

# Aboriginals to get special land fund

## Coombs threat to resign brings new concessions

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By PAUL KELLY

THE Prime Minister, Mr McMahon, will announce tomorrow the setting up of an Aboriginal land fund and a system of grants for Aboriginal enterprises. They will provide the basis of the Prime Minister's long-awaited statement on Aboriginal land rights.

### Minister rejects Gove majority

THE Minister for the Interior, Mr Hunt, has rejected Aboriginal majority ownership in the woodchip industry, proposed by Nabalco Pty Ltd on the Gove Peninsula Aboriginal reserve.

Mr Hunt said in Canberra last night it was unrealistic to suggest that there should be a 51 per cent or any other specific percentage Aboriginal equity regardless of the economics of a project.

"A substantial infrastructure cost would be involved running into many millions of dollars," he said.

"No company could be expected to finance this on the basis of 49 per cent equity, particularly as any company operating a woodchip industry would be required to pay a royalty on timber taken."

These royalties would be paid to the Aborigines Benefits Trust Fund to assist Aborigines throughout the Territory.

Mr Hunt said there was no question of Nabalco being given tenure to any part of the Gove Peninsula Aboriginal reserve.

"Nabalco's proposal would involve only an authority to take timber from the land with appropriate conditions concerning reforestation," he said.

"This authority would be contained in a forest products licence, if granted."

#### Viable industry

The area involved included land with which both the Yirrkala and Elcho Islanders had long associations and no decision would be taken on the proposition until both groups had been consulted.

Mr Hunt said: "The Government believes it should be possible to establish a viable woodchip industry in the interests of the Aborigines and the country as a whole.

"It would be counter-productive to lay down terms at the outset, which the economics of the enterprise could not sustain.

"To do so could prevent the establishment of an industry which could secure an economic future for the Aborigines concerned."

Mr Hunt said that in 1968 a number of companies were invited to undertake feasibility studies and only Nabalco Pty Ltd submitted an outline proposal indicating that it was prepared to proceed with negotiations for a woodchip

Mr McMahon's statement, originally scheduled before the Parliamentary recess last year has been delayed in an effort to find a face-saving formula after Federal Cabinet's decision to reject the principle of land rights based on traditional association and history.

There is to be no change in the Government's long-standing policy that Aboriginal acquisition of land should be limited to those cases where it can be put to viable economic use.

But the threatened resignation of the chairman of the Council for Aboriginal Affairs, Dr H. C. Coombs, and the fear of adverse publicity has pushed the Government into making some compromise initiatives.

Dr Coombs threatened to resign on the eve of Mr McMahon's trip to Washington if the Government refused to make concessions on the land-rights issue.

Mr McMahon's statement comes in the middle of a controversy following a submission to the Federal Government by the aluminium group, Nabalco Pty Ltd, seeking to establish a woodchip industry in the Gove Peninsula Aboriginal reserve.

#### ATTITUDE TEST

The new Aboriginal land fund will be used for the acquisition of land coming on to the market in the Northern Territory outside the Aboriginal reserves.

The fund will assist Aboriginal groups and companies that lack capital to get hold of land for commercial enterprises.

However the actual operation of the land fund will provide a significant test of the Government's attitude.

Rather than extend finance to Aboriginal companies to purchase land for themselves, it is expected that the land will be acquired by the fund and made available on appropriate tenure to the Aborigines.

This would represent no basic change in government philosophy.

Cabinet's other decision, to initiate a system of grants for Aboriginal commercial ventures, will be tied into the capital fund that is administered from the Office of Aboriginal Affairs.

Last year, the capital fund made 77 loans for a total of \$785,321.

However, the operating guidelines of the capital fund mean that it is restricted to giving loans to Aboriginal ventures that have a fair prospect of commercial success.

For the 22,000 Aborigines employed on Northern Territory pastoral properties, the amount of capital required to start their own pastoral ventures is beyond their reach.

#### GRANTS

A study by the Bureau of Agricultural Economics, released a fortnight ago, shows that Aboriginal companies will need large-scale government grants if they are to successfully develop their own pastoral properties in the Northern Territory.

One likely approach would be for the Government to provide a grant equal to the difference between the cost of the pastoral property and the size of a loan that could be serviced over a 25-year period.