

This page was added on 03 December 2012 to included the Disclaimer below.
No other amendments were made to this Product

DISCLAIMER

Users are warned that this historic issue of this publication series may contain language or views which, reflecting the authors' attitudes or that of the period in which the item was written, may be considered to be inappropriate or offensive today.

CHAPTER XII.

THE TERRITORIES OF THE COMMONWEALTH.

GENERAL.

The Territories under the control of the Commonwealth are:—The Northern Territory; the Australian Capital Territory; Papua (formerly British New Guinea); Norfolk Island; the Territory of New Guinea (by Mandate of the League of Nations); Nauru (under joint Mandate of the Commonwealth, Great Britain and New Zealand); the Territory of Ashmore and Cartier Islands; and the Australian Antarctic Territory.

The results of the census of the Territories at the 30th June, 1933, may be found in the separate Census bulletins and parts published by this Bureau.

In each of the external Territories Australian currency is used. In the Territory of New Guinea, however, Australian coins are being replaced by a local currency consisting of silver shillings, cupro-nickel sixpences and threepences, and bronze pennies.

THE NORTHERN TERRITORY.

§ 1. Area and Population.

1. *Introductory.*—Upon the extension of New South Wales westward to the 129th meridian in 1825, the Northern Territory was incorporated in that colony, but in 1863 was annexed by Royal Letters Patent to the province of South Australia. With the adjacent islands it was transferred to the Commonwealth on 1st January, 1911. The total area is 523,620 square miles, or 335,116,800 acres.

2. *Population.*—(i) *Europeans.* At the census taken in 1881 there were only 670 Europeans in the Territory. The number increased slowly, reaching its maximum in 1918 with 3,767 persons. At the census of 1933 the white population had decreased to 3,306. This number, however, was 34.5 per cent. greater than the figure at the census of 1921.

(ii) *Non-Europeans.* The number of full-blood non-Europeans, excluding Australian aboriginals, in the Northern Territory on the 30th June, 1933, was 744, of whom 462 were Chinese, the remainder being, mainly, Filipinos (69), Japanese (91), and Malays (59). There were at one time over 4,000 Chinese in the Territory.

The half-caste population recorded at the census of 1933 numbered 800 of whom 743 were half-caste Australian aboriginals.

(iii) *Total Population.* The highest recorded population of all races, except aboriginals, was 7,533 in 1888. The estimated population at 31st December in each of the last five years is given in the following table:—

NORTHERN TERRITORY: POPULATION (EXCLUSIVE OF ABORIGINALS).

Year.	Males.	Females.	Total.
1934	3,440	1,504	4,944
1935	3,482	1,609	5,091
1936	3,596	1,709	5,305
1937	3,641	1,713	5,354
1938	3,825	1,820	5,645

The Census population (30th June, 1933) was 3,378 males, 1,472 females, total 4,850.

(iv) *Movement of Population.* The following is a summary of movement of population in 1938 (excluding overland migration):—

NORTHERN TERRITORY: MOVEMENT OF POPULATION, 1938.

Immigration ..	2,601	Emigration ..	2,343	Excess of immi- gration over	
Births ..	102	Deaths ..	69	emigration ..	258
				Excess of births over deaths ..	33
Increase ..	2,703	Decrease ..	2,412	Net Increase ..	291

The immigration and emigration figures for the Territory during the five years ending 1938 are shown in the following table:—

NORTHERN TERRITORY: IMMIGRATION AND EMIGRATION.

	Year	Immigration.	Emigration.
1934	680	582
1935	1,014	881
1936	1,429	1,268
1937	1,733	1,720
1938	2,601	2,343

(v) *The Aborigines.* A special article contributed by Dr. W. Ramsay-Smith on the subject of the Australian aborigines was incorporated in Year Book No. 3 (pp. 158-176). The Chapter "Population," in Year Book No. 17, contained information regarding the number and distribution of aborigines and the measures taken by the States (in the case of the Northern Territory, by the Commonwealth) to protect them and to conserve their interests. Large numbers of the aborigines in the Territory are still outside the influence of Europeans. The total number of full-blood and half-caste aborigines at 30th June, 1938, was estimated at 15,261, of whom 3,395 were in regular employment. There are fifteen "aboriginal" reserves, comprising an area of 67,254 square miles. (See also the Chapter on Population hereinafter.)

§ 2. Legislation and Administration.

On 1st January, 1911, the Territory was transferred by South Australia to the Commonwealth. The terms were outlined in Year Book No. 15, p. 940. By the Northern Australia Act 1926, the Territory was divided into two parts, Central Australia and North Australia, separated by the 20th parallel of south latitude, each administered by a Government Resident. In addition, Advisory Councils and a Development Commission were provided for. The Act of 1926 was superseded by the Northern Territory (Administration) Act 1910-1933. By this Act the provision made for Advisory Councils was cancelled, and the Development Commission abolished. The administration of the Territory was placed in the hands of an Administrator, residing at Darwin, assisted by a Deputy Administrator, residing at Stuart (Alice Springs). The designation of the latter office was later changed to that of District Officer. The Governor-General is empowered to make ordinances having the force of law in and in relation to the Territory, subject to disallowance by either House of the Commonwealth Parliament. The Territory elects a member to the House of Representatives, who may take part in the debates, but may not vote, except on a motion for the disallowance of any ordinance of the Northern Territory or on any amendment of any such motion.

§ 3. Physiography.

1. **Tropical Nature of the Country.**—The Territory is within the torrid zone, with the exception of a strip $2\frac{1}{2}$ degrees wide which lies south of the Tropic of Capricorn.

2. **Contour and Physical Characteristics.**—The low flat coast-line seldom reaches a height of 100 feet. Sandy beaches and mud flats, thickly fringed with mangroves, prevail. Sandstone, marl and ironstone form the occasional cliffy headlands. The sea frontage of more than 1,000 miles is indented by bays and inlets and intersected by numerous rivers, many of which are navigable for considerable distances from their estuaries.

The principal features of the coast line are enumerated in Year Book No. 1, p. 66; the Rivers in Year Book No. 2, p. 76; the mountains in Year Book No. 3, p. 67; the lakes in Year Book No. 4, pp. 77, 78; the islands in Year Book No. 5, pp. 71, 72; and the mineral springs in Year Book No. 6, p. 65.

Inland, the country generally is destitute of conspicuous landmarks. From the coast there is a general rise southwards to the vicinity of the 17th or 18th parallel of south latitude, where the higher lands form the watershed between the rivers that flow northwards to the sea and those that form the scanty supply of the interior systems. Towards the centre of the continent the land over a wide area is of considerable elevation, and there are several mountain ranges, generally with an east and west trend.

§ 4. Climate, Fauna and Flora.

1. **The Seasons.**—There are two main climatic divisions—the wet season, November to April, and the dry season, May to October, with uniform and regular changes of weather. Nearly the whole of the rainfall occurs in the summer months. Fuller particulars will be found in Year Book No. 6, p. 1116.

2. **Fauna.**—The ordinary types of native Australian fauna inhabit the Territory. As elsewhere on the continent, the higher *Theria* are rare, but marsupials, birds, crocodiles, fresh-water tortoises, snakes (mostly non-venomous), and frogs abound. There are many varieties of freshwater fish and littoral mollusca. Butterflies and beetles are strongly represented. The white ant is a pest, anthills in the Territory sometimes attaining great dimensions. Mosquitoes and sandflies are very troublesome, particularly in the wet season. Native fauna are in some cases protected. Buffalo formerly existed in large herds, but, as pointed out later, their number has been greatly reduced by indiscriminate shooting.

3. **Flora.**—The vegetation is North Australian in type, but a number of the forms belong to the Malayan and Oceanic regions. The timber trees are not of great commercial value, but in the coastal regions tropical vegetation grows luxuriantly to the water's edge. On the wide expanses of plain country in the interior there is little vegetation, the principal orders represented being:—*Euphorbiaceae*, *Compositae*, *Convolvulaceae*, *Rubiaceae*, *Goodenoviaceae*, *Leguminosae*, *Urticaceae*.

Fuller particulars regarding fauna and flora are given in Year Book No. 6, pp. 1116–7.

§ 5. Production.

1. **Holdings.**—There were on the 30th June, 1937, 837 holdings (leases and licences) in the Northern Territory, covering an area of 217,567 square miles. Of these, 454 were held on pastoral lease or permit, 88 on agricultural lease, the remainder being held on leases for various other purposes. Rents received amounted to £26,923.

2. **Agriculture.**—Up to the present agriculture has made little progress in the Territory, although it has been proved that rice, tobacco, coconuts, mangoes, bananas, cotton, various fodder plants, and peanuts can be successfully grown. Expense of

harvesting is, at present, an obstacle to the economic production of rice, and until labour-saving machinery is procured it cannot be produced with profit. There is a large stretch of first-class coconut land on the coast, but hitherto planting has not been attempted on a commercial scale. For the encouragement of primary production a Primary Producers' Board was established in 1931. Peanuts have become the principal crop. In 1936-37 the yield was 537,600 lb. from 1,260 acres and the price averaged 4½d. per lb. in southern markets. Although the area increased to 1,550 acres in 1937-38 the yield was only 390,250 lb. valued at £7,000.

3. *Pastoral Industry.*—The pastoral possibilities of certain parts of the Northern Territory were recognized at an early date, and in 1866 stock was brought into the Macdonnell Range country from South Australia. Six years later cattle were moved from Queensland to the northern parts of the Territory, and in 1879 Mr. Giles reached the Katherine River with 2,000 head of cattle and 12,000 sheep from South Australia. For various reasons sheep-raising did not succeed. The cattle industry progressed and became the mainstay of the Territory, a great impetus being given to it in 1917 by the opening of extensive meat works at Darwin. Unfortunately the works closed down in 1920, and are still idle. The number of cattle exported by land from the Northern Territory during the year 1937-38 was about 94,869, and the number imported about 558. The cattle industry has been retarded by the ravages of ticks and by the difficulty of travelling stock through waterless country. These difficulties are, however, gradually being overcome, the former by "dipping," and the latter by adding to the number of wells on the various stock-routes and the creation of stock reserves. Buffaloes thrive in the coastal districts, but their number has been greatly reduced by indiscriminate shooting to obtain the hides.

The estimated number of live stock in the Territory in the last five years is given in the table hereunder:—

NORTHERN TERRITORY : LIVE STOCK.

Year.	Horses.	Cattle.	Sheep.	Pigs.	Goats.	Camels.	Donkeys.	Mules.
1933 ..	33,590	859,867	18,076	397	17,356	344	992	438
1934 ..	35,094	899,679	23,356	626	20,044	319	1,196	406
1935 ..	35,152	900,535	25,483	555	20,455	298	1,056	512
1936 ..	31,056	855,398	11,162	470	17,306	310	1,503	530
1937 ..	31,662	891,640	26,856	388	17,894	311	1,301	404

4. *Mining.*—(i) *General.* Alluvial gold-digging in the Northern Territory commenced in 1869, and up to the end of 1880 gold to the value of £79,022 had been produced. In 1881 the gold production reached its maximum, the value for that year being £111,945. During the following years it fluctuated considerably, but as long as the alluvial deposits lasted the output was satisfactory. In the transition period from alluvial to reef mining the industry declined considerably. The production of metals other than gold has suffered on account of the vagaries of prices, and the high cost of transport and of white labour. Owing to the exceptionally high price of gold the search for the precious metal has been stimulated in recent years with an increasing annual production. The principal producer of gold is the Tennant Creek field which increased its production during 1937. More than 94 per cent. of the total production was raised here, and with the extension of treatment plants the output should continue to expand. A small township has been planned on the field and the population at the 31st March, 1938, was 564, including 80 women and 27 children. Although the mica deposits in the Territory are not exploited systematically or on a large scale, a number of men—mostly southern Europeans—have been engaged in this class of mining and during the year produced more than £12,000 worth of mica. Wolfram prices rose sharply in the latter part of 1937 and with the rush to the wolfram fields the output rose to record proportions.

(ii) *Mineral Production.* The following table shows the value of the total mineral production for the last five years:—

NORTHERN TERRITORY : MINERAL PRODUCTION.

Year.	Gold.	Tin Ore.	Silver-lead Ore.	Copper Ore.	Mica.	Wolfram.	Tantalite.	Total Value all Minerals.
	£	£	£	£	£	£	£	£
1933-34 ..	8,124	9,566	11	..	7,926	3,114	65	28,806
1934-35 ..	44,458	6,036	..	..	15,762	10,380	264	76,900
1935-36 ..	76,001	4,176	..	1,871	7,805	8,748	..	98,601
1936-37 ..	91,543	7,696	..	101	11,003	16,349	226	126,918
1937 ..	100,462	7,205	328	55	12,524	84,832	445	205,851

In 1934 the Governments of the Commonwealth and the States of Queensland and Western Australia agreed to co-operate in the conduct of a geological and geophysical survey of certain areas in the northern parts of Australia, including the Northern Territory. More detailed reference to the survey and its progress will be found in Chapter XVII. "Mineral Industry".

5. *Pearl, Bêche-de-Mer, and Other Fisheries.*—In 1884 mother-of-pearl-shell was discovered in the harbour of Port Darwin. Difficulty in working, principally through heavy tides and muddy water, retarded the development of the industry for many years. The production of pearl-shell in 1937-38 amounted to 804 tons of an approximate gross value of £67,000, which represents a decrease of £21,000 on the value for the previous year. Most of the yield was obtained from beds north of King and Liverpool Rivers, and 24 pearling vessels were licensed. The local pearlery, however, encounter considerable opposition from efficient Japanese fleets.

Three fishing licences and two boat licences were issued during 1937-38 in connexion with beche-de-mer fisheries. Prices were not remunerative, however, and the production was valued at only £905.

The territorial waters teem with fish, but the supply of fish was not as well maintained as in former years, and such supplies as were available were retailed at a price varying from 6d. to 9d. per lb.

The production of raw salt from the tidal salt pans at Fannie Bay during 1937-38 was 280 tons, valued at £6 10s. per ton. The salt is comparatively free of foreign matter, an analysis revealing an actual sodium chloride content of 98.05 per cent.

§ 6. Land Tenure.

A description of the system of land tenure in force in the Territory will be found in Chapter V.—Land Tenure and Settlement, Official Year Book No. 22.

§ 7. Commerce, Shipping and Air Services.

1. *Trade.*—No record is kept of the trade between the Commonwealth States and Territories. The value of the direct oversea imports and exports for 1901 and for each of the last five years is given hereunder:—

NORTHERN TERRITORY : OVERSEA IMPORTS AND EXPORTS.

Items.	1901.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£	£	£	£	£	£
Imports (a) ..	37,539	39,870	13,221	58,120	44,703	29,406
Exports (b) ..	29,191	27,411	42,330	26,645	6,053	12,729

(a) British currency values.

(b) Australian currency values.

The oversea imports into the Northern Territory consist largely of petroleum spirit, residual oil and machinery.

2. **Shipping.**—The Territory is dependent for its shipping facilities chiefly on the services of vessels trading between Melbourne and Singapore. In addition to pearlers and other small craft, larger vessels make occasional visits, while a sixty-days' service between Fremantle and Darwin is carried out by the *Koolinda*, belonging to the Western Australian State Shipping Service.

NORTHERN TERRITORY : SHIPPING.

Period.	Arrivals.		Departures.	
	No. of Vessels.	Tonnage.	No. of Vessels.	Tonnage.
1933-34	39	98,986	37	94,624
1934-35	58	108,306	47	108,909
1935-36	55	117,757	55	117,757
1936-37	100	125,840	104	122,505
1937-38	99	122,960	101	122,961

The foregoing figures are exclusive of particulars of coastwise shipping. During 1937-38 twenty-five vessels of 610 tons net were entered at Darwin as coastwise.

3. **Air Services.**—Darwin is the first port of arrival in Australia of aircraft from Europe, Singapore and Netherlands East Indies. Qantas Empire Airways Ltd., under contract to the Commonwealth Government, operates the Sydney-Darwin-Singapore section of the Empire Flying Boat Service with a regular tri-weekly service in each direction. The MacRobertson-Miller Aviation Co. Ltd. operates twice weekly in each direction between Perth and Darwin, linking up with the Qantas service at the latter point. Guinea Airways Ltd. operates a thrice weekly service in each direction between Adelaide and Darwin, and the K.N.I.L.M. Company extended their Amsterdam-Batavia air route to Sydney via Darwin in 1938, with a bi-weekly service in each direction. On the average ten machines arrive at and depart from Darwin during each week.

§ 8. Internal Communication.

1. **Railways.**—Under the agreement made between the Commonwealth and the State of South Australia for the surrender and acceptance of the Northern Territory, which was ratified by the Northern Territory Acceptance Act 1910, the Commonwealth is to construct the Northern Territory portion of the transcontinental railway line (connecting Adelaide and Darwin, via Port Augusta).

The Northern line from Adelaide terminated at Oodnadatta, about 100 miles south of the southern boundary of the Territory, but has been extended to Alice Springs, an addition of 292 miles. The line from Darwin to Katherine River, about 200 miles, has been extended as far as Birdum, 316 miles from Darwin. The completion of the remainder of the gap would give access to broad belts of pastoral and mineral country towards the centre of Australia. The Commonwealth Government acquired on 1st January, 1911, the property in the line from Port Augusta to Oodnadatta (478 miles), and on 1st January, 1926, the control thereof was transferred to the Commonwealth Railways Commissioner. (See under Federal Railways.)

2. **Posts.**—Postal communication is maintained by vessels belonging to Burns, Philp and Co., which carry on a monthly service between the Territory and the Eastern States. In addition, the vessels belonging to the State Steamship Service of Western Australia give a service once every 60 days between Fremantle and Darwin. Mail is carried between Sydney and Darwin by the Qantas Empire Airways Ltd., and between Perth and Darwin by the MacRobertson-Miller Aviation Co. Ltd. Inland, the northern part of the Territory receives its mail via Darwin or by means of the aerial services, while the southern districts are served via Adelaide.

3. **Telegraphs.**—The transcontinental telegraph line, covering a length of 2,230 miles, was completed on the 22nd August, 1872, at a cost of nearly £500,000. The line runs in a northerly direction from Adelaide to Darwin, whence telegraphic communication is provided with Asia and Europe, via Banjoewangie (Java), Singapore and Madras. Between Darwin and Banjoewangie the submarine cable is duplicated.

High-power wireless stations have been constructed by the Federal Government at Wave Hill in the Territory, and at Camooveal, just over the eastern boundary, in Queensland.

§ 9. Finance.

In the Commonwealth finance statements separate accounts are given for Northern Territory administration. Revenue and expenditure for 1937-38 are given below:—

NORTHERN TERRITORY : REVENUE AND EXPENDITURE, 1937-38.

REVENUE.	£	EXPENDITURE.	£
Taxation—		Northern Territory Adminis-	
Customs and excise	16,073	tration	281,230
Sales tax	622	Other departments	13,539
Land and Income tax	7,172	New Works	110,149
Probate and Stamp duties	1,301	Repairs, maintenance, &c.	3,096
Postal, Telegraph, and Tele-		Railways—	
phone	17,654	Working expenses	185,379
Railways—		New Works	9,874
North Australia	37,768	Interest	272,958
Central Australia	124,417	Sinking Fund	49,492
Territorial	23,565	Post, Telegraph and Telephone	25,230
Miscellaneous	31,062	Interest	65,245
Deficiency on year's trans-		Sinking Fund	13,375
actions	790,952	Unemployment relief	8,826
		Miscellaneous	12,193
Total	1,050,586	Total	1,050,586

AUSTRALIAN CAPITAL TERRITORY.

1. **Introductory.**—In Year Books Nos. 4 and 5, information was given in Section XXXI, in regard to the events leading to the selection of the Australian Capital Territory and the necessary legislation and the progress of operations in connexion with the establishment of the capital city. The physiography of the Territory was dealt with extensively and topographical and contour maps accompanied the letterpress, as well as reproductions of the premiated designs for the laying out of the city. Considerations of space, however, preclude the repetition of this information. On the 12th March, 1913, the official ceremony to mark the initiation of operations in connexion with the establishment of the Seat of Government was carried out. At this ceremony the selection of "Canberra" as the name of the capital city was announced. The Seat of Government Acceptance Act 1938 provides that the Territory shall be known as the Australian Capital Territory. (A special article contributed by Dr. F. Watson, entitled "Canberra Past and Present", appeared on page 454 of Year Book No. 24.)

2. **Transfer of Parliament.**—On 9th May, 1927, Parliament House at Canberra was officially opened by His Royal Highness Albert, Duke of York, the occasion being the 26th anniversary of the opening of the first Parliament of the Commonwealth at Melbourne by His Royal Highness George, Duke of Cornwall and York—afterwards His Majesty King George V.—on the 9th May, 1901. (For particulars of the opening ceremony see Year Book No. 21, page 604.)

3. **Administration.**—In Year Book No. 18, a summary was given of the development of the administration prior to the taking over of the control of the Territory by the Federal Capital Commission, and in Year Book No. 22, a summary was given of the administrative activities of the Federal Capital Commission.

The administration of the Territory by the Federal Capital Commission was continued until the 30th April, 1930, when the Seat of Government (Administration) Act 1924–1929 was repealed, and the powers and functions of the Commission reverted to the Government. The new Administration provided for the general control of the Territory by the Minister for Home Affairs, with the assistance of the Department of Public Health in health matters, the Department of Works in the operation of the engineering services and in the construction of works, and the Attorney-General's Department in the administration of the Courts, Police and Probate, and the Registration of Titles.

An Advisory Council to advise the Minister on matters of local concern was established on the 1st May, 1930, by Ordinance under the Act, and a Civic Administrator was appointed under the Ordinance as Chairman of the Advisory Council and to carry on the general administration of the Territory under the Minister and subject to the specific services being undertaken by the other Commonwealth Departments mentioned.

The Advisory Council consisted of the Secretary, Department of Home Affairs; the Director-General of Health; the Secretary, Department of Works; the Civic Administrator; and three residents elected for two years under a system of adult franchise.

On the 12th April, 1932, the Departments of Home Affairs and Works were abolished and the Department of the Interior was established in lieu thereof. The office of Civic Administrator was abolished, and the constitution of the Advisory Council was altered to provide that the nominated members of the Council should consist of the Director-General of Health, and three officers of the Department of the Interior, namely, the Assistant Secretary (Works and Services); the Surveyor-General and Chief Property Officer; and the Assistant Secretary (Civic Administration). Subsequently the Constitution of the Council was altered to provide for the replacement of the Director-General of Health by an Officer nominated by the Minister for Health, and for the altered designation of the Assistant Secretary (Works and Services), to that of Assistant Secretary (Canberra Services).

Under the new administration, the general control of the Territory is exercised by the Minister for the Interior, but the specific services undertaken by the Department of Health and the Attorney-General's Department are being continued by those Departments.

4. **Progress of Work.**—The general progress of the work of construction up to the time the Territory was taken over by the Commission was outlined in Year Book No. 18. Later progress made under the Commission was described in Year Book No. 22.

Structures completed after the commencement of the Departmental form of administration comprised the Australian Institute of Anatomy with laboratories and accommodation for the museum of Australian fauna; laboratories of the divisions of Economic Entomology and Plant Industry of the Council for Scientific and Industrial Research; and a public swimming pool equipped with a modern filtration chlorination plant.

During the year 1938–39 the following buildings were completed:—233 residences, a primary school at Braddon, a broadcasting station, a garbage destructor, a cadets' barracks at Duntroon, and additions to Parliament House, the offices of the Department of the Interior and the Cotter pumping station. The following works were in progress:—A new High School, the Australian War Memorial and Museum, Patents Office, a new fire station, additions to Government House, transmission and receiving stations for Royal Australian Navy Shore Wireless Service, and 89 residences.

The following works were commenced or completed :—Construction of access roads to the Belconnen radio station and the garbage destructor, and of streets in the subdivision of Turner, within the grounds of the fire brigade station, the Royal Australian Air Force Aerodrome at Pialligo and the High School building at Acton, and in the subdivisions of Ainslie, Forrest and Griffith. The Royalla-Tuggeranong section of the Canberra-Cooma road has been regraded and re-aligned and $1\frac{1}{2}$ miles have been surfaced with bitumen. The Cotter road has been further re-aligned and improved and 6 miles of bituminous surface have been provided. The Yass and Queanbeyan roads have been regraded to improve visibility. The road between City and the Canberra aerodrome, the tourist road to the Red Hill lookout, streets in the subdivisions of Barton, Braddon, Forrest, Griffith, North Ainslie and Reid, and all internal roads at the Royal Military College, Duntroon, have been treated with bitumen. Other road works include the provision of a safety lane at Acton for testing motor vehicles, the widening and redecking of Scott's Crossing Bridge and additional kerbing, channeling and asphalt footpaths throughout the City area and the erection of white posts along main roads. The water reticulation system has been developed by the provision of measuring weirs on the upper Cotter River and Condor Creek and the installation of a new 200,000 gallons-per-hour pump at the Cotter Pumping Station. An additional pipe-head reservoir has been commenced at Mount Stromlo, and an elevated service reservoir has been erected at Oaks Estate to be served by the main, connecting it to the principal reticulation system. Reticulation of the subdivision of Turner has been commenced and extensions to the system have been made at Government House, Royal Canberra Gold Links, the Cotter picnic ground, and in the subdivisions of Forrest, Griffith, and North Ainslie, and water services have been provided for the Royal Australian Navy Shore Wireless Stations, the Royal Australian Air Force Aerodrome and the Radio Stations of Canberra Broadcasters Ltd. (2CA) and the Australian Broadcasting Commission (2CY). Sewerage reticulation services have been extended to new buildings in the subdivisions of Acton, Ainslie, and Griffith, and separate sewerage and stormwater drainage systems have been provided at the Royal Australian Navy Shore Wireless Stations and the Royal Australian Air Force Aerodrome. Development of the Canberra electric supply services has included additions to the power stations plant in collaboration with the Burrinjuck electricity supply, a new 11,000 volt line to the various broadcasting stations and provisions for supplying power at the Royal Australian Air Force Aerodrome, the Royal Australian Navy Shore Wireless Stations and residences. High tension mains have been placed underground through Forrest.

Private building was active during the year. Important works include the construction of a Catholic Church and a Soldiers' Club, while the building of an Anglican Church was commenced. The erection of 37 cottages was begun, and extensive additions were made to the Canberra Grammar School, the Canberra Girls' Grammar School and to several hotels.

5. **Forestry.**—A considerable amount of reforestation work has been undertaken, and plantations have been established at Uriarra, Mount Stromlo, Pierce's Creek and Kowan. Experimental plots have also been established in the Brindabella mountains and silvicultural work is being carried out at Black Mountain.

The total area of plantations to 30th June, 1938, was 12,232 acres. Forestry operations were begun on Mount Stromlo in 1915, and up to 1925 approximately 700 acres had been planted with pine and other trees. The plantings up to this time were chiefly on aesthetic lines, but since the initiation of the wider programme, arrangements have been made for pruning and thinning, and sawmill timber is now being obtained from the logs resulting from thinning operations. The output of sawmill logs from thinnings is gradually improving and has increased from 21,762 super. feet in 1930-31 to 343,149 super. feet in 1937-38.

In 1926 a comprehensive review was undertaken of the Territory's potentialities in regard to forest development. A system of forestry management was instituted in the existing forest areas, and a considerable amount of survey and assessment work has

been completed. In the initial stages *pinus radiata* was most extensively planted, but, as a result of experimental work, plots of better quality pines on a longer rotation, such as *pinus ponderosa*, *Jeffreyi* and *laricio* were planted during recent years.

6. **Lands.**—(i) *In the Australian Capital Territory.* Reference has been made in previous issues of the Official Year Book to the general conditions of land tenure in the Australian Capital Territory and to the area of alienated and leased land.

As considerable portions of the Territory lands are not required in connexion with the establishment of the city, large areas have been leased under special improvement conditions in regard to the extermination of noxious weeds and the destruction of rabbits and other pests. The lands are classified into three grades of agricultural and three grades of grazing land. About 320,366 acres comprising 504 leases are at present held under lease for periods varying from quarterly tenure to 25 years.

Auction sales of city leaseholds are described in Year Book No. 22, p. 599.

Five leases under the Church Lands Leases Ordinance 1924–1932, which requires the lessees to submit a definite building programme within a specified period, and one lease under the Church of England Lands Ordinance 1926 have been granted for church purposes. A further six leases under the Leases (Special Purposes) Ordinance 1925–1936 and two leases under the Leases Ordinance 1918–1937 have been granted for church and scholastic purposes.

The total number of leases granted under the City Area Leases Ordinance, not including surrendered leases, at the end of the financial year 1937–38 was 376, representing a capital value of £191,928. During the year 32 new leases were granted. The number of business and residential blocks surrendered to or determined by the Commonwealth to the end of the year was 260.

Under the terms of the City Area Leases Ordinance 1936–1938 each block is leased for a period of 99 years at a rental of £5 per centum per annum of the unimproved capital value as assessed by the Commonwealth or bid at auction. In conformity with the general reduction of interest in consequence of the financial crisis rentals under this Ordinance have been reduced to 4 per centum of the unimproved capital value until 30th June, 1941.

(ii) *In the Jervis Bay Territory.* The Commonwealth has acquired from the State of New South Wales sovereign rights over the area comprising about 28 square miles of land and water at Jervis Bay for possible use as a port in connexion with the Australian Capital. The Royal Australian Naval College was established in this area on a site known as Captain's Point, but was removed in 1930 to Flinders Naval Base, Victoria. Leases have been granted over an area of approximately 12,000 acres in the Jervis Bay Territory.

A scheme for the use by tourists of the residences and other buildings at Jervis Bay has been put into operation, and it has proved a considerable attraction, affording a seaside resort for residents of the Territory as well as for visitors from other places.

7. **Railways.**—Canberra is connected with the railway system of New South Wales by a line 4½ miles long to Queanbeyan. This line was opened for goods traffic on the 25th May, 1914, and for passenger traffic on the 15th October, 1923. The railway terminus is situated in the area known as Kingston.

A direct passenger service is in operation connecting Canberra with Sydney and Melbourne, and trains leave both cities for Canberra daily. Improved facilities for goods traffic have also been provided.

A trial survey of a line between Canberra and Jervis Bay has been made, and plans prepared to enable an estimate of the cost of the line to be obtained, but no action in regard to this project is contemplated at present.

Under the provisions of the Seat of Government Surrender Act 1909 of New South Wales and the Seat of Government (Acceptance) Act 1909 of the Commonwealth an agreement exists between the Commonwealth and the State of New South Wales in relation to the construction of a railway from Canberra to Yass—a distance of approximately 43 miles, of which about 32 miles extend through New South Wales. The State is required to construct its portion of the line as soon as the Commonwealth builds a line to the boundary of the Territory.

8. **Population.**—The census return of population on the 30th June, 1938, was 11,290 in the Australian Capital Territory and 272 in Jervis Bay Territory, or a total of 11,562 persons. The estimated population at 31st March, 1939, was 11,824.

9. **Live Stock.**—The number of live stock depastured at 31st March, 1938, were :—Horses, 1,225, cattle, 8,325, and sheep, 263,616.

10. **Educational Facilities.**—Arrangements have been made with the New South Wales Education Department to continue for the time being the administration of education in the Territory, the expenditure involved being refunded annually to the State. There are twelve schools in the Australian Capital Territory and two in Jervis Bay Territory. The largest primary school is situated at Telopea Park, Barton, with accommodation for 750 scholars. Secondary education is provided at the Canberra High School, Acton. It has accommodation for 558 scholars, and its curriculum provides a standard of education comparable in range of subjects with that provided at the best of the Government High Schools in New South Wales, thus permitting scholars to qualify for entrance to the Universities. The School also provides for Commercial and Junior Technical Classes, and there is an Evening Continuation School attached with Evening Commercial and Matriculation Classes.

The Canberra Technical College at Kingston is provided with modern equipment and machinery for supplementary courses for apprentices, journeymen desirous of improving their trade qualifications, and others desirous of taking any of the special courses available.

The supplementary trade courses include fitting and machining, motor mechanics, carpentry and joinery, bricklaying, plastering, house painting and paperhanging, electrical fitting and electrical mechanics, and plumbing and sheet metal work. Special courses include autogenous welding, drainage, signwriting, woolclassing and housecraft. If enrolments warrant, classes will also be provided in gardening, horticulture, ticket writing, graining and marbling, cookery, tailoring and dressmaking.

Education facilities from kindergarten to secondary are provided free of cost and comparatively low fees are charged for tuition at the Canberra Technical College and Evening Continuation School.

A technical school has been established at the Canberra Technical College to prepare youths who have completed two years super-primary school work for apprenticeship trades and semi-skilled occupations. The course of study includes Mathematics, English, Civics, and workshop practice in carpentry, bricklaying, motor mechanics and plumbing and sheet metal work.

There are at present four private schools in the Territory. The Canberra Grammar School for Boys, the Canberra Church of England Grammar School for Girls, and St. Christopher's Convent School provide for primary and secondary education, and St. Patrick's School provides primary and sub-primary education.

Reference to the establishment of a University College at Canberra will be found in Chapter VI. "Education".

II. Finance.—(i) *Financial Year 1937-38.* Receipts and Expenditure for the financial year 1937-38 are given in the table hereunder:—

AUSTRALIAN CAPITAL TERRITORY: RECEIPTS AND EXPENDITURE, 1937-38.

Receipts.		Expenditure.				
Items.	Amount.	Items.	Capital.	Maintenance.	Other.	Total.
	£		£	£	£	£
Rent and rates ..	162,827	Architectural services ..	149,914	32,256	..	182,170
Electricity ..	48,106	Engineering services ..	276,807	77,445	..	354,252
Motor registration and fees ..	13,180	Lands, Forestry ..	9,919	..	..	9,919
Hospital tax ..	8,328	Loans for housing, net ..	27,485	..	..	27,485
Hotels ..	20,537	Sundry works and services ..	6,888	45,855	..	52,743
Transport and City Bus Service ..	71,748	Education ..	..	..	34,804	34,804
Sales of goods, manufactured products, etc. ..	586,430	Hospital—Working expenses ..	..	..	13,250	13,250
Miscellaneous ..	38,510	Interest and Sinking Fund ..	..	..	288,017	288,017
		Administrative ..	..	..	71,110	71,110
		Hotels—Working expenses ..	..	..	..	26,317
		Transport and City Bus Service—Working expenses ..	..	..	..	64,488
		Factory Stores, etc.—Working expenses ..	..	..	577,306	577,306
		Miscellaneous—Police, Fire Brigade, etc. ..	..	..	52,665	52,665
Total Receipts ..	955,666	Total Expenditure ..	471,013	155,556	1,127,957	1,754,526

(ii) *From Date of Selection of Site to 30th June, 1938.*—The total receipts and expenditure from the date of selection of site to the 30th June, 1938, were as follows:—

AUSTRALIAN CAPITAL TERRITORY: RECEIPTS AND EXPENDITURE TO 30th JUNE, 1938.

Receipts.		Expenditure.	
Items.	Amount.	Items.	Amount.
	£		£
Commonwealth Treasury—		Lands ..	915,166
Parliamentary Appropriations—		Engineering works ..	4,107,283
Revenue ..	4,905,995	Architectural works ..	2,651,810
Loan ..	5,840,083	Other capital expenditure, sundry debtors, etc. ..	837,177
			8,511,436
		Seat of Government Establishment Account, being maintenance and administration less revenue; expenditure of a capital nature for which assets no longer exist; profit and loss accounts of trading activities, etc. ..	2,234,642*
Total Receipts ..	10,746,078	Net Expenditure ..	10,746,078

* Excluding accumulated interest, £2,844,083.

The above table was prepared by the Department of the Interior and does not include the cost of National Buildings—Parliament House, the Secretariats, etc., £1,731,914, and Loans for Housing, £207,054.

NORFOLK ISLAND.

1. **Area, Location, etc.**—Norfolk Island, discovered by Captain Cook in 1774, is situated in latitude $29^{\circ} 3' 45''$ South, longitude $167^{\circ} 56' 29''$ East. Its total area is 8,528 acres, the island being about 5 miles long and 3 miles wide. From Sydney it is distant 930 miles, and from Auckland, 630 miles. The coast line is 20 miles, and its form that of an irregular ellipse. Except on the south-west, inaccessible cliffs rise from the water's edge. The climate is equable, the temperature ranging between 49° and 85° , with a mean of 68° . The average annual rainfall is 53 inches. It has been said that the salubrious climate, coupled with the beauty of its land and sea scapes, should combine to render Norfolk Island "the Madeira of the Pacific." The island is visited annually by a number of tourists, and with improved shipping facilities this traffic is likely to increase. A tourist bureau has been established on the Island.

2. **Settlement.**—The first colonization, in 1788, was by Lieutenant King, who in H.M.S. *Supply* established a small penal station as a branch settlement of that at Port Jackson. The settlement was abandoned in 1813, and for 13 years thereafter its chief use was as a whaling station and place of call for British warships.

From 1826 to 1855 it was again made a penal station. In 1844 it was annexed to Van Diemen's Land (Tasmania).

The descendants of the *Bounty* mutineers, having become too numerous to subsist on Pitcairn Island, were removed thence to Norfolk Island in 1856. The new community numbered 94 males and 100 females—and were the descendants of British sailors and Tahitian women. Two of these were still alive at 30th June, 1939.

3. **Administration.**—In 1856 the island was created a distinct and separate settlement under the jurisdiction of New South Wales. Later in 1896 it was made a dependency under the Governor of that Colony, and finally by the passage of the Norfolk Island Act 1913 it was accepted by the Federal Parliament as a territory of the Commonwealth. From July, 1914 until 1st January, 1929, Norfolk Island was administered by the Department of Home and Territories, but it is now administered by the Territories Branch of the Prime Minister's Department through an Administrator. An amending measure, the Norfolk Island Act 1935, provides for the establishment of an Advisory Council of eight elected members to advise the Administrator on any matter affecting the Island.

4. **Population.**—The population at the 30th June, 1938, was 1,059, consisting of 553 males and 506 females. In the year 1937-38, 23 births, 12 deaths, and 10 marriages were recorded. The average age of the persons who died was 53 years. Departures from the Island exceeded arrivals by 37, the respective figures being: departures 331, arrivals 294.

5. **Live Stock.**—The latest returns of live stock show that in May, 1938, there were on the island 1,972 cattle, 679 horses, 235 sheep and 82 pigs. In addition, there were 4,873 head of poultry.

6. **Production, Trade, etc.**—The soil throughout is good and is specially suitable for the cultivation of bananas, citrus and other fruits. The Canadian Wonder bean seed is one of the staple crops of the Island. Since the promulgation of the Ordinance regulating the export of seed the area planted with bean seed has increased, but as in previous years the 1937-38 crop was damaged by rain and wind storms and the exports amounted to only 923 bushels compared with 1,453 bushels in 1936-37.

Apart from the bean, agriculture generally has been depressed, but the prospects are now brighter. A modern pulping factory has been erected on the Island and 5,134 gallons of passion fruit pulp were exported during 1937-38. The pulping of cherry guavas for jelly was also experimented with and 17,980 lb. were shipped to Sydney.

Large numbers of whales pass the island throughout the season, but whaling has not been conducted for a number of years. The industry was recently revived by the formation of a whaling company. Three boats have been fitted out and manned by full crews, and it is hoped that the venture may prove successful. The preserved fish

industry which was established some years ago has been abandoned, and the fish-freezing factory has also ceased operations, although 13,120 lb. of frozen fish were exported to Australia during 1937-38. Such fish as trevalla, kingfish, schnapper and many others abound in the waters around the Island.

On the 30th June, 1938, the total area of land held under freehold and Crown leasehold amounted to 6,818 acres, consisting of 4,521 acres freehold and 2,297 leasehold.

Imports and exports for the last five years are given hereunder; the values are expressed in Australian currency :—

NORFOLK ISLAND : IMPORTS AND EXPORTS.

Country.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
IMPORTS.					
From—	£	£	£	£	£
Australia	27,760	26,260	28,657	33,825	31,188
New Zealand	716	..	..	2	119
Pacific Islands	184	258	140	210	239
Total	28,660	26,518	28,797	34,037	31,546
EXPORTS.					
To—	£	£	£	£	£
Australia	15,714	8,170	8,283	11,611	10,328
New Zealand	105	..	921	..	911
Pacific Islands	74	148	203	268	268
Total	15,893	8,318	9,407	11,879	11,507

Duties of Customs are levied on the following goods imported into Norfolk Island for home consumption :—

IMPORT DUTIES SCHEDULE.

Article.	Unit.	Rate of Duty.	Article.	Unit.	Rate of Duty.
		<i>s. d.</i>			<i>s. d.</i>
Spirits	pr. gal.	30 0	Chicory	lb.	0 3
Ale, beer, porter and cider	gal.	2 6	Petroleum, etc.	gal.	0 3
Wine, still—			Kerosene, etc. .. .. .	..	0 3
Australian .. .. .	..	5 0	Residual oil, etc. .. .. .	..	0 3
Other .. .. .	..	10 0	Oil, n.e.i. .. .. .	..	0 3
Wine, sparkling—			Lubricating oils .. .. .	..	0 3
Australian .. .. .	..	15 0	Sugar	cwt.	3 0
Other .. .. .	..	25 0	Molasses, etc. .. .. .	..	2 0
Tobacco, manufactured or unmanufactured—			Biscuits	lb.	0 1
Australian leaf	lb.	2 0	Candles .. .. .	..	0 1
Other leaf .. .. .	..	4 0	Confectionery .. .. .	..	0 3
Cigars and cigarettes .. .. .	..	6 0	Dried fruits—		
Tea .. .. .	..	0 3	Australian .. .. .	..	0 1
Coffee .. .. .	..	0 3	Other .. .. .	..	0 3
			Jams, jellies and pre- serves .. .. .	..	0 1

No duties are chargeable on goods imported into Australia from Norfolk Island if the goods—(a) are the produce or manufacture of Norfolk Island; and (b) are shipped direct to Australia; and (c) are not goods which if manufactured or produced in Australia would be subject to any duty of excise.

7. **Communication.**—The “all-red” cable from Great Britain via Vancouver, Fanning Island and Fiji, bifurcates at Norfolk Island, one line connecting with New Zealand, the other with Brisbane.

An alternate 12 and 30 days’ shipping service to the Territory is maintained by the vessels of Burns, Philp & Co. Ltd., Sydney, under the terms of the contract with the Commonwealth Government for the maintenance of shipping services to the Pacific Islands.

On one voyage the SS. *Morinda* leaves Sydney, calls at Lord Howe Island and Norfolk Island and then proceeds to the New Hebrides, returning to Sydney by the same route. The same vessel then makes a short trip to Norfolk Island and returns to Sydney calling at Lord Howe Island on both the outward and inward voyages.

The journey from Sydney to Norfolk Island occupies four days.

8. **Social Condition.**—Education is free and compulsory up to the age of fifteen years. The school conforms to the Australian standard of public education, ranging from kindergarten to the intermediate certificate, with a two years’ super-primary course of instruction in cultural subjects and in agriculture, woodwork, metalwork, etc. The headmaster and two assistant teachers are lent by the New South Wales Education Department, but they are paid by the Norfolk Island Administration. The number of scholars enrolled at 30th June, 1938, was 136.

The Court of Norfolk Island presided over by a Chief Magistrate is a court of record with dual jurisdiction. Sitting in its Limited Jurisdiction the Court has power to hear and determine actions of claims not exceeding £30 and to punish summarily all crimes and offences involving a pecuniary penalty or a sentence of imprisonment not exceeding six months. In its Full Jurisdiction the Court can hear and determine all actions, punish all crimes and offences, grant probate and letters of administration, hear and determine appeals from any conviction of the Court sitting in its limited jurisdiction, and has authority in all other matters. An appeal lies to the High Court of Australia from any judgment, order, decree or sentence of the Court sitting in its full jurisdiction.

9. **Finances.**—The whole of the Territorial revenue together with an annual grant from the Commonwealth Government in aid of the administrative expenses is paid to the credit of the Norfolk Island Trust Fund Account, and all administrative and developmental expenses are paid from that account. The operations for the year 1937–38 were as follows:—

NORFOLK ISLAND TRUST FUND ACCOUNT, 1937–1938.

Items.	Receipts.	Items.	Expenditure.
	£		£
Balance carried forward ..	8,751	Salaries	5,923
Commonwealth Grant—		Purchase of liquor	2,558
Ordinary	4,000	Flood damage relief	527
Special	1,840	Assistance to passion fruit	
Customs duties	3,317	industry	1,840
Sale of liquor	2,886	Repairs and maintenance	1,140
Miscellaneous	2,164	Miscellaneous	4,136
		Balance	6,834
Total	22,958	Total	22,958

PAPUA.

§ 1. General Description.

1. **Early Administration.**—Particulars of the early administration of Papua were given in Official Year Book No. 19, p. 576.

2. **Administration by Commonwealth of Australia.**—The Territory was placed under the authority of the Commonwealth on 1st September, 1906, by proclamation issued in pursuance of Letters Patent of the 18th March, 1902, and was accepted by the Commonwealth by the Papua Act 1905, which came into force by virtue of the

proclamation aforesaid. The transfer was made under the authority of section 122 of the Constitution. The Territory is now under the administration of the Commonwealth, but not included within it, and is divided into magisterial districts.

3. **Area, etc.**—Papua lies wholly within the tropics. The northernmost point touches 5° S. latitude; its southernmost portion, comprising Sudest and Rossel Islands, lies between 11° S. and 12° S. latitude. It is separated from Australia by Torres Strait. The length of Papua from east to west is upwards of 800 miles; towards either end the breadth from north to south is about 200 miles, but about the centre it is considerably narrower. The Territory comprises also the islands of the Trobriand, Woodlark, D'Entrecasteaux and Louisiade groups. The length of coast-line is estimated at 3,664 miles—1,728 on the mainland, and 1,936 on the islands. The total area is about 90,540 square miles, of which 87,786 are on the mainland, and 2,754 on the islands. A reference to the physical characteristics of the Territory appears in previous issues of the Official Year Book (see No. 18, p. 633).

§ 2. Population.

The white population of Papua at the census of the 30th June, 1938, was 1,488, made up of 964 males and 524 females. The numbers recorded in previous years were:—1935, 1,229; 1936, 1,203; and 1937, 1,323.

It is not possible to give exact data regarding the number of natives, because a large area of the interior is not yet under complete Government control. The official estimate is 300,000. Such censuses of the native population as have been taken during recent years point to a slight increase. The coloured population, other than Papuans, on 30th June, 1933, was 786, and included many mission teachers from Samoa, Fiji and other Pacific Islands. On the same date, half-castes, with one of the parents a European, were 227. An Immigration Restriction Ordinance prohibits the immigration of persons who fail to pass the dictation test, or who are of bad character, or likely to become a charge upon the public. Exemptions may, however, be granted by the Lieutenant-Governor to persons of special skill required for employment as overseers or foremen.

§ 3. Native Labour, Taxation, Health, etc.

1. **Native Labour.**—Information regarding the conditions connected with the employment of native labour will be found in Official Year Book No. 22, p. 607.

The number of natives who served under contracts of service for various periods during 1937–38 was 15,427, and the approximate number of non-indentured labourers was 3,051; the latter is of course only estimated, and cannot be taken as quite reliable.

2. **Native Taxes.**—Under the Native Taxes Ordinance, 1917–1936, a tax not exceeding £1 per annum may be imposed on natives, excepting native constables, mission teachers, natives unfit for work, and those who have four living children. The proceeds of the tax must be expended on native education, or devoted to purposes directly benefiting the natives, as may be prescribed.

The taxes collected in 1937–38 amounted to £14,648, of which £4,299 was transferred to the Native Education Fund, and £8,301 to the Native Benefits Fund. The Native Education Fund during the year 1937–38 disbursed to primary and technical education £4,087, and to agricultural education £1,059, leaving a credit balance of £18,035. From the Benefits Fund the expenditure included:—Anthropology, £860; health, £5,954; village improvements, £205; family bonus, £1,312; games in villages, £32; and clerical expenses, £25.

3. **Care of Half-caste Children.**—An Ordinance was passed in 1922 to provide for the care and maintenance of neglected half-caste children. The Ordinance provides that a sum of £26 per annum shall be paid to the Commissioner for Native Affairs by the adjudged father of the child until the child, if a boy, shall reach the age of 16 years, or if a girl, 18 years.

4. **Health.**—The two principal native hospitals are in Port Moresby and Samarai; but minor hospitals are attached to the out-stations. Hospitals are also conducted by the various mission societies and plantation companies. The mission societies employ two

doctors and a number of trained nurses. Several European medical assistants are employed by the Government. In recent years parties of natives have received a six months course of instruction in first aid and in elementary physics, chemistry, anatomy, physiology and pathology at the School of Public Health and Tropical Medicine, University of Sydney. On their return to the Territory the natives are employed as travelling native medical assistants. The chief complaints treated are yaws, ulcers, lung affections, hookworm, venereal and skin diseases. The death rate amongst native labourers was 1.83 per cent. in 1937-1938.

§ 4. Land Tenure.

1. *Method of Obtaining Land.*—The broad principles upon which the land laws of Papua are based are:—(a) no land can be alienated in fee simple; (b) the rental of the land leased is assessed on the unimproved value of the land, and is subject to re-appraisal at fixed periods. The terms upon which land may be leased are very liberal. Leaseholds of the best class of agricultural land may be obtained for 99 years. No rent is payable during the first ten years of the lease on areas less than 1,000 acres. During the following ten years the rent is charged at the rate of 5 per cent. on the unimproved value of the land. The unimproved value of the land is appraised every twenty years and the rent determined accordingly. If on any appraisement the rent is raised by more than one-third the lessee may disclaim the lease and shall be entitled to receive compensation for his improvements. The unimproved value of agricultural land has been fixed at 5s. per acre. Rent is immediately payable on areas exceeding 1,000 acres, and survey fees on areas exceeding 100 acres.

2. *Holdings.*—On the 30th June, 1937, the lands of the Territory were held as follows:—

PAPUA: HOLDINGS, 1937.

Description.	Area.
	Acres.
Land held by the natives	56,828,751
Crown land	845,967
Freehold land	24,018
Leasehold land	246,864
Area of Territory	57,945,600

Private sales of land in the Territory have now ceased. The Government buys from the natives, and then leases to planters, who are forbidden to have direct dealings in land with Papuans.

Of the total area of 246,864 acres shown above, agricultural leases accounted for 227,503, pastoral leases for 17,821, special leases for 633 and mission leases for 617.

The total area of leases granted during 1936-37 was 25,724 acres, and Crown rents on leaseholds amounted to £5,359.

§ 5. Production.

1. *General.*—The products of the Territory are obtained from its agricultural, timber, fishing, mining and manufacturing industries. Gold is the principal mineral mined, and copra occupies the foremost position amongst plantation products followed by rubber. Portions of the Territory appear well suited for cotton cultivation, and there is a possibility of obtaining petroleum in marketable quantities. Bounties are paid by the Commonwealth Government on cocoa beans and shells, hemp and coir, sago, vanilla beans, bamboos and rattans, spices and kapok produced in the Territory and imported direct to Australia for home consumption.

2. *Agriculture.*—(i) *Soil and Rainfall.* Rich soils at varying elevations and heavy and evenly distributed rainfall favour the cultivation of a variety of tropical products including sugar cane, coconuts, sago palm, bread fruit, dyewoods, spices, ginger, nutmegs,

bananas and other fruits. There are large areas of rich alluvial and volcanic soils along the coast, and fertile land is found at elevations up to 6,000 feet. Heavy rainfalls occur, except over a belt of country which runs back from the coast to the hills, and which has its dry season from May to November. This "dry" area is admirably suited for the production of tobacco, fibres, cotton, etc. There are 21 meteorological stations throughout the Territory, and an economic museum and agricultural library have been established.

(ii) *Plantations.* Agricultural settlement has been mostly in the Central and Eastern Divisions with coconuts and rubber as the principal crops. The natives are compelled by an ordinance to plant coconuts for food supply. In addition to the coconuts in these plantations, many more are planted over small and widely scattered areas by the older natives in accordance with custom. The Native Plantations Ordinance provides for the establishment of plantations in which half of the proceeds is paid to the natives entitled thereto, and the remaining half paid into the Native Education Fund. The following table shows the areas under the different crops during the past five seasons:—

AREA UNDER CULTIVATION.

Crop.	1933.	1934.	1935.	1936.	1937.
	Acres.	Acres.	Acres.	Acres.	Acres.
Coconuts	47,921	49,033	47,642	48,188	45,207
Rubber	8,993	8,933	9,591	10,270	10,956
Sisal hemp	150	362	150	150	150
Kapok	79	86	128	168	119
Coffee	391	398	388	368	271
Rice	39	21	27	..	..
Sugar	53	54	50	..	..
Mauritius beans	70	80	..	..	..
Other	611	479	652	801	933
Total	58,307	59,446	58,628	59,945	57,636

The market price of the two staple products declined considerably during the year. The average price of copra dropped from £21 16s. 1d. in 1936-37 to £12 17s. 3d. in 1937-38, while the price of rubber fell from 11½d. to 7.45d. per lb. during the same period. The prices ruling during 1937-38, however, were considered to be profitable to planters.

(iii) *Government Plantations.* There are two Government plantations, the Orangerie Bay coconut plantation and the Kemp Welch rubber plantation.

3. *Forestry.*—According to the Commonwealth Inspector-General of Forests the principal softwood timber is known as "ilimo," while among satisfactory timbers of the lowlands are "nara," "medobi," and "melila." There are a large number of woods, varying from the softest to the hardest, including beautiful cabinet woods, but research is necessary to determine their usefulness. The development of a coniferous belt at the higher altitudes offers great possibilities. It is believed that teak and sandalwood are well suited for cultivation.

4. *Live Stock.*—At 31st December, 1937, the live stock in the Territory consisted of 335 horses, 8,372 head of cattle, 116 mules, 1,212 goats, 592 pigs, 64 sheep and 4,906 fowls. The introduction of rabbits, foxes, hares and monkeys is prohibited.

5. *Fisheries.*—Pearl-shell fishing occupies an important place in the industries of Papua. Considerable numbers of luggers are licensed, but the returns are mostly credited to Queensland, whose boundary approaches to within a few miles of the Papuan coast. The species of tortoise which supplies the commercial tortoise-shell is also a native of Papua. Bêche-de-mer and trochus are found along the shores and reefs, and form valuable articles of export.

6. Mining.—(i) *Variety of Minerals.* Minerals have been found over a wide range of country. Those discovered so far are—gold, copper, tin, lead, zinc, cinnabar, iron, osmiridium, gypsum, manganese, sulphur, graphite, chromite, lignite, platinum and petroleum.

The existence of petroleum has been traced at scattered intervals over a large area. Three companies hold permits under the provisions of the Petroleum (Prospecting and Mining) Ordinance 1938 and oil prospecting is being carried on in the Western, Delta, Gulf and Central Divisions.

Of precious stones, only the topaz and beryl have been obtained. Large beds of apparently good coal also exist.

(ii) *Gold.* Gold was discovered in 1888 and the search gradually spread over every division, finds being reported wherever the explorers went. Gold-mining was carried on sporadically throughout the Territory during 1937–38, the only important developments being on the Island of Misima in the Louisiade gold field. The estimated quantity in fine ounces and the value of the gold yield for the last five years are given below :—

PAPUA : GOLD YIELD.(a)

1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
Quantity. (b)	Value.	Quantity. (b)	Value.	Quantity. (b)	Value.	Quantity. (b)	Value.	Quantity. (b)	Value.
fine oz.	£	fine oz.	£	fine oz.	£	fine oz.	£	fine oz.	£
11,064	89,624	16,487	144,073	19,254	167,046	21,605	187,975	25,835	223,160

(a) Valued at average price realized for fine gold in Australia.

(b) Estimated.

Most of the rivers, with the exception of those flowing into the Gulf of Papua, have been declared open to gold-dredging, and good yields have been obtained. The total value of gold won to 30th June, 1938, was £2,517,201.

(iii) *Copper.* Owing to unprofitable prices the copper mines in Papua have suspended operations. The total value of the copper exported to the 30th June, 1938, was £369,127.

(iv) *Other Minerals.* Some good samples of galena (sulphide of lead) have been obtained, while cinnabar (sulphur of mercury), graphite (or plumbago), zinc-blende, native sulphur, and other minerals are known to exist. In 1924 a deposit of lignite was discovered on Smoky Creek, a tributary of the Era River.

A mineral laboratory and museum have been fitted up, and are available to prospectors and others interested.

7. *Water Power.*—Most of the rivers in Papua carry a large volume of water from a great height over a relatively short distance, thereby offering opportunities for the installation of hydro-electric power plants. It is estimated that there are at least 10,000,000 h.p. available for this purpose.

§ 6. Trade.

1. *Customs Tariff.*—In the Schedule to the Customs Tariff of Papua 136 items are mentioned of which approximately one-third are on the free list consisting of a number of foodstuffs and certain manufactures for use in the development of the Territory or its industries. Where duties are imposed they are generally on a 10 per cent. ad valorem basis, with the exception of ale, spirits, beverages and tobacco on which high revenue rates are imposed. Preference is given to Australian wines. On the 16th July, 1931, a primage duty of 4 per cent. ad valorem was imposed on all goods whether dutiable or not in addition to the ordinary customs dues; the rate was subsequently reduced to 2½ per cent. and the duty ceased to operate on 1st July, 1937. The value of imports into Papua during 1937–38 was £631,497 and the duty collected, £58,380, including primage, £67.

The sum of £159 was received in export duties which are levied on pearl-shell, gold and copra, in the latter case only on the excess above £20 per ton of a certain declared value deemed to be the London market price.

Provision is made in the Australian Customs Tariff (Papua and New Guinea Preference) 1936 for the free entry into Australia of certain goods produced and imported direct from Papua (see Chapter XVI., § 2 par. 4 (iv)), and a proclamation of 25th September, 1935, exempted from primage duty goods the produce or manufacture of the Territory.

2. Imports and Exports.—Comparative tables of imports and exports during the past five years are given hereunder. The values of exports are expressed in Australian currency but it is not possible to determine accurately the meaning of the £ in the table of imports.

PAPUA: IMPORTS AND EXPORTS.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
IMPORTS.					
	£	£	£	£	£
Ale, spirits and beverages ..	7,188	8,732	9,170	11,362	14,453
Tobacco and manufactures ..	17,948	23,297	21,075	25,637	24,213
Agricultural products and groceries ..	63,451	74,945	85,205	114,621	143,937
Textiles, felts, furs, attire, etc. ..	24,670	30,127	30,985	40,987	45,492
Metals and machinery ..	35,142	49,551	49,389	98,875	124,277
Oils, paints and varnishes ..	15,072	14,179	17,327	27,519	37,139
Earthenware, cement, glass, etc. ..	1,968	2,730	2,687	5,078	6,969
Drugs and chemicals ..	5,912	8,143	7,444	9,596	12,904
Wood, wicker and cane ..	1,995	3,385	4,729	7,620	14,918
Jewellery and fancy goods ..	4,216	4,699	7,722	9,171	9,495
Leather and rubber ..	2,873	5,182	5,204	6,288	6,748
Paper and stationery ..	3,779	4,264	5,105	6,317	8,569
Miscellaneous ..	19,491	23,510	49,748	58,633	126,479
Government stores ..	16,990	16,555	22,025	30,352	55,904
Total	220,605	269,299	317,815	452,056	631,497
EXPORTS.					
	£	£	£	£	£
Bêche-de-mer	1,643	4,455	1,802	3,939	1,363
Coffee beans	4,993	7,083	5,217	7,536	6,606
Copra	42,990	57,597	100,681	191,808	91,166
Coconut, desiccated	48,000	37,895	42,467	47,137	52,628
Gold	45,933	68,922	81,034	87,003	108,141
Pearls	2,505	5,742	2,395	1,966	2,400
Rubber	61,324	79,031	89,467	124,174	129,448
Trochus shell	16,922	11,750	13,609	12,581	8,578
Other	24,825	22,268	18,485	47,857	35,263
Total	249,135	294,743	355,157	524,001	435,593

The rise in imports was occasioned chiefly by the introduction of capital equipment for the gold field at Misima and for the oil prospecting companies in the west. The fall in the market price of copra was largely responsible for the decrease in exports during 1937-38.

The trade of the Territory reached its maximum in 1925-26 when imports were valued at £470,774 and exports at £649,373. Prices for both copra and rubber were high about that time and the copper mines were producing freely.

3. Direction of Trade.—Particulars of the countries of origin of the imports into Papua and the destination of the goods shipped therefrom are shown below for the past three years :—

PAPUA : DIRECTION OF TRADE.

Country.	Imports.			Exports.		
	1935-36.	1936-37.	1937-38.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£	£
Australia	145,534	219,007	305,894	254,132	332,165	352,923
United Kingdom ..	53,670	72,580	87,910	45,329	55,338	32,622
Other British	13,317	20,717	22,453	6,025	6,245	6,477
Europe	6,985	18,761	35,839	38,291	97,392	29,915
Japan	9,104	12,888	17,969	10,558	8,381	5,509
Asia, excluding Japan	22,844	30,549	35,730	675	3,080	1,363
Dutch East Indies and Philippine Islands ..	11,320	20,657	34,381	147	..	3,017
United States of America	54,406	56,470	89,847	..	21,400	55
America, Other	635	427	1,474	..	..	..
Morocco .. ..	..	..	..	..	..	3,712
Total	317,815	452,056	631,497	355,157	524,001	435,593

§ 7. Finance and Shipping.

1. Finance.—The revenue and expenditure for the last five years were as follows :—

PAPUA : REVENUE AND EXPENDITURE.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Revenue—					
Customs	35,551	43,428	46,132	57,443	58,539
Commonwealth Grant ..	40,000	42,500	42,500	42,500	42,500
Lands	5,376	5,319	5,177	6,531	6,708
Fees, fines, etc.	4,873	6,199	5,600	6,148	7,065
Other	35,348	(a) 55,165	(a) 66,279	(a) 59,169	67,996
Total	121,148	152,611	165,688	171,791	182,808
Expenditure—					
Medical	13,759	13,398	16,203	16,718	20,884
Ordinary Votes	90,610	(b) 120,723	(b) 129,282	(b) 127,926	122,536
Public Works	14,335	15,504	17,597	23,503	35,828
Native Affairs	2,784	2,848	2,739	2,773	3,854
Total	121,488	152,473	165,821	170,920	183,102

(a) Includes Commonwealth grant to rubber growers £19,023 in 1934-35, £19,747 in 1935-36 and £6,871 in 1936-37, and Commonwealth grant for mining development, £5,000 in 1935-36.

(b) Includes expenditure of Commonwealth special grants.

2. Shipping.—The following table shows the number and tonnage of oversea vessels entered and cleared at ports during the years 1931-32 to 1937-38. All the vessels recorded in 1937-38 except 56 were of British nationality.

PAPUA : OVERSEA SHIPPING.

Year.	Vessels.	Tonnage.
1931-32	185	333,304
1932-33	170	398,451
1933-34	168	373,895
1934-35	177	341,537
1935-36	194	371,980
1936-37	181	356,476
1937-38	243	482,981

Throughout, the figures are exclusive of ships of war and Government vessels.

§ 8. Progress of Papua.

As already stated in § 1, *supra* the Territory was placed under the Commonwealth control on 1st September, 1906. The following table indicates the progress that has been made since that date :—

PAPUA : STATISTICAL SUMMARY.

Items.	Year ended 30th June—			
	1907.	1936.	1937.	1938.
White population	690	1,203	1,323	1,488
Native labourers employed	2,000	14,268	15,942	18,478
Territorial revenue	£21,813	£98,442	£122,420	£140,308
" expenditure	£45,335	£141,074	£164,048	£183,102
Value of imports	£87,776	£317,815	£452,056	£631,497
" exports	£63,756	£355,157	£524,001	£435,593
Area of plantations	(a) 1,467	(a) 58,628	(a) 59,945	a£57,636
Meteorological stations established	3	20	20	21
Gold yield fine oz.	12,439	19,254	21,605	25,835

(a) 31st December, previous year.

MANDATED TERRITORY OF NEW GUINEA.

§ 1. General Description.

The land area of the Territory of New Guinea is about 93,000 square miles and the area including the sea within the lines drawn through its extreme outer points is more than 1,000,000 square miles. The coast of the Territory not having been completely surveyed, the areas of the various islands are known only approximately.

The approximate areas of the principal islands together with the small islands adjacent thereto are as follows :—

AREA OF TERRITORY OF NEW GUINEA.

Particulars.	Approximate Area.
	Square Miles.
North East New Guinea (also called " The Mainland ")	69,700
Bismarek Archipelago—	
New Britain	14,600
New Ireland	3,340
Lavongai	460
Admiralty Islands	800
	19,200
Solomon Islands—	
Bougainville	3,880
Buka	220
	4,100
Total	93,000

Information regarding physiography and climate will be found in Official Year Book, No. 22, p. 613, and in the Official Handbook of the Territory.

§ 2. Government.

1. **The Military Occupation.**—On the 17th September, 1914, the Acting Governor of German New Guinea signed terms of capitulation with the officer commanding a Naval and Military Expedition sent from Australia, and thereafter the Territory was under military administration until the establishment of Civil Government in May, 1921.

2. **Mandate.**—In 1919 it was decided by the Principal Allied and Associated Powers that the Territory of New Guinea, which Germany gave up as one of the terms of peace, should be entrusted under Mandate from the League of Nations to the Government of the Commonwealth. The issuing of the Mandate was, however, delayed, and it was not until 17th December, 1920, that its terms were settled; and the Mandate itself did not reach Australia until April, 1921.

The terms of the Mandate are given hereunder :—

THE COUNCIL OF THE LEAGUE OF NATIONS :—

Whereas by Article 119 of the Treaty of Peace with Germany signed at Versailles on 28th June, 1919, Germany renounced in favour of the Principal Allied and Associated Powers all her rights over her oversea possessions, including therein German New Guinea and the groups of islands in the Pacific Ocean lying south of the Equator other than German Samoa and Nauru; and

Whereas the Principal Allied and Associated Powers agreed that in accordance with Article 22, Part I. (Covenant of the League of Nations), of the said Treaty, a Mandate should be conferred upon His Britannic Majesty to be exercised on his behalf by the Government of the Commonwealth of Australia to administer New Guinea and the said islands, and have proposed that the Mandate should be formulated in the following terms; and

Whereas His Britannic Majesty, for and on behalf of the Government of the Commonwealth of Australia, has agreed to accept the Mandate in respect of the said territory and has undertaken to exercise it on behalf of the League of Nations in accordance with the following provisions; and

Whereas, by the aforementioned Article 22, paragraph 8, it is provided that the degree of authority, control or administration to be exercised by the Mandatory not having been previously agreed upon by the members of the League, shall be explicitly defined by the Council of the League of Nations;

Confirming the said Mandate, defines its terms as follows :—

ARTICLE 1.

The territory over which a Mandate is conferred upon His Britannic Majesty for and on behalf of the Government of the Commonwealth of Australia (hereinafter called the Mandatory) comprises the former German Colony of New Guinea and the former German islands situated in the Pacific Ocean and lying south of the Equator, other than the islands of the Samoan group and the island of Nauru.

ARTICLE 2.

The Mandatory shall have full power of administration and legislation over the territory subject to the present Mandate as an integral portion of the Commonwealth of Australia, and may apply the laws of the Commonwealth of Australia to the territory, subject to such local modifications as circumstances may require.

The Mandatory shall promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory subject to the present Mandate.

ARTICLE 3.

The Mandatory shall see that the slave trade is prohibited, and that no forced labour is permitted, except for essential public works and services, and then only for adequate remuneration.

The Mandatory shall also see that the traffic in arms and ammunition is controlled in accordance with principles analogous to those laid down in the Convention relating to the control of the arms traffic, signed on 10th September, 1919, or in any convention amending the same.

The supply of intoxicating spirits and beverages to the natives shall be prohibited.

ARTICLE 4.

The military training of the natives, otherwise than for purposes of internal police and the local defence of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established or fortifications erected in the territory.

ARTICLE 5.

Subject to the provisions of any local law for the maintenance of public order and public morals, the Mandatory shall ensure in the territory freedom of conscience and the free exercise of all forms of worship, and shall allow all missionaries, nationals of any State Member of the League of Nations, to enter into, travel and reside in the territory for the purpose of prosecuting their calling.

ARTICLE 6.

The Mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information with regard to the territory, and indicating the measures taken to carry out the obligations assumed under Articles 2, 3, 4, and 5.

ARTICLE 7.

The consent of the Council of the League of Nations is required for any modification of the terms of the present Mandate.

The Mandatory agrees that if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the Mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by Article 14 of the Convention of the League of Nations.

The present Declaration shall be deposited in the archives of the League of Nations. Certified copies shall be forwarded by the Secretary-General of the League of Nations to all Powers Signatories of the Treaty of Peace with Germany.

Made at Geneva the 17th day of December, 1920.

3. **New Guinea Act and Statute Law.**—In anticipation of the issuing of the Mandate the Commonwealth Parliament in September, 1920, passed the New Guinea Act 1920, by which the Governor-General was authorized to accept the Mandate when issued. The Territory was, by the Act, declared to be a Territory under the authority of the Commonwealth, with the name of the Territory of New Guinea.

The Act provided for an Administrator, while power to legislate for the Territory was to be exercised by the Governor-General, and provision was made for the observance of safeguards in the interests of the natives as set out in the Mandate.

In 1932 the Act was amended to provide for the establishment of a Legislative Council and an Executive Council for the Territory, the Executive Council to consist of nine members appointed by the Governor-General of whom one shall not be an officer of the Territory. The Legislative Council is empowered to make Ordinances for the peace, order and good government of the Territory. Such Ordinances are subject to disallowance by the Governor-General who, however, is not now empowered to make Ordinances for the Territory. The amending Act was proclaimed to commence on 2nd May, 1933, and the Act is now entitled the New Guinea Act 1920-1935. The Acts of the Commonwealth Parliament do not (unless expressly so stated) extend to the Territory, but the Laws Repeal and Adopting Ordinance 1921-1937 provides that certain Acts and Ordinances shall be applied thereto.

4. **Legislative Council.**—The Legislative Council consists of the Administrator, the eight official members of the Executive Council and seven non-official members, the latter nominated by the Administrator and appointed by the Governor-General.

5. **Expropriation.**—The Treaty of Peace provided that German nationals resident in her former colonies might be repatriated, and that the property rights and interests of German nationals in former colonies might be retained and liquidated by the Allies, the proceeds being credited to Germany in part payment of the reparation payable by her under the Treaty. In pursuance of these powers, in September, 1920, the property of the principal German companies in the Territory, and in March, 1921, that of a large number of German planters, was vested in the Public Trustee. In 1926 and 1927 these plantations were transferred to private owners.

6. **Departments and Districts.**—The Administration is organized in eight Departments—Government Secretary; Treasury; District Services and Native Affairs; Public Health; Customs; Lands, Surveys, Mines and Forests; Agriculture; and Public Works.

For administrative purposes the Territory is divided into the seven following districts:—New Britain, comprising New Britain and adjacent islands; Morobe; Madang; Sepik (on the mainland); New Ireland, comprising New Ireland, Lavongai and adjacent islands; Manus, comprising the Admiralty Group; and Kieta, the former German portion of the Solomon Islands. Each district is under a District Officer, assisted by a small staff.

7. **Reports to the League of Nations.**—Eighteen reports have been rendered to the League of Nations in compliance with Article 6 of the Mandate, the latest being for the year ended 30th June, 1938.

§ 3. Population.

1. **White Population.**—The number of the white population at various intervals since 1885 is shown in the following table. At the 30th June, 1938, the white population was 4,445, of whom 3,472 were British subjects.

TERRITORY OF NEW GUINEA: WHITE POPULATION.

Year.	Number.	Year.	Number.
1885	64	1935	4,176
1931	2,900	1936	4,281
1932	3,100	1937	4,286
1933	3,191	1938	4,445

2. **Asiatic Population.**—Malays seem to have been the first Asiatics brought by the Germans to German New Guinea; 37 of them were recorded on the mainland in 1885.

About 1889 the New Guinea Company began to bring Chinese, Malays and Javanese in growing numbers from Singapore and Java to work on the plantations; in the year 1892 there were about 1,800 Asiatics on the mainland. By 1898 the number had decreased to 300 or 400, but it had risen to 1,830 at the time of the Census in 1933 and now numbers 1,838, of whom 1,737 are Chinese and 38 Japanese. The Japanese at the 1933 Census numbered 73. The Chinese provide the skilled artisans of the Territory, and many of them are small traders. Most of the Japanese residents are employed on the plantations, or in shipyards and stores.

3. **Native Population.**—As a large portion of the Territory is not under Government influence it is not possible to obtain reliable figures in regard to the number of the natives.

The following table shows the number enumerated as at 30th June, 1938 :—

TERRITORY OF NEW GUINEA : NATIVE POPULATION AT 30th JUNE, 1938.
(Inclusive of Indentured Labourers.)

District.	Children.			Adults.			Total.		
	Males.	Females.	Persons.	Males.	Females.	Persons.	Males.	Females.	Persons.
Kieta ..	9,024	7,796	16,820	15,144	13,304	28,448	24,168	21,100	45,268
Madang ..	18,752	15,641	34,393	28,019	25,864	53,883	46,771	41,505	88,276
Manus ..	2,713	2,334	5,047	5,375	4,681	10,056	8,088	7,015	15,103
Morobe ..	29,239	25,413	54,652	43,383	38,940	82,323	72,622	64,353	136,975
New Britain ..	20,870	18,666	39,536	34,196	25,911	60,107	55,066	44,577	99,643
New Ireland ..	7,421	6,507	13,928	16,743	11,952	28,695	24,164	18,459	42,623
Sepik ..	32,804	26,998	59,802	44,125	43,999	88,124	76,929	70,997	147,926
Total ..	120,823	103,355	224,178	186,985	164,651	351,636	307,808	268,006	658,134

(a) Including 5,528 Mission scholars, constabulary, etc.

The total native population of New Guinea is estimated roughly at about 666,000. Whether the number is increasing or decreasing cannot be ascertained with certainty. The number of natives indentured as labourers, mostly for plantation work, on 30th June, 1938, was 41,849, compared with 40,259 in the previous year.

§ 4. The Natives.

1. **General.**—The natives are divided into two main groups—Melanesian and Papuan—the former, with a few exceptions, constitute the population of the Bismarck Archipelago, the Solomon Islands, and of the coastal districts of the New Guinea mainland, while the latter inhabit the interior of the mainland. Odd tribes of Negritos exist in the mountains of New Guinea. There is a strain of Papuan, and, possibly, of Polynesian blood in the Admiralty Islanders, while the Western Islanders and the inhabitants of the small islands east and south-east of New Ireland are Micronesians. (See Official Year Book, No. 16, p. 670, and Official Handbook of the Territory, Pt. V.)

2. **Land Tenure.**—Native customs in regard to the ownership and use of land may be briefly outlined as follows: The ownership and use of the land are generally individual, although, in some rare cases, particularly in North Bougainville, the communal system exists. In districts where a great many coconut palms are growing on native lands it is often found that the land is the property of a chief or of one of the old men of the tribe and that the coconut palms growing thereon are divided into small groves, and are the property of several members of the tribe. Customs with regard to the use of unoccupied forest lands vary. Right of inheritance to land is almost invariably through the maternal branch. (See Official Year Book No. 17, p. 634, and Official Handbook of the Territory.)

3. **Research Work.**—During the German occupation of the Territory a certain amount of research work was carried out, partly by scientific expeditions, and partly by missionaries and by a local resident. For many years an anthropologist was engaged consolidating the work already done, and extending it throughout the Territory. The results of his work appear in special reports.

4. **Education.**—The education of the natives is provided for in the Education Ordinance of 1922–1938 under which the Administrator is authorized to establish schools, grant money therefor, prescribe instruction, and arrange for the training of teachers and other matters. The expenditure on native education in 1937–38 was £6,726. Though the natives are liable to pay education tax, none has been collected since 1922–23. The European teachers have been seconded from the Education Department of Queensland. During the year ended 30th June, 1938, the following schools were maintained by the Administration:—Native elementary schools and native day schools, Malaguna and Nodup, near Rabaul, and Kavieng and native elementary school at Chimbu (Morobe); native technical school, Malaguna; native agricultural school, Keravat. In addition there are schools for Europeans at Rabaul, Kavieng and Wau.

A considerable amount of educational work is carried out by the missions, the schools maintained being of three classes: (a) elementary schools in villages; (b) intermediate boarding schools at headquarters; and (c) high schools and technical schools. At the end of June, 1938, the various missions maintained 51 training centres, 60 high and technical schools, 137 elementary schools, and 2,282 village schools. The pupils numbered 65,246.

The missions also conduct schools for Chinese children in Rabaul and Kavieng.

The granting of assistance to mission schools is provided for by the Education Ordinance, but no grants have hitherto been made.

5. **Health of Natives.**—In a report dealing with the health of the natives in New Britain submitted before the war, it was stated that "the natives in the districts examined are not degenerate; but they are sick." The same qualification undoubtedly applies to the native population throughout the Territory.

The diseases taking the greatest toll of native life directly or through lowering vitality are:—Malaria, respiratory diseases, dysentery, frambœsia, yaws, tropical ulcer, hookworm, filariasis and beriberi.

The Health Department of the Administration consists of:—(i) a staff of medical officers and orderlies, including travelling doctors; (ii) native hospitals at Government stations and sub-stations (its staff also supervises hospitals on plantations); (iii) a laboratory; (iv) training system for natives as medical orderlies; (v) scheme of distribution of medical necessaries; and (vi) two leper-stations. It also undertakes the general oversight of sanitary conditions. The first Infant Welfare Centre in the Territory was opened in Malabunga in August, 1931.

6. **Missions.**—Several mission societies are operating in the Territory. The Society of the Sacred Heart of Jesus works in the Bismarck Archipelago, the Society of the Holy Ghost along the coast of North-East New Guinea from Sek to the Dutch border, the Marists in Buka and Bougainville. These are Roman Catholic Missions. The Protestant Missions are the Australian Methodist Mission in New Britain and New Ireland, the New Zealand Methodist Mission in Bougainville, the Liebenzell Mission in the Admiralty Group, the Lutheran Mission (supported and staffed by the Lutheran Churches in Australia and America), which works along the coast of North-East New Guinea from Sek to the Papuan border, the Melanesian Mission (Anglican) in New Britain, and the Seventh Day Adventist Mission in Bougainville and New Britain. All these societies combine teaching and planting with their missionary work.

§ 5. Land Policy.

1. **Acquisition of Land.**—A short account of the modes of acquiring land appears in Official Year Book No. 19, p. 590, but considerations of space preclude its repetition.

2. **Land Policy of the Present Administration.**—The Land Ordinance 1922-1939 provides for sale as well as leasing of land belonging to the Administration. The divergence from the policy usually adopted by the British in the Pacific (including Papua), which provides for leasehold only, was made with a view to disposal by sale of the freehold properties taken over from Germans, and which until 1927 were controlled by the Expropriation Board. The general land policy of the Administration is based on the leasehold principle. All Administration grants or leases contain a reservation to the Administration of all minerals, including mineral oil. Leases are for a term of 99 years except where a shorter period is provided. Administration lands, except in towns, are classified by a Land Board into land suitable for agriculture (Class A) and land not so suitable (Class B), and the unimproved value of the land is assessed. In the case of agricultural leases for more than 30 years the rent is 5 per cent. of the unimproved value, with power to remit during the first ten years, and subject to reappraisal every 20 years. Pastoral leases of lands of Class B may be granted for terms not exceeding 30 years, at a rental of 2½ per cent. of the unimproved value, subject to reappraisal every 10 years.

Agricultural leases are subject to improvement conditions and pastoral leases to stocking conditions. Leases of town allotments may be granted for terms not exceeding 99 years, at a rent to be fixed at such percentage of the unimproved value as is prescribed.

A total area of 300,775 hectares (about 751,938 acres) had been alienated up to the 30th June, 1938. The area alienated in 1937-38 was 6,030 hectares (about 15,075 acres).

3. **Registration of Titles.**—Under German law there was a system of registration of titles in a "Ground Book," but registration did not confer an indefeasible title. The German system has been replaced by one modelled on the Torrens plan, embodied in an Ordinance entitled the Lands Registration Ordinance 1924-1938.

§ 6. Production.

1. **General.**—The natives have been described as a people of peasant proprietors, practising a crude form of agriculture. Their gardens and groves furnish but a small amount of produce for oversea trade, and the exports of the Territory grew only as European plantations were made, and natives were employed to work them. In recent years scientific methods of cultivation have been adopted, and production has been greatly increased thereby. Bounties are paid by the Commonwealth Government on cocoa beans and shells, hemp and coir, sago, vanilla beans, bamboos and rattans, spices and kapok produced in the Territory and imported direct to Australia for home consumption.

2. **Agriculture.**—(i) *General.* Under the supervision of the Director of Agriculture soil analysis has been undertaken in different parts of the Territory. A demonstration plantation has been established at Keravat where natives are being trained in tropical agriculture. A laboratory and a herbarium have been established, an entomologist and economic botanist engaged, and travelling inspectors appointed for the purpose of combating plant pests. Experiments are being carried on with a variety of crops. The foregoing measures, in conjunction with the Papua and New Guinea Bounties Act 1937 and the preference given by the Commonwealth Tariff to certain produce grown in the Territories, have greatly stimulated tropical agriculture.

(a) *Coconuts.* Coconut-growing is by far the most important industry in the Territory, but low prices have checked expansion during recent years. Although the price rose sharply during 1936-37 it was not maintained throughout 1937-38 with the result that the exports of copra declined from £1,231,309 to £847,734, with a fall in quantity of only 2,693 tons.

(b) *Tobacco.* Many planters are cultivating tobacco to cater for the local market. Two companies have manufactured tobacco suitable for issue to the natives or for trade. In some instances planters are issuing the dry leaf to the native labourers who make their own cigars and cigarettes.

(c) *Cotton.* In 1924-25 the Government obtained 1,615 lb. of cotton seed, and cultivation was tried at the experimental stations as well as by private planters, including a few natives, but little progress has been made.

(d) *Kapok.* The cultivation of kapok was continued on a small scale. The local demand is more than sufficient to absorb the available crop.

(e) *Cocoa.* Greater interest is being displayed in the cultivation of cocoa. The quality of the beans produced is good, and 179 tons, or an increase of 47 tons over the previous year's figures, were exported during the year.

(f) *Desiccated Coconut.* Three desiccated coconut factories are established in the Territory. The quantity exported during 1937-38 was 1,579 tons.

(g) *Coffee.* Two plantations of coffee are in satisfactory condition and are commencing to yield. Forty-one tons of coffee valued at £1,025 were exported during the year. The coffee is of good quality and is well received on the Australian market.

(h) *Other Crops.* The climate and soil of New Guinea are suitable for the cultivation of rice, Manilla hemp, cinchona, nutmeg, vanilla, peanuts and maize, but hitherto their cultivation has either not advanced beyond the experimental stage or has been attempted on a small scale only. Sugar-cane of many varieties flourishes, and the natives cultivate extensive areas for their own use; other indigenous food-producing plants include the sago palm and the cassava.

(i) *Plants Yielding Power Alcohol.* It seems probable that alcohol for power purposes will be obtainable economically from the Territory. The sago palm and nipa palm yield as much as 60 gallons a ton, and in places are abundant.

(ii) *Plantations.* During the year 1934-35 the Administration disposed of the several plantations maintained by it with the exception of the demonstration plantation at Keravat. The principal crops grown on plantations are shown in the table hereunder for the year ended 30th June, 1938. The figures are not complete, but they give an indication of the state of agriculture in the Territory.

TERRITORY OF NEW GUINEA : PLANTATIONS, 1937-38.

(Exclusive of Native Reserves.)

Crop.	Area Planted.(a)	Area Bearing.	Yield.
	Acres.	Acres.	Tons.
Coconuts	239,976	196,717	75,949
Cocoa	3,531	1,308	145
Coffee	1,535	937	52
Rubber	2,689	..	6
Kapok	677	348	8
Native Food (b)	3,492	1,480	767
Other	10,647	2,585	..
Total	262,547	203,375	..

(a) Includes inter-planted crops. coconut palms not yet in bearing.

(b) Native food of all kinds is mostly grown between young

The area of plantations at various periods from 1885 to 1938 is shown hereunder. As in the case of the previous table, the figures are exclusive of native plantations:—

TERRITORY OF NEW GUINEA: PLANTATIONS.

Year ended June.	Total Area.		Area Planted.	Area under Coconuts (including Area not in Bearing).
	Acres.		Acres.	Acres.
1885.	148		(b)	(a)
1895	2,152		(b)	(a)
1911	58,837		(b)	51,510
1914	84,488		(b)	76,847
1924	411,275		(b)	172,373
1932	460,942		216,730	211,882
1933	514,250		219,490	214,290
1934	486,404		218,648	210,849
1935	473,260		227,697	218,779
1936	484,358		239,867	229,227
1937	487,375		244,066	234,189
1938	496,118		262,547	239,976

(a) Not recorded. (b) Not available.

3. **Live Stock.**—The coconut plantations are now of a sufficient area to maintain numerous live stock, the stock being depastured on the indigenous grasses growing between the rows of palms. In 1937-38 there were 1,123 horses, 19,207 cattle, 1,178 sheep, 8,254 goats, and 6,679 pigs (exclusive of the large number of pigs kept by the natives).

4. **Timber.**—An investigation of the timber resources has been made by the Commonwealth Inspector-General of Forests, and a report in connexion therewith was published in 1926. According to this report, while offering no prospects of immediate gain to large saw-milling interests, the Territory possesses forest potentialities of a high order. A recent survey of the timber resources of the Morobe District has indicated, however, that a pine forest in the Bulolo Valley contains approximately 200 million super. feet of millable timber; it is proposed to harvest this forest over a period of years and progressively to re-forest the area. In North-East New Guinea the Lutheran Mission and the Holy Ghost Mission both possess up-to-date saw-milling plants, while most of the timber required in the Archipelago is supplied by the Sacred Heart Mission's sawmill and three privately owned mills in New Britain. The quantity of sawn timber produced by sawmills was approximately 1,300,000 super. feet, all of which was absorbed by the local market. The exports were confined to timber in the log and 3,103,996 super. feet were shipped to Australia.

The Forestry Ordinance 1936-1937 provides for the issue of permits and licences to cut timber. Timber growing on native lands cannot be acquired by private purchasers directly from the natives, but must be obtained through the Administration. A royalty is payable on all forest produce taken under a permit or licence. Nine timber permits were issued during the year 1937-38, embracing a forest area of 51,718 acres.

5. **Fisheries.**—The wealth of the waters of the Territory has so far been little exploited. Fish is caught at many places along the coast to supply the small local demand of the natives and of the few resident Europeans. Pearl-shell is exported in fair quantities, while bêche-de-mer, trochus-shell and tortoise-shell also figure amongst the exports. The value of marine products exported in 1937-38 was £14,819, compared with £28,310 in the previous year.

6. **Mining.**—Except for gold there has been little mining in New Guinea, and knowledge of the mineral resources is as yet but scanty. Gold has been discovered on the Waria, the Ramu, the Francisco, and the Markham Rivers, and recently in tributaries of the Sepik River. Rich gold was discovered in the Morobe District in 1926; the field is situated about 60 miles (35 by air) inland from Salamaua, the nearest coastal port. Communication has been established with the coast by a regular aeroplane service.

Osmiridium is reported to have been found on the upper tributaries of the Ramu, and platinum on the Kabenau River. Copper has been discovered in the form of chalcopyrite and malachite in the Baining District. Iron occurs as magnesite and hæmatite in the Baining District, apparently in large quantities. Sulphur occurs in several localities in the volcanic regions of the Territory. Brown coal has been found on the mainland in the vicinity of Astrolabe Bay, and in the southern portion of New Ireland.

Mining is regulated by the Mining Ordinance 1928-1936. Copies of the Ordinance and Regulations made thereunder may be obtained from the Secretary, Prime Minister's Department, Canberra, or the Administrator, Rabaul.

The following table shows the production of gold during the past five years :—

TERRITORY OF NEW GUINEA : GOLD PRODUCTION.

Year.				Quantity.	Value.(a)
				Fine oz.	£
1933-34	..	..	..	155,000	1,260,000
1934-35	..	..	..	196,483	1,715,600
1935-36	..	..	..	190,848	1,657,071
1936-37	..	..	..	223,120	1,938,694
1937-38	..	..	..	223,929	1,935,954

(a) Valued at average price realized for fine gold in Australia.

Since the high market price of gold has been maintained, the search for profitable areas in various parts of the Territory has not diminished and systematic testing by drilling and other means has been undertaken on alluvial areas previously considered unworthy of attention. Although there were no new discoveries of alluvial or reef gold during the year the gold-bearing area in the Sepik District attracted miners from the Morobe gold-field and some satisfactory results were obtained.

A search for petroleum is being actively conducted on the mainland. The Petroleum Ordinance 1936 has been superseded by the Petroleum (Prospecting and Mining) Ordinance 1938-1939, which has facilitated the carrying out of geological surveys and prospecting activities generally. On the 30th June, 1938, two permits to search for petroleum were in force.

§ 7. Trade.

1. **Customs Tariff.**—With the exception of high revenue rates on ale, spirits, beverages and tobacco and a duty of 3d. per gallon on petrol, kerosene and lubricating oil, the tariff of the Territory of New Guinea is generally on a 10 per cent. ad valorem basis. Only 55 items are mentioned in the import schedule, of which approximately 32 are on the free list consisting of articles for use by the Administrator, the Trade Commissioners and the Missions, medical supplies, live stock, meat, fish, fresh fruit, vegetables and certain essential manufactures for use in the Territory. The rate of duty for the remaining items as well as for all other goods not mentioned in the schedule is 10 per cent. ad valorem. No preferential tariff rates are provided in the schedule.

Export duties are levied on copra, trepang, shell, feathers and sulphur. When the price, or the assessed value of copra is less than £5 15s. per ton no tariff is imposed, but when the price exceeds this figure up to £11 per ton 2s. 6d. per ton is charged, which increases on a sliding scale to 17s. 6d. per ton as the price rises to £18, with an additional 2s. per ton for every further increase of £1 in the price of copra. Excluding specie the imports in 1937-38 amounted to £1,610,967 on which £218,698 was received in import duties, while £13,368 was paid in export duties and royalties.

Provision is made in the Australian Customs Tariff (Papua and New Guinea Preference) 1936 for the free entry into Australia of certain goods produced and imported direct from the Territory of New Guinea (see Chapter XVI. § 2 par. 4 (iv)), and a proclamation of 25th September, 1935, exempted from primage duty goods the produce or manufacture of the Territory.

2. Imports and Exports.—Values of the principal items of imports and exports for the last five years are shown hereunder. The values of exports are expressed in Australian currency, but it is not possible to determine accurately the meaning of the £ in the table of imports :—

TERRITORY OF NEW GUINEA : IMPORTS AND EXPORTS.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38
IMPORTS.					
	£	£	£	£	£
Foodstuffs of animal origin ..	88,011	94,417	127,110	142,943	157,391
Foodstuffs of vegetable origin ..	108,992	121,146	159,287	186,732	190,657
Spirituous and alcoholic liquors ..	39,757	44,215	50,665	50,550	52,385
Tobacco and preparations thereof ..	43,743	38,777	53,213	59,045	58,155
Live animals	1,287	1,630	1,617	1,870	1,843
Animal substances	276	223	636	1,227	961
Vegetable substances and fibres ..	3,018	2,355	3,884	3,539	4,191
Apparel, textiles and manufactured fibres	106,022	117,670	171,092	152,923	182,590
Oils, fats and waxes	52,867	41,374	72,956	56,982	72,080
Paints and varnishes	6,736	10,472	13,599	14,422	11,044
Stones and minerals	11,955	8,741	12,291	14,039	16,030
Metals, manufactures and machinery	337,920	312,218	426,007	431,216	635,991
Rubber and leather and manufactures	6,899	12,028	15,222	13,810	15,663
Wood and wicker	15,686	13,650	26,279	28,860	33,565
Earthenware, cement, glass, etc. ..	9,739	18,236	13,897	17,113	14,251
Paper and stationery	14,259	16,777	23,583	22,917	24,026
Jewellery and fancy goods	11,829	11,014	12,764	11,282	21,328
Optical and scientific instruments ..	11,937	17,521	22,019	18,610	21,377
Drugs, chemicals and fertilizers ..	25,580	30,905	38,716	44,907	46,878
Miscellaneous	27,803	35,035	45,951	38,636	50,561
Specie	8,500	4,589	133,600	80,400	31,500
Total	932,816	952,993	1,424,388	1,392,023	1,642,467
EXPORTS.					
	£	£	£	£	£
Copra	283,329	361,413	761,309	1,231,309	847,734
Cocoa	3,479	3,479	3,810	6,600	4,475
Ivory nuts	566	186	552	767	162
Trepan	4,400	5,800	5,025	1,350	2,250
Shell (trochus, etc.)	20,482	20,115	24,570	26,960	12,478
Tortoise shell	88	82	103	50	91
Gold	1,367,616	1,897,244	1,704,498	2,020,667	2,028,980
Desiccated coconut	81,562	45,080	65,880	86,930	73,423
Miscellaneous	4,676	7,225	7,504	45,073	25,576
Total	1,766,198	2,340,624	2,573,251	3,419,706	2,995,169

3. Direction of Trade.—Particulars of the countries of origin of the imports into the Territory of New Guinea and the destination of the goods shipped therefrom during the past three years are as follows :—

TERRITORY OF NEW GUINEA : DIRECTION OF TRADE.

Country.	Imports.			Exports.		
	1935-36.	1936-37.	1937-38.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£	£
Australia ..	675,652	620,079	604,523	1,950,240	2,359,261	2,253,304
United Kingdom ..	184,821	148,551	159,215	264,213	289,210	172,355
Other British ..	61,927	83,490	64,920	520	6,523	480
China ..	49,553	57,705	67,165	5,599	3,445	2,528.
Japan ..	76,030	73,747	98,585	12,035	10,027	8,620
France ..	5,632	2,955	3,875	44,951	..	16,480
Germany ..	54,441	63,084	70,886	98,261	95,991	75,124
United States of America ..	204,608	215,223	434,129	5	40,359	..
Other ..	111,724	127,189	139,169	197,427	614,890	466,278
Total ..	1,424,388	1,392,023	1,642,467	2,573,251	3,419,706	2,995,169

The bulk of the imports into the Territory of foodstuffs, beer, coal, paints, boats, launches and soap comes from Australia, which also supplies large quantities of machinery and metal manufactures, drugs, explosives, tobacco, cigarettes, apparel, boots, leather manufactures, timber, stationery and polishes. In 1937-38 the imports from the United States of America consisted largely of mining machinery, followed by vehicles, oils, tobacco and other machinery in that order.

The principal export from the Territory to Australia is gold which comes for refinement and reshipment abroad. Copra in excess of requirements also comes to Australia for sale and reshipment overseas.

§ 8. Shipping and Communication.

1. *General.*—A subsidized mail service between New Guinea and Australia is maintained by Burns, Philp and Coy. Ltd., which Company also operates a two-monthly non-subsidized service between Australia, New Guinea, Hong Kong and Saigon. The vessels of the Eastern and Australian Steamship Company call at Rabaul each way on their monthly service between Australia and Japan. The Dutch Royal Packet Navigation Company's vessel also calls at Rabaul every five weeks en route from Singapore to Australia. Norddeutscher Lloyd maintained a five-weekly service throughout the year between certain proclaimed ports in the Territory and Hong Kong, while the vessels of Osaka Shosen Kaisha made regular monthly calls at Rabaul en route from Japan to New Zealand. W. R. Carpenter and Coy. Ltd. continued their service with two vessels between Europe, Australia and the Territory. Shipping within the Territory is regulated by the Shipping Ordinances 1936 and the Coastal Shipping, Ports, and Harbours Regulations.

2. *Oversea Tonnage in 1937-38.*—The number and net tonnage of oversea vessels which entered and cleared the Territory during the year 1937-38 are shown hereunder :—

TERRITORY OF NEW GUINEA : SHIPPING, 1937-38.

Nationality.	Vessels Entered.		Vessels Cleared.		Total.	
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.
American	2	6,573	2	6,573	4	13,146
British	92	267,866	88	266,647	180	534,513
Dutch	7	17,620	7	17,620	14	35,240
Norwegian	1	2,109	1	2,109	2	4,218
German	6	8,820	7	10,290	13	19,110
Japanese	17	36,378	17	36,378	34	72,756
Total	125	339,366	122	339,617	247	678,983

3. *Local Shipping.*—Inter-island shipping services were maintained by the steamers and motor vessels of Burns, Philp and Coy. Ltd., and W. R. Carpenter and Coy. Ltd. A number of smaller motor vessels was also engaged in this trade.

4. **Land Communication.**—Means of communication on land are scanty. There are no railways. Roads lead from Rabaul to places within 30 or 40 miles, and there is a road 200 miles long in New Ireland. Elsewhere there are few roads outside plantations and the stations of the District Officers. The large rivers of the mainland are as yet but little used.

There is a high power wireless station at Rabaul, and low power installations at the out-stations, including Salamaua and Wau.

5. **Communication by Air.**—The discovery of gold in New Guinea has resulted in great aviation activity in the vicinity of the gold-fields. On account of the mountainous country and dense undergrowth between the coast and the gold-fields the task of transporting food and stores to the fields and of bringing the gold to the seaboard by land is an irksome and costly process. The fields are situated about 60 miles (35 by air) inland from Salamaua, and whereas aircraft cover the distance in approximately an hour, the nature of the country is such that a journey by other means occupies more than a week. During 1931–32 an air service was established between Port Moresby and the gold-fields, reducing the time occupied by the journey from Australia by about seven days. At 30th June, 1938, 40 aeroplanes were operating in the Territory.

A weekly subsidized air service between Sydney and Rabaul came into operation on the 30th May, 1938. Passengers and mails are carried and the route followed is Sydney, Brisbane, Rockhampton, Townsville, Cairns, Cooktown, Port Moresby, Salamaua and Rabaul.

§ 9. Revenue and Expenditure.

Details of the revenue collected from various sources and the expenditure during each of the last five years are given hereunder:—

TERRITORY OF NEW GUINEA: REVENUE.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Taxation—					
Customs (a)	157,343	164,481	207,172	233,657	247,062
Licences	10,551	10,097	10,900	12,654	13,087
Native Head Tax	23,610	19,805	19,641	21,859	20,481
Stamp duties	5,567	8,716	5,689	6,861	6,182
Postal	10,240	11,534	16,333	25,208	47,240
Lands	14,662	14,558	15,485	17,006	16,179
Mining—					
Royalty on gold	67,331	88,233	81,169	97,622	97,464
Other	22,149	27,591	18,996	24,154	19,479
Fees and fines	27,961	29,829	29,342	24,377	19,285
Sales of stores, etc.	3,231	2,215	1,615	2,605	2,472
Miscellaneous	7,706	11,112	13,578	15,067	17,467
Total	350,357	388,171	419,920	481,070	506,398

EXPENDITURE.

	£	£	£	£	£
Treasury and Audit	43,258	33,444	44,851	66,177	52,570
Agriculture	11,861	13,389	14,001	15,851	17,722
Public Justice	17,679	21,839	30,549	31,209	32,809
Public Health	61,527	61,851	68,153	73,191	80,377
Public Works	16,040	17,104	27,260	29,228	30,954
District Services and Native Affairs	108,851	99,318	97,694	109,705	115,648
New Works	30,540	61,806	76,760	66,223	70,011
Native Welfare	7,577	7,202	6,993	6,177	7,185
Other	51,484	51,517	59,533	62,357	61,337
Total	348,817	367,470	425,794	460,118	508,613

(a) Including harbour dues, wharfage and storage fees.

(b) Including £40,011, expenditure in connexion with the volcanic eruption.

NAURU (Mandated).

1. **General.**—Nauru is an oval-shaped atoll about 12 miles in circumference having an area of about 5,263 acres, of which approximately two-thirds is phosphate-bearing. It is situated in long. 166° E., and is 26 miles south of the Equator. Portion of the island between the sandy beach and the coral cliffs is fertile, and it is there that the Nauruans reside. With the exception of a small fringe around an inland lagoon, the plateau which contains the phosphate deposits possesses few food plants and is uninhabited, but portion of the area has been planted with fruit trees. The system of land tenure is governed by an old custom, and, with the exception of small allotments held by the Government, the British Phosphate Commissioners and the Missions, the whole of the island is owned by individual natives. The average shade temperature ranges between 72° and 95° F., and the average humidity between 70 and 80. The average rainfall is 85 inches, but droughts occasionally occur, and in 1916 and 1917 only 40 inches were received for the two years. Similarly in 1938 only 20.94 inches were recorded.

2. **History.**—The island, discovered by Captain Fearn in 1798, was annexed by Germany in 1888, and prior to 1914 was part of the protectorate of German New Guinea.

In November, 1914, Nauru was occupied by a detachment from the Australian Naval and Military Expedition at Rabaul, and it was included in the cession of colonies made by Germany in 1919 to the Allied and Associated Powers, whose representatives agreed that a mandate for its administration should be conferred upon His Britannic Majesty. The mandate, which is in similar terms to that for the Territory of New Guinea, was confirmed by the Council of the League of Nations on the 17th December, 1920. On 2nd July, 1919, the British, Australian and New Zealand Governments agreed that the administration of the island (which, since 1915, had been in charge of an official appointed by the British Colonial Office) should be vested in an Administrator who entered on duty in June, 1921. The first Administrator was appointed for a term of five years by the Australian Government; his term of service having expired, it was extended for another five years, but he resigned in 1927. The second Administrator was appointed in June, 1927. The third Administrator was appointed by the Commonwealth of Australia in January, 1933, and the fourth in October, 1938. The Agreement between the three Governments was approved by the Commonwealth Parliament in the Nauru Island Agreement Act 1919, and is printed in the Schedule to that Act. A supplementary agreement concerning Nauru was drafted in May, 1923, and ratified by the Commonwealth Parliament by the Nauru Island Agreement Act 1932.

3. **Administration.**—The administration of the Island is vested in the Administrator, who is obliged to conform to instructions issued by the Government which appointed him, and all ordinances made by him are subject to confirmation or disallowance by the Governor-General of Australia (for the time being) acting on the advice of the Federal Executive Council. All expenses of administration are met from local revenue. Native industries such as canoe-building, fishing, mat-making, etc., are encouraged by the provision of prizes at annual competitions. An agency of the Commonwealth Savings Bank has been established. There is a co-operative store managed to a large extent by the natives. The books, however, are audited by Government officers. Natives are not allowed to carry or be in possession of firearms, and the use by them of intoxicating liquors and deleterious drugs is prohibited.

4. **Population.**—The population figures on 1st April in each of the years from 1934 to 1938 are given hereunder:—

NAURU : POPULATION.

Nationality.	1934.	1935.	1936.	1937.	1938.
Europeans	163	158	179	194	179
Chinese	933	931	1,092	1,261	1,533
Nauruans (a)	1,567	1,603	1,647	(b) 1,638	1,661
Other Pacific Islanders	14	4	4	4	27
Total	2,677	2,696	2,922	3,097	3,400

(a) The natives of Nauru are Micronesians.
Island on 1st April, 1937.

(b) Thirty-four Nauruans were absent from the

Births in 1938 numbered 90 (87 Nauruans, 1 European, and 2 Chinese). There were 8 marriages (6 Nauruans), and 64 deaths (55 Nauruans, 1 European, and 8 Chinese).

5. **Health.**—Cases of the usual diseases known in the Pacific occur. Venereal disease is rare, but elephantiasis is occasionally met with. An area has been set apart for the segregation of lepers, and the latest methods of treatment are applied. In 1938, there were 55 lepers in segregation. The treatment and control of leprosy have been very successful. Two hospitals are maintained on the island, one by the Administration for Nauruans, and one by the British Phosphate Commission for its employees. In common with other natives, the Nauruans are very susceptible to tuberculosis and influenza, and in 1921 an influenza epidemic caused the deaths of 230 islanders. Dysentery, both amoebic and bacillary, is endemic. A regular anti-mosquito campaign is conducted. The usual steps have been taken by the authorities to improve the water supply and to provide efficient sanitation generally. Every Nauruan is required to undergo a medical examination once a month. Baby clinics have been established to give help and advice to Nauruan mothers in regard to infant nurture.

6. **Education.**—On the 1st October, 1923, the Administration took over the education of the Nauruan and other native children, and native schools were established in five districts and at the leper station. Previously education had been looked after by the Missions subsidized by the Government. A school for European children is presided over by a teacher on loan from the Education Department of Victoria who also supervises educational matters generally. The curriculum is similar to that of corresponding schools in Australia, and the teaching is, as far as possible, wholly in English. Education is compulsory between the ages of six and sixteen. After the termination of ordinary school attendance, twelve months are devoted to technical training. The children in attendance at school in 1938 numbered 34 Europeans and 512 Nauruans. The schools are closed on two afternoons a week in order that the children may attend the classes in religious instruction conducted at the Mission churches. Educational classes for adults have been inaugurated. Units of the Boy Scouts and Girl Guides (Nauruan) have been established on the island.

7. **Judiciary.**—The judicial power is vested in the Administrator in a Central Court and a District Court. The right of appeal is provided.

8. **Religion.**—The London Missionary Society (Protestant) and the Sacred Heart of Jesus Mission (Roman Catholic) operate in Nauru.

9. **Phosphate Deposits.**—(i) *General.* From 1906 to 1919 the deposits were worked by the Pacific Phosphate Company, which also worked the deposits on Ocean Island (about 165 miles east of Nauru and part of the Gilbert and Ellice Islands Colony administered by the Colonial Office). The quantity on Nauru has been estimated at not less than 50,000,000 tons, and the exports average 85 per cent. to 88 per cent. of tricalcium phosphate.

The interests of the Pacific Phosphate Company in the two islands (though not in other islands in the Pacific in which it had workings) were bought by the British, Australian and New Zealand Governments in 1919 for £3,500,000 the purchase money being contributed in the proportions of 42, 42, and 16 per cent. respectively. The Agreement of 2nd July, 1919, provides for the working of the deposits by the British Phosphate Commission of three members, one appointed by each Government; and the three countries are to receive the output in the same proportions of 42, 42, and 16 per cent.

(ii) *Royalty on Phosphate.* By an agreement entered into between the British Phosphate Commissioners and the Nauruan landowners in 1927 provision was made, *inter alia*, for the payment of a royalty of 7½d. per ton of phosphate exported, of which—

- (a) 4d. per ton shall be paid to the Nauruan landowner concerned;
- (b) 1½d. per ton to the Administrator for the benefit of the Nauruan people;

- (c) 2d. per ton to the Administrator to be held in trust for the Nauruan landowner concerned and invested at compound interest for a period of 20 years. The capital will then remain invested and the interest thereon will be paid to the landowner.

The rates specified above are to have effect for a period not exceeding 20 years on and from 1st July, 1927, but the royalty of 4d. per ton to the Nauruan landowner is subject to adjustment for the second, third and fourth five-yearly period by increasing or decreasing it pro-rata to any increase or decrease of the export price of the phosphate. The royalty for the second five-yearly period was increased to 4½d. per ton.

In June, 1937, the price of phosphate had fallen to 14s. per ton and consequently under the terms of the original Agreement the royalty would have been reduced to 1½d. per ton. This was considered to be inequitable, and after lengthy negotiations an Interim Agreement was signed on 7th December, 1938, whereby the parties concerned agreed to extend the Agreement for a period of 20 years, or to 30th June, 1967. The royalty of 2d. per ton paid to the Administrator to be held in trust and invested was increased from 1st July, 1937, to 2½d. per ton. From the same date a royalty of 4d. per ton was paid to the Nauruan landholders instead of 1½d. per ton under the original Agreement. This rate is subject to adjustment at the end of five years, and from 1st July, 1947, is to be 5d. per ton if the price of phosphate is 12s. per ton or less, with an additional ½d. per ton for each 1s. above 12s. up to a maximum royalty of 6d. per ton.

(iii) *Nauru and Ocean Island Phosphate Industry.*—The following table gives particulars regarding exports of phosphate during the last five years:—

NAURU AND OCEAN ISLAND : EXPORTS OF PHOSPHATE.

Year.	Total.	To Australia.	To New Zealand.
		Tons.	Per cent.
1933-34	556,802	63.83	26.97
1934-35	694,726	61.14	30.43
1935-36	831,847	67.34	23.94
1936-37	1,007,990	67.86	24.22
1937-38	1,169,361	66.17	24.81

From Nauru alone during the calendar year 1938 the export was 841,050 tons.

(iv) *Accounts of Commission.* A statement for the five years ended June, 1938, is given hereunder:—

NAURU AND OCEAN ISLAND : SALES OF PHOSPHATE.

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Receipts from Sales, etc. ..	684,409	769,483	835,148	916,690	944,068
F.o.b. cost, including interest on capital, sinking fund, etc.	610,239	758,845	828,818	910,673	940,059

The amount due by the British Phosphate Commission to the partner Governments for purchase money and other capital sums was £3,666,457 on 30th June, 1921, and at 30th June, 1938, this had been reduced to £3,155,579. The f.o.b. cost in 1937-38 includes a sum of £224,053 consisting of interest at 6 per cent. upon the purchase price and a contribution to a sinking fund for the redemption of the capital debt in 50 years. The redemption fund now totals £375,921.

(v) *Employees.* Apart from a limited number of Europeans and a few Pacific Islanders, the employees are Chinese engaged under a three years' contract. A few Nauruans are employed occasionally.

10. *Trade.*—The Customs Tariff of Nauru provides for the free admission of all goods other than cigars, cigarettes, tobacco, spirits, wines, beer, cider, and perry, and cylinder blocks for motor cycle engines. Articles imported by the Government for Government use and spirits for scientific purposes are exempt.

The Tariff rates apply to all countries alike. Information regarding imports and exports for the years 1934 to 1938 is appended :—

NAURU : IMPORTS AND EXPORTS.

Heading.	Year ended 31st December—				
	1934.	1935.	1936.	1937.	1938.
Imports ..	£ 98,085	168,595	154,940	144,454	272,256
Exports—					
Phosphate ..	ton 418,950	480,950	547,400	688,900	841,050
	£ 470,872	474,393	469,607	513,989	546,683

Increased purchases of hardware and machinery were mainly responsible for the marked rise in imports during 1938.

Of the total imports Australia supplied £125,438 or 46 per cent. during 1938; the balance came from United Kingdom, Borneo, China, United States and New Zealand in that order.

Phosphates were exported principally to Australia, 626,950 tons, and New Zealand 190,950 tons.

11. *Revenue and Expenditure.*—The revenue and expenditure of the Administration during the years 1934 to 1938 were as follows :—

NAURU : REVENUE AND EXPENDITURE.

Heading.	Year ended 31st December—				
	1934.	1935.	1936.	1937.	1938.
Revenue	£ 19,798	£ 23,487	£ 24,906	£ 53,343	£ 29,429
Expenditure	19,758	20,666	23,989	29,311	30,287

Of the revenue in 1938, royalty on phosphate amounted to £21,429, Post Office receipts £1,424, capitation tax £1,883, import duty £1,330, interest on investments £1,389, and harbour dues and shipping fees £203. At the close of the year 1938 the accumulated funds of the Administration amounted to £53,651.