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## *The businessman*—James Burns



Former Burns Philp & Company headquarters in Sydney

Source: Clytemnestra (commons.wikimedia.org/wiki/File:BurnsPhilp.JPG).

In December 1956, just a few days before Christmas, James Burns was reading his morning newspaper. A short item in Sydney's *Daily Telegraph* caught his eye.

According to the story, technicians at Edinburgh Airfield in Adelaide (the capital of South Australia) were fitting 10 Royal Air Force (RAF) Canberra jets with recording instruments. The jets were preparing to relocate to Christmas Island to participate in Britain's hydrogen bomb tests. As noted in the story, 'the jets will fly through radioactive cloud'.<sup>1</sup>

Burns was worried because his company had extensive plantations in the Line Islands, the easternmost archipelago of the British Gilbert and Ellice Islands Colony (GEIC).

Burns Philp & Company was created by Scottish merchant Sir James Burns (1846–1923). His son—also named James—joined the family firm in 1898 and was appointed a director in 1919. Following his father's death in 1923, Burns took over as chair and managing director. In the first half of the 20th century, the company expanded operations throughout Melanesia, the central Pacific and parts of South-East Asia, with shipping, insurance and copra plantations.<sup>2</sup> Burns developed a reputation as a buccaneer, as reported by his biographer Ken Buckley:

Although conservative-minded, modest and cheerful, Burns was regarded by the administration in Papua-New Guinea as a commercial pirate who sought to use political influence to gain monopolies.<sup>3</sup>

This political influence came to the fore as Burns sought to protect his investments from Britain's nuclear test program. As one of the leading businessmen in the Pacific, he could express his concerns straight to the top. The same day as the *Daily Telegraph* story, Burns wrote to Australia's Minister for Defence Sir Philip McBride, with a copy to Alan Lennox-Boyd, the UK Secretary of State for the Colonies in London. Burns enclosed the clipping from the *Daily Telegraph* and asked for reassurance about his property near the nuclear test site:

In connection with the British government's decision to carry out hydrogen bomb tests at and around Christmas Island, I would like to draw attention to the fact that we have very large plantation interests in Fanning and Washington islands, under 200 miles away from Christmas Island ...

1 'Preparing for H-blast', *Daily Telegraph*, 20 December 1956.

2 Ken Buckley and Kris Klugman: *The Australian presence in the Pacific—Burns Philp 1914—1946* (George Allen and Unwin, Sydney, 1983).

3 Ken Buckley: 'Burns, James (1881–1969)', *Australian Dictionary of Biography*, Vol. 13 (Melbourne University Press, Melbourne, 1993).

We would like to point out that there seems to be a difference of opinion as to how far the effect of the hydrogen bombs will be experienced and we would like to have the assurance of the Australian government—if it is participating by fitting Canberra jets with recording instruments for the hydrogen bomb tests—that the employees of our plantations or the plantations themselves will not suffer any ill effects.<sup>4</sup>

In another letter to Australia's Minister for Supply Howard Beale in January 1957, Burns complained that his company had suffered losses during the Second World War. The company had large plantations in the British Solomon Islands Protectorate at Gavaga (Tetere), Mberande and Muvia on Guadalcanal Island.<sup>5</sup> But Burns Philp's plantations were devastated during the war—the company was ordered to destroy 1,000 tonnes of copra and burn plantation houses so they could not be used by advancing Japanese troops during the 1942 battle of Guadalcanal.

Noting that his company suffered losses 'in the vicinity of £250,000', Burns complained to Beale that Burns Philp & Company received 'no post-war compensation from the British Government for the damage in the Solomon Islands or other Pacific locations'.<sup>6</sup>

Burns then pressed Beale for guarantees about potential damage from the British nuclear test series on Christmas Island:

I do hope, if there are any hydrogen bomb 'antics' in the Pacific and our property is damaged, that we will not find ourselves in the same position. I sincerely trust that nothing like this will occur, but there seems to be some diversity of opinion by well-known scientists as to the effect of the hydrogen bomb. I do think we should be assured by the British government, if any damage does occur to our properties in the Pacific from these tests, the payment for such damage will be sympathetically considered.<sup>7</sup>

4 Letter from James Burns to Sir Philip McBride, Australian Minister for Defence, 20 December 1956. CO1036/513.

5 'Burns Philp and Company', *Solomon Islands Historical Encyclopaedia 1893–1978*. [www.solomonencyclopaedia.net/](http://www.solomonencyclopaedia.net/).

6 Letter from James Burns to Howard Beale, Australian Minister for Supply, 9 January 1957. CO1036/513.

7 *Ibid.*, p. 2.

Beale had been the key minister responsible for the British tests in Australia at Monte Bello and Maralinga. But facing questions over legal liability from a leading Australian businessman, Beale preferred to handball the problem to London. In his reply, Beale explained that:

The proposed H-bomb test in the Pacific is a British test. The decision to conduct it was made by the British government, the Australian government not being a party to it.<sup>8</sup>

James Burns' private lobbying prompted extensive discussions amongst British officials on arrangements to take care of the Gilbertese workers on Christmas and neighbouring islands—a topic discussed in Chapter 16.

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As Britain continued preparations for the testing program, Burns Philp & Company was not the only company with operations in the Line Islands that faced disruption. British archives reveal that a major problem for UK officials were the US and Japanese businesses that might be affected by the declaration of a danger zone and the subsequent tests—especially as the United States and United Kingdom had an ongoing dispute about sovereignty of the islands.

After the Second World War, the United States reopened discussions of its claims of sovereignty to Christmas Island and other locations in the Line Islands. The British Government counter-posed with a proposal to grant a 99-year lease of the Casady Field airstrip on Christmas Island, but these proposals were rejected by the US Government in November 1948.

The government led by Prime Minister Harold Macmillan was sensitive to public criticism that the use of Christmas and Malden islands as nuclear test bases might inflame the ongoing dispute with United States over control and sovereignty. London repeatedly assured Washington that the test program would go ahead without prejudice to the claim of either government over sovereignty.

On 16 April 1957, Macmillan was questioned in the UK House of Commons about US claims over the ownership of Christmas Island. He told parliament that:

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8 Letter from Howard Beale, Australian Minister for Supply to James Burns, 14 January 1957. CO1036/513.

The United States government claims sovereignty over Christmas Island, which has been under British administration for many years as part of the Gilbert and Ellice Islands Colony. Her Majesty's government have informed the United States government that the action which they are now taking does not in any way prejudice the claims of either government.<sup>9</sup>

A Labour MP asked whether 'it is not rather reprehensible that we should be exploding this weapon over territory the ownership of which is in some dispute?', with Macmillan replying:

In the first place, I do not think that this difficulty is likely to be serious. In the second place, the bomb is not being exploded over that territory.<sup>10</sup>

As debate grew over the looming Grapple X test, British officials were eager to hose down any possible dispute with Washington. Following articles in the communist *Daily Worker* and Labour-aligned newspapers, the Foreign Office wrote to the British Embassy in Washington encouraging them to avoid public discussion of the issue:

You may have seen some tiresome articles in the *News Chronicle* and the *Daily Worker* of 13 August, which suggest that the maintenance of troops on Christmas Island is connected with the problem of disputed sovereignty. We did not mention the sovereignty aspect to Mister Dulles and I do not think that there would be any advantage in doing so at the moment. If, however the State Department comment on these articles you should of course assure them that they are nonsense. We had no thought of influencing the sovereignty issue by our action.<sup>11</sup>

Despite its reluctance to raise the sovereignty issue publicly, the US State Department believed that Britain should bear the cost of any disruption to US commercial activities in the central Pacific. They were concerned about air and sea transportation, fishery resources outside the territorial waters, and other matters of interest that affected US businesses using facilities on Christmas Island.

In 1953, for example, the US military had granted a lease to an American company South Pacific Air Lines (SPAL), incorporating landing rights on the Casady Field airstrip on Christmas Island (which the United States

9 Question to Prime Minister Harold Macmillan, UK House of Commons, Hansard official report, 16 April 1957.

10 Question to Prime Minister Harold Macmillan, *ibid.*

11 Letter from P. Dean, Foreign Office, London to J.E. Coulson, British Embassy, Washington, 14 August 1957. CO1036/282.

still regarded as its territory). The Fish and Wildlife Service of the US Department of the Interior had also signed a contract with a West Coast fishing company. This allowed two fishing vessels operating along the Equator to use Christmas Island as a harbour to obtain fresh water and stockpile fuel and supplies.

British plans to ban civilian air and maritime traffic from the testing danger area was causing debate within the US Congress, because SPAL were threatening to sue the US Government if the lease to use the airfield was terminated.

A diplomatic note from the US State Department to the British Embassy in Washington outlined US government support for SPAL:

It is noted that permission previously granted by the British authorities for this airline to operate at Christmas Island has, for security and other reasons, been withdrawn because the use of the island is required as a result of what the British government regards as the overriding military necessity of conducting the testing in question. As the ambassador is aware, the South Pacific Air Lines claims that this enforced change in its plans will result, and indeed is already resulting, in a considerable financial loss.

Furthermore, the US government considers that inability to use Christmas Island may prevent the development of an air route between Honolulu and the Society Islands; it may also impede the development of efficient air routes between the United States and the South Pacific. The British government will appreciate that the US government must reserve its rights in these respects.<sup>12</sup>

The Matson Navigation Company also operated shipping services between Hawai'i, Australia and the Society Islands. British officials quickly realised that the proposed danger zone in the Line Islands would block their normal navigation routes, and called on the British Embassy in Washington to lobby US officials:

They may decide that the simplest course would be to make a small diversion in order to avoid the danger area throughout the period of its existence. Alternatively, it should be possible to come to an arrangement with the company enabling them to send their ships through the danger

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12 Draft text of diplomatic note from the US State Department to the British Embassy, Washington, n.d. CO1036/280.

area on days when firing is not taking place. I suggest that the State Department should inform the shipping line in confidence that the danger area will now fall across the probable route.<sup>13</sup>

While officials were willing to make concessions to Matson and its Oceanic Steamship Company, they were not willing to grant the same rights to Japanese shipping interests, which transported phosphate to Japan from mines on Makatea in French Polynesia. The Mitsui Shipping Company chartered vessels through the Anglo/French Phosphates Company to transport the phosphate, with vessels passing through the prescribed danger area in the Line Islands on average three times a month.

Foreign Office official Gillian Brown argued in favour of the US company, at a time that Japanese diplomats were harassing the British Government over the looming test program:

There is of course a possibility of our offering the vessels facilities to pass across a tip of the danger area on days when firing is not taking place. Such an arrangement may be suitable for the few voyages to be made by the Oceanic Steamship Company, but I do not think it follows that we should add to the difficulties of the Task Force by permitting vessels under Japanese control to enter the area ... In any case they would probably not accept such an offer for fear that Japanese organisations would claim that the phosphates had been contaminated. If we are accused of discrimination in favour of the Oceanic Steamship Company, I have no doubt that we can argue that the size of the vessels and the circumstances were very different.<sup>14</sup>

The angry public reaction to fallout from the 1954 Bravo test on Bikini meant that US politicians were particularly sensitive to any public debate about radioactive contamination from the British tests. The US diplomatic note also highlights:

the apprehension of the people of Hawai'i and Palmyra with respect to the possible effects of this testing, and the apprehension of the United States Pacific Coast canners with respect to a possible widespread adverse psychological reaction of the US public to fish, particularly tuna, coming from the Western Pacific which might later be sold in the United States. This would have a drastic effect on the market.<sup>15</sup>

13 Letter from Foreign Office, London to British ambassador Sir Harold Caccia, Washington, 22 December 1956. CO1036/280.

14 Letter from Gillian Brown, Foreign Office, London to J.A. Lovelock, Ministry of Supply, London, 1 March 1957. CO1036/281.

15 Draft text of diplomatic note from the US State Department to the British Embassy, Washington, n.d. CO1036/280.

Privately, British officials acknowledged that US businesses had legitimate legal claims over Christmas Island, even as formal negotiations over sovereignty continued:

The United States government seem to be within their rights in requesting the return of property which they gave the government of the Gilbert and Ellice Islands Colony the right to use in 1950, but of which they specifically retained ownership at the time.<sup>16</sup>

By late 1956, British Embassy officials in Washington were pressing London to respond to US concerns:

We should do all we can do hasten a decision on the diplomatic note, as he considers that it is becoming increasingly embarrassing for the State Department not to have anything on paper. This is apparently led them into difficulties already with the Governor in Honolulu, and Washington considers that when our danger area is published they may come under additional fire.<sup>17</sup>

The UK Embassy pressed their Foreign Office colleagues to take note of US complaints before any public announcement of restricted areas around the test zone:

If our publication of the danger area attracts the attention of the US Congress, the State Department may have to stand by its terms and so lose the opportunity of replacing it by something more acceptable to us. They could not tell the Congress that, when we had reached the stage of making public announcements, the protection of United States interests in the area still rested on an informal understanding.<sup>18</sup>

After negotiation with the US State Department, the British Foreign Office came to a suitable wording about compensation for SPAL, noting:

Her Majesty's government cannot, as at presently advised, accept legal liability. They are, however, prepared ... to consider any claim by SPAL for compensation on its merits and indeed discussions and exchanges

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16 Letter from British Embassy, Washington to Japan and Pacific Department, Foreign Office, London, 30 October 1953. CO1036/280.

17 Letter from Foreign Office to R.G. Elkington, Ministry of Supply, London, 4 January 1957. CO1036/280.

18 Telegram no. 23 from UK Ambassador to the United States, Sir Harold Caccia to Foreign Office, London, 4 January 1957. CO1036/280.

of information are taking place with representatives of SPAL as a result of which it is hoped that a decision will be risk reached acceptable to all concerned.<sup>19</sup>

After months of negotiation, SPAL relocated operations, using an airstrip at Bora Bora in French Polynesia. At the same time, the company sought compensation from the UK Government and by September 1957 was granted £500,000 compensation and a pledge that the Grapple Task Force would relocate its supplies from Christmas Island.<sup>20</sup>

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Facing these pressures, London ordered Colonial Office officials in the Pacific to pass legislation to ban foreign vessels from waters around the Line Islands.

On 22 March 1957, High Commissioner John Gutch proclaimed the *Prohibited Areas Ordinance 1957 no.1* and the *Prohibited Areas Regulation 1957* (Queens Regulation no. 5 of 1957). The ordinance gave the High Commissioner power to proclaim that any island within the GEIC, and also territorial waters within 3 miles of that island, could be declared a prohibited area. After proclamation, no person could remain, enter or attempt to enter any prohibited area without the authority of the Resident Commissioner of the GEIC. The ordinance and regulations gave powers to 'any administrative officer, Constabulary officer or an officer holding a commission in the Navy, Army or Air Force' to remove or detain people entering the prohibited area without authority.<sup>21</sup>

Five days later, Gutch declared both Christmas Island and Malden Island to be prohibited areas, under the provisions of the newly legislated ordinance.<sup>22</sup> This allowed officials to act on their concern about the potential for Japanese vessels to operate inside or near the Grapple danger zone.

19 Telegram no.42 from UK Ambassador to the United States, Sir Harold Caccia to Foreign Office, London, 8 January 1957. CO1036/280.

20 Letter from D.A. Lovelock to Gillian Brown, Foreign Office, London, 9 September 1957. DB/133/08. CO1036/282.

21 'Prohibited Areas Ordinance 1957', *Headquarters Information Note*, No. 15, 5 April 1957, Office of the Resident Commissioner, Gilbert and Ellice Islands Colony, F 76/6/32 (1957), p. 2. PAMBU document AU PMB 493.

22 'Proclamation under Prohibited Areas Ordinance and Prohibited Areas Regulation', *ibid.*, p. 3.

The Japanese Government claimed that Japanese fishing interests would be adversely affected by the closure of waters around the test sites. But British officials regarded these diplomatic claims as a political ploy to bolster Japan's call for an end to testing. In a March 1957 diplomatic note prepared for the Japanese Ambassador in London, the Foreign Office argued:

HMG [Her Majesty's Government] takes note of the statement that 'a regular route of cargo vessels' would normally pass through what is part of the 'danger area.' It is also desirable to make it clear now that HMG does not accept the contention in your Note that the area around the Line Islands is a 'traditional' fishing ground for Japanese fishermen.<sup>23</sup>

Given the irradiation of the crew of the *Lucky Dragon* by the US Bravo test, however, UK authorities were unwilling to simply ignore the fate of fishing boats when the issue was raised by Japanese diplomats.

In May 1957, less than two weeks before the first Grapple test, the British Government was aware that nine Japanese boats from the Muroto Fishing Cooperative were fishing in the area designated as a danger zone. The final solution was to remain silent about potential hazards to the fishing vessels. Indeed, both the UK and Japanese governments were reluctant to publicise the presence of these vessels, with the British Embassy in Tokyo reporting that:

It is difficult to avoid the impression that the order has gone out that no mention should be made of the subject ... One can well visualise that the Japanese know very well that they cannot accept the responsibility for doing nothing to pull these vessels out of danger, but the publicity for any action taken to this end would be embarrassing for the cause.<sup>24</sup>

Their other concern was the possibility that peace protesters would deliberately sail vessels into the area to disrupt the tests. Many years before Greenpeace perfected the technique, British pacifist Harold Steele had the idea of sailing a boat into the middle of the danger zone.

23 H.C. Hainsworth, Foreign Office, London: *Draft note to Japanese ambassador*, 20 March 1957. CO1036/281.

24 Letter from R. W. Selby, British Embassy, Tokyo, to H. C. Hainsworth, Foreign Office, London, 3 May 1957, 1242/296/57, marked Confidential. CO1056/513. References to the boats are also found in Telegram no. 221, marked Confidential, from British Embassy, Tokyo to Foreign Office, London, 3 May 1957.

This text is taken from *Grappling with the Bomb: Britain's Pacific H-bomb tests*, by Nic Maclellan, published 2017 by ANU Press,  
The Australian National University, Canberra, Australia.