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PROVISIONAL VERBATIM RECORD OF THE THIRTEEN HUNDRED AND
SEVENTY-SEVENTH MEETING

Held at Headquarters, New York,
on Wednesday, 2 June 1971, at 10.30 a.m.

President:

Mr. LANE

(United Kingdom)

- Examination of annual reports of the Administering Authorities on the administration of Trust Territories, for the year ended 30 June 1970:
 - (b) New Guinea

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The co-operation of delegations in strictly observing this time-limit would be greatly appreciated.

AGENDA ITEM 4

EXAMINATION OF ANNUAL REPORTS OF THE ADMINISTERING AUTHORITIES ON THE ADMINISTRATION OF TRUST TERRITORIES, FOR THE YEAR ENDED 30 JUNE 1970:

(b) NEW GUINEA (T/1715 and Add.1; T/L.1161)

The PRESIDENT: The Council will now begin its examination of conditions in the Trust Territory of New Guinea.

I call on the representative of Australia.

Mr. ASHWIN (Australia): Before introducing the Special Representative and Special Advisers, I wish to say a few words on the subjects of self-government and independence for Papua-New Guinea and on defence.

The Australian Government has always paid close attention to what has been said and recommended by visiting missions and what has been said in United Nations debates on the Territory -- in the Trusteeship Council, in the Committee of Twenty-Four, and in the General Assembly -- and to the recommendations made as a result of those debates. United Nations recommendations have had considerable influence on the policies adopted by the Australian Government and on development within the Territory, and will continue to do so.

As members of the Council well know, however, the Australian Government has not in the past been able to accept recommendations calling on it to establish a time-table for self-government. It has always considered that the provisions of Article 76(b) of the Charter -- in which the objective of promoting "progressive development towards self-government or independence" is specifically associated with "the freely expressed wishes of the peoples concerned" -- required that major steps in the constitutional development of Papua-New Guinea be decided upon within the country by its representative institutions, and not determined by target dates set by Australia.

The Australian Government has been well aware of the view held by some students of Papua-New Guinea affairs that the establishment of target dates by Australia might have had beneficial effects in terms of political education and of inhibiting the growth of differing opinions about stages in constitutional development. It has been equally aware of the opposite view that the establishment by Australia of such dates could exacerbate differences of opinion already existing within the Territory. It has endeavoured to steer a course between these two views by encouraging the House of Assembly to move steadily towards a decision self-government.

(Mr. Ashwin, Australia)

Happily, that decision has now been taken. As members of the Council know, the Australian Government has accepted the recommendations of the Papua-New Guinea House of Assembly Select Committee on Constitutional Development as agreed to by the House of Assembly on 11 March 1971. Those recommendations set an approximate time-table under which, as the Minister for External Affairs informed the Australian House of Representatives on 27 April last, the Australian Government will prepare a programme for movement to full internal self-government in the period 1972-1976 with the execution of that programme to have regard to the state of opinion as it develops after the 1972 House of Assembly elections and to the policies of the political leaders who then emerge.

The Special Representative will be discussing those developments in detail in the statements he is to make to the Council. My purpose in giving this outline has been to emphasize the fact that the Australian Government has now in effect adopted a time-table as it has been called upon to do in the past by the United Nations.

These developments relate to the stage of full internal self-government. Members of the Council will be aware that in its resolution 2700 (XXV), operative paragraph 5, the General Assembly referred to a time-table for the free exercise by the people of Papua and New Guinea of their right to self-determination and independence. Members of the Council will also have noted that in paragraph 463 of its report the Visiting Mission had the following words to say on the subject of independence:

"The Mission believes that the chief responsibility for deciding about this step should rest with the government of a self-governing Papua and New Guinea in consultation with the Australian Government. While it would therefore be premature to attempt to set a firm date for independence at this stage, the Mission considers that it would be both prudent and realistic to assume for planning purposes that independence will be achieved during the life of the Fourth House of Assembly." (T/1717, para. 463)

On this matter the Australian Government has made it clear on a number of occasions in the past that it will be for a self-governing Papua-New Guinea to determine when it wishes to have independence, and we are therefore in agreement with the Mission on its first point. The Government has also taken note of the

(Mr. Ashwin, Australia)

views of the Mission on the possible timing of such a step. The Minister for External Territories referred to this question of timing in a speech he gave in Brisbane, Australia, yesterday. He said:

"How long there would be between that stage" ...
that is, full self-government ...

"and the next and final stage of independence will depend on the wishes of the elected leaders of the time".

Finally, I wish to refer to the question of a focus of loyalty for the existing defence forces in Papua-New Guinea. This is discussed by the Mission in paragraph 448 of its report and summarized in paragraph 494. The Australian Government appreciates the comments of the Mission on this matter. Historical and geographical factors made it rather inevitable that the defence forces which have been raised in Papua-New Guinea during the period of Australia's administration should have been raised as a part of the Australian forces rather than as separate units under the command of the chief executive officer in the Territory. However, the Australian Government has long been aware of the need to ensure that officers and men of the Papua-New Guinea defence forces see themselves as citizens of Papua and New Guinea having responsibilities in regard to the development of a consciousness of national unity and loyal to the duly constituted government of the Territory. Recruitment of personnel has been influenced by that awareness and, as the Mission notes, training programmes are designed to inculcate a sense of nationhood and of service to the country.

Questions relating to the position of the defence forces of Papua-New Guinea in the transitional period through the attainment of full self-government to independence are at present under study and I am, naturally, not in a position to predict the outcome. However, with regard to the specific recommendation of the Visiting Mission that a Papua-New Guinean Minister be given responsibility for liaison with the defence forces, I wish to say that that will be considered as part of the programme of movement towards full internal self-government which the Australian Government is now proceeding to work out.

May I now introduce the Special Representative, Mr. Stanley Pearsall, and the Special Advisers, Mr. Tore Lokoloko and Mr. Yakob Talis.

(Mr. Ashwin, Australia)

Mr. Pearsall first went to Papua-New Guinea in 1946 as personal assistant to the then Administrator, and he has been an officer of the Territory Public Service for twenty-five years. His present position is First Assistant Secretary in charge of the Central Secretariat in the Administrator's Department. Mr. Pearsall has been closely associated with policy formulation throughout his long service in Papua-New Guinea. This is his first visit to United Nations Headquarters, although he has represented the Territory at other international meetings, including, most recently, with Mr. John Matera, an ECAFE meeting in Bangkok.

Mr. Lokoloko is already known to some members of the Council since he was a member of the Australian delegation to the twenty-fourth session of the General Assembly. Mr. Lokoloko, who is the Member of the House of Assembly for Kerema Open Electorate in the Gulf District, is Ministerial Member for Health and also Deputy Spokesman for the Administrator's Executive Council.

Mr. Talis, who was a school-teacher prior to his election to the House of Assembly, is Member for Wapei-Nuku Open Electorate in West Sepik District. Mr. Talis is also a member of the Wapei and Nuku Local Government Council. This is his first visit to New York. Mr. Talis wishes to make the initial statement, which he has prepared in English, but if subsequently any Members of the Council wish to address questions to him he would prefer to respond in Pidgin. In those cases Mr. Lokoloko will give a consecutive interpretation into English which the interpreters will be able to render simultaneously in the other Council languages.

Mr. President, in conclusion may I invite you to call to the table the Special Representative for the Trust Territory of New Guinea and the Special Advisers.

At the invitation of the President, Mr. Stanley Pearsall, Special Representative of the Administering Authority, and Mr. Tore Lokoloko and Mr. Yakob Talis, Special Advisers to the Special Representative, took places at the Council table.

The PRESIDENT: I wish to welcome the Special Representative, 22,
Mr. Pearsall, and the Special Advisers, Mr. Lokoloko, Ministerial member of the
House of Assembly for Public Health, and Mr. Talis, member of the House of
Assembly. I feel confident that the participation in and contribution to the
Council's deliberations of the Special Representative and the Special Advisers
will be of invaluable help during our examination of conditions in the Trust
Territory of New Guinea. I should also like to welcome Mr. William Granger,
adviser to the Australian delegation and a senior official in the Department of
External Territories in Canberra.

As members are aware, only one of the members of this year's Visiting Mission
to New Guinea is a representative on the Council. After consultations conducted
on behalf of my predecessor, I understand that there is a general view in the
Council that it would be of value to us if the other members of the Visiting
Mission were able to participate in that capacity in our consideration at this
session of the report of their Mission. Does any representative wish to comment
on this suggestion? If not, I would propose, with the agreement of the Council,
to invite Mr. Adnan Raouf and Mr. Charles Wyse, members of the United Nations
Visiting Mission to the Trust Territory of New Guinea, 1971, to participate without
right of vote in our discussion of the report of that Mission, that is, item 6
on the Council's agenda. Since I hear no objection, I take it that this is
agreed.

At the invitation of the President, Mr. Raouf and Mr. Wyse, members of the
United Nations Visiting Mission to the Trust Territory of New Guinea, 1971, took
places at the Council table.

The PRESIDENT: I wish to welcome Mr. Raouf and Mr. Wyse to our
deliberations. They both have extensive experience in the United Nations in the
field of decolonization and to this they have now added direct experience of
conditions in a Trust Territory. I do not think I am being premature in
expressing to them and to the representative of France our thanks for the arduous
mission they have recently undertaken on behalf of the Council.

I now invite Mr. Blanc, the representative of France, to introduce the
report of the United Nations Visiting Mission to the Trust Territory of New Guinea,
1971.

Mr. BLANC (France) (interpretation from French): By his authority, by his experience and by the role which he played throughout our journey, Sir Denis Allen, our Chairman, was much more qualified than I am to report to the Trusteeship Council on the work of the Visiting Mission which went to New Guinea this year. In his absence and on behalf of the four members of the Mission, I have the honour to present his report, which I am happy to stress was unanimously adopted.

In accordance with the suggestions put forward to the Council at its last session, the Mission set off about one month earlier than the previous ones; hence its report, which was written and distributed earlier, could be considered at leisure by members of the Council. The Council knows what occurred: after many misadventures, this report -- the original of which was changed in midstream by imaginative writers -- reached the members in one of its versions on the eve of the opening of the session, and in the other version, early this morning.

The mission landed at Port Moresby, the main city of the Territory, on 24 January and after some contacts with the Administrator and his main collaborators visited in one month -- from 27 January to 27 February -- the twelve districts of New Guinea, following an itinerary opposite to that of the previous mission, that is, beginning with the Highlands of the East, Morobé and the island districts, and ending with Sepik, Madang and the other Highlands.

Like the previous missions, this Mission had on its programme as many visits as possible to secondary areas as well as to the main areas of the districts so that direct contacts could be encouraged between the visitors and the people. At each station, in accordance with tradition, the agenda included public meetings -- fifty in all -- talks with administrative officers and local elected officials, visits to schools, agricultural, industrial, administrative and cultural establishments, and private talks supplementing the official part of the Mission.

In Bougainville, the Mission spent a whole day at the Panguna Mine because of its importance to the economy of the country. In Manus and Wewak the Mission met sailors and soldiers of New Guinea. On returning to Port Moresby, the Mission attended the opening of the session of the House of Assembly and on several occasions met its President, Mr. John Guise, and its members. Then the Mission devoted considerable time, in connexion with the vast green field of higher education, to the young people -- tumultuous, attentive and timid, in turn. Finally it engaged in a tour d'horizon with the Administrator before it left for Canberra, where it had talks with the Minister for External Territories as well as with the Minister for Foreign Affairs.

Resolution 2154 (XXXVII), of 19 June 1970, contained the terms of reference of the Mission and directed it to report as fully as possible on the steps taken in the Territory towards the realization of the objectives set forth in Article 76 of the Charter and to pay special attention to the question of the future of the Territory.

The Mission therefore studied the political, as well as the economic, social and educational, progress made in New Guinea. It has included a special chapter on the future of the Territory. Furthermore, instead of making observations only on the "dissemination of information on the United Nations", it has devoted a chapter to all the problems of defence, international relations and the role of the United Nations. It seemed to the Mission that the time had come to include in one chapter all the considerations concerning New Guinea's relations with the rest of the world.

Like some -- not all -- of their predecessors the members of the Mission deemed it useful to describe in a brief introduction of a few pages the special atmosphere of the Territory and the impressions that they had, and to highlight the most significant characteristics of New Guinea, as the Mission had seen them in February 1971; it was not so much to define the policy of the Administering Authority as to depict the particular attitude of Australia; it was not so much to speculate about the birth of a nation as to set down their impressions of the Highlands, of the coast and the islands, and to recognize their deep unity; and, without being impeded by the many present and future difficulties of New Guinea, to concede that the Mission found a Territory that was basically happy, favoured, and in a state of rapid progress.

The Mission was fortunate enough to be in Port Moresby when the Select Committee was reporting to the House of Assembly on the results of its long inquiry into the views of the people on their future. Nothing could have better confirmed its conviction -- formed throughout its journey and in all fields -- that the Territory is moving forward.

We were unanimous when we approved our report, just as we were throughout our visit to the scene and throughout our contacts there.

This year, as a daring innovation, the Mission included two representatives whose countries do not belong to the Trusteeship Council. We thereby re-established a geographical diversity which, formerly and in another juridical context, had been one of the characteristic features of our Missions. That diversity did not interfere in any way with the homogeneity of the team. My colleagues Mr. Adnan Raouf and Mr. Charles Wyse will state that the harmony which constantly reigned in our group was obtained above all thanks to the smiling and serene authority of our Chairman, Sir Denis Allen. I shall not contradict them, but allow me to stress the part they played in our success and to thank them for their untiring curiosity and patience.

On behalf of the entire Mission this time, I should like to express our gratitude to the Secretariat team, which, under the guidance of Mr. Maxime Leopold Zollner, managed not only to keep constantly up to date but also, thanks to its past experience, sometimes to be ahead of events. Our thanks also go to the head of the team and to his political associates with an unfailing memory, Mr. Wathen and Mr. Abebe, as well as to Mr. Riedel, an effective and vigilant overseer of our punctuality, and the gracious feminine member of our team, Mrs. Lim.

(Mr. Blanc, France)

The Council will certainly not be surprised to hear praise of the welcome given to the Mission by the Australian authorities in New Guinea. There was no question -- no matter how unexpected -- that remained without a reply, no expression of curiosity that was not immediately satisfied. Our hosts at all levels not only were at pains to reduce the fatigue of a voyage of many stages in districts which were sometimes difficult of access, but also, no matter how late the hour and even when they did not have access to their records, accepted and even sought out discussions and submitted with infinite patience to the real interrogation which we engaged in. In a gesture to which no Councillor can remain insensitive, they accepted the suggestions of the Mission.

The Administrator, Mr. Johnson, on the eve of our departure engaged in what I would call an intellectual trapeze act by submitting for an entire morning, without any assistance, to the cross-fire of questions from the Mission.

On the part of the elected Members of the House of Assembly, as well as in their Districts, we found the same concern to give information and to leave nothing in doubt, to make the Mission of the Trusteeship Council as fruitful as possible.

So many names would come to mind if we wished to express our gratitude to everyone that we will refrain from such a dangerous undertaking. We wish Mr. Barnes, Minister of External Territories; Mr. Johnson, the Administrator; and all their helpers, especially the District Commissioners who were questioned particularly; as well as the members of the Executive Council, the Ministers, the President Guise and his colleagues, the Chairmen and members of the Local Councils, and also our travelling companions, our colleagues, Mr. Robin Ashwin, Mr. Terry White, Mr. Terry White, Mr. Bill Granger and Mr. Lucas Waka, to know that we are deeply grateful to them. And since several of them are with us today, as they were in January, may we ask them to be our interpreters to our hosts in New Guinea.

The PRESIDENT: I call on the Special Representative of the Administering Authority to make his opening statement.

Mr. PEARSALL (Special Representative for the Trust Territory of New Guinea):

Mr. President, thank you for your welcome to me and to the Special Advisers. It is an honour for me to be called on to address the Trusteeship Council. I have been an officer of the Territory Administration for twenty-five years and these times are, without doubt, the most interesting and challenging ones in the Territory during the time that I have been there. As self-government and independence approach, the goals which were set before us over the years are close to achievement and, provided that they are achieved with a fairly self-supporting economy which allows the people to live contentedly and peacefully together and provided that unity is achieved throughout the Territory, there will be a good deal of satisfaction felt by people like myself who have spent almost half of our lives in the Territory.

During the months since the end of June 1970, there have been some rapid changes, and much development in the Territory. I will try to explain in detail some of the more important of these, and at the end, Mr. President, with your permission, I should like to ask Mr. Tore Lokoloko, the Ministerial Member for Health and Deputy Spokesman for the Administrator's Executive Council, to enlarge on some matters which are in his special area of interest. I should also like Mr. Talis to address the Council.

I shall refer first to the visit to the Territory of the United Nations Visiting Mission. Mission visits have always had a two-fold value. They are not only the occasion of a fresh look by outside observers at what is being done and may need to be done in the Territory. They are also a stimulus to political education within the Territory because of the discussions they promote and the searching questions which Mission members ask. For two reasons the Mission which this year visited the Territory was especially valuable in this latter respect. On the one hand, as is noted in the report, the Mission's itinerary around New Guinea had it following

(Mr. Pearsall, Special Representative)

quite closely after a tour of the Territory by the Select Committee on Constitutional Development. This meant there was a cumulative effect in the educational process. Villagers who had been asked questions by the Select Committee found themselves called upon a few weeks later to put their views again to the Mission.

Secondly, I believe the inclusion on the Mission of representatives of two countries not members of this Council had a further useful educative effect in the Territory. It meant that Papuans and New Guineans had the opportunity to hear directly information about the experience of two additional countries and areas of the world to which they had not been exposed before. It meant further that in discussion they were able to learn, again directly, something of other parts of the United Nations machinery.

However, I do not have the intention of simply of singling out Mr. Raouf and Mr. Wyse. All members of the Mission and the accompanying Secretariat officers added a great deal to the development of informed opinion in the Territory through their questions and observations on Territory affairs, and through their patient explanations to many groups of people of forms of government and other arrangements in overseas countries.

(Mr. Pearsall, Special Representative)

We now have before us the report of the Visiting Mission. Some of the Mission's specific comments and recommendations I will deal with later in this statement. I merely wish to say now that we consider the report to be a most constructive and helpful document, and the suggestions it contains will receive the Government's earnest consideration.

Perhaps the most important event in the Territory over the period since June 1970 was the presentation of the final report of the Select Committee on Constitutional Development. The report was considered by the House of Assembly and accepted almost in toto by it, and I am happy to say that the Australian Government has now passed legislation which will give full effect to those parts of the recommendations which deal with the House of Assembly elections next year, and the Government intends to pass additional legislation to give further effect to the Committee's report at the budget session in August. This will mean that the way is then open for all the Committee's recommendations which were accepted by the House of Assembly to be put into effect.

I do not propose to read the Committee's recommendations in full, since I understand that the representatives have the text before them and in the interest of brevity I should like to leave those. However, I would like to comment on three of them.

The last recommendation, which dealt with the drafting of a bill of rights, was deferred by the House pending consideration of a private Member's bill of rights which is before it. An amendment to abolish regional electorates, eighteen of which were recommended in recommendation (E), was moved but was defeated by 47 votes to 17. Another amendment moved was to defer consideration of the flag for the Territory, but this was defeated on the casting vote of the Speaker.

The most notable result of the Select Committee's report is that the Territory's development will now be geared towards preparing for self-government during the life of the 1972-1976 House of Assembly. This means that an approximate time-table for self-government has been set by the House of Assembly itself which has been accepted by the Australian Government.

(Mr. Pearsall, Special Representative)

The Minister for External Territories, in a statement made on 27 April 1971, said:

"The programme for further movement towards internal self-government will require consultations with the Territory leadership group after the 1972 elections. Given that a cohesive group of ministers emerges, with a majority backing in the House, I envisage that the Commonwealth would in practice regard this group as constituting a government, with the authority of the Administrator gradually becoming confined to matters remaining within Commonwealth responsibility. The Commonwealth would negotiate with the leader of the group for the handing-over of further authority step by step as he felt in a position, with the support of the House of Assembly, to accept added responsibility. When this process is complete the Commonwealth would amend the Papua and New Guinea Act to give formal recognition to the attainment of full internal self-government. The kinds of economic and political relationships which might be developed between the Territory and Australia at internal self-government would be considered as part of this process."

In the same statement the Minister also said:

"The House of Assembly Select Committee on Constitutional Development has played a great and important role in the development of Papua New Guinea. The many weeks of discussions, explanations and questions and answers by Councils and individuals with the Committee all over Papua New Guinea have been the most important factor in the growing political awareness to which the Committee's report refers. The Government welcomes the responsibility taken by the Committee and the House in Papua New Guinea's political progress.

The Government, having accepted the report of the Select Committee as agreed to by the House, will proceed to draw up a flexible programme of movement towards full internal self-government which will include the kinds of political and economic relations which might exist between Papua New Guinea and Australia at internal self-government as a basis for negotiations with the leadership group emerging from the 1972 elections in Papua New Guinea."

(Mr. Pearsall, Special Representative)

I refer now to the recommendation made by the Select Committee dealing with a flag for the Territory. In case members have not seen the flag, I have brought with me copies of a pamphlet, prepared for political education, which shows the flag in its proper colours although the Administrator's Executive Council has not yet determined the exact dimensions of the flag, that is, its breadth in relation to its width. I am circulating copies of these pamphlets so that representatives may see the Territory's flag which is now flying in the Territory at the same time and at the same level as the Australian flag. The flag was also flown at meetings of the Asian Development Bank and the Economic Commission for Asia and the Far East that the Assistant Ministerial Member for the Treasury recently attended. The flag will also now be used by athletics teams proceeding overseas, and it is good to know that it seems to have been widely accepted by the people of the Territory.

In July 1970, acting within the framework of the Papua and New Guinea Act as it then was, the Prime Minister announced further devolution of authority to the Territory from the Administering Authority. Under the Papua and New Guinea Act, Ministerial Members and Assistant Ministerial Members had their spheres of responsibility changed so that Ministerial Members were given much new authority and Assistant Ministerial Members for the first time were given, in certain areas, the same sort of authority as enjoyed by Ministerial Members. The determinations covering areas where full responsibility and final authority lay in the hands of Ministerial and Assistant Ministerial Members covered a very wide range of activity. The Governor-General's instructions to the Administrator, given at the same time, made it clear that under the new arrangements Ministerial Members and Assistant Ministerial Members would exercise full authority and accept full responsibility in the prescribed areas and that the Administrator's powers and functions were to be exercised consistently with the said arrangements. The instructions required the Administrator to act in accordance with any advice given to him by the Administrator's Executive Council in respect of matters in which a Ministerial Member or an Assistant Ministerial Member had full authority. Further, in the case of a matter where it was not legally necessary for him to obtain the advice of the Administrator's Executive Council, the Administrator was required to act in

(Mr. Pearsall, Special Representative)

accordance with any advice tendered to him by Ministerial Members or Assistant Ministerial Members, or to refer the matter to the Administrator's Executive Council. At the same time, the Prime Minister announced that the Parliament of Australia would not exercise its veto power in relation to ordinances, if those ordinances affected the actual responsibility handed over to Ministerial Members. The Prime Minister in the same speech also said:

"In the Administrator's Executive Council, when decisions are being arrived at as to proposals put forward by Ministerial Members for authority to spend on this or that, the Official Members will sit in the Administrator's Executive Council as they sit at present and they will offer advice to that Council and they will offer their experience to that Council; they will not take part in any vote that Council may have as to what it finally does."

Thus the action taken at that time clearly illustrated the Government's intention to enlarge the powers held by elected Members of the House of Assembly and particularly Members of the Administrator's Executive Council. In February of this year, when there was a change in some of the portfolios, the areas where Ministers exercise full authority and have final responsibility were again enlarged in some cases.

(Mr. Pearsall, Special Representative)

To complement action taken with respect to the delegation of powers to Ministerial and Assistant Ministerial Members, the Minister for External Territories also enlarged the areas of delegation not only to the Public Service Board as an entity but also to individual members of the Board. Thus, as far as the local component of the Service is concerned, the Public Service Board has almost full powers. With respect to the expatriate part of the Public Service the Minister has, of course, retained some powers. The greater delegation given has very much facilitated the work of the Public Service Board.

During the period under review, the Territory was represented, for the first time, at international conferences run by a United Nations body where it sat behind its own nameplate. This followed the acceptance of Papua New Guinea as an associate member of ECAFE. A delegation attended a series of four meetings held in Bangkok in January-February of this year and the Assistant Ministerial Member for the Treasury headed the Territory delegation at the recent meeting of the Commission itself. Consideration is being given to the possibility of applying for associate membership of other United Nations bodies. A further achievement in the period was the acceptance of the Territory as a member of the Asian Development Bank. Again, the Assistant Ministerial Member for the Treasury recently headed a delegation to a meeting of the Bank in Singapore and the Bank has already had one reconnaissance mission sent to the Territory. The Territory is preparing applications for assistance from the Bank and it is hoped that certain works may soon be undertaken with Bank finance.

A further development of some note has occurred within the last few weeks following an agreement between the International Bank for Reconstruction and Development and the Administration by which the Bank will lend the Administration a sum of \$20.7 million Australian to enable work to begin on the Upper Ramu Hydro-Electric Scheme. This will be a most important project since it will supply areas including Lae, Madang, Mount Hagen, Goroka and Kainantu with electricity. This, it is felt, will give a considerable lift to the rate of economic development in those areas.

As foreshadowed by the Special Representative to the Trusteeship Council last year, new land legislation has been introduced to the House of Assembly but

(Mr. Pearsall, Special Representative)

has not yet been passed by it. This land legislation comprises four bills --- one the Customary Land Adjudication Bill, another the Registered Land Bill together with the Land Titles Commission (Papua New Guinea) Bill and the Land Control Bill. In describing the legislation and its purposes I shall quote fairly freely from the second reading speeches made in the House of Assembly by the Director of Lands Surveys and Mines and the Secretary for Law, and I would like to emphasize that since the Bills were introduced wide discussion of them has taken place throughout the Territory. Their purpose is to bring about a system of land holding which fits in with the customs and wishes of the people of the Territory and which will also encourage the better use of land. Economic development cannot keep pace with the demands and wishes of the people for the services provided by the Government, particularly as the country approaches self-government, unless the land is more productive. The Administration, after very full inquiry, believes that the systems proposed will greatly encourage development of the land by the Papua New Guinea owners themselves and that they will therefore be able more and more to determine the pattern of development of their country as a whole.

Some disquiet was felt by a representative at the last meeting of the Trusteeship Council and also by some people in the Territory that one effect of the Bills would be to facilitate the transfer of land from customary owners to expatriates. The Land Control Bill is designed to ensure that the people are fully protected. The Bill makes five major changes to the present law:

(1) It enables the Administrator's Executive Council to lay down policy guide lines for the control of all land transactions.

(2) It shifts the day to day control over land transactions from the Minister, the Administrator's Executive Council and the Administrator for whom, in practice, the Director of Lands usually acts as deputy to Land Control Boards.

(3) In most cases transactions will be considered by local urban or district Land Control Boards.

(4) Three of the four kinds of Board established allow for representation of non-Administration persons and land-owners on them.

(5) Control over twelve kinds of common transaction has been lifted.

(Mr. Pearsall, Special Representative)

There will be four kinds of Land Control Boards and the first will be the Central Land Control Board. This will consist of the Director of Lands, Surveys and Mines, who will be Chairman; the Directors of Business Development, Agriculture Stock and Fisheries, Trade and Industry; and the First Assistant Secretary of the Division of District Administration. Members of the Council will certainly be aware that at present all but one of these persons are expatriate officers. At the same time, I think the reasoning behind this particular composition of the Board will be clear: the Departmental Heads involved are all of them most conscious of the need to protect the people's rights to their land and, of course, in due time under the localization policy of the Administration more of these officials will be local officers.

The Board will have three main functions:

- (a) To consider approval of transactions in land which become registered after adjudication under the Customary Land Adjudication Ordinance where one of the parties is not a native. The Central Board must first get a recommendation from the local Urban and District Land Control Boards, and the purpose of this function is entirely to protect native owners of land from exploitation.
- (b) To consider approval of transactions in land exceeding \$100,000 in value. Once again, the Central Board must first get a recommendation from the local Urban and District Land Control Boards. It is considered that valuable properties are important national assets and their disposal should be considered at the highest level by the Central Board.
- (c) To hear objections to decisions by the other Land Control Boards.

District Land Control Boards will be set up in each district consisting of the District Commissioner, two other officers, for example the District Agricultural Officer and the District Lands Officer, and three other persons appointed by the Administrator. These Boards will hear applications for approval of land transactions in the districts other than those that are dealt with by Local and Urban Boards.

(Mr. Pearsall, Special Representative)

Urban Land Control Boards will be established in selected towns and will consist of three officers appointed by the Administrator, one of whom is Chairman, and three Local Government Councillors or three town residents if there is no Council. These Boards will hear applications for approval of land transactions within the towns. Local Land Control Boards will be set up in areas where, under the legislation, there has been systematic adjudication of customary land. They will consist of three officers, of whom one will be an Assistant District Commissioner as Chairman, two Local Government Councillors and a majority of local land owners. The idea here is that the control of transactions in land that was previously customary land should remain with a Board composed of a majority of the former customary land owners.

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The Bill provides for the Administrator's Executive Council to lay down policy guidelines. In addition to those guidelines, the Board must take into account a number of matters when considering whether to grant approval or not. These include: (a) in the case of an Administration lease whether the rent has been paid and the other conditions have been performed; (b) where the land is group land, that the group representatives have consulted the other members of the group and are acting for their benefit; (c) whether the Lands Under-developed Freeholds Ordinance has been complied with.

Land Control Boards must also consider: (d) the need to protect the owner from disposing of the land to his disadvantage; (e) whether the terms and conditions of a transaction are unfair to one of the parties; and (f) whether boundary features have been properly maintained when the owner has been ordered to do so.

The Lands Under-developed Freeholds Ordinance provides for the compulsory sale to the Administration of under-developed freehold land under certain circumstances relating to the failure by the owner to comply fully with a development order served on him with the approval of the Administrator in Council.

I have dealt at some length with the proposals contained in the Land Control Bill since I know that representatives will wish to be assured that the native interest in land will be thoroughly protected.

While dealing with the question of land, I would like to say that we have noted the concern of the Visiting Mission about areas where there seems to have been over-alienation. The Special Representative, at the last session of the Trusteeship Council, foreshadowed action to be taken in connexion with the purchase by the Administration of plantations in the Gazelle Peninsula. The subdivision of these plantations has taken place and although action to some extent has been delayed by opposition of the Mataungan Association, there are

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now numbers of people settled on land who had no land before, and this accords with the policy stated by the Special Representative that the Administering Authority and the Development Bank would make as much land available in this way as possible.

In addition, a special working party was established by the Administration, consisting of three very experienced field staff, and it was their task to assess the needs of every single village in the Gazelle Peninsula taking into account the amount of their land which had been alienated, the amount left to them and their proximity to land which could be made available to them. The working party has now compiled its report and this will be considered and used as a guide for further action in the Gazelle Peninsula.

Another important piece of legislation passed by the House of Assembly was the Local Government Authorities Ordinance 1970. Under this Ordinance area authorities may be established by the Administrator in Council in and for the area and for the purposes described in the Establishing Proclamation. Members of the Area Authorities will be: (1) Councillors nominated or elected by their Local Government Council; (2) non-councillor representatives of other interests nominated by the councillor members. The number of such non-councillor members shall not exceed one-third of the total membership. Provision has been made for members of the House of Assembly and District Commissioners to be ex officio members of an Authority and they will be entitled to take part in debates but will not have voting rights. Also specialist advisers may be provided for as necessary.

It is not intended that such Authorities will be a third tier of government. They will be lateral extensions of local government occupying a position between local government councils on the one hand and central government on the other. Area Authorities will allow greater participation in the affairs of government at the district level.

Powers and functions of the authorities will vary from area to area depending upon circumstances. District Advisory Councils will be abolished when an Area Authority is established, and the role of the district co-ordinating committees, in so far as they are responsible for the preparation of district

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development plans and allocation of rural development funds, will be taken up by the Area Authority. They may have delegated to them such functions as road maintenance, trade licensing, transport control, motor vehicle registration, collection of statistics, etc. Area Authorities may have some vested functions and these could be in respect of liquor licensing, tourism, health, etc. and nomination of members to other district boards and other authorities. Functions which may be more efficiently carried out by the Area Authorities, rather than central government or local government councils, may also be vested in the Area Authorities.

The staff of Area Authorities will owe allegiance to, and be responsible to, the Area Authority. It is envisaged that specialized staff employed by an Authority will eventually be included in the local government service.

Sources of revenue available to Area Authorities will include that arising from functions which they carry out as an agent for the central government. Loans could also be sought for revenue-producing projects and these could be secured either by an Administration guarantee or by each of the member councils agreeing to have those loans secured against the individual council assets. The Area Authorities may also collect fees with maximum levels set by the central government and they may also receive voluntary grants from member councils. Other sources of revenue will be payment by member councils for work carried out on their behalf by the Area Authority: for example, road maintenance, equipment pools, etc. Rural development funds may be used as council revenue and there will also probably be establishment grants to meet initial costs of basic building and equipment requirements.

Before any Area Authority is proposed in an area, there will have to be a realistic assessment of the ability of the local councils involved to take part in the Area Authority and it is probable that establishment of such Authorities will not expand rapidly since this will depend upon what staff is available to organize the setting up of a particular Authority and what staff will be available for it when it has been established.

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Area Authorities will give the people of each area more say in local matters and more authority to control their own affairs. Within this general framework, Area Authorities should be bodies which help themselves to develop and not merely bodies which place total reliance on handouts from the central government.

The same Ordinance provides for the creation of special purpose councils. The Administration has been aware for some time that there is a need for a type of organization formed by two or more councils through which they can operate common services more efficiently and economically by joining together. This provision will replace the present one for joint committees of councils, which is a cumbersome arrangement when it comes to raising funds and entering into contractual obligations. At the present time there is what is known as the Chimbu Councils Services Unit which maintains a road maintenance equipment pool and maintains roads within the areas of the member councils in the Chimbu district. This legislation will enable the Chimbu Service Unit to become a special purpose council, giving it a corporate status and facilitating such matters as loan-raising and the arrangement of contracts. Special purpose councils will only come into existence where a need arises and at the wish of member councils.

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Representatives will, I am sure, be pleased to know that, following elections held recently, urban councils have now been established in Port Moresby, Lae and Madang. An urban council has not yet been created for Rabaul because of the dispute between the Local Government Council and the Mataungan Association.

Preparations are in hand for the 1972 elections to the House of Assembly. On 25 March 1971 the formation of the Electoral Boundaries Distribution Committee was announced. The Chairman of that Committee was Mr Simon Kaumi, the Chief Electoral Officer, who, together with the majority of its members, is an indigenous person. The Committee has completed its report and this will be considered by the House of Assembly at the June meeting. In the meantime, preparations are proceeding to compile rolls for the next elections. The necessary amendments have been made to the Papua and New Guinea Act so that the recommendations of the Select Committee on Constitutional Development may be adhered to in the elections.

Last year the Special Representative outlined proposals for establishing a national system of education. At the time he spoke legislation was being prepared to establish a Territory Education Board which would be representative of all significant sectors of Territory education and which would plan for educational development for the whole of the Territory. It was also proposed to create a Territory teaching service as an employing authority for all teachers within the system. I am pleased to be able to inform representatives that the legislation was duly passed and the Teaching Service Commission has now been operative for a considerable time under an indigenous Commissioner. The contents of the new legislation have been described in Chapter 1, part 8, Educational Advancement, of the Annual Report for the year ended 30 June 1970.

As a result of its concern to see that the best value is obtained for money spent on higher education, the Administering Authority has set up a Committee of Enquiry into higher education. There has been over the last few years a proliferation of institutions giving some form of higher education, and it seemed to the Administering Authority that it was time to take an over-all view of these institutions and to rationalize and condolidate. The Committee has commenced its task and its term of reference are:

"In the light of the Government's announced policies and programmes and the need to develop institutions and courses related to the Territory's

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needs, to enquire into and make recommendations in respect of institutions that conduct post secondary and tertiary courses on:

- "(a) the immediate changes considered desirable to rationalize and co-ordinate development of the institutions to achieve:
 - (i) balanced growth of enrolments in keeping with the availability of school-leavers and the projected demand within Papua and New Guinea for trained manpower;
 - (ii) maximum economies of scarce staff and physical resources;
- "(b) the longer-term changes considered desirable for these purposes and the nature, composition and powers of permanent machinery required to achieve them and advise the government on these matters;
- "(c) what it considere to be the most suitable arrangements for the management of institutions other than the University and Institute of Technology, including any variations desirable in the conditions of service of their staffs;
- "(d) the arrangements considered desirable to determine the status of the various academic awards, including the criteria that should be used to assess courses and ensure consistency in nomenclature".

The Administering Authority looks forward to the submission of its report by the Committee.

The Administering Authority has noted what the visiting mission had to say about expansion of primary schools in the less developed parts of the Territory, about "drop-outs", curricula and the shortage of teachers. The Council is assured that the appropriate Ministerial Members in the Territory will give full consideration to the suggestions and recommendations made.

I refer now to the visiting mission's comments on the judicial services. Recently the Minister for External Territories established a committee to examine and report on:

- (1) the appropriate criminal and civil jurisdiction of the district and local courts (including appellate jurisdiction) with a view to the most expeditious despatch of judicial business and to ensure that the Supreme Court is not asked to deal with matters which could properly be dealt with in a lower court;

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- (2) arrangements for the control and progressive localization of the magistrates with other judicial officers (other than judges of the Supreme Court);
- (3) proposals made by the Speaker of the House of Assembly, Dr. Guise, and others to appoint men of status in their communities as Justices of the Peace to hear and determine disputes.

The report of that committee is awaited.

I mention the establishment of that Committee because of the Visiting Mission's concern as expressed in paragraphs 290 to 292 of its report that the programme of localization of the judiciary be speeded up. The Administering Authority is very conscious of this need but there are, of course, difficulties in speeding up in an area where fairly long periods of training are required before people can be appointed as magistrates. There are already some indigenous people sitting as magistrates in district courts and there is, of course, a training programme at the Administrative College to train magistrates. This year, it is hoped there will be four or five graduates in law from the University of Papua and New Guinea. These graduates, if they accept employment in the magisterial service, could be appointed as stipendiary magistrates after they have gained sufficient experience. The Administering Authority will do everything in its power to see that indigenous magistrates are appointed to office as rapidly as possible.

The Administering Authority has for some time been conducting studies to see if some form of local citizenship could be instituted in the Territory. The matter is at the moment being considered by the Administrator's Executive Council and it may be possible to bring down a bill before the June meeting of the House of Assembly. This will depend upon the attitude of the members of the Administrator's Executive Council.

As a part of its preparation for a smooth handover at the time of self-government the Administering Authority has for some time been considering the best way of handing over responsibility and authority to the Territory for functions which are at present being carried out by Commonwealth departments. These include such departments as the Commonwealth Department of Civil Aviation, the Department of Works, the Bureau of Meteorology, the Overseas Telecommunications Commission, the Commonwealth Audit Office and some other bodies. The Administering Authority

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has set up an inter-departmental committee to examine these matters and to decide what training will be necessary and the best way in which such functions can be handed over to the Territory. This action by the Administering Authority, of course, is in accord with its undertaking to draw up a flexible programme of movement towards full internal self-government.

Like the Visiting Mission, the Administering Authority is also concerned to see that a rapid pace of localization in the Public Service, as well as in private enterprise, takes place. In a speech made by the Minister for External Territories on 3 April 1971, in Sydney, he said:

"The objective now is to develop a Public Service which will more and more become a Service of Papuans and New Guineans serving their own country. With the quickening pace of movement towards self-government and independence, it has been necessary to take stock and gear up to meet these new circumstances. A new look has been taken at localization. A very substantial training effort is required and plans will be announced shortly. These will not overlook the rights of the serving overseas officers whose knowledge and skills will be required for many years as the country's economy develops and expands. A special section of the Public Service Board, which is itself headed by an indigenous Chairman, will have the major responsibility for stepping up the progress of localization. Already a number of very senior local appointments have been made: the Chairman and a member of the Public Service Board, the Secretary of the Department of Business Development, the Chairman of the Teaching Service Commission, the Chief Electoral Officer, Deputy District Commissioners, District Superintendents of Schools, Senior Medical Officer positions, but much more remains to be done."

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It is hoped that the plans referred to by the Minister will be announced shortly. The fact that those plans are called for does not mean -- as was clearly shown by the Minister in his statement -- that no action has been taken to date to ensure rapid localization of the Public Service. During the period 30 June 1970-28 February 1971 local staff increased by 967, including 352 additions to the second division, while overseas staff increased by 202. Local officers above the equivalent of Clerk Class 4 increased from 233 to 274 and there are many provisional promotions which have been gazetted beyond that number.

During the year ended 30 June 1970 provisional promotions stood in the ratio of 48 per cent for local officers to 52 per cent for overseas officers. For the nine-month period ended 31 March 1971 that ratio changed to 56 per cent, representing 1,493 provisional promotions for local officers, and 44 per cent, representing 1,191 provisional promotions for overseas officers.

Among the steps taken to speed up localization have been the reduction of competition for promotion between local and overseas officers by restricting the rights of new contract officers under new contracts and also by ensuring that every consideration is given to competent local officers in the filling of vacancies, whether substantively or on an acting basis. Further, there is increased control over the use of temporary overseas employees so that they do not become an obstacle to the placement and advancement of local officers. A systematic programme for the selection of local officers with management potential was commenced on 29 March. During the following month four assessment workshops were held covering fifty-six officers at Clerk Class 6 level and equivalent and above not previously tested in that way. Additional programmes for officers in various designations at the Clerk Class 5 and Clerk Class 4 levels are being planned.

Two senior local officers are currently attending a course in development administration in Canberra in which thirteen senior officers from African, Middle Eastern and Asian countries are taking part. There has been a considerable increase in the number of local officers attending training courses under Public Service Board control. They increased from 215 in 1969 to 467 in 1971. Full use is also being made of the Administrative College

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where during the current calendar year the following are attending courses: Executive Development Scheme, stages 1 and 2, 210 officers; Diploma in Administration, 33; Administrative Clerks Course, 33; Library Accountants Course, 15; Advanced Management Course, six-month course completed February 1971, 14; Local Court Magistrates, 9; Mature Age Magistrates Course, 12. That gives a total of 366, representing an increase of forty-nine over the number undergoing training during 1970 and 140 more than similar courses during 1969.

The Cadetship Scheme now in operation commenced in 1970 with sixty cadets. This year the number has grown to ninety-four. There are forty-one undertaking courses at the Institute of Technology, fifty-one at the University of Papua and New Guinea and two at the University of Queensland. The Free Place Scheme operates alongside the Cadetship Scheme and is restricted to serving local permanent officers. There are twenty-five such free place holders this year. A new departure has been the Commonwealth Practical Training Scheme. Twenty-eight local officers have completed periods of training in Australia; another twenty-two are presently in training. There are fifty awaiting placement. The scheme is being extended to cover the private sector, and 100 government officers, plus fifty from the private sector, are expected to receive training under the scheme during 1971 and 1972.

Following negotiations with the Commonwealth of Australia authorities operating in the Territory, arrangements have been made for eligible local officers in their employ to be taken over as permanent officers of the Papua-New Guinea Public Service. The take-over is to be completed by 1 July 1971.

As has been pointed out by the Minister for External Territories, and as was recognized by the Visiting Mission, the Localization Scheme must be carried on bearing in mind the fact that it is necessary to retain the services of experienced and skilled expatriate staff. In a speech on 6 July 1970 the then Prime Minister announced the formation of the Australian Service for Overseas Co-operation. Because of various areas of disagreement with the Public Service Association of the Territory it has not yet been possible to proceed with the establishment of this service. Attention has

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been given to some of the difficulties raised by the Public Service Association and every effort will be made to overcome them. It should then be possible to proceed with the formation of the new service. That, together with other measures to guarantee the security of employment of overseas officers, should help in the process of rapid localization in the Public Service.

Every encouragement is being given to private enterprise to localize its staffs throughout all ranks, and this is happening at an accelerating rate. Recently a firm promoted a graduate of Vudal Agricultural College as its first plantation manager. A number of trading firms have sought the assistance of the Department of Labour to restructure their staffs to facilitate localization and to point up areas where training should be given. Another big trading and plantation-owning firm has an executive training scheme in operation and has sponsored numbers of students at Territory institutions of higher learning. Several firms have conducted extensive training schemes in their Australian factories.

On 20 January 1970, following notification of an industrial dispute, which was given under the provisions of the Industrial Relations Ordinance, the Administrator appointed a Board of Inquiry under the provisions of that Ordinance. Professor J.E. Isaac of Monash University was also retained to advise the Administrator on "the proper balance of the wage structure especially between rural and non-rural employment" in the context of governmental aims and policies. Professor Isaac was requested to make his report available to the Board of Inquiry. On 6 May 1970 he submitted to the Administrator a report on the structure of unskilled wages in the Territory, copies of which were accordingly made available to the Board.

The Board of Inquiry, consisting of Professor D. Cochrane as Chairman, Dr. R.T. Shand, Mr. Dirona Abe and the Reverend Zure Zurewe, was appointed to investigate and report on the level and components of the rural minimum wage for the Territory and the appropriate machinery for determining and reviewing minimum wages. The terms of reference were as follows:

"(1) To investigate and report on -

(a) the level and components of the rural minimum wage for the Territory, in particular whether the minimum cash and kind wage

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under the Native Employment Ordinance 1958-1968 should be:

- (i) varied, and, if so, in what respect; or
- (ii) converted to an all cash wage -- and, if so, at what amount and with what deductions, if any (e.g. rations, issues and accommodation); and
- (b) the appropriate machinery for determining and reviewing minimum wages."

The Board held wide-spread hearings throughout the Territory and examined various activities being undertaken at that time in the rural sector of the economy. Public hearings commenced on 1 April 1970 and continued until 5 June 1970. The Board visited every town of importance in the Territory to conduct those hearings. Naturally, numerous plantations and other places of work were visited. Written submissions were encouraged as much as possible and a full transcript of the hearing was maintained. Throughout the hearings over 400 people appeared before the Board for the purpose of presenting submissions or making statements while many hundreds more attended the public hearings. Detailed submissions were made by major rural interests as well as various workers' associations.

In September 1970, the Board submitted a comprehensive report to the Administrator. The report contained a large number of recommendations and suggestions on a wide range of topics relating to wage levels and employment conditions of the rural work force. Included in the recommendations were the following proposals:

(a) that the Territory minimum wage be determined at a new level of \$6.40 per week; the increase to take place over a two-year period; the first year to be at \$5.90 per week;

(b) that unless otherwise agreed between employer and employee, an all-cash wage be introduced to the Territory in place of the present cash and kind wage. It was suggested that the implementation of such a cash wage should be phased in over three years;

(c) that all workers should be entitled to two weeks annual leave and that such leave could under certain circumstances be cumulative. In addition the Board recommended that sick leave be introduced for all rural workers on a basis of four days per annum cumulative to twenty working days;

(d) that a wages, income and prices board be established. Such a board should look into the question of the level of minimum wages and conditions of employment;

(e) that the agreement system of employment be phased out.

In November 1970, a Bill granting an interim increase of 50 cents per week in the minimum wage was passed in the House of Assembly and this became effective as from 1 January, 1971. In March 1971, extensive amendments to the Native Employment Ordinance 1958-1970 and the Industrial Relations Ordinance 1962-1970 were passed by the House of Assembly. The effect of these amendments was to:

(a) establish a Minimum Wages Board for the Territory of Papua-New Guinea to determine future minimum wage rates;

(b) introduce into the rural sector the concept of an all-cash wage to be paid to all workers with appropriate deductions on agreement between employer and employee;

(c) provide a further increase in the wage to \$5.90 a week with the proviso that any future increase be left to the Minimum Wages Board.

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It is anticipated that a Bill introducing a complete new employment code embodying other acceptable recommendations of the Board will be introduced into the House of Assembly later this year.

During recent years the Territory of Papua and New Guinea had a system of industrial relations which permitted the development of:

- (a) a stable work force;
- (b) trade unions;
- (c) a system of wage determination which suited the economy during this particular era.

Whilst this system has proved to be valuable and generally acceptable, the rapid social, political and economic advances, together with the development of secondary industries in the Territory, necessitate that a different approach be considered to the solving of industrial problems. Such an approach, in view of approaching self-government, must be inherently Territory-wide in application and must embody the principles of responsible participation and involvement of major industrial groups operating within the framework of the Territory economy.

Following considerable research and discussion by Administration officers, the Ministerial Member, Mr. Toua Kapena, submitted a proposal to the Administrator's Executive Council in August 1970, seeking approval of the establishment of a Labour Advisory Council, and on 9 September, the Administrator's Executive Council handed down a recommendation approving the formation of such a Council.

The Papua and New Guinea Labour Advisory Council will advise the Administrator's Executive Council and the Government on labour matters generally and on the following matters in particular:

- (a) methods of improving industrial relations;
- (b) measures needed to achieve full and efficient use of the Territory's manpower;
- (c) methods of bringing about more rapid localization of the Territory work-force at all levels in the private sector, industrial training schemes in the private sector, incentives and other measures to achieve this end;
- (d) measures to improve productivity; and
- (e) trade union development.

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In addition, the Council will consider other matters such as changes in the employment situation and action needed in relation thereto; any additional measures required to create a better Employment Placement Service; unemployment and under-employment and measures needed to correct such problems; improved labour mobility; measures to improve personnel management and practice techniques suited to the Territory; particular employment policy problems; technological change; and the prevention of and protection against industrial accidents, methods of improving industrial safety, health and welfare generally.

The Labour Advisory Council is consultative and advisory and consists of the Ministerial Member for Labour as Chairman, the Secretary for Labour, four trade union representatives, four employer representatives and up to four other persons appointed by the Administrator.

The establishment of the Council constitutes a big step towards enabling the principal parties concerned with labour matters, namely the Government, employers and trade unions, to consult together in an endeavour to resolve potential problems before they arise and can cause industrial conflict. It was hoped to hold the first meeting of the Council about now.

A further measure to assist industrial organization will be implemented shortly when the Administration establishes an independent body to be known as the Bureau of Industrial Relations. It will be under tripartite guidance and will provide assistance to industrial organizations by acting as an advisory body when required and by stimulating and encouraging study of and research into matters affecting industrial relations generally and industrial organizations in particular. In recognition of the importance of this venture, the Commonwealth Government has agreed to give \$A50,000 as an establishment grant for setting up an office and for commencing initial programmes. It is hoped that the Bill setting up this organization will be brought before the House of Assembly at its present meeting. The results of this attempt to solve some of the problems of industrial organizations will be watched closely and the matter will be kept under constant review.

I now turn to the subject of political education. The report of the Visiting Mission dealt at some length with this in paragraphs 307 to 311, and the valuable suggestions made will receive the fullest consideration of the Administration. About the time that we left for New York, the Administrator announced that he was studying a report prepared by senior administration officials in conjunction with an overseas consultant on the way the political education programme might be further developed. This report was prepared in response to several calls for greater efforts which had been reinforced in the report of the Select Committee on Constitutional Development. The Administrator planned to bring the report before the Administrator's Executive Council when he had received copies of the Visiting Mission's report.

One of the main features of the new programme will be stress on national unity. On this subject the Administrator recently made the following statement:

"I am authorized by the Minister for External Territories to reaffirm that it is the policy of the Australian Government to advance Papua-New Guinea to internal self-government and independence as a united country.

"In particular I am authorized to say that, in the Government's view, there is no ground for any people of Papua-New Guinea to expect, as self-government and independence approach, that their present legal status will lead to any difference in their treatment by the Australian Government or the Administration or in their rights. In practice the difference of legal status between the inhabitants of Papua on the one hand, and New Guinea on the other, has been of little consequence since the approval by the United Nations of the administrative union in 1947. The Government sees no other long-term course for Papua and for New Guinea than one directed towards internal self-government and independence for the country as a whole."

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"I can see how some elected leaders, in their anxiety to obtain benefits for their electors, might see advantage in pressing for some form of separate treatment. This might be particularly true of less populous and less developed areas.

"I wish to say two things about the concern of those people who press for separate treatment and here again I have the Minister's authority and also the full agreement of the Administrator's Executive Council.

"The first is that so far as the Administration is concerned the principle of fair treatment for all areas is firmly established. It is true that as a matter of sound economic policy and in accordance with the best economic advice available, we have supported the principle of investing money and resources where they will give the best return. But this has certainly not meant the neglect of the needs of other areas. Funds have been and will continue to be devoted to development in areas where there is a prospect of economic return only in the very long-term future.

"The second thing is that there will be the opportunity in the lifetime of the next House to look more deeply into the problem of the relationship between the future central government and its constituent elements, and the means by which the interests of the less populous and less developed areas can best be protected. Even now, through the regional member system, the less densely populated areas have more representation per person than the populous areas. The difference is obscured by the fact that they all sit in the one House. It is also highly relevant that membership of the Administrator's Executive Council and the Ministry as a whole is broadly representative of the regions within Papua-New Guinea. Of the elected members of the Administrator's Executive Council, two come from Papua, two from the Highlands, two from the Islands and two from the coastal areas of New Guinea. This is a precedent of the utmost importance, and I am confident that similar principles will apply to future ministries; but it is also possible for appropriate safeguards to be incorporated in the Constitution, either before self-government by an amendment to the Papua-New Guinea Act or in the Papua-New Guinea constitution of an independent country. The Administrator's

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Executive Council has always taken a broad national view of its responsibilities, and I am confident that it will continue to do so.

"The Australian Government's firm attitude on this subject is based on its conviction that Papua-New Guinea can only prosper and promote the welfare of its people as a unified nation. There are 700 different languages in that country and a very large number of tribal groups, none of which can successfully run its own affairs in isolation from the rest. The benefits of national development can best be provided if the whole country goes forward together. Otherwise, it will inevitably break down into a collection of tiny, hostile fragments which will not be able to meet the aspirations of the people.

"I call upon all who fill positions of leadership in the House of Assembly, in local government and elsewhere to recognize the grave dangers which disunity threatens. We need above all the united efforts of all the people of Papua-New Guinea to develop a nation which can hold its own in the wider world of the future."

These sentiments had, of course, been the subject of a resolution by the House of Assembly in November 1968.

I refer members of the Council to the recommendation of the Visiting Mission on this matter in paragraph 466 of its report. I believe this Council has always given its support to the policy of developing Papua-New Guinea as a united country, and I believe it would be valuable if the Council could see fit to reaffirm this support at its present session.

I do not propose to go into great detail on the state of the economy of the Territory since once again this has been given good coverage in the annual report and more particularly in the report of the Visiting Mission. I of course stand ready to answer questions on the subject. I am sure that one of the aspects which will be of most interest to the Council is the Government's efforts to see that indigenous people participate fully in the development taking place. In this connexion I shall quote from a statement made by the spokesman for the Administrator's Executive Council last February:

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"The Administrator's Executive Council has approved proposals for the advancement of indigenous businessmen in certain fields and measures to provide them with a degree of protection against excessive competition.

"The measures endorsed by the Administrator's Executive Council include the repeal of the Trading with Natives Ordinance and the Licences (New Guinea) Ordinance and their replacement by a Licence to Trade Ordinance. The proposed new ordinance will make provision for preference to Papuans and New Guineans in the issue of new trade store and similar licences to conduct small business. A Bill for the new ordinance will be introduced in the June session of the House of Assembly. Steps are also being taken to reserve some selected commercial lands for Papuan and New Guinean entrepreneurs.

"The proposals constitute a significant development of policy in regard to the relations of the races in Papua and New Guinea. In subscribing to the United Nations Charter, the Australian Government acknowledged 'the principles that the interests of the inhabitants of Non-Self-Governing Territories are paramount'.

"This obligation was acknowledged in many ways, most noticeably perhaps in the very strict controls applied to safeguard the ownership of native land. Nevertheless, within this framework it has been policy in the Territory not to discriminate between the races in regard to economic opportunity, although the necessity to increase the role of Papuans and New Guineans in deconomic development as well as in social, administrative and political affairs has been recognized.

"In the current five-year development programme, one of the major aims is to build up the capacity of the Papuans and New Guineans to develop and manage their own enterprises. The establishment of the Business Advisory Service and the creation of the Development Bank with a special obligation to provide finance for indigenes were practical measures to achieve this end and thus bring a more acceptable balance to the country's economy.

"As Papua and New Guinea advances towards self-government and independence, there is obviously more need to promote the development of Papuan and New Guinean businessmen so that when the country obtains

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independence its economy will not be dominated by expatriates. It is apparent that there is a strong current of feeling both in the House of Assembly and among local government councils in favour of positive measures to protect indigenes from expatriate competition in some fields. This feeling is, of course, based on the idea that the indigenous businessman, even with the assistance he receives, cannot be expected to compete successfully with the more experienced and better financed expatriate.

"The proposals now endorsed by the Administrator's Executive Council are not fundamentally designed to penalize the expatriate who already has a place in the economy of this country and who will continue to make a major contribution to its development. Existing enterprise will not be affected and such limitation as may apply to new enterprises will be in fields where it is felt that expatriate presence is not needed or even desirable.

"It is in the long-term interests of expatriates who have a contribution to make to the economic life of this country to accept limitation in some fields so that there may be enlarged participation of Papuans and New Guineans in the commercial life of the country.

"The proposed Licence to Trade Ordinance will give local government councils the power to refuse the application for a new trade store licence or a mobile trader's licence on the grounds that it is necessary to protect a Papuan or New Guinean trading enterprise within their areas. Councils will thus be able to decide whether it is in the interest of their people to restrict licences in this way. Placing the onus on local councils is seen as a solution to the problem of protecting indigenous businessmen without sacrificing the interest of consumers. If councils are not satisfied that consumers can be adequately served by indigenous traders, they will not exercise their powers of limitation.

"Another means of encouraging Papuan and New Guinean entrepreneurs and affording them opportunities of acquiring land for business enterprises will be the reservation of some commercial land leases for them. A committee will be set up to advise on which blocks should be so reserved. It will work within the policy guidelines approved by the Administrator's Executive Council and will advise the Assistant Ministerial Member for Lands and Surveys.

(Mr. Pearsall, Special Representative)

"None of these measures would be of any avail unless finance was available to assist indigenes in business. This, of course, was one of the prime purposes for which the Development Bank was created and it has made strenuous and successful efforts to build up its indigenous lending. The Bank is in sympathy with the policy now announced by the Administrator's Executive Council.

"The Administration is already studying further proposals to promote and assist indigenous businessmen. The report of the United Nations Industrial Development Organization expert, Mr. M. Nadkarni, is being examined by a committee of officers with a view to submitting proposals for action of the Assistant Ministerial Member for Business Development and the Administrator's Executive Council as quickly as possible.

"The Administrator's Executive Council hopes that the measures now adopted and the proposals which will emerge from the Nadkarni report and the new Department of Business Development will be a great stimulus to indigenous business. The Council emphasized, however, that there is a great and continuing need for new overseas investment from Australia and elsewhere and for the further development of enterprises already based in Papua and New Guinea."

(Mr. Pearsall, Special Representative)

Many steps have been taken to achieve greater participation by local people in economic growth which were not mentioned by the spokesman for the Council, such as the establishment of the Investment Corporation for which suitable staff are now being sought. There is also continued emphasis on the growth of the Department of Business Development and the co-operative movement and concomitant training facilities.

Involvement in the forest industry presents some unusual difficulties and financial, technical and management problems are of some magnitude. Despite support, sawmills owned by local people have not been successful and many operations owned by expatriates have been too marginal in profits to encourage local people to take up shares. It is felt that the best way of handling the Territory's difficult forest resources is by way of large enterprises which offer economies of scale. In sound enterprises investment can be arranged in such a way that the organization concerned can offer equity and can also be required to offer maximum employment and training to local people. Such enterprises can also be encouraged to add as much value to the product in the Territory as possible and they will also make a maximum contribution to infrastructure.

In addition to localization of the public service, I have spoken of steps taken to have private enterprise localize as rapidly and fully as possible to ensure maximum employment opportunities at all levels. As a further step the Ministerial Member for Labour announced recently that the Administrator's Executive Council had approved that a Bill be brought down in the June meeting of the House of Assembly which would restrict the entry of certain overseas workers to the Territory. He said that:

"to achieve this end the legislation would provide a mechanism for the prohibition of employment of overseas workers in certain occupations requiring little or no skills. The mechanism would also provide that in some other occupations employment would only be permitted if an employer introduced acceptable training schemes for Papuans and New Guineans."

The Ministerial Member went on to say that the scheme would be progressively extended into more skilled categories as more Papuans and New Guineans became available for employment in these categories.

(Mr. Pearsall, Special Representative)

The Visiting Mission rightly noted in its report the possible effects on Territory agricultural produce of the entry of Britain into the Common Market. A mission headed by the Ministerial Member for Trade and Industry visited the United Kingdom and Common Market countries late last year to put the Territory's case for special consideration, but it is not yet known what will happen. In the meantime the Minister for External Territories made known recently that the EEC had granted concessions in the case of manufactured products. These will not benefit the Territory much at present but will do so when it begins to export manufactured products.

A Committee has been working on a study of the Territory's system of taxation. When it presents its report, this will be considered first by the Administrator's Executive Council and later will undoubtedly result in consideration in the House of Assembly of measures which may arise from it. The Committee examined all fields of revenue raising. A primary object of the study is to increase local revenue.

I should now like to inform the Council of the latest position in the four areas of the Territory which have been much in the news in recent months. Firstly, I shall deal with the copper mining venture in Bougainville. As the representatives will know, the Administration's agreement with the company provided for the Administration to take up a 20 per cent equity in the company. The Administration has now taken up this equity which will be held in trust for the people of the Territory. Recently the company issued a prospectus and invited contributions of capital and a special provision was made for 1 million shares to be made available to bona fide Territory residents at a price of \$1.50 per share. It has been reported that there has been a good response from the people of Bougainville and throughout other parts of the Territory. The maximum number of shares which may be purchased by any individual is 200 and the minimum is twenty. The company also reserved a percentage of the shares to establish the Panguna Development Corporation which is designed to assist firstly the Bougainville people and other people in the Territory to establish themselves in business ventures. Part of the agreement with the people of Arawa was that the company would assist them in establishing a tavern and a supermarket. Members will be interested to know that land has been reserved in

(Mr. Pearsall, Special Representative)

the town of Arawa for native enterprise. The troubles experienced in the mine area in Bougainville now appear to have largely cleared up and the operation seems to have the support of a great majority of the people. Earlier opposition was based on fear of unknown change which has now been dissipated since benefits to the people have begun to flow. Additionally, now that the area of land affected by the operation is visible, it is evident to everyone that only small portions of land relevant to the whole of Bougainville are involved. The company is doing its best to meet all reasonable requirements of the native people, not only within the mine area but also outside of it.

Employment contracts for Papuans and New Guineans on the Bougainville project contain a repatriation clause. As employees are laid off they will either be re-employed or returned to the areas from which they were engaged. These workers, many of them unskilled, were of course recruited only for work in the initial stages of development. The Panguna Development Corporation will assist Papuan and New Guinean entrepreneurs to establish themselves in business and this will help the employment situation. There are also ample opportunities for work on plantations in Bougainville where labour is scarce. People with any skills will undoubtedly find it relatively easy to find employment elsewhere in the Territory and industrial development generally in the Territory should absorb many. The Administration is closely watching the situation and it is not likely that there will be any long-term serious problem.

Secondly, concerning the Gazelle Peninsula, regrettably no solution has been found to the divisions among the Tolai people and the Mataungan Association still will not co-operate in any effort to solve the problems. The Administration, for example, has spent approximately \$400,000 in purchasing land from expatriate interests to make it available to landless Tolai. The Mataungan Association does not recognize this as an effort to help the people but continues to charge that the administration wishes to grab land from native people to give it to expatriates. Lately they have refused to participate in the forthcoming Territory census. One of the outstanding problems concerns what used to be called the Tolai Cocoa Project. Initially the cocoa fermentaries were established by the separate local government councils. On the formation of the Gazelle

(Mr. Pearsall, Special Representative)

Peninsula Local Government Council, control of the fermentaries passed to it. On the formation of the so-called multiracial council the fermentaries continued to be administered by the Tolai Cocoa Project as a Council project. The Administration arranged for an expert to look at the whole operation and one of his recommendations was that the project should be turned into a public company. The Administration arranged for a poll to be taken among all cocoa producers and the majority of them agreed with the proposition to form a public company. The public company was to be controlled entirely by Tolai people and was to have no expatriate interest in it at all. The company was duly formed and the cocoa fermentaries were passed over to it. This created trouble with Mataungan supporters, some of whom decided not to sell their produce to the new company. The Mataungans are in the process of setting up a company of their own and they demanded the payment of \$650,000 for their interest in the fermentaries, which had originally been built with loan money guaranteed by the Administration. The Administration did not agree to pay this compensation since it was satisfied that the transfer of the fermentaries from the Council to the company was legally correct. However, the Administrator has announced that although satisfied that the Administration's agreement to the transfer was legally correct, there are some moral aspects which require further consideration. The Administrator said that the Administration, while promising nothing, would give further consideration to these moral aspects.

(Mr. Pearsall, Special Representative)

Throughout the troubles in the Gazelle Peninsula, the Administration has made positive gestures to bring the people together and to help them with their problems. It has directed its efforts to maintaining law and order in a peaceful fashion, although at times provocation to violence has been experienced. An example of this was in connexion with the splitting-up and granting of blocks to people from what is known as Vunapaladig. Vunapaladig was owned by a company and was under-developed. The company established its title to the land, and the Administration bought it from the company with the object of making it available to Tolai settlers. A member of the Mataungan Association laid claim to the land and this resulted in the Mataungan Association trying to stop the Administration from the action it proposed to take to make the land available. This led to a couple of days of confrontation when, in order to maintain law and order, the Administration placed a strong force of police in the area. The police, in the face of considerable provocation, used only peaceful methods to achieve the Administration's purpose, which was to stop trespass on the land. A special Land Board was set up to allocate blocks on this plantation of some 3,687 acres. A Mataungan accepted appointment to the Board but later withdrew from it. Allocation of blocks was completed, and in some cases settlers have commenced operations.

The Administration, while taking a firm hand against breaches of the law, will continue patiently to try to help the people to solve their own problems.

The third matter I wish to mention concerns land troubles in the Western Highlands. In the Wabag area there have been recurrent outbreaks of tribal fighting over land matters in which some people have been killed. In this area there are people still alive who remember the days before the Administration brought tribal fighting to an end. Land disputes which at that time had not been settled in the traditional way still remain unsolved. The Administration has tried to settle disputes in prescribed manners, but there is still a tendency, particularly on the part of the old men, to say "That piece of land was mine and now it is not". They stir up trouble and fighting resumes. Many of the people seem to see no way of settling their problems except by fighting, although they know that in the past the same sort of fighting never solved troubles.

A group of Councillors in the area has suggested that it would be as well for the Administration to confiscate land under dispute, particularly since the parcels involved are frequently only very small. They have suggested that after confiscation the land could be used for some public purpose. The Administration has not done this and is trying to prevent tribal fighting and to maintain law and order while several possible solutions of a long-term nature, such as voluntary migrations to nearby sparsely populated areas, are under consideration and are being discussed with the people.

The fourth matter in which members of the Council may be interested is an outbreak of cargo-cultism in the East Sepik District, at a place called Yangoru. A man who claims to have had certain visions and dreams has persuaded many people to follow him. He and his followers believe that a certain survey-marker placed on the top of Mount Turun has had magical effects on the crops and health of the people. The leader of the cult has spread a story that if he and one other man are sacrificed and the marker is removed, a great treasure which is beneath it will flow to the people. He believes that he and the other man to be sacrificed will rise from the dead and all will enjoy the cargo; at the same time, the planned sacrifice will placate evil spirits which have brought harm to the people's crops and to their health.

Such cargo cults as this are not an unusual phenomenon and, as always, in dealing with them the Administration relies mainly on patient explanation. It is firm policy only to make arrests when laws are broken. Nevertheless, in this case the situation is being regarded most seriously because of the possibility of human sacrifice and also because of the numbers of people involved and the long-term effects on the villagers.

I come now to the end of my lengthy statement. The Administering Authority appreciates that there is still much to be done in the Territory both before and after independence. However, it feels that very great steps have been taken in the last twelve months towards the objectives of the Trusteeship Agreement. A great deal of authority and responsibility has been transferred to the hands of the elected representatives of the people, and they have shown that they know how to use it. The Administering Authority is pleased with and takes pride in this.

And now, Mr. President, with your permission, I ask you to call first on the Ministerial Member for Health and Deputy Spokesman of the Administrator's Executive Council, Mr. Tore Lokoloko, and then on Mr. Yakob Talis.

The PRESIDENT: I thank the Special Representative for his statement, and I now invite the Special Adviser Mr. Lokoloko, Member of the House of Assembly for Kerema Open Electorate, Ministerial Member for Health and Deputy Spokesman for the Administrator's Executive Council, to address the Trusteeship Council.

Mr. LOKOLOKO (Special Adviser): I am pleased to be here to assist in the work of the Trusteeship Council. It was perhaps putting the cart before the horse that my earlier experience was at Fourth Committee and General Assembly meetings, but this has only increased by interest in the work of the Trusteeship Council. I am particularly glad to attend in a year when a Visiting Mission's report is to be considered.

The whole of the Visiting Mission's report and the Council's consideration of it will be of interest to me and my parliamentary colleagues in the Territory, and indeed to the now big sector of Papuans and New Guineans who are aware of the importance of what the report has to say in the present advanced stage of our progress to complete internal self-government.

But as the Special Representative has said, I occupy the positions of Ministerial Member for Health and Deputy Spokesman of the Administrator's Executive Council, and I am therefore particularly interested in what the Mission has said about health, and generally in those matters for which executive responsibility has been transferred to the AEC.

In connexion with public-health services, I am pleased that the Mission commented favourably on our policy and our achievements. In allocating our resources we have given priority to preventive medicine, medical training, and health education. Our main programmes have been in health education, immunization, improved nutrition, maternal and child care, environmental sanitation, and control of malaria, tuberculosis, Hansen's disease and pneumonia, and these have been responsible for greatly improving the quality of life of our people.

We have recognized that, as the Visiting Mission points out, pneumonia has become a major public-health problem. It is now the leading cause of admissions to hospitals and of deaths in hospitals. The Department of Public Health of the Administration is combatting the disease in a number of ways:

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(Mr. Lokoloko, Special Adviser)

First, the amount of penicillin and other relevant drugs held at aid-posts has been increased; as there is one aid-post to approximately 1,800 people, treatment is therefore available throughout the Territory.

Second, in 1970, a special drive to take penicillin to the homes of people, to prevent or cure pneumonia developing as a complication in influenza outbreaks, greatly reduced the number of pneumonia cases and deaths.

And third, a medical officer is now in the United States studying the most advanced vaccines which have been developed against pneumonia. At the same time, surveys are being carried out in the Territory so that if a vaccine is discovered which is suitable under Territory conditions, effective campaigns based on its use can be planned and implemented and, generally, measures against the disease can be improved.

(Mr. Lokoloko)

I hope we shall be able to develop effective immunization programmes against pneumonia -- that is our aim. But even if we do not, our present studies will enable us further to reduce sickness and deaths from pneumonia.

Malaria remains a major problem in the Territory. Our immediate objective is control, not eradication. We began spraying operations in 1957. These have reduced malaria in the areas already taken into the programme to about one-quarter of the previous level. We arranged consultations with WHO experts late last year and early this year, and have received their report since the Mission visited the Territory. Generally it endorses our present objective of control rather than eradication. Modifications to our operational methods had already improved the results, and other modifications recommended by the experts should further improve them. I am confident that we can improve our results from spraying in the areas we are working in, and then extend our spraying programme to other areas. I have brought the matter before the AEC and it will be discussed at the next meeting of the House of Assembly. I agree that training is an important part of the general control programme, and will be proposing that we carry it out in the districts, at the Training Centre at Kundiawa and the Training Centre in Manila. The Training School at Kundiawa to which the Mission report refers will handle about nine trainee area supervisors taking six-month courses and seven trainee laboratory technicians taking three-month parasitology courses or six-month entomology courses, and this meets foreseeable needs.

Health education is being developed to suit the particular needs of the people in the Territory. In the teaching of health education methods, the importance is stressed of good public relations, and the need to obtain the goodwill of the community generally for the acceptance of health practices which will be for their benefit. The Central Health Education Organization, which is situated in Port Moresby, provides for training, research and services. It is expected that within a year every district will have a trained district health educator and five trained health education orderlies working full-time on health education activities. An increasing amount of health education work is being carried out also by nurses, health extension officers and other workers in the basic health services and in disease control programmes.

(Mr. Lokoloko)

Much of the health education work employs radio broadcasting. Several health sessions weekly are broadcast from the Administration's radio stations and there is a weekly health education programme for primary schools broadcast by the Australian Broadcasting Commission.

During the year a number of visitors have come to the Territory to study the health education service of the Department of Public Health. The WHO consultant from regional headquarters in Manila is coming to the Territory for two months from June this year. Advantage is being taken of his visit to conduct retraining courses for district health educators and for those who have gained a diploma in health education.

The Special Representative has described the action taken, or about to be taken, by the Australian Government following the recommendations of the House of Assembly on the report of the Select Committee on Constitutional Development.

In connexion with powers transferred prior to the report of the Select Committee, the Mission said the arrangements seemed to be working well, "... despite some initial hesitancy on the part of Ministerial Members and Assistant Ministerial Members in exercising fully the responsibilities transferred to them". I think this initial hesitancy will continue as further changes come. It is only natural. Although we study these matters before they are introduced, in the event we learn by doing, and the pace of change has become very fast.

Since the visit of the Visiting Mission we have been working under our new procedures in preparing the budget for the financial year beginning 1 July 1971.

Under the new arrangements Australian aid to the Territory now comprises: a grant in aid; a development grant; allowances and other benefits for overseas officers of the Public Service; loans for special development projects.

The Administrator's Executive Council is the final authority within the Territory for the draft Territory budget.

The first thing that has to be negotiated between the AEC and the Australian Government is the amount available for recurrent expenses and minor works. This is the sum of the grant in aid from Australia and the amount

(Mr. Lokoloko)

received as Territory revenue. It is allocated for expenditure by the AEC, which considers the proposals and estimates of Ministerial Members and Assistant Ministerial Members.

The second thing to be negotiated is the amount to be spent on development projects financed almost entirely by Australia. These negotiations involve the AEC in economic and development planning, but I will say more about this later. Neither the amount required for payments of allowances, and so forth, to overseas officers, nor expenditures by Commonwealth Departments in the Territory, form part of the Territory Budget.

The Finance Committee of the AEC has met the Australian Minister for External Territories twice on the budget for the year beginning 1 July 1971. The first discussions, early this year, considered the overall shape of the budget and the main policy issues. At the second meeting a couple of weeks before I left to come here, draft proposals for receipts and expenditures were discussed, and the matters which needed further examination were identified. We are to have a third and final discussion next month covering the firm proposals of the AEC and the amount of Commonwealth aid we are seeking.

I think the Visiting Mission's comments I quoted could be extended to these discussions. That is to say, the arrangements are working well and we are learning by doing. By the time we prepare the 1972/1973 budget, I expect our machinery will have improved further as a result of the experience both sides -- the AEC and the Australian Government -- gain this year.

The Visiting Mission considered that economic policy and development planning "should be brought within the ambit of the ministerial system", and that an early start should be made in arranging this.

The Australian Minister for External Territories has just announced arrangements which are to be made. These involve setting up a committee of the AEC with overall responsibility for development planning, and a new office of programming and co-ordination under the control of a Ministerial Member.

(Mr. Lokoloko, Special Adviser)

In his statement the Minister said that decisions concerning development were so interwoven with the whole body of government policies that they should be made by those responsible for final policies.

He said the move will involve ministerial members even more directly with the planning process and will place responsibility for development planning decisions with a committee of the Administrator's Executive Council.

The Committee of the Administrator's Executive Council will be served by a committee of officials chaired by the Director of the new Office of Programming and Co-ordination.

The new Office of Programming and Co-ordination will integrate the work presently undertaken by a number of separate administration agencies; namely, the Office of the Economic Adviser presently within the Department of the Administrator, the Bureau of Statistics presently within the Department of Social Development and Home Affairs, the Manpower Planning Unit presently within the Department of Labour, the Project Planning Section presently within the Department of the Administrator.

The main function of the new office will be to recommend a co-ordinated development programme for Papua-New Guinea taking into account financial, natural and human resources.

The PRESIDENT: I thank the Special Adviser, Mr. Lokoloko, for his statement and I now call on the other Special Adviser, Mr. Talis, Member of the House of Assembly for Wapei-Nuku Open Electorate District.

Mr. TALIS (Special Adviser): On behalf of my three colleagues I wish to say that we are very pleased to have the opportunity to attend this meeting of the Trusteeship Council and see how it works.

I say this on behalf of myself and my three colleagues: Thank you to the Australian representative and to the other members of the Council who are willing to listen to what I have to say about my country and especially the Local Government Councils and the House of Assembly.

(Mr. Talis, Special Adviser)

In Papua and New Guinea we already have unity. The Australian Government has been working hard to help the people develop the country as one.

Papua and New Guinea already has political powers: local Government Councils; Administrator's Executive Council; political parties, United Party and Pangu Party. All this shows that we already have political power and unity in Papua and New Guinea.

It is true that there is some trouble --- with the Tolais in the Mataungan Association in the Gazelle area, and, formerly, at Bougainville. These are not big troubles and will come to nothing; the people of Papua and New Guinea will settle them as they develop politically.

The film on Papua and New Guinea, which the Australian Ambassador has, gives a good picture of my country. What it shows is all true, but a short film cannot deal completely with every aspect of a big place, some of which is undeveloped.

There are 2.5 million people in Papua and New Guinea. There are some backward areas, and these have the greatest need for skilled men to develop them to the standard of the developed areas that can be seen in the film -- to build roads and bridges. And for these backward areas we also need educational development: high schools, primary schools, vocational centres, technical schools, mechanics training, carpenters training, engineers training and teacher-training colleges.

We must also plan for more schools to train people in managing businesses and in economic development. These backward areas need more administration stations like patrol posts and police posts.

To develop all kinds of businesses they need more agricultural extension stations and officers.

As a result of all these things the people in the remote areas will have law and order, social security and national unity. It is where people do not have these things that there is likely to be a cargo cult.

In the film members will see for themselves the people of Papua and New Guinea

(Mr. Talis, Special Adviser)

I am a true representative of the people of New Guinea, and I am sincere when I say that, after the elections in 1972, we must prepare the people for internal self-government. Localization of the public service and economic development of local people are important. Most of the people want internal self-government to come between 1976 and 1980.

The PRESIDENT: I thank Mr. Talis, Special Adviser, for his statement.

That concludes the Council's formal business for today, though members may, if they wish, see the documentary film on Papua and New Guinea which has been commended to us by Mr. Talis and which is being shown this afternoon in the Dag Hammarskjold auditorium at 3.30. I shall certainly go myself.

According to the Council's time-table, two meetings are scheduled for tomorrow, when we shall begin questioning the representatives of the Administering Authority. I invite those who wish to pose questions to inscribe their names with the Secretariat.

The next meeting of the Council will be held at 10.30 tomorrow morning.

The meeting rose at 12.55 p.m.