



TRUSTEESHIP COUNCIL

Fourteenth Session

OFFICIAL RECORDS

540th Meeting

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President: Mr. Miguel Rafael URQUIA (El Salvador).

Present:

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

The representatives of the following specialized agencies: International Labour Organisation, United Nations Educational, Scientific and Cultural Organization.

At the invitation of the President, Mr. J. H. Jones, special representative of the Administering Authority for the Trust Territories of Nauru and New Guinea, took a place at the Council table.

Examination of conditions in the Trust Territory of Nauru: annual report of the Administering Authority (T/1111, T/1122, T/1125) (*continued*)

[Agenda item 4 (d)]

GENERAL DEBATE (*concluded*)

1. Mr. JONES (Special representative for Nauru) thanked members of the Council for their constructive comments on Nauru made during the discussion of the annual report.¹ His Government was fully alive to the Administration's many problems and eager to ensure fulfilment of the aims of the Trusteeship System. It should be borne in mind, in discussing Nauru, that the area was small and the indigenous population not numerous; also that in their peculiar circumstances the Nauruans were entitled to services not available to other communities. The Council would appreciate the contributions made by the British Phosphate Commissioners to their prosperity.

2. He repudiated the Soviet Union representative's suggestion that the Commissioners and the Administration were involved in a conspiracy to suppress the population with a view to the ruthless exploitation of the phosphates, and that the Administration was controlled by the Commissioners.

¹ See Report to the General Assembly of the United Nations on the Administration of the Territory of Nauru from 1st July, 1952, to 30th June, 1953, Commonwealth of Australia, 1953.

3. The most important question was the future of the Nauruans. While the phosphate deposits lasted, they would be prosperous; the Administering Authority, however, was determined not to allow them to rely on that prosperity to the extent of losing agricultural and other skills, but to train them for, and provide them with, occupations which would be needed when they were no longer able to depend on the phosphate industry for a living. The Salvadorian and Haitian representatives could rest assured that the Administering Authority was studying the future of the Nauruans with a view to their resettlement, in which the Council's views and those of the Nauruans themselves would be taken into account. The Indian representative would wish to note that the Administering Authority was investigating, by such means as an agricultural land use survey, the possibility of rehabilitation of the island itself; but, as the Syrian representative had indicated, it was most improbable that land from which phosphate had been extracted could ever be made productive. The Nauruan Community Long-Term Investment Fund would provide adequate funds for resettlement in due course.

4. The United Nations Visiting Mission to Trust Territories in the Pacific, 1953, had expressed doubts similar to those of the Salvadorian representative as to the adequacy of the Nauru Local Government Council Ordinance. The Administering Authority had examined the question, but had felt that the Ordinance corresponded with the stage of political maturity reached by the people of Nauru. The Administrator was assisting the Nauru Local Government Council to make full use of its powers; in practice that Council could, under section 44 (1) of the Ordinance, make rules covering most aspects of Nauruan life, and would in time be experienced enough to become a fully legislative body on the lines suggested by the Belgian representative at the 537th meeting. It was entirely incorrect to imagine that the Council could only advise the Administrator. The Trusteeship Council could be sure that the powers of the Local Government Council would be extended or clarified in the future if that became necessary.

5. Some representatives, in particular the Indian representative, had commented adversely on the fact that only three Nauruans held senior positions in the Administration; but, as appendix II of the Administering Authority's annual report showed, Europeans held only the 16 most senior posts, for which special qualifications were required, out of a total of 352 positions, only four of which were unskilled. Details of the relatively senior nature of many posts occupied by Nauruans were given in that appendix. Very good progress had been made by the Nauruan people, which thirty-five years previously had been in an undeveloped state and now staffed 95 per cent of the positions in the Administration. Nauruans were being actively trained to occupy more responsible posts and would be appointed to such posts, subject to their capacities and willingness to accept more responsibility.

6. He was grateful to the United Kingdom representative for his favourable comment on the successful elections to the Local Government Council; as requested

by the Salvadorian representative, all possible steps would be taken to ensure that candidates and electors at future elections understood their rights.

7. His Government agreed in principle with the Chinese, Haitian and Salvadorian representatives that corporal punishment should be abolished, and had limited its application to two offences against which it still appeared necessary as a deterrent. The elimination of corporal punishment had been a slow process even in socially mature countries, and the problems in Nauru resembled those which had retarded that process elsewhere.

8. The Administering Authority had supplied, in its annual report, part X, section 3, as well as in his opening statement (535th meeting) and in his answers to questions, information on the finances of the British Phosphate Commissioners, in compliance with article 5 of the Trusteeship Agreement. It should be borne in mind that many items in the Commissioners' accounts were common to their operations in other fields as well as Nauru and could not be separately stated for the Trust Territory. It was difficult to justify a demand for submission to the Trusteeship Council of confidential details on the operations of a commercial enterprise in so far as they bore no relation to a Trust Territory. The Australian, United Kingdom and New Zealand Governments did not consider such information necessary to the Council's proper functioning. The British Phosphate Commissioners were a non-profit-making concern; there was no world market price for phosphates, and the price they paid depended on the cost of production. Comparisons, therefore, would probably be fruitless. The United States representative had said that conditions at Angaur were not comparable with those at Nauru, and the same probably applied to North Africa. Moreover, it was misleading to express Nauruan costs and prices in United States currency, thus taking no account of differences in costs and standards of living. In addition it was doubtful whether the efficiency of the British Phosphate Commissioners would be enhanced by the Council's receiving more details of its operations.

9. The Council should reflect before intervening in the enterprise which conferred such numerous benefits on the Nauruans. The main consideration was whether the Nauruans, who could not have developed the phosphate resources of their Territory themselves, received a reasonable benefit from those resources. The report of the 1953 Visiting Mission (T/1076) showed in paragraphs 39 to 42 the royalties paid by the British Phosphate Commissioners for the benefit of the Nauruans. The Commissioners and the Administration paid the royalties to the Nauruans voluntarily, as a matter of equity, and had so far paid two-thirds of a million pounds at a rate of between £70,000 and £100,000² a year. That benefit was independent of wages earned in employment under the Administration and the Commissioners, and administration and services provided. The Visiting Mission had concluded that the community had services exceeding by far those of any other community of similar size. The benefits to the Nauruans from the enterprise of the Commissioners included employment, education, health, housing, rentals, trust funds and provision for the future; if Australia and New Zealand benefited from assured supplies of fertilizer, a world short of food should not complain. The Visiting Mission had indicated in paragraph 48 of its report that the industry's primary responsibility

was to provide for the future welfare of the Nauruans when they had to be resettled. The Administering Authority was taking appropriate action, and adequate funds would be forthcoming.

10. Information about the agricultural land use survey recently completed by the Australian Commonwealth Scientific and Industrial Research Organization would be made available to the Council.

11. Encouraging comments had been made in the Council concerning public health and housing, to both of which his Government attached great importance.

12. Both his Government and the Nauruans were in favour of continuing the restrictions on movement on Nauru; since a large proportion of the population consisted of temporary immigrants, those restrictions were in the interests of the inhabitants. Paragraph 63 of the Visiting Mission's report indicated the Mission's satisfaction that the Nauruans themselves favoured continuance of the Movement of Natives Ordinance, a fact which he hoped would settle any doubt in the mind of the Soviet Union representative as to the truth of his own remarks to the same effect. The Chinese representative should note the Visiting Mission's observations with regard to restrictions on the movement of Chinese workers. It should be borne in mind that Chinese and other workers came to work on Nauru voluntarily and should conform to any conditions attached to such employment for the protection of the indigenous population.

13. He saw no reason why the Soviet Union representative should find it unusual that prisoners were given food equal in value to that given to workers; the Australian view was that prisoners should be treated with humanity.

14. The infant mortality rate during the year had admittedly been higher than in the preceding years, but the total numbers involved were so small that changes in the number of points were misleading. The number of infant deaths in 1952-1953 had been 12, as against an average of 5 in other years. Over the past six years the rate per 1,000 live births had been 61.4.

15. The Soviet Union representative should note that, when a comparatively large number of Chinese workers was accommodated in one room, that room was a large dormitory with adequate living space per person.

16. Many representatives had expressed appreciation of the progress made in extending secondary and vocational education; his Government attached great importance to education, in particular to fit the Nauruans for full participation in the Administration and for their future economic well-being after resettlement.

17. For the information of the Chinese representative, the amounts allocated to education would in future be shown separately in the Administration's accounts, and their relation to other expenditure clearly indicated. It was the Administering Authority's policy to provide full secondary education facilities in either Nauru or Australia. At the end of 1953 there had been 36 Nauruan secondary pupils in the two countries. The Second World War had retarded educational progress and prevented some students from attending secondary schools overseas. Seven Nauruan girl scholarship-holders were attending Australian secondary schools, and girls were being trained as nurses at the Central Medical School, Fiji. The status of schools conducted by the British Phosphate Commissioners and the Roman Catholic Mission was governed by regulations and instructions issued under the Compulsory Education

² Figures used during the discussion on Nauru refer to Australian currency. £A 125 = £ sterling 100 = \$US 280.

Ordinance, which provided for the registration and inspection of non-Administration schools and for a standard of accommodation, teaching qualifications and courses equal to that obtaining in Administration schools.

18. Mr. OBEREMKO (Union of Soviet Socialist Republics) felt that the special representative's statement had not provided conclusive answers to the criticisms which he and other representatives had addressed to the Administering Authority.

19. He had made no reference to any conspiracy by the Administration and the British Phosphate Commissioners, but had referred to the Agreement concluded in 1919 between the United Kingdom, Australian and New Zealand Governments in complete disregard of the Nauruan people and without their knowledge or consent. That Agreement had imposed upon the Nauruans the exploitation of their island's resources; those resources had been handed over to an official monopoly, which ever since had been engaged in the intensive extraction of Nauruan phosphate and had gained vast profits. Those facts were stated in the Administering Authority's annual report. The repudiations and denials which the special representative had expressed did not alter the facts of the case. But since such an attempt, though unsuccessful, had been made, he felt it necessary to repeat some of his previous remarks.

20. Both he and others had stated that the 1919 Agreement had nothing in common with the Charter or with the Trusteeship Agreement, and that the phosphates, which were being plundered at the rate of more than 1 million tons a year, would be exhausted in a few decades. The indigenous population of Nauru was not receiving a fair return on the exploitation of their resources — less, in fact, than 4 million dollars a year — as a result of the low prices paid by the monopoly. The Administering Authority's report showed the total deposits of phosphate to amount to some 90 million tons. Comparison of that figure with the prices paid for the phosphates showed that the value of those deposits was some 145 million pounds. According to the Administering Authority, the indigenous population held 4,010 acres of phosphate-bearing land. It could be calculated that the Nauruans would be paid, for their phosphate-bearing land and for the phosphate extracted, some £6,200,000; by then the island would be useless. The sum involved represented only about 4 per cent of the total potential yield of the phosphate; the remaining 96 per cent — even if the prices remained at their existing low level — would be taken out of the Territory. Those facts proved that the Administering Authority's main concern was to exploit the island's sole natural source of wealth. He had already referred to the petition from the Nauru Council of Chiefs (T/PET.9/6) expressing anxiety about the future of the population when the phosphate deposits had been worked out. Far from being a conspiracy, the exploitation of Nauru was being carried on openly under an agreement concluded before either the League of Nations Mandates System or the Trusteeship System had been established.

21. The special representative had denied, but had been unable to refute, his charge that the British Phosphate Commissioners controlled the Administration. The Council knew that the Administration had no budget of its own and was financially dependent on the Commissioners. The 1953 Visiting Mission had referred, in paragraph 31 of its report, to the observation of the

1950 United Nations Visiting Mission to Trust Territories in the Pacific to the effect that the British Phosphate Commissioners were virtually independent in administrative matters. The Administration had no right to intervene in the phosphate-extraction operations. Furthermore, under the new arrangements, all expenditure by the Administration was effected by direct payment by the Phosphate Commissioners.

22. He had expressed surprise, not that prisoners should be fed as well as workers, but that Chinese workers brought to Nauru to work in phosphate extraction were fed worse than prisoners. The value of prisoners' rations, at 4s. per head per day, amounted in United States currency to only 56 cents. It was not merely surprising, but inadmissible, that Chinese workers should receive rations costing even less than that.

23. The special representative's statement had reflected the difficulty of a situation in which he could neither confirm nor deny the facts which members of the Council had extracted from the Administering Authority's report and from official United Nations documents.

APPOINTMENT OF THE DRAFTING COMMITTEE ON NAURU

24. The PRESIDENT proposed the representatives of Belgium, China, El Salvador and France as members of the Drafting Committee on Nauru.

25. Mr. OBEREMKO (Union of Soviet Socialist Republics) objected to the appointment to the Drafting Committee of an individual who did not represent China. Only the Central People's Government of the People's Republic of China was competent to appoint the lawful representative of China.

26. Mr. S. S. LIU (China) objected strongly to that statement. His delegation was fully entitled to represent the Government of the Republic of China. He asked the President to rule the USSR representative out of order.

27. The PRESIDENT said that it was not the appropriate time to discuss the representation of any country. All the representatives present had been recognized as such by the Council. Nevertheless, an objection had been voiced to one of the countries he had proposed and he would therefore put each country to the vote separately.

Belgium was appointed by 9 votes to none, with 2 abstentions.

China was appointed by 8 votes to 2, with 1 abstention.

El Salvador was appointed by 10 votes to none, with 1 abstention.

France was appointed by 9 votes to none, with 2 abstentions.

Examination of conditions in the Trust Territory of New Guinea: (a) annual report of the Administering Authority (T/1114 and Add.1, T/1122, T/1124); (b) petitions circulated under rule 85, paragraph 2, of the rules of procedure (continued)

[Agenda items 4 (c) and 5]

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

28. Mr. JONES (Special representative for New Guinea), replying to a question by the Indian representative at the previous meeting, said that he was unable to give the exact number of settlers in New Guinea in

1952-1953. During that year, however, 55 agricultural leases had been granted; that was some indication of the number of agricultural settlers.

29. In reply to a question by Mr. PIGNON (France), Mr. JONES (Special representative for New Guinea) said that the resources survey of the Commonwealth Scientific and Industrial Research Organization would cover both Papua and New Guinea. The members of the survey team had begun their work in one area in Papua for which good photographic "cover" was already available. When the survey of that particular area was concluded, the party would move to new Guinea. In the meantime, considerable information was already available about New Guinea; several land use surveys had been carried out and a soil survey section was working there. The Administration therefore had sufficient knowledge to proceed with its development plans.

30. Mr. PIGNON (France) referred to the 1953 Visiting Mission's suggestion that agricultural advancement might be greatly stimulated by the introduction of agricultural pilot schemes on a scale sufficient to allow the results of agricultural research to be tested in their economic application (T/1078, para. 84). Large-scale experiments in the mechanized cultivation of rice, for example, might be carried out in the Sepik Valley. It would be interesting to hear the special representative's opinion.

31. Mr. JONES (Special representative for New Guinea) replied that considerable agricultural research was being undertaken on various crops, including rice, at the Administration's experimental stations. No experimental work on the scale envisaged by the French representative had been carried out, however, although in one or two areas the indigenous inhabitants were receiving assistance in the cultivation of various crops considered suitable for the area and in expanding the production of crops that proved successful.

32. In reply to Mr. TARAZI (Syria), who asked whether the Administring Authority was considering the eventual introduction of a system of direct taxation, Mr. JONES (Special representative for New Guinea) regretted that he was unable to add to what he had told the Indian representative at the previous meeting. In response to a Trusteeship Council recommendation on the subject (A/2427, p. 96), the Administering Authority had stated in its annual report³ (p. 97) its considered opinion that conditions in the Territory were not yet opportune to institute a system of direct taxation.

33. Mr. TARAZI (Syria) remarked that if a system of direct taxation were introduced, it would probably apply to the European companies operating in the Territory and not to the indigenous population.

34. The annual report mentioned the Currency Coinage and Tokens Ordinance 1922-1938 but gave no details of its provisions. It would be interesting to know, among other things, what body had the right to issue notes and coins in the Trust Territory.

35. Mr. JONES (Special representative for New Guinea) replied that the full text of the ordinance could be found in the United Nations library. The regulations concerning bank notes were the same as in Australia. Only the Commonwealth Bank of Australia had the right to issue notes.

³ See *Report to the General Assembly of the United Nations on the Administration of the Territory of New Guinea from 1st July, 1952, to 30th June 1953*, Commonwealth of Australia, 1953.

36. Mr. TARAZI (Syria), said that he would like an explanation of the difference between co-operatives registered under the Co-operative Societies Ordinance 1950 and the Native Economic Development Ordinance 1951-1952.

37. Mr. JONES (Special representative for New Guinea) explained that both ordinances were designed to regulate the formation and management of co-operative societies. The requirements of the earlier ordinance, and particularly the provisions concerning the keeping of books and the submitting of returns, had been found rather too advanced for the majority of the indigenous population. The provisions of the Native Economic Development Ordinance were simpler, but would still ensure the proper regulation of the societies. One society originally registered under the Native Economic Development Ordinance had now advanced sufficiently to be registered under the Co-operative Societies Ordinance.

38. In reply to a number of questions by Mr. TARAZI (Syria), Mr. JONES (Special representative for New Guinea) explained that land titles were registered with the Registrar-General's office. Title certificates were issued to the owners in accordance with the hereditary system of land tenure. The Administering Authority had no intention of interfering with the hereditary methods of land occupancy or inheritance. When the people themselves desired to make a change, the Administration would help them to do so. In the meantime, their hereditary methods would be recognized. Most of the land was owned by family groups or extended family groups; in some instances there was clan ownership, the members of a particular clan having usufructuary and other rights. There was nothing in the laws of the Territory to prevent an individual landowner from leaving his land to anyone he wished and there was no doubt that eventually the hereditary system would be replaced by the system in use in more advanced countries, but it would be a slow process.

39. The difference between "local" and "foreign" mining companies was that the assets or funds of local companies were raised locally and they were registered locally. In the case of foreign companies the capital was raised abroad; the company was registered in the Territory and elsewhere. The question of whether indigenous or non-indigenous inhabitants formed the company had no bearing on the terms "foreign" or "local".

40. There were no special provisions concerning trade with Australia or any other country. The merchants in the Territory were quite free to purchase goods from Australia, the United States or any other country.

The meeting was suspended at 4.5 p.m. and resumed at 4.35 p.m.

41. In reply to questions by Mr. SCOTT (New Zealand), Mr. JONES (Special representative for New Guinea) explained that the rural progress societies had been formed to permit group ownership and purchase of capital equipment by indigenous farmers who were not yet ready to form co-operatives. Extension officers of the Department of Agriculture, Stock and Fisheries worked with Administration officers in developing rural progress societies. The Administration granted loans to the groups to enable them to purchase technical equipment, repayment to be made in small sums as crop production progressed. Approximately £7,000⁴ had been advanced for the purpose, and very satisfactory progress had been made by the societies, particularly in

⁴ Figures used during the discussion on New Guinea refer to Australian currency. £A 125 = £ sterling 100 = \$US 280.

the Madang district. Membership averaged from 200 to 300 persons.

42. With regard to road development, expenditure on roads and bridges for the first nine months of the year had been £224,000, considerably more than had been spent the previous year.

43. The Land Development Board had been reconstituted. It had decided that land grants would be made in future only on the basis of optimum planting areas, i.e., acreage yielding a maximum return in proportion to the capital and labour used to exploit it. The Board's decisions would determine the work of the land use survey section, which comprised two European officers with five indigenous assistants. A third European and six more assistants were being added. The assistants had been trained at Department of Agriculture stations. The section would assign a party to work in areas requiring a definite land use plan, and another to carry out reconnaissance in areas where such plans might be needed in future. The party to be sent by the Commonwealth Scientific and Industrial Research Organization would ultimately become a part of the land use survey services of the Territory.

44. The agricultural extension centres were the headquarters for extension officers, who patrolled the villages where indigenous agricultural development was proceeding. Demonstrations of production techniques were held at the centres and pilot projects were initiated in central communities to show the inhabitants the most efficient methods of growing such crops as rice and cocoa. The centres also distributed seedlings and other planting material to the indigenous growers free of charge, in the new areas, and at nominal cost in more developed communities.

45. The Administration was actively promoting rice-growing among the indigenous inhabitants on indigenous land in the vicinity of the agricultural stations. Within a few years, it expected to expand production to the point where the Territory would no longer be dependent on imports of rice. Rice had regularly been distributed to the indigenous workers in the past, but had only recently become increasingly a staple food of the villagers' diet in areas where it was grown.

46. Under a bill approved by the Legislative Council the levy on copra exports was to be paid into a copra stabilization fund and the £1,750,000 now held by the Commonwealth Government from proceeds of copra export duties would be transferred to that fund. The fund would be controlled by a stabilization board consisting of representatives of the Administration and of the growers. The Administration was encouraging producer co-operatives to grow crops other than copra, and the turnover in such crops in the past year had amounted to £11,000.

47. During the war, plantations had been taken over and managed by the Australian New Guinea Production Control Board. At the end of the war the majority had been taken over again by their owners. Exceptions were properties so badly damaged as to be uneconomical to run. With the increased price of copra all of those plantations had been leased and were in production again. In at least one instance, a number of those plantations had been leased to an indigenous co-operative.

48. Production of dessicated coconuts had virtually ceased when the Australian market had been closed. An outbreak of typhoid fever in Australia had been attributed to dessicated coconut, not from New Guinea,

but from Papua; pending an investigation, Australia had stopped all imports of dessicated coconut from the Territory.

49. Mr. S. S. LIU (China) drew attention to a statement in the annual report (p. 38) that no company engaging in agricultural development could be formed unless at least two-thirds of its shares were held by or on behalf of British subjects. That condition was incompatible with the terms of Article 76 d of the Charter.

50. Mr. JONES (Special representative for New Guinea) said that the Administering Authority was considering the matter.

51. In reply to further questions by Mr. S. S. LIU (China), Mr. JONES (Special representative for New Guinea) explained that the Papua and New Guinea Copra Marketing Board consisted of three official members and two unofficial members representing copra producers, one of them a producer from New Guinea. The interests of the indigenous growers were looked after by the official members. Copra production in New Guinea was much higher than in Papua. In order to encourage growing of the highest quality of copra, the Administration offered price incentives for copra grown and processed by the best methods, and legislation provided for official inspection and grading. The result had been production of an excellent quality of copra.

52. Attempts had been made to establish a commercial fisheries industry in New Guinea, with no success. However, the indigenous people were encouraged to supply fish to the communities near their homes and quite a number were engaged in that activity.

53. The gold-mining industry had been considered a waning industry in 1953 but there had recently been a substantial increase in gold production, owing, doubtless, to deeper dredging, which had uncovered new deposits, and to the discovery of a rich vein. However, the first months of 1954 had shown a decrease in production. The indigenous people were still taking an interest in gold mining none the less.

54. A panel of investigating officers appointed to investigate a report on the position of the mining industry generally had recommended relief from royalty charges where investigation proved it to be justified. The Administering Authority was carefully studying the panel's proposals.

55. Mr. OBEREMKO (Union of Soviet Socialist Republics) asked for an explanation of the fall in imports and rise in exports in the Territory in the year under review.

56. Mr. JONES (Special representative for New Guinea) could add nothing to the information in the report concerning the excess of exports, but thought that it indicated a very healthy state of economy.

57. In reply to further questions by Mr. OBEREMKO (Union of Soviet Socialist Republics), Mr. JONES (Special representative for New Guinea) said that the Territory's land laws provided that no land could be alienated from indigenous owners except through and with the approval of the Administration, unless the land was required for a public purpose and the indigenous owner was not willing to sell it; in that case, a court order could oblige him to make the land available, and he was suitably recompensed. Settlement was not considered to be a public purpose.

58. The indigenous population was not represented on the Land Development Board, but their interests were

taken care of by the Director of District Services and Native Affairs, who was a member of the Board.

59. Mr. OBEREMKO (Union of Soviet Socialist Republics) noted that the Land Development Board, among other things, assisted intending settlers to obtain suitable land, and asked how and where such land was found for them.

60. Mr. JONES (Special representative for New Guinea) said that two types of land were used for settlement: first, lands which after full investigation were proved to be ownerless; secondly, lands which were surplus to their owners' requirements and which they were prepared to sell to the Administration. Investigations were carried out by an officer of the Department of District Services and Native Affairs in company with an expert of the Department of Agriculture, who discussed the matter at length with the tribes or persons concerned. When what was considered to be a reasonable estimate of the area of land required to meet the foreseeable needs of the persons concerned was arrived at, the figure was doubled, for there was no shortage of land, and the owners were then invited to sell the Administration the remainder for the purpose of settlement. If they were not willing to sell, the matter was left at that; no coercion was used. If they were willing, the land was taken over by the Administering Authority, divided up and made available on lease to intending settlers. At the expiry of the lease, possession would revert to the Administering Authority and the land would again be at the disposal of the indigenous inhabitants for their use if they required it.

61. Mr. OBEREMKO (Union of Soviet Socialist Republics) asked for an explanation of the creation of territorial forests.

62. Mr. JONES (Special representative for New Guinea) said that the intention was to create in perpetuity what was known as a forest estate in order to conserve the Territory's forestry resources against the time when the indigenous population attained self-government. Most of the areas so far acquired and retired for that purpose were situated in mountainous regions, and there had been very few claims to ownership of them; where such claims existed, they were recognized in the same way as claims to ordinary land. In most cases, when the purpose of the reserves was

explained to the owners they readily agreed to dispose of their forest areas to the Administering Authority.

63. Mr. OBEREMKO (Union of Soviet Socialist Republics) noted that it was stated on page 57 of the report that 20 permits had been issued for the exploitation of a total of 208,000 acres of forest land. He had read in the February issue of the *Pacific Islands Monthly* that the right to exploit the available forests was shared between the Australian Government and the former Bulolo Gold Dredging, Ltd., and would like an explanation of that statement.

64. Mr. JONES (Special Representative for New Guinea) said that the statement was untrue. The company called Commonwealth-New Guinea Timbers, Ltd., in which the Australian Government held a majority of the shares, had no monopoly over the Territory's forests; it simply had a permit to operate in a specific area. The 20 permits mentioned in the report referred to other areas.

65. Mr. OBEREMKO (Union of Soviet Socialist Republics), referring to appendix IV of the annual report, asked why expenditure for the Department of Agriculture, Stock and Fisheries, and particularly for the items, "Native labour" and "Purchase of seeds, planting materials and fertilizers", was markedly lower in 1952-1953 than in 1951-1952 and 1950-1951, although agriculture was the Territory's basic, if not virtually its sole, economic activity.

66. Mr. JONES (Special representative for New Guinea) said that expenditure on individual items necessarily fluctuated: the sudden increase in expenditure on indigenous labour in 1951-1952 was due to the fact that additional labour had been employed in clearing and developing certain agricultural extension stations in that year; the smaller figure for seeds and planting materials was explained by the fact that whereas they had formerly been obtained elsewhere, they were now supplied by the agricultural stations which had been set up in the Territory in recent years. In any case, it could be seen that expenditure on all essential items had increased; the comparison with the over-all figure for 1950-1951 was not a just one, for £25,000 of the total expenditure in that year was accounted for by the compensation paid in connexion with the loss of the fisheries survey vessel *Fairwind*.

The meeting rose at 6.5 p.m.