special representative for Nauru) said that the seventy-one existing cases of leprosy had been discovered since the Australian Government had taken over the civil administration of the island in September 1945. The lepers living in Nauru during the Japanese occupation had been evacuated by the Japanese and it was not known what had become of them. Fifty-five patients regularly came to the clinic and sixteen were isolated in a colony with its own hospital managed by a Samoan medical assistant. The Administering Authority's doctor kept himself informed of the most modern methods of treatment and showed special interest in the isolated patients. Dr. Austin, a distinguished specialist from Fiji, had recently visited Nauru and had drawn up a very satisfactory report.

65. Mr. S. S. LIU (China) pointed out that the Administering Authority had reduced the term of the Chinese workers' contracts from two years to one year instead of carrying out the recommendations made previously by the Trusteeship Council (resolution 323 (VIII)) regarding a humane solution of the problem of their families and instead of giving some thought to the views on that subject of the United Nations Visiting Mission to Trust Territories in the Pacific (T/790, para.94-95). He was sure that a number of those workers had had their contracts renewed and remained longer than one year. He asked how many Chinese labourers remained only one year and how many remained longer.

66. Mr. HALLIGAN (Special representative for Nauru) did not have exact figures but thought he could safely say that quite a number of Chinese labourers signed a new contract when the first expired and that some of them remained in Nauru for three or four years.

67. Mr. S. S. LIU (China) said that since that was the case, there was some reason for giving some consideration to the possibility of permitting such Chinese workers as remained longer than one year to bring their families into the Territory, in accordance with the views expressed by the Visiting Mission.

68. Mr. HALLIGAN (Special representative for Nauru) said that the Administering Authority had given due consideration to the recommendations of the Trusteeship Council and the Visiting Mission, but had not yet been able to find a solution of the problem because it did not have the required housing sites.

69. In reply to another question from Mr. S. S. LIU (China), Mr. HALLIGAN (Special representative for Nauru) stated that the petition (T/Pet.9/5) submitted in 1950 to the Visiting Mission by the Chinese workers concerned not the amount of rations they were receiving, but certain categories of foods which they wanted and which were unobtainable in Nauru. The following annual report would have more details on that point.

70. Mr. S. S. LIU (China) asked whether Chinese workers had benefited by the salary increases effected since July 1951 in the same way as Nauruans.

71. Mr. HALLIGAN (Special representative for Nauru) replied that the Administration and the British Phosphate Commissioners had undertaken a general review of the salaries of Chinese labourers, which had been raised at the beginning of the year covered by the report. If they had been further increased since then, that fact would appear from the following annual report.

The meeting rose at 1 p.m.