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1973 R.No. 2013

ROTAN TITO and OTHERS

Plaintiffs

- and -

WADDELL and OTHERS

Defendants

1971 R.No. 3670

ROTAN TITO and THE COUNCIL of LEADERS

Plaintiffs

- and -

HER MAJESTY'S ATTORNEY GENERAL

Defendant

Thirtyeighth Bundle of Documents:

Copy sent to G.I., Fiji,  
on 11.1.46.

Copy to Ag. Rep.  
under Schedule 4 of the  
RABI ISLAND.

~~CONFIDENTIAL~~  
11/1/46

DEMI OFFICIAL

ANSWERED  
See P. 158.

FIJI,

1st JANUARY, 1946.



Dear Vassess,

I have been working on a report of my activities in the matter of the Banaban Settlement since I left Suva rather more than two months ago. You will readily understand, however, that the multiplicity of small details here at Rabi, leaves me little time to get down to serious writing. I shall endeavour to get a full report to you before the end of January.

2. As expected, there have been many knotty points, the solution of which has called for much careful thought, and painstaking discussions with the Banabans. I shall refer to these in my report and to the solutions or compromises found for them.

3. For the present I am pleased to say we have achieved a satisfactory working arrangement for the temporary settlement of the people on the sunny north-west coast. They are still in the main camp prepared for them at Huku, but today, two parties comprising about 120 people, are moving out to other camps to participate in working the copra plantations on the other sides of the island. The others will soon disperse in community groups over the north-west coast where they will work the copra according to the temporary division of their allotments among family groups. This copra will be purchased by the Banaban Co-operative Society at Huku, dried in the driers at that place, and exported from there.

4. The other side of the island comprising two plantation work centres, will ultimately be operated by the Co-operative Society, paying Banaban labour who will gradually

①

11/1/46

replace the 40 Fijians and Solomon Islanders at present working there under Crabbe.

5. The latter is not altogether satisfactory and his manner does not appeal to the Banaban <sup>etc</sup> temperament. The position is difficult for him but I do not think he is making a real effort to adjust himself to present conditions. Rather, there is every indication that he intends to persist in regarding the plantations on the other side as being in some sense a government concern. The Banabans, of course, are being watchful and jealous of anything that looks like further Government direction of their business affairs. They are anxious to learn the work of running the plantations and I fear that Crabbe is merely being obstructive, and has no intention of making a sincere effort to teach them the work. It is, of course, necessary to have someone to do so and I am proposing to re-engage a previous overseer who understands the work thoroughly, but who was discharged by Crabbe while I was at Tarawa. I had already offered this man a three months engagement to help in teaching the Banabans.

6. Crabbe's present appointment terminates automatically on the 15th January. I have asked the Co-operative society to consider whether they are prepared to offer him further employment on a month to month basis. Crabbe has informed me that this would not be satisfactory <sup>to</sup> him and so I have come to the conclusion that the best solution in the interests of the Settlement Scheme generally will be to allow him to go, and to carry on the plantation work under the guidance of two experienced overseers.

7. The book-keeping is quite simple and I have two capable Banabans already engaged on it, with a view to having a system of accounts covering all transactions from the moment of their arrival here, which will be satisfactory for purposes of government audit.

(2)

insert  
put up  
at p. 9  
in r. i.

8. There is sufficient copra in what I am calling the "two plantations" on the South east, (or unsettled) side of the island, to cover all ordinary running expenses, even at reduced output, and to provide a small margin for development, and cleaning up the mass of undergrowth which Levers have permitted during the past four years. My reply to their letter on the question of compensation for this will be to the effect that a handing over statement signed by Witts and Crabbe, when the latter took over management in April 1941 showed that the plantations were free of all pests and undergrowth. The present state is due, not to one year's neglect during the period April 1941 - April 1942 when we purchased Rabi, but to the whole four years intervening since Crabbe took over from Witts, and that it must be assumed that the state of deterioration when we purchased the place in April 1942 could not have been more than 25% of the present deterioration, and that therefore our claim for £1200 should, in fairness to Levers, be adjusted by the deletion of this 25% deterioration before we purchased the Island. That would mean a valid claim for £900 instead of £1200.

9. The Banabans can be induced to clean up the mess but they expect wages for the work from their own co-operative Society. The Co-operative Society does not like the idea of being saddled with the expenditure of £1200 at the very beginning of its operations here.

10. It is essential that the tangled mass of wild mint be cleared up immediately, for at certain times it breeds stick insects at an alarming rate, and these, as you know, utterly destroy the coconut palms. Two days ago I, myself, discovered an area of nearly 100 acres of young trees almost entirely denuded of leaves by stick insects. Today we have rushed a gang of 50 men to attempt to clear this area, and destroy this insect.

See (170) in  
C.F. 48/5

Receipt  
put up at  
(173) in  
C.F. 48/5.

(3)

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11. Crabbe should have taken steps a month ago to prevent this patch of insects from spreading.

12. I mention this only to indicate one of the difficulties (causing additional expense at an awkward time) with which we are faced in taking over some thousands of acres of dirty plantations.

13. The health of the community has been exceptionally good. There has been only one mild outbreak of diarrhoea. Two young lepers have been discovered and arrangements are being made for their transport to Makogai.

14. His Excellency agreed that the community should be rationed at the expense of the G. and E.I.C. Rehabilitation Vote for one month after their arrival here, this period will end on the 15th January. At that time there will be a certain surplus of rations which can be purchased by the Co-operative Society for sale to individuals. It will probably be necessary for me to order more through your office from time to time debiting Advances Banaban Community, but these amounts will be recoverable from the Co-operative Society after the sale of rations.

15. In the meantime I need an Imprest Account for current wages for the development of our new headquarters at Nuku, and payments of amounts under Deposits Sundries etc. £500 should suffice.

16. Furthermore I am sending you a telegram asking you to transmit by first opportunity the sum of £6,527/11/- in respect of arrears of annuities due to Nauru and Kusae Banabans. I have complete and detailed lists of these, prepared by Dicks. In the same telegram I am asking for a further £2,145/14/10 in respect of arrears of interest due to Banaban landowners.

17. The amounts mentioned above are in Fiji currency. The people are asking for immediate payment in cash. I hope to induce most of them to deposit a large amount of what they receive

(See in F. 52/10.)

Receipt book up to 31 in F. 52/10.

(See in F. 48/5/3.)

(4)

30

with their own Co-operative Society pending satisfactory banking arrangements for them in Suva.

18. I trust you will be able to remit all this cash by the present voyage of the 'Yanawai'.

19. The Co-operative Society has fairly large stocks of goods on order and we will have the surplus of the rations on hand, and for all these things the people will be clamouring for ready cash to make their purchases. Furthermore I am arranging for the supply to the Co-operative Society of locally grown vegetables, until the Rabi gardens are in <sup>duction</sup> ~~progress~~, and for these, cash is essential.

20. There are many things which I would like to discuss with H.E, yourself and the heads of various departments in Suva, but I feel I ought not to leave Rabi for several months to come owing to the problems which are continually cropping up.

21. On the whole I am satisfied that things are going pretty well and perhaps rather better than any of us anticipated. There is a tendency on the part of the people not to commit themselves with regard to their future life on Rabi until they are satisfied that all is going well with their remaining interests on Ocean Island.

Yours sincerely,

*Ronald Kennedy*

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THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE

No. 30

4th January, 1946.

151

Dear Sir Albert,

I have no letters from you for reply.

1. ANNUAL ACCOUNTS

Please note draft accounts attached to copy of letter No. 240 of 31st December to Sir Arthur Caye.

2. REPATRIATION OF NAURUANS AND BANABANS

I cabled yesterday to ascertain if you agreed to the proposal in my cable 514 that the Commissioners shall meet the expense of repatriating the Nauruans and Banabans. I thank you for your affirmative reply received today. I shall be writing to the Administrator of Nauru and telegraphing to the High Commissioner at Suva. Copies of these communications will follow later. Regarding the views of the United Kingdom Commissioner, I refer you to paragraph 5 of my letter to him No. 241.

3. COMPENSATION TO RELATIVES OF STAFF KILLED AT NAURU AND OCEAN ISLAND DURING JAPANESE OCCUPATION

I thank you for your cable received this morning reading: "Your 515 I agree allowances Boyle Harmer Cole"

The United Kingdom and Australian Commissioners have also agreed and I will now communicate with the relatives.

4. OCEAN ISLAND REPORTS BY MR. R. GREENE

When at Ocean Island I borrowed Mr. Greene's diary for the period September 20th to November 24th. I have had this copied as I think it will be of interest to the Commissioners. I send also some notes regarding Ocean Island by Mr. Greene.

5. MR. K. H. FRASER

Left by air for London yesterday, and is due there tomorrow afternoon. I suggest Mr. Fawcett should be advised in case official advice has been omitted. He went to London first as he could not get trans-Pacific transport before 9th January. In any case I think visiting London first is preferable as Mr. Gibb of the Combined Prod Board probably has already reached London from Washington.



NEW ZEALAND COMMISSIONER No. 80

4th January 1946

6. STATEMENT OF PHOSPHATE REQUIREMENTS FOR AUSTRALIA AND NEW ZEALAND

In the schedule attached to notes for Mr. Fraser, of which copies were sent to you with list 151, please correct the heading 'Bona' to 'Florida'.

7. LONDON OFFICE ACCOMMODATION

As you will see from copies of General letter 399 and my reply 64 Mr Voss has closed a 5 year lease of the offices which we formerly occupied at 2 Grosvenor Gardens at a much higher rental.

Yours sincerely,

(signed) A. Harold Gaze.



NO. 947.

7th January, 1946.

Dear Mr. Gase,

I acknowledge with thanks receipt of your letters Nos. 77/80 and regret the delay in answering, also Enclosure Lists Nos. 150/153.

1. YOUR VISIT TO THE ISLANDS:

It is gratifying that this passed off so well and that you are able to give a good account of the spirit of the staff and the manner in which the work is proceeding. The major tasks upon which our vessels have been engaged have all fitted in particularly well and arranging of these will have called for your closest attention.

I am very glad to have the set of thirty photographs which you took during the visit. Some of them are of particular interest.

2. MY VISIT TO MELBOURNE:

With Mr. Bissatt I expect to leave here on or about 17th instant per 'Triona' proceeding direct to Melbourne. This opportunity should fit in very well.

3. RAMABANS:

Your advice is noted and I look forward to receiving full particulars regarding the transfer to Rambi also the prospects of the Island proving a really suitable home for these natives. No doubt Captain Rhodes will have a good deal of information to supply in this respect.

4. GILBERTESE RECRUIT:

This seems to have gone particularly well and I am glad to note Mr. Maude's views that we should have no difficulty in getting as many men as are required. He is able to sum up the position as well as any of us and there are the Ellice Islands and some of the Northern Gilberts to fall back on when necessary.

5. PHOSPHATE REQUIREMENTS FOR AUSTRALIA/NEW ZEALAND 1946/47:

The contents of this paragraph are carefully noted and Mr. Bissatt has taken a copy of it with him on his visit to Wellington for discussion with Mr. Fawcett if opportunity offers.

6. ANNUAL ACCOUNTS:

From your advice I gather that Mr. Fisher will now be engaged on the final audit and apparently you will have everything ready for consideration when we meet at Melbourne. I note that my colleagues have concurred in the allocations as set out in your cable No. 510.

7. NAURUANS:

The particulars regarding the 1,200 Nauruans deported to the Carolines by the Japanese are very tragic. Apparently Mr. Cude is still in the Group and I assume will be there pending the arrival of the 'Trienza' in the second half of this month.

8. COMMONWEALTH GOVERNMENT SHIPS  
CHARTERING COMMITTEE:

Thank you for copy of letter from Mr. Thomson to the Prime Minister of 29th November also Mr. Chifley's reply. The figures mentioned in Mr. Thomson's letter are very impressive and are good evidence of the valuable work carried out by the Committee.

9. U.K. COMMISSIONER:

Your advice in No. 79 is noted also Sir Arthur Gaze's No. 166. It would appear that we may hear of the new appointment before the end of this month.

10. MASSACRE OF NATIVES AT OCEAN ISLAND:

The details which you forward together with further information received today are very tragic. It is difficult to realise that Kabunare was in hiding when we were actually on the Island. His escape from the Japanese was most sensational and apparently the evidence which he can supply will be most valuable when the Japanese are under trial. I note that he had been sent by air to Tokina. Further particulars are awaited with much interest.

11. REPATRIATION OF NAURUANS AND BANABANS:

Your proposal that the Commissioners should meet the expense of repatriating the Nauruans and Banabans was carefully considered and in view of the whole circumstances I think the Commissioners are justified in agreeing to your recommendation, which, I am sure, will be welcomed by the Administrator and the High Commissioner at Suva.

12. COMPENSATION TO RELATIVES OF STAFF KILLED AT  
HAIRU/OCEAN ISLAND DURING JAPANESE OCCUPATION:

I note you were communicating with the relatives regarding the allowances which have been agreed.

13. OCEAN ISLAND - REPORTS BY MR. R. GREENE:

Thank you for copy of Mr. Greene's diary also of his notes regarding Ocean Island.

14. MR. K. M. FRASER:

Your advice of his movements is noted, also that you consider Mr. Fawcett should be informed in case official advice has been omitted. I will pass the information on to him.

15. LONDON OFFICE ACCOMMODATION:

I note that a five year lease of No. 2 Grosvenor Gardens has been closed.

16. CHRISTMAS ISLAND:

Referring to your cable No. 508 of 19th ultimo I wrote Mr. Fawcett on 20th, as per copy enclosed, forwarding copy of Mr. Vinen's letter of 21st September.

17. MR. J. R. HALLIGAN:

From advice received here it appears that Mr. Halligan should arrived from Norfolk Island tomorrow when I hope to see him again before he goes down to Wellington.

Yours sincerely,

ENCLOSURES:

C/Cables Nos. 508/511 & 513/517 & 227/229  
C/Letter to A.J. Fawcett, 20.12.45.

C  
O  
P  
Y.

WESTERN PACIFIC HIGH COMMISSION,  
SUVA, FIJI.

14th January, 1946.

Confidential.

No. C.F. 48/5/2.

Dear Major Kennedy,

We were glad to receive your Confidential demi-official letter of the 1st January, relative to the Banaban settlement in Rambi, as we were beginning to get a little worried at not knowing how the settlement was shaping. I have sent a copy of your letter to the Colonial Secretary of Fiji.

2. As we are rather overdue in letting the Secretary of State know about the settlement and getting covering approval of the expenditure, I trust that the full official report will arrive soon.

3. In view of the haste with which the preparations had to be made and the difficulties experienced with the Fiji Authorities in the matter of health and other regulations, I am afraid that much expenditure that might well have been avoided has had to be incurred.

4. I trust that the Fiji Ordinance dealing with the settlement is acceptable to the Banabans. We had quite a lot of difficulty keeping it within bounds and as near as possible what the Banabans were used to in Odean Island. The Fiji Legal Authorities were very insistent on the inclusion of land clauses declaring the land straight off to be the property of the Banabans and providing for its permanent division amongst them. In the end His Excellency had to put his foot down firmly and tell them to leave out the land clauses. If and when they decide to settle permanently in Rambi it will then be the time to regulate the division of the land and vesting the freehold individually in the members of the Banaban community in accordance with their land customs.

Major D.G. Kennedy, D.S.O.,  
Rambi Island.

11

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5. When that time arrives a proper survey and demarcation will be necessary, but in the meantime a temporary allocation, as mentioned in paragraph 3 of your letter, is to be all that can be done in this line.

6. Your paragraphs 4 and 8, working of the unsettled plantations by the Cooperative Society. The idea seems good, but we should be glad to learn how it is proposed that the profits from such working of those plantations are to be disposed of.

7. Your paragraphs 6 and 6, with regard to Crabbe. We are assuming that you will take whatever action is necessary to terminate his appointment. But do, please let us know, especially if we are being expected to settle up with him when he gets to Suva, and give us all particulars of what is due to him.

8. Your paragraphs 8 - 10. The question of the state of the plantations will be taken up with Levers when we get your official report on the points dealt with in their letter on this subject. I have always held the view that Crabbe and his plantation labour should have been put on to the cleaning of the plantations as soon as we took them over, with subsequent cash settlement with Levers. You should either put this labour on to the cleaning work or put gangs of Banabans on to it against payment of wages, or both so far as necessary and the labour can be made available. The cost of the work should be charged to the plantation account for subsequent recovery, whether in whole or in part, from Levers; and any portion which cannot be so recovered should remain as a charge against the Rambi Island property account - that is, the account which has been credited with the rents over the past three years.

9. Opening sentence of your paragraph 14. The method of treating the expenditure will require the Secretary of State's approval.

10. You have been informed by telegraph of the position with regard to the supply of the cash you require. We do not hold sufficient Gilbert & Ellice Islands Colony funds here to furnish you with the amount mentioned - in fact we have already paid out something over 10,000 in connexion with the Rambi Settlement for which we have not yet received the funds from the Gilbert and Ellice Island Colony Treasury. When we get the money I will see that the cash is sent by the first opportunity.

Yours sincerely,

(12)

12-1-46  
174

174  
12-1-46

No. O.F.42/5.

E.C.  
15.1.46.

Office of the High Commissioner  
for the Western Pacific,  
Suva, Fiji.

15th January, 1946.

ANSWERED  
See (186)

Sir,

With reference to Mr. Pope's memorandum No. 824  
A/R. 43-44 of the 23rd October, relative to the Rambi Island  
Deposit account, I am directed to forward the attached copy  
of a Saving telegram received from the Acting Resident  
Commissioner of the Gilbert & Ellice Islands Colony.

16S

172

(See 172)

2. I am to state that I do not agree with the  
Treasurer's proposals. The property in Rambi Island was  
purchased from Messrs. Lovers and paid for presumably from  
funds standing to the credit of the Banaban Provident Fund.  
The property would therefore appear to form part of the  
assets of that Fund and all receipts from rental or otherwise  
of the property should presumably be credited to that Fund;  
similarly all expenditure incurred in connexion with the  
property would appear to be correctly chargeable to that Fund.

3. The Banaban Provident Fund was instituted for the  
purpose of purchasing and providing a new home for the settlement  
of the Banabans when the progress of phosphate mining in Ocean  
Island should render necessary their emigration from that  
island. Their settlement in Rambi Island is now proceeding  
on a temporary basis, and it will rest with the Banabans  
themselves whether they will settle there permanently.

4. The expenditure incurred in connexion with the  
present settlement in Rambi is being charged to a Suspense  
Account; but the question will soon arise as to how this  
Suspense Account is to be cleared. My own view is that all  
such expenditure, other than such portion as it may be decided  
should be borne by the general funds of the Colony, should be  
charged against the Banaban Provident Fund.

I am,

Sir.

Your obedient servant,

(Signed) H. VASEES

Secretary, Western Pacific High Commission.

13

As Acting Auditor,



MINUTES of

General Meeting of Banaban Elders  
Held at Nuku, Rabi, on 26th January, 1946.

Present :-

Major D.G. Kennedy D.S.O.  
Tarakai, Interpreter  
Rotan, Chairman.  
Iete,  
153 Elders representing  
153 Banaban families.

Major Kennedy addressed the Meeting and, lacking Minutes of the previous General Meeting of Elders held at Nuku, Rabi on 31st December, reminded those present, of matters discussed at that meeting. He stated that the purposes for which they were gathered were two.

Firstly to discuss the form of Council which would be suitable for their local government, and to elect the Councillors.

Secondly to discuss the present establishment of the Co-operative Society, and to decide whether it was considered suitable for the current year.

The speaker proceeded to describe a form of council, having both Legislative and Executive functions, and some of whose members would constitute a Court for hearing criminal and civil actions, under the local regulations made by the Council. He said that this form of Council suggested itself to him as eminently suitable to the social conditions which were likely to develop on Rabi, but reminded the meeting that they were gathered for the purpose of putting forward their own views, and not merely to accept his suggestions without criticism.

Graphic illustration of the Legislative, Executive and Court establishments under the suggested scheme, was furnished by wall posters showing the personnel of such government bodies and how they derived from the will of the electors.

He then asked for suggestions from the meeting, or criticism of his own suggestion.

Mataio :- What exactly are the family groups (utu) who elect the Elders? What is the constitution of a family which elects an Elder to this Meeting?

Major Kennedy :- I have considered that point. I am aware that you have many kinds of family groupings based (a) on the intricacies of marriage relationships. (b) on historical associations. (c) on old Banaban village, or locality associations. (d) on modern economic associations.

It is impossible, in my opinion, to give consideration to each of these and, I think that the family group, for political purposes on Rabi, should be based on present economic considerations only. Briefly, those people who eat over one fire form an economic family group, and they are entitled to elect one Elder to this meeting.

After general discussion this suggestion was adopted unanimously. There were no further questions.

After further general discussion the form of government suggested and illustrated was unanimously approved.

Major Kennedy stated that the next annual General Meeting would be able to ask for changes if experience should show this form of government to be unsuitable.

Nominations for elected Councillors resulted in the following :-

Chairman of Council .. .. .	Rotan
Chief Elected Councillor .. .. .	Kabanti
Councillor and Magistrate . . . .	Rewi
Councillor and Chief Police .. .. .	Tebuke
Councillor & Government Scribe .. .	Tarakai
Councillor .. .. .	Tetebano
Councillor .. .. .	Teangoa
Councillor .. .. .	Kaiekieki

Nominated Councillors :-

Deputy Chairman of Council .. .. .	Taakai
Councillor .. .. .	Iete
Councillor .. .. .	Keangibo

Major Kennedy referred to the graphic representation of the present establishment of the Co-operative Society, and asked the Elders whether they were prepared to approve it, or whether they considered that changes were necessary.

After general discussion the establishment as shown (Appendix 7) was approved unanimously.

Major Kennedy revised the essential points of the current economic arrangement for the life of the community on Rabi, including the working of the plantations, and the proposed short term basis for temporary holdings of agricultural land on the remainder of the island, and asked whether these arrangements were approved or otherwise.

After short discussion the arrangements were approved unanimously.

Major Kennedy asked whether the Elders were prepared to say, at this time, that they would permanently settle on Rabi.

After prolonged discussion Keangibo replied :-

" We would prefer not to consider the question until  
" our final agreements with the British Phosphate  
" Commissioners have been completed. "  
(During the discussion two old women were heard  
to call out - "Let us return to Banaba")

Rewi asked -

" When may we expect to receive the balance of our  
" annuities and rents ? Having no gardens, we  
" are obliged to purchase foodstuffs, as well as  
" clothing, and we are afraid of purchasing too  
" much on credit. "



Major Kennedy replied that everything possible was being done to make available the balance of moneys owing to them, and that he was confident that they would soon receive them.

Keangibo asked -

" If we return to Ocean Island, will you agree  
" to come with us " ?

Major Kennedy replied that he was unable to give a direct answer to the question, as he was subject to the orders of the High Commissioner.

Rotan explained to Major Kennedy (aside) that the question was subtly designed to discover whether the Government would leave him to assist them indefinitely on Rabi, should they desire to settle there.

Major Kennedy replied to Rotan that he had no doubt that the High Commissioner would instruct him to remain on Rabi as long as his services there were considered to be essential, but that he was not authorised to give them any such assurance on behalf of His Excellency.

It was agreed that the Council should meet early in March to discuss local Legislation.

The Meeting was then declared closed.

-----oOo-----

THE BANABAN CO-OPERATIVE SOCIETY

Working Capital : £5525, provided from Banaban Funds as follows :  
Free grant £4525.  
Interest free loan £2000.

The accounts herein represent the position as at 28/2/42. They are not as full of detail as might be desired, but it must be remembered that we evacuated Banaba on the evening of that day.

Further business was almost certainly transacted after we left; Rotam may have been able to preserve the records.

There may have been further transactions in the Trust Account held by Government.

The Melbourne Agent Mr. H.F.S. Dunne, of 110 Little Collins St., had purchased and shipped a cargo on the "Trionza". This vessel, of course, had to put back; the cargo was re-sold by the Agent, and the present balance in his hands amounts to between £900 and £1000, £100 of the loss being covered by the reserve set aside.

(Signed) A.W. Dickes.

Copy put up at P. 3 in File 1/5/42

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BANABAN CO-OPERATIVE SOCIETY

ACCOUNTS FOR YEAR ENDING 28th FEBRUARY, 1942.

Trading Account

1942	February 28. To Purchased during year, less Stock on hand 28/2/42.	5185 13 -	1942	February 28. By Sales, less Sales Tax	5964 49 5
	To Profit & Loss Account, being gross profit transferred	<u>779 6 5</u>			
		<u>£5964 49 5</u>			<u>£5964 49 5</u>

Profit & Loss Account

1942	February 28. To Insurance, Buildings, Plant & Stock	50 7 6	1942	February 28. By Excess Insurance on lost cargo	32 17 8
	To Wages	207 16 8		By Freight rebates	92 11 7
	To Local Cartage	24 1 10		By Gross Trading Profit	<u>779 6 5</u>
	To General Expenses	55 4 8			
	To Depreciation, Buildings & Plant	53 5 6			
	To Reserve for anticipated loss by "Trienza" freight	400 - -			
	To Nett Profit carried forward	<u>444 2 6</u>			
		<u>£5904 15 8</u>			<u>£5904 15 8</u>

100

Liabilities

Balance Sheet

Assets

1942	February 28. To Capital (being free grants from Banaban Funds)	4525 - -	By Buildings at cost	506 2 6	
	To Loan from Banaban Funds (interest free)	2000 - -	Less depreciation	<u>36 2 6</u>	470 - -
	To Deposits	9 5 6	By Furniture & Fittings	174 12 -	
	To Suspense	2 5 4	Less depreciation	<u>17 3 -</u>	154 9 -
	To Reserve for "Trienza" freight loss &c	400 - -	By Stock on hand		102 16 1
	To Profit and Loss Account:		By Sundry Debtors		69 3 1
	Nett profit carried forward	<u>444 2 6</u>	By Cash: in hand	274 17 7	
		<u>£4050 15 4</u>	In Govt. Deposit A/c	1876 - -	
			With Melbourne Agent	<u>1103 7 7</u>	3254 5 2
					<u>£4050 15 4</u>

I hereby certify that I have examined the accounts of the Society and that, to the best of my knowledge and belief, the above Balance sheet is a true and correct statement of the Society's financial position as at the 28th day of February, 1942.

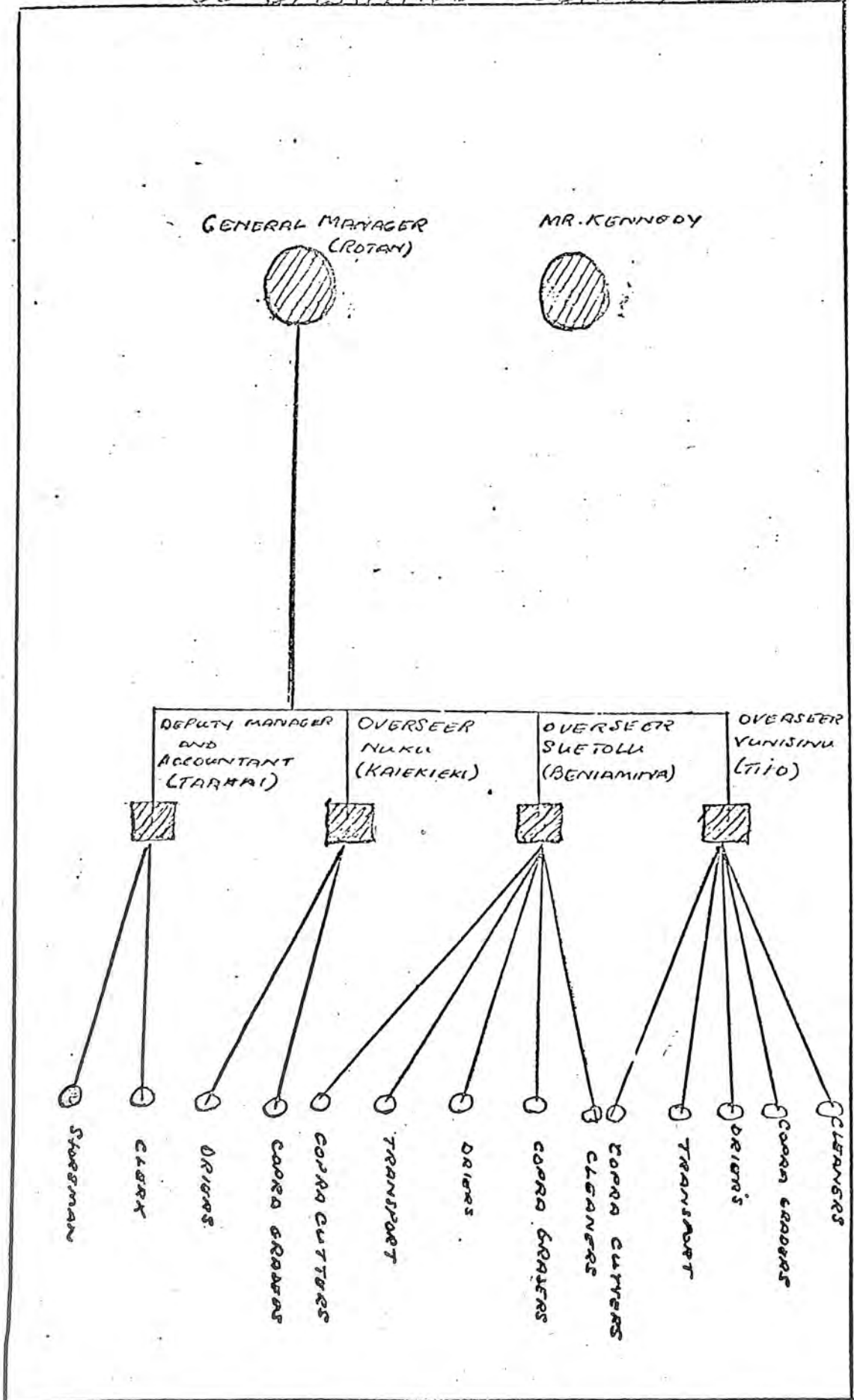
(Signed) A.W. Dickes,

Honorary Auditor.

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# CO-OPERATIVE SOCIETY RABU



(Copy put up at P.I.A  
in P. 52/82.)

APPENDIX 3

HEALTH STATISTICS

BAHABAN COMMUNITY RABE

PERIOD 15TH DECEMBER, 1945 TO 28TH JANUARY, 1946.

BIRTHS 5.

DEATHS 3. (Ages in years, 49, 79, 16).

OUT PATIENTS

Injuries	...	...	...	...	86
Ulcers Boils, etc.	...	...	...	...	276
Skin diseases	...	...	...	...	55
Chest pain cough etc.	...	...	...	...	410
Influenza	...	...	...	...	13
Constipation Colic etc.	...	...	...	...	439
Diarrhoea Vomiting etc.	...	...	...	...	60
Rheumatism	...	...	...	...	6
Otitis Media, Earache, etc.	...	...	...	...	9
Ophthalmic	...	...	...	...	153
Coke	...	...	...	...	129
Kakaca, Soki	...	...	...	...	99
Various	...	...	...	...	90

INJECTIONS NAB 140

MINOR OPERATIONS

Incisions	...	...	...	...	9
Sutures	...	...	...	...	12
Dental extractions	...	...	...	...	15
Ophthalmic	...	...	...	...	4
Various	...	...	...	...	120

Note :

Six cases of Lobar Pneumonia were successfully treated.  
Four cases of Dysentery were successfully treated.  
Tuberculosis - 12 cases (some are suspects only)  
Leprosy - 2 cases awaiting transport to Matogai.  
Beriberi - 12 cases under treatment mostly children.  
All responding well to injections of  
thiamine hydrochloride.

COLONY OF FIJI,  
RABI ISLAND.

28th January, 1946.

CONFIDENTIAL

Sir,

I have the honour to refer to the High Commissioner's instructions on the subject of the removal of the Banaban people to Rabi which were conveyed in a letter from the Secretary to the High Commission (No. C.F. 48/5/2., of the 22nd October), to your telegram No. 33 of the 11th January and connected correspondence and to submit, hereunder, a report on the progress of the scheme for the temporary settlement of the Banabans on Rabi.

2. In so far as possible the proposals submitted under my letter, Rabi No. 3 of the 8th October, addressed to the Secretary, Western Pacific High Commission, have been carried out.

3. The attached report does not include a statement of expenditure incurred. This may be furnished when copies of relevant vouchers have been received.

4. In order to make the report as complete and informative as possible with regard to the present attitude of the Banaban settlers, a meeting of "Elders", comprising the chief members of each of 153 families was convened on Saturday, 26th January, and all actions hitherto taken with regard to the settlement scheme together with proposals for future action were submitted, seriatim, for criticism or approval. The minutes of the meeting are attached. (Appendix 5).

5. It will be apparent from the minutes mentioned above, and from relevant passages in the report, that an important matter of immediate concern to the Banabans was the supply of funds to meet outstanding wages for work in connection with the establishment of Government Head Quarters at Kuku and arrears of annuities and rents. These funds are urgently needed for the purchase of rations and clothing and it is recommended that, if any considerable delay is likely to occur in obtaining the total amount required, as large a sum as possible be remitted at an early date to enable me to make suitable advances on account. The present practice of the Co-operative Society of selling necessary items on credit to the various families, using a "pass book" for each, although satisfactory from an accounting point of view, is fraught with some danger in that the less intelligent people are likely to forget some of their purchases and

The Honourable,  
The Colonial Secretary,  
S U V A, F I J I.

may, later, dispute the debit entries in their pass books.

6. As the above paragraph was being written a telegram was received from the Secretary to the High Commission for the Western Pacific indicating that the funds mentioned will be remitted at an early date. I have decided however, not to delete the paragraph as it serves to record one of several problems to solution of which involves much detailed work.

7. A second matter of importance, if not urgency, is the agreement to be made with the British Phosphate Commissioners for the sale of the remaining mining lands on Ocean Island. It will be obvious from the minutes of the meeting mentioned above that the Banabans have no intention of committing themselves to any further agreement with regard to Rabi until this final agreement with the British Phosphate Commissioners has been satisfactorily concluded. It should be kept in view that, in order to ascertain the areas belonging to different land holders under this agreement, it will be necessary to send ten or more representative land owners to Ocean Island to delineate, for survey purposes, the boundaries of individual holdings.

8. A slight depression of spirits among the older people has been noticeable during the past two weeks. This is probably due to the state of the weather. Alternate damp heat waves and chill damp winds are responsible for a considerable number of pulmonary illnesses while a plague of flies and sand-flies adds to the general discomfort.

It is not expected that this depression will develop into a feeling of dissatisfaction with life on Rabi or with projected developments for the present year. I feel, however, that it would be wise to take steps, at an early date, to implement such of the recommendations in this report as may receive His Excellency's approval, in order that general interest may be aroused in the development of events in which all the settlers have a vital interest. I refer, in particular, to (a) the agreement for the disposal of the remaining mining lands at Ocean Island; (b) plans for education and social welfare; and (c) the construction of specimen houses of a type suitable for homes for permanent settlers.

9. The majority of those men of working age for whom it has been possible to find employment, either on the plantations or on constructional work at Headquarters, have displayed a gratifying, and, for Banabans, an unexpected energy and enthusiasm. Many are developing skill at new work.

Those men of the same age group for whom no employment is yet available have been fishing and exploring the reefs and forest. Pending the temporary division of the lands on the north west side no new gardens have been made, but extra men have been employed under the guidance of Solomon Island labourers in extending the area of the existing plantation gardens with a view to providing an early supply of vegetables which may be distributed to the community through the Co-operative Society.

I have the honour to be,

Sir,

Your obedient servant,

(Signed) Donald Kennedy,

District Officer,  
Rambi.



C  
O  
P  
Y.

2057  
RABI ISLAND,  
FIJI.

2nd February, 1946.

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Dear Sir Albert Ellis,

Thank you for your letter of the 13th December. I have been increasingly conscious of having failed to do you the courtesy of making an early reply. This has been due chiefly to a great press of work. You, who know the Banabans so well, will readily understand how helpless they can be, at any time, let alone when they are translocated to a completely new environment. For the first four weeks on Rabi they were spoon fed. Now, they are beginning to stand on their own feet but initial progress will necessarily be slow and we can scarcely expect them to do more than "waddle" for some time to come.

With regard to your request for information on the collection and transfer of the Banabans to Rabi, I am glad to help you in any way I can. You will probably have been informed that His Excellency the High Commissioner has authorized me to give you any information you may need.

I regret that I have no photographs of the Banabans either in their miserable conditions in previous enemy territory or on the move to Rabi. I have a collection of photographs of Rabi which I took last September for the purpose of giving the Banabans some idea of the nature of the island. These I am sending to you. Unfortunately, in taking them, I exhausted my meagre supply of 35 mm film (the photographs were enlarged to half plate size) and so I have been able to take no more. If you should require some photographs of the Banabans in their present conditions - fishing, living in canvas camps, milking coconuts, working horses and bullocks etc. I should be happy to take them for you, if you could send me a supply of film. It is unobtainable here. (My camera, a Kodak uses 35 mm film in cassettes of 36 exposures each).

I proceeded by air to Tarawa on the 23rd October, and, after explaining the Settlement Scheme to Colonel Fox-Strangways, proceeded by local surface transport to all the Gilbert Islands from Apemama northwards. Several Banaban families were collected from each place and brought to Bairiki Island on the Tarawa lagoon where a camp had been prepared for them. I collected, in all about 280 people in the Northern Gilberts but this figure includes some Gilbertese friends.

On the 17th November I left Tarawa for Kusaie aboard the m.v. "Huron", one of the new 60 ft. drifters which were built in Auckland for the Colony. After calling at Hontani and Eutaritari, we arrived at Kusaie on 23rd November.

At Kusaie the Banabans some 280 in all were housed in one large camp, in Lale Harbour, in appalling conditions of camp

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and mud. There were about 600 other Gilbert and Ellice Islanders in the camp. All had been removed from Ocean Island by the Japanese.

Two days after my arrival at Kusaie I heard, with great relief, that Mr. Gaze had arranged to let us have the "Trionza" to take the Kusaie and Nauru people to Tarawa. On the morning of the 26th, the "Trionza" arrived, with a great throng of ex-patriates returning from Nauru. Among these were 300 odd Banabans.

We succeeded in getting the Kusaie camp packed up the night before, and all the people, nearly 900, were on board before sundown, when the vessel cleared for Tarawa. I, myself, had transferred to the "Trionza" and we arrived at Tarawa on the morning of the 30th. All the Banabans were here disembarked and went into camp at Bairiki. Here, we had, now, about 1,000 people. These included Gilbertese adherents of the Banabans, whom, according to their custom, they wished to take with them.

During the process of collecting the Banabans, I had, at every opportunity, held meetings and explained the Rabi Settlement Scheme. Generally, the Scheme was accepted with alacrity, if not enthusiasm. One person only objected to going to Rabi, but two days later he changed his mind.

Questions were asked at the various meetings as to whether the move to Rabi would affect, in any way, the rights which they previously enjoyed on Ocean Island with regard to their various funds, or their rights to the remaining mining lands there. Much to their satisfaction, I was able to assure them, on behalf of His Excellency, that no rights or privileges, previously enjoyed, would be affected, in any way, by the present Settlement Scheme.

As you are aware, Mr. Gaze arranged for us to have the use of the "Trionza". On the morning of 9th December this vessel arrived at Tarawa, and by mid-afternoon, all our Banaban family, together with about 100 Ellice Islanders for Nanumea and Vaitupu, had embarked. We had pleasant weather all the way, and after dropping our Ellice Islanders at their homes, arrived at Rabi on the evening of the 14th. On the 15th, in good weather, the people disembarked at Nuku, and settled into the camp already prepared for them. This consisted of 150 tents and 12 prefabricated military hutsments.

The numbers of immigrants are as follows:-

	<u>Men</u>	<u>Women</u>	<u>Children</u>	<u>Total</u>
Banabans	185	200	318	703
Gilbertese	152	97	51	300
Totals	337	297	369	1003

At Rabi, up to the 28th January we had had five births and three deaths.

For the first four weeks the camp was rationed at the expense of Gilbert and Ellice Islands Colony Rehabilitation Funds.

Since the 15th January the people have been purchasing rations from their own Co-operative Society's Store, which is now established at Nuku (you will remember that the Co-operative Society was founded at Ocean Island in 1941).

It was early decided that, pending a final agreement that the community would settle permanently on Rabi, property in the Island should vest in the Co-operative Society.

I am sending you, with this letter, a sketch map of Rabi, on which you will see the Nuku Settlement, as well as two other Settlements on the south east coast.

The Island has, scattered round the coast, (some 3,000 acres of coconut plantations. These had been planted between the years of 1880 - 1934. All are in good bearing. In the centre of the island is a bush clad ridge, having slopes which are not unduly precipitous. Nearly all the numerous bays and inlets round the coast are fed by small streams, and, along the north west coast, there are numerous stretches of coral sand beach backed by sandy loam flats, planted in coconuts between the foot-hills and the sea.

The soil of Rabi is as fertile as that of its big neighbour Tavuni, which is known as "The garden of Fiji". Mangoes, waxy-apples, and bread-fruit are now bearing, and almost any tropical fruit or vegetable will grow here.

As is common with high islands, the rainfall on the south east coast is greater than that on the north west. Furthermore, the porous sandy loam on the north west quickly absorbs what rain there is. Living conditions here are, therefore, much more pleasant than on the south east coast. It is for this reason that I chose Nuku for the preliminary settlement.

After some discussion, the Co-operative Society agreed to my plan to work the plantations on the south east coast, which centre on the driers at Vanisinu and Gustalu, as commercial plantations. They have retained some of Lovers' Fiji and Solomon labourers to act as tutors.

About 60 Banaban families are now employed on these plantations. The remainder are preparing to move from the camp at Nuku and take up temporary holdings along the north west coast, where they will make their own hamlets, plant gardens, fish, and sell whatever green copra they care to cut, to their Co-operative Society at Nuku, where it will be dried in the driers, and prepared for export.

*D*

There is little else to relate. The present arrangement, if satisfactory, will continue until the people decide whether or not they will permanently settle here. They have informed me that they cannot come to a decision on this latter point until they are satisfied that all is well with their interests on Ocean Island. In connection with this, they have mentioned, in particular, the agreement to be made with the British Phosphate Commissioners for the purchase of the remaining mining lands. They appear to be happy and healthy, although there is a rather heavy incidence of pulmonary illnesses, due, no doubt, to change of climate.

We have a Fijian M.M.P. on loan from the Fiji Medical Department pending the arrival of a Vanaban M.M.P. who has recently been stationed in the Phoenix Islands.

Rabi is a scheduled port of call for Burns Philp's subsidised coastal vessel, "Kanakai", and so we have a mail service with Suva every ten days.

We have Tele-radio equipment on loan from Fiji and, by means of this, keep daily contact with Tavuni and Suva.

Two sea going launches form part of the equipment of the estate, and with either of these the Government station at Tavuni can be reached in less than three hours.

If there is anything else which would be of use to you in compiling your book, please let me know, and I shall be happy to let you have any details I can supply, by return mail.

Thank you for the offer of a copy of your book, to which I shall look forward with great interest.

With good wishes for the work and kind regards,

I am,  
Yours sincerely,

Signed - DONALD KENNEDY.

13th February, 1946.

2452

Dear Mr. Halligan,

Your letter of 30th January was considered, as requested, at the recent meeting of the Commissioners.

The Commissioners now own and operate two vessels, the motorship 'Trienza' and steamer 'Triona'. They are registered in London and are manned by Masters, Officers and Engineers on Australian award rates and conditions, and crews of British Indians on rates and conditions of British agreements. The British Indians are giving satisfaction.

In addition to carrying about 150,000 tons of phosphate per annum (about one eighth of total output on the prewar scale) the ships perform other special services such as carriage of stores and equipment to the Islands, recruiting and mooring work, etc.. These services entail detention at the Islands which are close to the equator. Thus they spend most of their time in tropical waters and the conditions under which they have to work are considered more suitable for natives than for white crews. In this respect the conditions are similar to those at Nauru and Ocean Island where, also for climatic reasons, natives and Chinese are employed as labourers and white men for the more skilled work, supervision and management.

Our two ships are now giving valuable service carrying men and supplies for reconstruction work at Nauru and Ocean Island, which is a major task as the loss by damage and destruction to buildings and plant during enemy occupation exceeds £1,000,000.

Having regard to all the circumstances the Commissioners feel that no change in the crew arrangements should be made.

Yours faithfully,

(Sgd.) CLIVE McPHERSON

AUSTRALIAN COMMISSIONER

J. R. Halligan, Esq.,  
Secretary,  
Department of External Territories,  
CANBERRA A. C. T.



2453

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42 P

NO. 950.

15th February, 1906.

Dear Mr. Gaze,

I wrote you briefly on 12th instant and now acknowledge with thanks your No. 85 of 13th idem received this morning with enclosures as listed.

1. MR. F. T. CHRISTIAN:

I note that his departure for Hongkong is delayed for a few days but trust that the necessary documents will be to hand shortly and that all will go well on this very important visit.

2. CHRISTMAS ISLAND:

Movements of the "Islander" are noted and I trust she arrived at Fremantle as anticipated. Even this small cargo of phosphate is of particular interest apart from its value at a time of considerable shortage.

3. ANNUAL ACCOUNTS:

Their receipt in London is noted. The set for the New Zealand Government was sent down on 14th to arrive there today as agreed.

4. PUBLIC ACCOUNTS COMMITTEE:

I note that Sir Arthur Gaze will be attending their next meeting on 19th March and will give evidence on the accounts for the Twenty-fifth year.

5. RAVBI:

My cable No. 230 of 14th is confirmed as follows:

"Have received letter from Kennedy with full details indicating good prospects success. Natives enquiring regarding rights other Island and I suggest early visit by Maynard advisable following your receipt copy Kennedy letter."

Enclosed please find copy of letter from Major Kennedy containing much interesting information. It would appear that the position generally is satisfactory, and the enquiries of the Sanabans

15/2/46

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regarding their phosphate rights is not at all surprising. In this respect as in other ways I judge Mr. Maynard's visit will be very useful. You will note that Major Kennedy asks for some photographic films and it would be advisable if Mr. Maynard took some with him.

6. MY MOVEMENTS:

I cabled you this morning advising that with Mr. Fenton I am proceeding to Wellington by plane on 18th instant returning on 21st.

7. PHOSPHATE SUPPLIES:

This morning a letter from Mr. Fawcett dated 14th was received as per duplicate enclosed herewith. This matter calls for careful consideration. After discussing the contents with Mr. Bissett the following message was sent to you:

"Reference cable 9th January from Commonwealth War Supplies Washington to Divimpro regarding difficulties obtaining supplies Florida phosphate for Australia New Zealand please cable particulars any information supplied by you as asked for in above cable also your views as Fawcett desires discuss with me. Do you wish New Zealand Government communicate with Australian Government regarding representation to Fertiliser Committee Washington that export licences do not receive validation until substantial proportion balance Australian New Zealand allocations fulfilled. Have noted position Florida supplies as stated your memorandum to manufacturers 30th January also cable 64 from London and your reply."

With your letter under reply there are copies of London letters containing useful information on this subject and this data will be taken to Wellington.

8. NAURU/OCEAN SURRENDER FILMS:

You suggested that I confer with Mr. Shanahan regarding these and I enclose letter from him which you will note that Wellington would be glad to have a set. I trust that you will be able to secure these without difficulty.

9. CREWS OF OUR SHIPS:  
KORTANS - HONORS OF WORK ETC.

Your cable of today was received as follows:

"Refer your letter 12th letter sent Canberra yesterday after further modification and abbreviation. Copy sent today should reach you Monday. Think you should have this before question discussed Wellington. Also sending you copy reply to Canberra question regarding Korean hours etcetera."

I hope to have copy of your letter with me when leaving for Wellington otherwise it will be forwarded by first mail.

I also note that you are sending me a copy of your reply to Canberra regarding the Koreans, hours of work, etc.

Yours sincerely,

(Signed) Albert F. Ellis

ENCLOSURES:

Decoded cables Nos. 230 & 231 - also unnumbered dated 15/2/46  
C/Letter from Major Kennedy dated 2/2/46

" " E.J. Pawcett dated 14/2/46 with enclosures  
" to Foss Shanshan, 12/2/45 reply dated 13/2/46.

2454 H.K.  
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THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 66

20th February, 1946.

The New Zealand Commissioner.

Dear Sir Albert,

I thank you for your letter No. 949 received on 14th February.

2. BANABANS  
RANBI:

I received your telegram No. 220 on the 14th February, reading:

" Have received letter from Kennedy with full details indicating good prospects success. Natives enquiring regarding rights other Island and I suggest early visit by Maynard advisable following your receipt copy Kennedy letter."

I telegraphed you this morning saying that Mr. Kennedy's letter had not been received and asked when it was sent. In the same telegram I quoted a message from Suva, received here on the 17th February, reading:

" In view of present unsettled state of Banabans in Ranbi it is doubtful whether visit to that Island at present stage would serve any useful purpose and might be inadvisable."

I hope the High Commissioner will not press this view because I still think it would be useful for Mr. Maynard to visit Ranbi. He leaves here for Sydney by the night train on Saturday, 2nd March, and proceeds by plane to Suva on Monday, 4th March.

2. YOUR MOVEMENTS:

I note from your cable of the 15th February that you went to Wellington with Mr. Fenton by plane on the 18th February, and that you are returning to Auckland on the 21st February.

3. PHOSPHATE SUPPLIES:

I hope the information cabled to you on 15th February (No. 521) in reply to your 221 gave the information desired.



4. INCOME TAX - OCEAN ISLAND:

Please note attached copies of telegrams exchanged with Mr. Bridges.

5. 'ISLANDER'

The 'Islander' berthed at Fremantle at 9 a.m. on Wednesday 13th. February. She discharged 1,336 tons of phosphate and proceeded to Bunbury to load sleepers. She is now expected to leave Fremantle for Christmas Island on Saturday 23rd February.

Yours sincerely,

(signed) A. Harold Gaze.

Enclosures:

C/Cables from you	230	231
To you	521	
Cable from Ocean	received	6/2/46
" to "	sent	6/2/46
" from "	received	16/2/46
" to "	sent	20/2/46
" from H.C.	received	13/2/46
" to "	sent	15/2/46
" from "	received	17/2/46

C/General letter to London 67.

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE. 20

No. 37.

22nd February, 1946.

The New Zealand Commissioner.

Dear Sir Albert,

I thank you for your letter No. 250 received on 21st February.

1. MR. F. F. CHRISTIAN:

The permit to enter Hong Kong has been received and we are trying to arrange for a passage: it now seems very doubtful whether an air passage will be available and enquiries are being made for transport by a naval ship as an alternative.

2. HANABANS - RAMBI:

Major Kennedy's letter is very interesting and confirms the view, expressed in my previous letter, that it would be useful for Mr. Maynard to visit Rambi, especially in view of his remarks - "The present arrangement, if satisfactory, will continue until the people decide whether or not they will permanently settle here. They have informed me that they cannot come to a decision on this latter point until they are satisfied that all is well with their interests on Ocean Island. In connection with this, they have mentioned, in particular, the agreement to be made with the British Phosphate Commissioners for the purchase of the remaining mining lands."

I note that Major Kennedy is sending you photographs of Rambi which I shall be glad to see in due course. We have ordered 6 cassettes of 35 mm. film and Mr. Maynard can take them with him. Major Kennedy mentions that he sent you a sketch map of Rambi: perhaps you could have it copied for me.

3. PHOSPHATE SUPPLIES:

I enclose for your information copies of Commerce Department cables which will show you reports sent by Mr. Fraser to Mr. Bulcock. Yesterday we received a cable from London No. 85 of which a copy is attached. You will see that Mr. Voss suggests the Australian and New Zealand Governments should make representations to the C.F.B. Fertiliser Committee. I think this could only be done by asking the legations at Washington to make representations through Mr. Smart, British Representative on the Committee. We are trying to arrange



for Canberra to send a message to the Australian Legation on these lines and I suggest that similar action might be taken on your side.

Yours sincerely,

(signed) A. Harold Gaze.

Encl.

C/Cable from London No. 85				
C/Teleprinter message	15/2/46	London 22	Canberra 176	) From Aust.
" "	15/2/46	Canberra 174	London 21	) Legation Wash.
C/Cable	18/2/46	Washington 22	Canberra 1081	) from H.C.
"				) London
	15/2/46	London 19	Canberra 165	) From Aust. Legation
				) Washington



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H/D -

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NO. 951.

26th February 1946.

Dear Mr. Christian,

My letter in this series will probably miss Mr. Gaze owing to his near departure for New Zealand, and I therefore address it to you.

I acknowledge with thanks receipt of Nos. 86 and 87 of 20th and 22nd instant received here on 22nd and 25th.

1. YOUR COMMENTS:

It would appear that you may not be able to secure an air passage but transport by a naval ship will probably be available. The delay is unfortunate in view of the very important nature of your visit to Hongkong.

2. RAMBANS - RAMBI:

The views held on your side regarding Major Kennedy's reference to the Ranabans being unsettled, are noted. While I judge that it would not be difficult for Mr. Maynard to satisfy the Ranabans that their phosphate rights will be respected, I think it will be agreed that the less we are in evidence regarding the Rambi move, the better. As you know there is a strong element of suspicion in the native mind and if they realize that the transfer is a Government matter, and particularly in the interests of their posterity, they are more likely to settle down all the sooner. The Ranaban community has had so much upheaval during the years of war that it is only natural they should be in an unsettled state for some time. Such conditions as we see only too well are not confined to native communities.

3. PHOSPHATE SUPPLIES:

Comments under this heading are noted and in response to Mr. Gaze's suggestion in No. 87/3, I have written Mr. Fawcett as per copy enclosed asking that representations be made to Washington.

When visiting Wellington recently the question of our lines was discussed fully with Mr. Fawcett and Mr. Tennent. They were in favour of aiding the receipt of Mr. Fraser's report as you suggested, but I judge this further proposal will be approved.

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4. INCOME TAX - OCEAN ISLAND:

The copies of telegrams relative to this matter are noted. When at Tarawa recently I saw Mr. S. Clark, the Colony Treasurer, and he made some reference to action regarding income taxation but did not state any details.

5. PHOSPHATE:

Thank you for advice of her movements and I assume we may hear of the arrival of a further cargo of phosphate by her in the near future.

6. WEATHER CONDITIONS:

The serious drought in the Auckland Province still continues and farm production is naturally greatly affected. Outside this Province it is not, however, so marked. Meanwhile the dairy figures are going down rapidly.

Yours sincerely,

(Signed) Albert F. Ellis

Encl.

Decoded cables Nos. 521 & 522 and 22/2/16

Nos. 232 & 233

C/Letter to R.J. Fawcett, Dec. 25/2/16

COPY.

MEMORANDUM.

Taxation of British Phosphate Commissioners in  
Ocean Island.

Prior to the war the British Phosphate Commissioners  
were liable for taxation as follows:-

(1) Under Ordinance No. 7 of 1938.-

- (a) A fixed contribution of £A.20,000;
- (b) An additional royalty of 6d. a ton on all phosphate exported from Ocean Island in excess of 250,000 tons a year; and
- (c) Import Duties on liquor and other beverages liable to duty and tobacco in all forms.

(2) Under Ordinance No. 6 of 1941.-

A special War tax of 9d. on every ton of phosphate exported from Ocean Island during the financial year 1941-42.

(Note: This special war tax was agreed "on the understanding that Income Tax will be imposed in the Gilbert and Ellice Islands Colony and in consideration of the withdrawal of Sales Tax for the financial year 1941-42." This tax was to be reviewed annually, but the advent of Japan into the war and the consequent cessation of mining operations prevented any further action).

(3) In addition a fixed royalty of 6d. a ton on all phosphate exported is payable by the British Phosphate Commissioners to general revenue; and a fee of £A.50 per annum is payable under their general licence to mine and export phosphate in Ocean Island.

2. In addition the British Phosphate Commissioners made a contribution of half the salary of the teacher of the European school in Ocean Island, but this was a special arrangement and does not seem pertinent to the present issue.

3. Under Ordinance No. 7 of 1941 the British Phosphate Commissioners' staff in Ocean Island became liable for the payment of Income Tax - estimated by the Treasurer to amount to between £1,500 and £2,000 a year. The British Phosphate Commissioners wish this to be included in any contribution scheme that may now be arranged.

4. Under the proposed taxation arrangements given effect to by Ordinance No. 7 of 1950 the British Phosphate Commissioners were exempt from the payment of tax on:-

- (a) their share of the general revenue;
- (b) their share of the general revenue in paragraph 1 (3);
- (c) their share of the general revenue;
- (c) importation tax.



5. Mining and export operations ceased in Ocean Island at the end of 1941 and the export during the financial year 1941-42 was consequently only some 90,477 tons. It was therefore an incomplete year (the Colony and also the British Phosphate Commissioners' financial year, both in Ocean Island and Nauru, then ran from the 1st July to the 30th June) and cannot be taken as a specimen year for present purposes.

6. The exports of phosphate for the preceding two complete financial years were as follows:-

1939-40 = 315,059 tons.  
1940-41 = 255,968 "

7. From figures supplied by Mr. Maynard the following is an analysis of the taxation payments made by the British Phosphate Commissioners during those years:-

(a) <u>1939-40.</u> =		£A.
(i) Royalty on -		
250,000 tons at 6d. a ton =	£6,250	
65,069 " " 1s. 6d. " =	£3,253.	£9,503.
(ii) Consolidated contribution. =		£20,000.
(iii) Customs Duties on Liquor, Tobacco, etc. =		£6,279.
(iv) Fees, etc., from which B.P.Crs. not exempted. =		£486.
	TOTAL =	<u>£A. 36,268.</u>

(b) <u>1940-41.</u> =		
(i) Royalty on -		
250,000 tons at 6d. =	£6,250.	
5,968 " " 1s. 6d. a ton =	£293.	£6,543.
(ii) Consolidated contribution. =		£20,000.
(iii) Customs Duties on Liquor, Tobacco, etc. =		£5,381.
(iv) Fees, etc., from which B.P.Crs. not exempted. =		<u>£711.</u>
	TOTAL =	<u>£A. 32,635.</u>

8. The British Phosphate Commissioners plan the following programme for Ocean Island:-

- (a) 1945-46. From November, 1945, to 30th June, 1946 - re-construction, no exports of phosphate.
- (b) 1946-47. From 1st July, 1946, to 30th June, 1947 - an export of 1,000 tons.
- (c) 1947-48. 1st July, 1947, to 30th June, 1948 - 250,000 to 250,000 tons
- (d) 1948-49. 1st July, 1948, to 30th June, 1949 - 250,000 to 250,000 tons.
- (e) 1949-50 onwards - 300,000 tons a year.

9. In respect of the period of eight months to the 30th June, 1946, there are, therefore, no exact figures to consider in connection with any scheme of commutation of taxation. That period is therefore one period of re-construction and replacement of plant, machinery and buildings, involving the importation of probably several hundred thousand pounds worth of equipment and material on which Customs Duties, if charged, would run into a very substantial figure. But as such imports are mainly in respect of replacements rendered necessary by war damage, it might reasonably be argued that taxation should not be levied upon them and that they should be admitted duty free.

10. On the assumption that this view is the correct one, for present purposes of assessing a fair rate of commuted taxation for the period to the 30th June next, there remains for consideration only Customs Duties on normal importations of expendable goods for the maintenance and comfort of the staff and the operation of the plant and equipment, and other forms of taxation to which the British Phosphate Commissioners and their staff would be liable.

11. Unfortunately, we have no figures on which to work out the amount of Customs Duties for which the British Phosphate Commissioners would be liable under the Customs Duties Ordinance and tariff if they were subject to normal taxation in the Colony, for the purpose of assisting us to arrive at a fair assessment of a figure of commuted taxation. As, however, I believe that the previous figure of commuted taxation agreed upon was within the amount for which they would have been liable under normal taxation, I think that a conservative figure to take for Customs Duties would be the net difference between the total of other taxation from which they were granted exemption (that is, Capitation Tax and Licence Fees) and the agreed fixed contribution plus the amount of Customs Duties on liquor, tobacco, etc., from which they have not hitherto been granted exemption but are asking for it for the future.

12. From figures supplied by Mr. Hayward, the average annual amount of Capitation Tax over the three years 1936-39, 1939-40, and 1940-41, would have amounted to £A. 7,336; and that of Licence Fees to £A. 895. For the same three-year period payments of Customs Duties on liquor, tobacco, etc., averaged £A. 5,334 annually. These figures give the following result:-

Commuted taxation payment	-	£A. 20,000.
Duties paid on liquor, etc.	-	<u>£A. 5,924.</u>
		£A. 25,924.
Less:-		
Capitation Tax.	-	£A. 7,336.
Licences, etc.	-	<u>£A. 895.</u>
		<u>£A. 8,231.</u>
Balance (to be taken as the figure for Customs Duties under normal taxation):	-	£A. 17,693.

To this must be added Customs Duties on goods imported by individual members of the British Phosphate Commissioners' staff which were not previously exempt from duty but for which they are now asking for such exemption. We have nothing to indicate that these duties would amount to anything, but Mr. Hayward's figures show an average annual amount of £A. 1,000 by the

Commissioners on behalf of their staff over the three years mentioned above of

SA. 152.

Total. - SA. 13, 271.

13. The foregoing figures show the normal annual taxation liability of the British Phosphate Commissioners to be as follows:-

Customs Duties.	-	SA. 13, 271.
Capitation Taxes.	-	SA. 7, 336.
Licences, etc.	-	SA. 195.
Total.	-	<u>SA. 25, 406.</u>

For the period of eight months from November, 1945, to June, 1946, the liability would be eight-twelfths of SA. 25, 406, equal to SA. 17, 404.

14. But the staff for the period in question is very much below the pre-war strength, and, as the volume of dutiable goods imported (apart from replacements of machinery, plant and buildings) would presumably bear some direct relation to the numbers employed in the island and the capitation tax is at the rate of £10 a head for non-natives only, a fair assessment for the period could only reasonably be based on the number of men employed.

15. My own view is that it would be preferable for the British Phosphate Commissioners to pay whatever taxation is actually due for the period, assessed on figures which no doubt they can supply without great difficulty, and meet any unusual taxation schemes as from the 1st July, 1946.

16. I understand, however, that the British Phosphate Commissioners would prefer to make a fixed payment for the period, and Mr. Bernard has tentatively suggested £6,500 a month, or SA. 6, 500 for the 8-months period. From the figures given in paragraph 13 above it seems doubtful that this figure could come anywhere near that payable if normal taxation were levied. But we have little to guide us at present and any figure taken at this stage could only be an arbitrary one, and it may be considered that, as the period is a non-productive one devoted purely to rehabilitation, a substantial concession in respect thereof would be justified.

17. There is also the matter of Income Tax due from the British Phosphate Commissioners' staff in connection with this as this is assessed on the calendar year and payable in arrears the only such tax payable within the period to the 30th June, 1946, would be that for the months of November to December, 1945, and it is most unlikely that any of the staff will have drawn sufficient income during those two months to render them taxable. Income tax due for 1944, 1945 and 1946 is still outstanding; but as it was due and payable in 1945 it seems to me that it should be treated as a separate liability and cannot well be brought into the question of tax payable for the eight-months period to the 30th June, 1946.

18. On this question of Income Tax I would observe that normally it is a tax on individuals and in principle there are objections to letting the order be made in respect of this position is that at the present time the liability for Income Tax



plan their staff arrangements and salaries for both Nauru and Ocean Island and must maintain equality in the value of allowances for the two islands, otherwise they would be faced with great difficulties. The result is that, whether directly or indirectly, the amount payable by the State as Income Tax in Ocean Island, would be borne by the British Phosphate Commissioners.

19. Nauru is a mandated territory administered by Australia as a separate Administration. It forms by itself the whole of the territory included in the Administrative unit, whereas Ocean Island is only a part of the Administrative unit of the Gilbert and Ellice Islands Colony. Nauru is much larger than Ocean Island and the annual export of phosphate from it is normally three to four times greater than that from Ocean Island.

20. Being a Mandated Territory, taxation cannot be levied in excess of that required to meet the administrative requirements of the island, and as a very small tonnage royalty on the large volume of phosphate exported would alone yield more than sufficient revenue to meet the financial requirements of the Administration, taxation is naturally very light in Nauru, and the heavier taxation in Ocean Island is a constant source of difficulty to the British Phosphate Commissioners, whose costs of operation in each island have to be reckoned in terms of so much a ton of phosphate exported. The cost of producing a ton of phosphate in Ocean Island, with its very much lower tonnage of production, is therefore very much higher than in Nauru.

21. If the phosphate industry in the two islands were operated by a purely commercial company selling its produce in the open market, Ocean Island would be unable to compete with Nauru, and either one of two courses would probably be adopted: (a) operations in Ocean Island could cease and the phosphate deposits would be put into cold storage until the demand for phosphate made working profitable; or (b) production in Ocean Island would be speeded up until the volume of production reached a figure sufficiently large to spread the overhead expenses widely enough to bring the cost per ton down to a competitive level.

22. Neither course could be viewed with equanimity by H.M. Government in the United Kingdom or the Government of the Gilbert and Ellice Islands Colony; and the result of alternative (b) would be that the remaining 12,000,000 tons in Ocean Island would be worked out in a very few years, whereas, at the normal rate of export contemplated (500,000 tons a year), working will continue for another 20 years. It is, I understand, estimated that there are still some 75,000,000 tons of phosphate in Nauru.

23. I should mention here that the British Phosphate Commissioners were unaware that the financial year of the Gilbert and Ellice Islands Colony had been altered from the period running from the 1st July to the 30th June to the period from the 1st April to the 31st March. This alteration matters as previously the Gilbert and Ellice Islands Colony financial year, the Nauru Administration financial year, and the British Phosphate Commissioners' financial year all ran from July to June. The latter have worked out their proposals for Ocean Island on the basis of financial years of the old period.

24. As shown in paragraph 6 above, the British Phosphate Commissioners have at the present time a total phosphate export of 1,100,000 tons; and the Nauru Administration has at the present time a total phosphate export of 100,000 tons; and the Gilbert and Ellice Islands Colony has at the present time a total phosphate export of 100,000 tons.

*Nauru  
Ocean Island  
Gilbert and Ellice Islands Colony  
British Phosphate Commissioners*

the 1st July, 1946, they propose, as a revised taxation, a payment at the rate of SA.24,000 per annum, with, in addition to the usual royalty payable to revenue of 6d. a ton, a further royalty of 6d. a ton. For the 12 months commencing on the 1st July next their contributions to the revenues of the Gilbert and Ellice Islands Colony on this basis would work out as follows:-

Fixed contribution.	=	SA.24,000.
Royalty of 6d. a ton on 150,000 tons.	=	SA. 3,750.
Additional royalty of 6d. a ton.	=	<u>SA. 3,750.</u>
Total	=	<u>SA.31,500.</u>

The yield from royalties on this basis would increase as the production rate increases until when the maximum production proposed of 300,000 tons a year is reached in 1949 the annual yield from royalties would be SA.15,000; and the annual payments to the revenues of the Colony would then be SA.50,000.

25. This proposed fixed contribution compared with the figures of normal taxation quoted in paragraph 13 above is as follows:-

Customs Duties.	=	SA.18,274.
Capitation Tax.	=	SA. 7,336.
Licences, etc.	=	SA. 496.
Add Income Tax due from Staff	=	<u>SA. 1,500.</u>
Total	=	<u>SA.25,406.</u>

But the value of goods for purposes of Customs Duties assessment has increased considerably since 1939, and for purposes of comparison with normal taxation the present yield from the same volume of imports of dutiable goods might properly be reckoned, at a conservative estimate, at a one-third increase, that is, instead of a yield of SA.18,274 the same Customs Duties should now yield some SA.24,505.

26. Furthermore, by Proclamation No. 41 of 1940, dated 7th November, 1940, the Customs Duties on liquor were increased by 90 per cent and those on cigarettes by 50 per cent, and the additional yield from these increases in rates would probably amount to some SA.2,000 per annum.

27. Therefore the present annual yield from Customs Duties on imports by the British phosphate Commissioners on the pre-war volume of such imports might well be reckoned at some SA.26,000. This would give figures for normal taxation payable by the British phosphate Commissioners in the absence of any proposed taxation agreement as follows:-

Customs Duties.	=	SA.26,000.
Capitation Taxes.	=	SA. 7,336.
Licences, etc.	=	SA. 496.
Income Tax of staff.	=	<u>SA. 1,500.</u>
Total.	=	<u>SA.35,332.</u>

This is of course exclusive of tonnage royalties on phosphate exports.

28. With regard to royalties, the position is that in so far as the collection of royalties on phosphate exports is concerned, the British phosphate Commissioners should receive the following of all phosphates exported from the Colony:-

(a) To Bandabai Funds. -

(i) Provident Fund (a special fund for the purchase of an island as a home for the Frisbians when Ocean Island no longer habitable).	-	2d. per ton.
(ii) Bandabai Common Fund.	-	8 1/2d. per ton.
Total.	-	10 1/2d. per ton.

X These items do not enter into the present negotiations.

(b) To Gilbert and Ellice Islands Colony  
Revenues. -

(i) General Royalty.	-	6d. per ton.
(ii) Special War Tax - see paragraph 1 (2) above.	-	9d. per ton.
Total.	-	1s. 3d. per ton.

It is not proposed that there should be any alteration in respect of Item (i) - yield for period July, 1946, to June, 1947, estimated at £A.3,750, increasing by 1949-50 to £A.7,500.

Item (ii). The present proposals do not contemplate the continuance of this special war tax (which was agreed to only in respect of 1944-42 and was to be subject to annual review), but they include an additional royalty of 6d. a ton, from which the yield for the period from July, 1946, to June, 1947, is estimated, as for Item (i), at £A.3,750 rising to £A.7,500 by 1949-50.

29. For purposes of comparison of the present proposals with the pre-war position, I submit the following statements, based on an export of 300,000 tons a year:-

Pre-war - 1941-42.

	Under Normal Taxation.	Under Proposed Taxation.
Customs Duties.	18,274.	5,984.
Capitation Tax.	7,335.	- - -
Licences, etc.	496.	- - -
Royalty:-		
250,000 tons at 6d.	= 6,250.	= 6,250.
50,000 " " 1s.0d.	= 2,500.	= 2,500.
Special War Tax, 300,000 tons at 9d.	= 11,250.	11,250.
Fixed Contribution.	- - -	20,000.
Totals.	- £A.46,106.	£A.45,984.

Pre-war -



Pre-war - 1938-39 - 1938-39.

	Under Normal Contribution	Under Proposed Contribution
Customs Duties.	18,274.	5,984.
Capitation Tax.	7,336.	" " "
Licences, etc.	456.	" " "
Royalty:-		
250,000 tons at 6s.	6,250.	6,250.
50,000 tons at 1s.0d.	2,500.	2,500.
Fixed contribution.	" " "	20,000.
<b>Totals.</b>	<b>SA. 34,356.</b>	<b>SA. 34,734.</b>

Post-war - 1945.

	Under Normal Contribution.	Proposed Under Proposed Contribution.
Customs duties (Pre-war).	18,274.	" " "
do. (Increased yield - see paragraph 27 above).	7,725.	" " "
Capitation Taxes.	7,336.	" " "
Licences, etc.	456.	" " "
Income Tax of Staff.	1,500.	" " "
Royalty:-		
300,000 tons at 6s.	7,500.	7,500.
300,000 tons at 6s.	" " "	7,500.
Contracted taxation payment.	" " "	24,000.
<b>Totals.</b>	<b>SA. 42,552.</b>	<b>SA. 39,000.</b>

30. An important factor which must, I submit, be borne in mind in any post-war/pre-war comparison is the heavy depreciation of the value of currency in terms of goods and services which has taken place during the war years. That depreciation has been estimated at as high as 50 per cent, but if we take it at the low figure of 35 per cent, a pre-war total contribution to revenue of SA. 34,734 would have to be raised to SA. 42,552 to give the same actual value. Taken on this basis the proposals of the British phosphate Commissioners are too low.

31. A point pertinent to the present issue is that prior to the war the British phosphate Commissioners operated a Trade Store in Ocean Island with a large turn-over, which supplied the requirements not only of their own staff but also of the Government headquarters officials resident there and some 75-100 Islanders; and by adding a charge to goods sold equal to the customs duties which would have been payable under normal taxation, recovered something like A. 7,000 a year as a set-off against their customs transaction payments. This source of revenue will not be available to the British phosphate Commissioners in Ocean Island in respect of Government headquarters staff and Islanders.

32. The draft estimates of the Gilbert and Ellice Islands Colony for 1945-47, as submitted by the Acting Resident Commissioner, show expenditure totalling £A.147,000 with revenue from sources other than the phosphate industry of £A.19,000 - an excess of expenditure over revenue of £A.128,000. In submitting to the Secretary of State the draft estimates of the colony for 1945-47, which showed a deficit of £A.6,556, the then Acting High Commissioner wrote:-

"At the time it was considered that the contributions to revenue provided for by Ordinance No. 7 of 1938 constituted the limit of taxation to which the British Phosphate Commissioners were prepared to agree, and, from their angle, the limit which the industry could bear .... If the deficit of £6,556 is to remain, it seems that the question may become one of whether the British Phosphate Commissioners or the British taxpayer should shoulder the burden."

There is, of course, a very definite limit of taxation which the phosphate industry can bear, and there can be no question of asking it to bear anything approaching the estimated excess of expenditure for 1945-47 or subsequent years on such a scale. But we must, I submit, endeavour to secure as much revenue from the phosphate industry as it can reasonably be expected to provide.

Secretary, Western Pacific  
High Commission.

Suva, Fiji,

12th March, 1946.

(4)

(5)

Meeting held at Nuku, Rabi, the 19th March, 1946.

Present - H. B. Maynard, Esqre.,  
Major D. G. Kennedy, D. S. C.

Rotan	Katarake
Kabanti	Tekenimatang
Rewi	Uaieta
Iete	Tetebano
Kaitu	Boniamina
Akeriba	Akura
Mataio	Taraing
Tekaobwere	Ikamawa
Bakoa	Teangoa
Kareaiti	Bebeia
Tarakai	Teera
Auriaria	Airu
Tekoruru	Keangibo
Tania	Ietera
Kiritama	Abetai
Taorereiti	Korauea
Aneri	Tito
Buratake	Reo
<i>hi</i> Kautunibanaba	<i>hi</i> Tetangare
<i>hi</i> Beretekira	<i>hi</i> Maka
Tauata	<i>hi</i> Oreba
Temoa	<i>hi</i> Bateteba
<i>hi</i> Maria	<i>hi</i> Tekima
<i>hi</i> Roe	<i>hi</i> Tabita
<i>hi</i> Wawa	<i>hi</i> Tebetia
<i>hi</i> Kureiti	<i>hi</i> Riria
<i>hi</i> Tauraai	<i>hi</i> Teang
<i>hi</i> Tatau	

Interpreters - Ben Corrie  
David Randolph.



Mr. Maynard :

I am glad to see you all. I know all you have had to suffer because of the Japanese. I am very sorry on account of those who are not here because of the Japanese, but I am glad to see so many old faces still here.

You may wonder why I am here. Up to two or three weeks ago I did not know I would be here. Mr. Gaze said I should go to Suva to talk with the High Commissioner and Mr. Vaskess. Nothing was said about Rambi. Then Mr. Gaze cabled Sir Albert Ellis that I was going to Suva. Sir Albert replied to Mr. Gaze "if Maynard goes to Suva, can he go to Rambi? I want him to go to Rambi to say Kona mauri."

All the people you know in the "Company" send their "Kona mauri". You know all their names so I do not need to name them. My wife also wanted to come but she could not so she also sent her "Kona mauri".

I told Mr. Gaze that when I came and said "Kona mauri" the Banabans might want to ask about Ocean Island. He said I could tell you he had been at Ocean Island with Sir Albert Ellis and is very sorry to say that all buildings and houses are badly damaged and destroyed by the Japanese. They built big machine gun emplacements and pulled down houses for the purpose. They cut down coconuts to clear the field of fire.

When I go back to Australia, I shall see Sir Albert Ellis on the way. I shall tell him that Major Kennedy has shown me a lot of the island and, before I go away, I hope to see more. I shall tell him it is a beautiful island with plenty of everything. I shall tell him I have seen new house and village sites. I have seen your Store and dispensary. I hope also to be able to tell Sir Albert and Mr. Gaze that you are very happy. I have brought Sir Albert Ellis "Kona mauri" to you and I wish to take your Kona mauri to Sir Albert.

Rotan :

This morning we are pleased to meet you, bringing good words and good tidings to us. The words you have brought us are the words we most wished to hear. We wish you to take our greetings and good wishes to Sir Albert Ellis but there are other things also which we wish to say.

First, please thank Sir Albert Ellis and Mr. Gaze for bringing us to Rambi on their ships from different far away places.

You will understand, we are still thinking of Ocean Island. Our hearts are still in that far away little place. We hope you will allow us to beg of Sir Albert Ellis and Mr. Gaze that some ship will be able to take us back to see Ocean Island.

Another thing we wish them to consider is that young people are growing up now who do not know the boundaries and that the old people should be allowed to show them the boundaries. I, myself, was absent from Ocean Island, once, when my old people died, and when I returned I did not know the boundaries of my lands.

I wish you to convey the greetings of the Banaban people to Sir Albert Ellis and Mr. Gaze.

Major Kennedy :

What is meant by your request to Sir Albert Ellis and Mr. Gaze for a ship to take you to see Ocean Island. A pleasure trip? How many people would wish to go?

Rotan :

Not just for pleasure. Perhaps once a year if a few could go. Not only on one year but on successive years. That is if the "Company" can arrange it.

Mr. Maynard :

I have been interested in your speech and thank you for the kind messages to Sir Albert Ellis and Mr. Gaze and I will tell both about your desire to see Ocean Island again. It is not for me to say what can be done. I know Sir Albert Ellis and Mr. Gaze will understand what you mean by your desire to see Ocean Island and to come back and tell the others about it.

Rotan :

Thank you Mr. Maynard for your reply and for agreeing to take our message. Our best wishes go with you on your travels.

Thank you for meeting us this morning. Before you leave this island, we may have something else to say. We have not made up our minds.

Mr. Maynard :

Before I go I hope you will have made up your minds and will be able to complete any talk you desire with me. I will not say goodbye now. I will hear from you when you wish to see me again.

MEETING AT NUKU, 20th MARCH, 1946.

- Present -
- |                               |            |
|-------------------------------|------------|
| H. B. Maynard, Esqre.,        |            |
| Major D. G. Kennedy, D. S. O. |            |
| Rotan                         | Iete       |
| Rewi                          | Kabanti    |
| Kaitu                         | Akeriba    |
| Mataio                        | Katarake   |
| Tekeninatang                  | Uaieta     |
| Tetebano                      | Beniamina  |
| Akura                         | Taraing    |
| Tekaobwere                    | Ikanawa    |
| Bakoa                         | Teangoa    |
| Kareaiti                      | Bebeia     |
| Tarakai                       | Teere      |
| tu Maka                       | tu Tauata  |
| tu Oreba                      | tu Temoa   |
| tu Bateteba                   | tu Maria   |
| tu Tekima                     | tu Roe     |
| tu Tabita                     | tu Wawa    |
| tu Tebetia                    | tu Kureiti |
| tu Riria                      | tu Tauraoi |
| tu Teang                      | tu Tatau   |

David Dandolph (Interpreter)

Rotan : Mr. Maynard, thank you very much for coming today. We are very sorry, we had not made up our minds yesterday, and here are the things we would like to ask.

The Banabans wish to know about their money which they deposited in the Bank (C.W.B.) at Ocean Island.

Mr. Maynard : All your questions will be written down and I will answer afterwards.

Rotan : What about the money which was paid to the villages ? It was first paid by the "Company" to the Government.

Mr. Maynard : What money ?

Rotan : The money from the Company.

Mr. Maynard : It is not clear to me what money it was?  
I only know about the money paid for leases,  
and I do not know what money you refer to.

Iete : The money has been paid ever since the "Company"  
first came. The "Company" paid the Government  
\$50, and the Government gave £12/10/- to each  
village.

Mr. Maynard : Now I understand, It was paid on the 1st July  
every year.

Major Kennedy : Mr. Maynard wishes you to ask now about  
anything which is not clear to you.

Rotan : We wish to ask about rentals for leases  
during the war years.

Another thing - While we were at Ocean Island  
the "Company" had already begun to measure land  
on the new area. We do not know, when the  
"Company" will begin working that area. Most  
of the people do not know the boundaries.  
On account of that, we are sorry because we  
are afraid the work will start before the  
boundaries are shown. That is all.

Mr. Maynard : Wait awhile, I have sent for the paper  
regarding the leases.

The first question you asked was about Bank  
Pass Books. Some of you still have your books  
and some have lost them. Mr. Greene has told  
me all about these accounts and I think Mr.  
Bridges knows also.

At the Bank in Australia they have total amount  
each man has deposited together with the interest  
up to date.

Either of two things is now possible.

Major Kennedy can get the money and put it in  
the Fiji P.O. Savings Bank. That is similar  
to the Bank at Ocean Island. You understand  
the "Commonwealth" Bank has no office in Fiji.  
Or we can get the Bank to send the money to  
Major Kennedy and he can pay it to you. Did  
any of you people deposit money after Mr. Bridges  
left Ocean Island?



The money which was deposited before Mr. Bridges left is all safe in Australia. If any was deposited after Mr. Bridges left, I do not know what happened to it.

Now I will explain about the £50. The money is paid by the "Company" to the Government as a mining licence. I now learn for the first time that the Government has always given that money to the Banabans. I did not know that before. The "Company" was not required to pay the licence during the war and so I suppose the Government will not be able to pay it to the Banabans. The position with regard to leases is similar. They were not paid while the Japanese were on Ocean Island.

Major Kennedy explained the foregoing in more detail.

Mr. Maynard : While you are at Rambi the money will be paid to Major Kennedy who will give it to you. That is the "lease" money. You will lose nothing of what the "Company" was accustomed to pay you on Ocean Island during your stay on Rambi.

Major Kennedy: If there is anything else which is not clear to you, you should take this opportunity of asking Mr. Maynard.

Major Kennedy: On the question of boundaries which you say are not clearly known, to what area do you refer? The area which the "Company" was working on the area about which Sir Albert Ellis and Mr. Gaze entered into negotiations with you in 1940.

Rotan : The latter.

Mr. Maynard : Sir Albert Ellis, Mr. Gaze and Mr. Bridges made you an offer in 1940. The offer is still the same. It has been asleep. It is not dead.

Major Kennedy: Mr. Maynard says he has not come here to discuss that offer but if you insist he is willing to discuss it with you. The "Company" has no intention to commencing mining on the new area until the agreement for the sale of the land has been signed, and, furthermore, they cannot commence work until the boundaries of individual holdings have been marked and surveyed.

Mr. Maynard : About how many people will be required to point out the boundaries ?  
I know that there were only a few on the lands committee for marking the boundaries of the 1934 area but that committee could refer constantly to the actual land owners then living on Ocean Island. Now, the position is different.

How many will need to go to Ocean Island ?

Conditions on Ocean Island are now very difficult. It is not easy to get sufficient food in Australia to send there. So we do not wish you to send more people to Ocean Island than are necessary to mark all the boundaries.

Rotan : Thank you for the explanation. We do not know the number but we will make a list and give it to you later.

Mr. Maynard : Can you tell me, for the information of Mr. Gaze, when you will wish to carry out the marking of boundaries. Mr. Gaze will need to know in order to make the necessary preparations regarding transport, accommodation and food.

Rotan : We do not know when death may overtake those who know the boundaries. Let Mr. Maynard decide the time.

Mr. Maynard : If I tell Mr. Gaze that you Banabans on Rambi wish to complete the work as soon as possible while those who know the boundaries are still alive, shall I be right or wrong ?

Rotan : That will be right.

Major Kennedy : You understand that Mr. Maynard is not promising to recommend to Mr. Gaze to take a boundary marking party (tan-toutia) to Ocean Island until after the agreement for the sale of the new area has been signed and that he has just informed us that Mr. Gaze has instructed him to say, if you raise the question of that agreement, that the "Company's" offer is just the same as in 1940.

Rotan : We beg to be allowed to mark the boundaries before making the agreement.

- Major Kennedy : Mr. Maynard has told you that the "Company" cannot agree to mark the boundaries before the agreement is made any more than they can do other work on the area before the agreement.
- Rotan : The younger people forget the terms of the agreement which were discussed with the old men in 1940.
- Major Kennedy : Here are the minutes of that meeting. (Read and translated by Major Kennedy).
- Rotan : We apologise for asking you to wait again while we further discuss the terms of the agreement.
- Major Kennedy : Very well, we can meet again when you are ready. You will not forget to prepare a list for Mr. Maynard of the names of those whom it will be necessary to send as a boundary-marking party.
- Rotan : Will you please explain the last reference in the "minutes" to the Royalty of 1/- per ton.
- Major Kennedy : The offer of 1/- per ton was to apply not only to the land in the new area but also to ~~the new area but also to~~ the remainder of the land at present being worked.

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20th March, 1946.

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MEETING AT NUKU, 21st MARCH, 1946.

Present - H. B. Maynard, Esqre.,  
Major D.G. Kennedy, D.S.O.

Iete,	Rebeka
Kabanti	Kureiti
Rewi	Tauata
Tebuke	Oreba
Abetai	Rakena
Taremon	Roe
Teikake	Tatau
Akura	Akineti
Teangoa	Raitinibure
Mataio	Teinamawa
Akeriba	Terenga
Kaitu	Kaititake
Tekoruru	Rianiwa
Tarakai	Taraniman
Uaieta	Tabuariki
Tauakitari	Mee
Tekenimatang	Tekotara
Toaua	Terira

Taakai (Interpreter)

Major Kennedy : We have met to hear your answer to Mr. Maynard's question as to how many people with to go to Ocean Island regarding boundaries.

Iete : We have the list.  
Submitted. 73 men, 76 women.

Mr. Maynard : I now have the list and will show it to Mr. Gaze. I would like to have your promise that you will all return on the ship the company provides for you.

Iete : All agree to do so.

Mr. Maynard : Do you wish to arrange as soon as possible to go to Banaba for boundary work.

Iete : Yes.

Mr. Maynard : Do you wish to sign the paper as soon as possible about the mining land ?



- Iete & others : Yes we wish to do so.
- Mr. Maynard : Do you agree to accept the terms of the agreement stated by Mr. Gaze in 1940 ?
- Iete & others : Yes.
- Mr. Maynard : All of you ?
- Tarakai : Could Mr. Gaze change the agreement he made with the Banabans in the year 1940 because of high and rising prices ?
- Mr. Maynard : I know what you mean but Mr. Gaze will not change the terms because they are higher than the previous terms and they are still a very good price.  
I am glad to hear your views.
- Tarakai : It is just our humble request to Mr. Gaze to reconsider the terms.
- Mr. Maynard : (restated case as at previous meetings).  
Tarakai, do you accept the terms ?
- Tarakai : We wish Mr. Gaze to hear our humble request.
- Mr. Maynard : If Mr. Gaze is unable to agree to your request will you accept the terms to same as the others ?
- Tarakai : We will not accept the terms.
- Mr. Maynard : I cannot say anything more. I was not sent here to get the agreement signed. You wished to talk to me about it and you have done so. What I have said and what you have said is in the minutes.
- Tarakai : I know Mr. Maynard has not come to make an agreement about land but I thought that Mr. Maynard could convey to Mr. Gaze our request for reconsideration of terms.
- Mr. Maynard : What, exactly, do you wish me to say to Mr. Gaze.
- Tarakai : I wish to ask Mr. Gaze to arrange the terms. Would he consider 1/6 per ton (Royalty) and £225 per acre ?

Mr. Maynard : We have written what you have said.  
Is there anything further ?

Iete : Nothing further.

Iete : Mr. Maynard, please take our greetings to  
Sir Albert Ellis and Mr. Gaze.

Mr. Maynard : Thank you I will take your greetings and to  
your other friends in New Zealand and  
Australia also.

... ..

Translation.

(Ba)

(Sa)

RANBI ISLAND,

22nd March, 1946.

Mr. Maynard.

Dear Sir,

We respectfully inform you that we are very sorry that we have not sufficient time to meet you again and explain to you what we have agreed upon regarding the new area which you have already marked out.

Since we could not quickly come to a unanimous decision in front of you we will explain it to you now in this letter. We humbly request you to help us by explaining to Sir Albert Ellis and Mr. Gaze. This is what we have agreed upon among ourselves -

4/6 per ton royalties

2225/-/- per acre.

Thank you,

We are your friends the Banabans  
on Ranbi.

(Signed)

Kaitu  
Kodi  
Akoriba  
Azura  
Korngibo  
Nataio  
Iete  
Kabanti  
Katarako  
Tobuke  
Tarakai.

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Suva.  
8/4/46

Dear Kennedy,

I have had a hectic time sorting out the prints Vaskers asked me for some copies and Macdonald picked out a few from the negatives. The prints are not ready until 5 p.m. today. I am more than ever convinced that the only way to get good enlargements is to do them at - if one has an enlarger! Your negatives should give far better results than these people have produced. Still, I am jolly glad to have them and they will be of great interest to my people.

TIMBER The Chief Engineer (Janawai) has been on, and about, Rambi and he was talking about the timber resources on the way to Suva. He says he has seen the following trees on Rambi:-

- Tarawaru - used for furniture.
- Dakua - similar to Kauri.
- Vaudamu or Savai - good timber used for<sup>ore</sup> handles, Ideal for fishing rods, light in weight, flexible and tough.
- Rosawa - boat timber, easily worked; light in weight. Ideal for oars solid & sturdy.
- Vesi - a hardwood. 3 varieties - VESI LOA, VESI DAMA, VESI VULA. - used for keels of boats - girders of bridges - good flooring for houses.
- Dilo - good furniture timber but hard to work. Makes good boat
- DAU - very light when well matured, makes good boat knees - very common on Rabi.
- DAWA - good furniture timber.
- WI - a soft timber.
- WIRI WIRI - very light timber - used for making boats.

I met D'ESPEISSIS of the Forest Office and showed him the notes I had made when chatting with the Chief Engineer. He sent me some notes and I enclose a copy.



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I have given Vaskers a copy because he seemed interested when talking about Rabi.

I may be "sending coals to Newcastle" sending them to you, on the other hand you may find them of some interest.

#### HOUSES.

I showed Macdonald your notes on the concrete block houses etc., and in conversation with Nichol I introduced the subject. He is anxious to see something of a permanent type built, so I don't think you will be asked to encourage the Banabans to build the native type of house the Fijians use! I understand from Macdonald that plans have been submitted to you for your opinion.

#### NOTES OF MEETINGS WITH BANABANS

I gave Vaskers a copy and discussed the whole matter with him. Later, when I was talking with H.E. he had the notes in front of him and asked me a lot of questions about the matter.

#### My visit to Rabi

I reported very fully to H.E. I started off by saying that I was specially surprised at the amount of work that had been put in, and that of all the Banabans could have made up their minds about the land matter at Ocean Island paid their visit for boundary marking purposes, they would I think, have returned and the community as a whole would have settled down.

I told him what was being done and your efforts to encourage them to take an active interest in making themselves comfortable and earning money etc. I described my visit to the copra drying plant at Boca Rabi: told him about the Banabans being taught to handle cattle and horses- something quite strange to them - how you endeavoured to lead them in their strange new way of living etc. Altogether, I think we talked about Rabi for more than an hour.

I did not fail to tell H.E. that I considered that while you were doing your utmost to make the Banabans comfortable very little in the way of furniture or household goods were being provided for your house. I mentioned the patched floor and said that linoleum would assist in making an old house a little more

Comfortable. I suggest you put a requisition in!

I am writing in my bedroom. It is 3 a.m. and at 6.30 a.m. I am taking this letter and the photographic stuff down to the 'Janawai'. Captain Percy says he will see that it is sent ashore safely. I have put a parcel in his care addressed to you. It contains some sweets for Anne and Dallas, and some presents for the boys and girls - also a present for Dave Randolph and his wife, Nei Oseba. The names are written on the parcels - Nete you will remember is the boy you were good enough to bring up to look after me. I hope I am not giving you too ~~mw~~ much trouble in this matter.

The snap of your wife and the baby is, I think, very good. In one photo the baby is sitting on the table with arms and legs out just like a doll! Rather amusing! I hope you are keeping fit and that the "dogs decease" has departed - I got a touch of it, you know, just before I left. My visit is very fresh in my mind. A great job is being handled at Rambi and you are the man who can make it a success. I wish you all the strenght and good health for the strenuous work. Please give my very kindest regards to your wife - she made me very happy and comfortable and I enjoyed my stay with you at Rabi. To Anne and Dallas I send my love - if they have not forgotten me by now, and to Baby a hug, because she cuddles up so nicely.

On Wednesday I leave by air for Auckland, there by 'Triona' to Melbourne, as Triona is expected to leave Auckland about the middle of the month.

Della and the boy are here, I have had dinner with them twice in their home. ('They have Banting's house as he has left for England - and Macdonald has been busy moving in') Maude arrives some time this week. I shall just miss seeing him, I am sorry to say.

I have thought over what you say about trust funds. I am still convinced that our payments are married to our report of phosphate: it is the sale of <sup>the</sup> phosphate that makes the royalties possible, and the royalties are paid as the phosphate is (worked?) I think we can forget whether the Provident Fund will ever reach £175,000 or £250,000 because if the capital sums required are taken from the Provident Fund it will naturally

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naturally be depleted. Since the 1940 proposed ~~was~~  
figure was mentioned Rabi has been acquired and consider-  
able capital will be spent. I will write you from Melbourne  
when I have time to settle down ( Dash my pen is running dry  
and I have no ink here! ) Don't forget to drop me a line  
at Phosphate House, 515, Collins Street Melbourne.

Yours very sincerely,

H.B.Maynard.







There are two divisions in the divided parts. Look at the plan and you will see it. You see a line which we call a survey line. That is the survey line which some of you know in our good systems. I think some of you remember the village we used to do the surveys. There is also another line called a contour line - it is the 470 foot contour which I will explain later.

Now this is the first piece of phosphate land I wish to talk about. The first piece is approximately 294 acres. This area is good phosphate land. You know good phosphate land, some of you have been here before as owners of the land.

The next piece of land is purple No. (5). It is stone colour on your plan. This area is about 200 acres. We cannot say exactly what the area is until we go round with the survey instruments. This 200 acres is the poor phosphate land. It is the land running down to the coast. This poor land includes the Tolong and Tolowa village sites.

So there are two pieces of phosphate land I am going to talk about.

Before I talk about the good phosphate land I want to talk about purple No. (6). This is the rocky land. Look on your plan. It is the land coloured brown. The area is about 200 acres. This area includes the Coma village site. You will see how this brown area runs round the island.

The last piece of land on your plan and on the "reference" paper is the area of about 20 acres. This area includes Mission station, Government station, Paper station, New Government station, Government leases and enclosures.

Now look at the note at the bottom of the plan and at the bottom of the "reference" paper. This note speaks about some leasehold land. The area of this land is about 4.62 acres and is at present held as leasehold land but will be included in phosphate mining land.

Before I take my plan down I want you to ask questions. (No questions).

Shall I talk about phosphate land now? I am now taking my plan down, but keep your plans in front of you. We had better stop and have a cigarette.

(Stopped at 9.45 a.m.)  
(Resumed at 9.50 a.m.)

Mr Hayward: Shall we talk about purple No. (4), the good phosphate land, about 294 acres?

You know we have been on Coma Island since 1900 and we got clever at estimating what amount of phosphate a piece of land may contain. We measure the height of the land and examine the rocks in that area and we also sink holes about 10 feet down to test the phosphate.

We estimate that 294 acres when worked out will give us about 48,000 tons per acre. Working out the amount of phosphate we can calculate a price. For the land in the 294 acres with an estimated yield of 48,000 tons per acre we calculate a price of 294 per acre. Now to this 294 per acre we have agreed to add 2496 per acre, so the price we offer now is 4200 per acre Australian currency.

You remember in 1910 Sir Albert Ellis and Mr Cass offered 2175 per acre.

When I was here last year you put up a "tabuti" for 2225 per acre.

Sir Albert Ellis and the other Commissioners and Mr Cass read your "tabuti" letter and talked about it. They cannot agree to give 2225 but they increase the 2175 by another 225 per acre. So the price we offer now is 2400 per acre.

294 acres at the price of 2400 per acre. (Mr Hayward takes the chalk and writes the sum on the blackboard).

We multiply together and we get a total of 705,600 for the surface price. This is 705,600 in Australian currency and is equal to about 291,900 in Fijian currency.



Now there has been a talk about this money offer  
 it has been said, I think it is a very good idea that the money  
 should be placed in Savings Bank Accounts in the name of  
 the owner and would draw the interest currently. 150,000 should  
 be placed in Savings Bank Accounts in the owner's name according  
 to the amount each owner owns. The Landowner can draw interest  
 from this 150,000. 150,000 represents the acre value of the  
 200 acres. (The land will be used to provide food) 150,000  
 represents land in your hands and you will draw the interest.  
 I think interest is at 2 1/2% in Pacific Savings Bank. That is  
 22-1/2% per annum on every 1000.

Before I talk about the poor phosphate (given  
 colors No. 15) approximately 300 acres) land, I want to say a  
 few words about Royalty. Royalty, as you know, is what we pay  
 for every ton of phosphate delivered in Australia, New Zealand  
 and England. When I was here last year you "bubbed" the Commis-  
 sioners and Mr. Case to pay 1/3 per ton Royalty. The Commissioners  
 and Mr. Case considered 1/3 altogether too high. Before we had  
 offered 1/4 per ton; now we offer 1/3 per ton. We go halfway.

When we offer 1/3 a ton we estimate shipment each  
 year about 300,000 tons. We shall not do it this year because of  
 the Japanese but soon we shall be able to ship 300,000 tons a year.

Now 1/3 a ton when we ship 300,000 tons a year will  
 give us Royalty of 100,000 per year in Australian currency.

You know Royalty now is 1000 per ton.

When we ship 300,000 tons at 1000 per ton the Royalty  
 is 300,000 in Australian currency.

Now we offer 1/3 per ton and that gives an increase  
 of 15,625 in Australian currency. (Mr. Hayward points to the  
 figures on the blackboard).

The figures are on the blackboard: They are -  
 300,000 tons per year at 1/3 per ton = SA. 10,750  
 300,000 tons per year at 1000 per ton = SA. 300,000  
 Increase per year = SA. 5,625.

The Commissioners and Mr. Case say that if this  
 agreement is signed they will make a gift.

We have some land which we bought before. We are  
 starting to work it again. On that land we have to pay 1000  
 Royalty. Now we estimate that in this land there remain 3,500,000  
 tons and if we make this arrangement instead of paying 1000 we  
 shall pay 1/3 per ton.

Now when we deliver 3,500,000 tons and pay Royalty  
 at 1/3 the fund will receive 1,166,667 in Australian currency. We  
 need only pay 1000 per ton on the 3,500,000 tons which equals  
 3,500,000 in Australian currency. The difference between 1,166,667  
 and 3,500,000 is 2,333,333, which is a gift to you.

Look on the blackboard and you will see the figures  
 written down. (Figures on the blackboard).

Phosphate land held but unworked  
 3,500,000 tons at 1/3 = SA. 1,166,667  
 3,500,000 tons at 1000 = SA. 3,500,000  
 Gift = SA. 2,333,333

What you are interested to know is how much you  
 will get by the time Owen Island is finished. We estimate that  
 the remaining phosphate on Owen Island is about 12,000,000 tons.  
 (twelve million tons).

12,000,000 tons at 1/3 per ton equals 4,000,000.  
 You can see the figures on the blackboard. (Mr.  
 Hayward points to these figures). 12,000,000 tons at 1/3 =  
 SA. 4,000,000 (SA. 4,000,000).

Some of you want to know about the boundary marking  
 party and transportation to Owen Island and back to wharf. I  
 will speak about that now and then go back to talking about the  
 land.



You must discuss with Major Holland how many  
 applications are to go to Ocean Island. Now that he agreed I  
 shall send a delegation to Mr. Gaze's office but how many men and  
 how many women have been chosen to form the boundary marking  
 party. Mr. Gaze will look into this matter and in due course  
 decide what he can send a ship to take the boundary marking  
 party to Ocean Island. I hope to be able to go with you to  
 Ocean Island and remain with you at Ocean Island until the  
 work is finished. When the work is finished I hope to return  
 with the boundary marking party to Rabi. Some of you have  
 asked me if I can arrange to go to Ocean Island with you. You  
 asked me last year and again this year. I hope to go with you.

When the boundary marking party goes to Ocean  
 Island the members of the party will be the guests of the  
 Commissioners from the time they leave Rabi until they arrive  
 at Ocean Island also during the period they are on Ocean Island  
 pointing out their land boundaries also from the time the  
 boundary marking party leaves Ocean Island until it arrives at  
 Rabi.

The boundary marking party will travel free to  
 Ocean Island and from Ocean Island to Rabi.

The boundary marking party will receive free  
 accommodation free food and free medical attention on Ocean Island.  
 The Government will not bear the cost. Your funds  
 will not bear the cost. The Commissioners will bear the cost.

You will have to live in tents on Ocean Island. No  
 one must grumble or find fault because we cannot provide houses.  
 We shall do our best to make you comfortable and happy. What we  
 can do we shall do. Mr. Bridge is the Manager at Ocean Island  
 and he will do all that he can do to help you during your visit  
 to Ocean Island.

Now we will talk about land.

Do you want me to talk about the good or the poor  
 land?

I think you are ready to say a few words about the  
 good land. But I want to say something about the poor land.  
 This is the land below the surveyed line near the 170 foot contour.  
 If you will look on your maps or plans you will see that this is  
 the land above below No. (1) and the area is approximately 300  
 acres.

Now just as I told you that we estimate that the  
 good land will yield 10,000 tons per acre so we estimate that the  
 poor land will yield or produce 6,000 tons per acre. A lot of  
 Bougainese know this area very well, the land running down the hills  
 towards the beach.

Just as we calculated the price for the good land  
 to be \$94 to which we added \$105 to make our offer of \$200 per  
 acre, so we have calculated a price for the poor land worked out  
 on comparison of quantity of 6,000 tons per acre and we make a  
 price for the poor land of \$30 per acre. To this \$30 per acre  
 we add \$20 per acre, so the price we offer is \$50 per acre  
 Australian currency.

300 acres multiplied by 50 equals a total of \$15,000.

The figures are written on the blackboard.

291 acres. Price \$2.200 per acre = \$63,900

300 acres. Price \$2.50 per acre = \$75,000

\$63,900

\$75,000

\$138,900

(\$7.54,504 8 9)

(\$7.46,014 3 3)

\$7.63,518 12 0

All these prices include the cost of trees. You  
 will remember that in 1940 you asked us to pay for the trees  
 separately. If there were lots of trees you wanted more for the  
 land where the trees were plentiful and less for the land where  
 there were few or no trees. Mr. Gaze told you he would have to  
 think about that. When Mr. Gaze arranged for a court to be held.



But it could not be made because of the 12% bank of the money were taken down by the Government. So our price still includes all the bushing taken after the September 1951.

If it is agreed later that this money should be deposited in the Savings Bank in the course of time you will get the interest marked in your Savings Bank Account.

I think it is good and that you would be wise not to conclude this agreement for both the good and the poor land.

I know some will agree now, and some will not agree now but I must give my reasons because they are true.

We are ready to send our survey party and we are ready to take the boundary marking party as soon as the matter is arranged and we can arrange the ship.

We are not yet ready to mark out the poor land in the same way as we are ready to mark out the good land.

In the good land we can mark your land, and our surveyors will make their readings on their instruments.

In the poor land if we cannot during your visit survey your lands in the same way as in the good land we can put pegs on the pieces of land and mark them to show to whom the land belongs. Then we can survey them later just as we survey the good land. When we survey the poor land we can arrange and we can just take one hundred to see it done.

We are all getting older and the sooner each of you can know his land marks the better it will be for all of us. If you do not do this now who can give us the land marks in 10 years time?

Your children will not know. You know me and I know you. You know Sir Albert Ellis and Mr Gaze and they know you. And in 30 years time who will you know to settle your land marks. I shall not be on Ocean Island in twenty years time. So it is best to think and talk about it now.

(Adjourned 10.30 a.m. - resumed 10.35 a.m.)

Mr Hayward : Any agreement which we conclude must be signed here at Nobi Island.

I have authority to sign for the three Commissioners and Mr Gaze. You should choose some of your number or the Councilors to sign for you. I shall ask Major Holland to add his signature to my signature and your signatures.

The moment the agreement is signed I shall send a cable to Mr Gaze, and after a week I promise you a date to pay £77,200 in Australian currency, and later you will discuss with Major Holland to find out how much cash landowner should get. But we shall pay into the bank immediately on the date agreed so that interest may soon be added. So after 12 months you will be able to draw interest. Major Holland will watch that.

After one week of signing this agreement the first ton of phosphate delivered in Australia or New Zealand will carry 1/3 Royalty.

The poor land about which I have been talking will not be worked for many years. Usually we should not pay for this poor land at the same time as we pay for the good land. We are ready to pay for the poor land at the same time as we pay for the good land.

Before any of you say 'no', I must ask you to be wise and think, and think carefully.

If you do not understand me please ask questions. I want to do what you wish. You must decide.

(Donabans thinking).

Mr Hayward : I have been reminded that I have not made the Royalty clear to you. The Royalty of 1/3 applies to the good land and to the poor land. So there is only one Royalty, a Royalty for all phosphate delivered in Australia and New Zealand. This agreement will be agreed. It does not matter



is it the same as if I do or if all of you now present do, your children will have this agreement as a sacred thing. I shall take this agreement away with me and one copy will be kept in Major Johnston's office for you.

Now is there any one to ask a question before I say something more?

Now to Europeans want to come to and make a decision and cannot come to an agreement where we all think the same, and still we want to come to and make a decision and come to an agreement, we put up our hands and if the majority agrees to a certain decision then we agree to that decision and we all come to agreement. That is what we do otherwise business would never be done.

Now there is something else that I ought to say. Some of you think that we are taking the poor land so that you will never be allowed to get foot on Manua. You are not right. Manua is the heart of the Bambaas. You have land on Ocoa Island for which we pay royalty. You have land on Ocoa Island on which we pay royalty. We have promised to you and the Colonial Secretary in England that Ocoa Island after being mined by us will be yours. All the rights will never be altered by us. If any Bambaas would like to buy over to Ocoa Island now or tomorrow morning he would be free to land. He will be free to land on Ocoa Island. No one will say to him "what are you doing here?" "Your land is here". All the lands along the coast will still be there and they are all yours. Your lands which we are mining now will be yours after we finish mining them. Because you sell us this land it makes not the slightest difference to the ownership of the land returning to you after we have finished mining the land.

If you do not want to sell this poor land, say something so that I may explain.

Tell them, if you have nothing to say I shall say something more.

I must know if you agree with the majority. As I explained before, when we are holding a meeting we take a vote and what the majority agrees we all agree. But you should say something before the majority agrees. Don't say "it's all right", then later try to upset the whole business.

I do not want you to do something which your children will be sorry for afterwards. Let me again explain what I mean. There is a piece of land in the middle of this mining area. Now what happens to the children if the owner of this land decides to sell? All the other lands will be paid for, the money banked and the interest drawn. This piece of land is not bought, no money representing this piece of land is paid into the bank, no interest is received. The present owner dies. He is dead and his child asks "why don't I receive interest from that piece of land?".

Later, all the other lands are worked out and returned to the Bambaas. And the Bambaas whose lands have been worked out continue to draw interest. The child of the dead father asks, "who is going to buy my land?" The Manager says that he cannot work this lonely piece of land surrounded by worked out land and coral pinnacles. His railway lines have been transferred.

All other lands sold join in getting a royalty. This lonely piece of land gives nothing to the Royalty.

Rowd : I wish to ask why you want this outside area and yet you have not worked all the good phosphate land.

Mr Hayward : We always look ahead before we actually work the land. We must make preparations. Do you remember Mr Cass's talk in 1940? It is the way of business.

Rowd : Yes, I do remember. You know we are always ready to sell our lands to you, but we wonder about your reasons for buying.

Mr Hayward : How are you prepared to vote for the good and the

poor land? I have tried in every way possible to make everything clear for you.

Rowl : There is nothing we worry about in the central area. This has been decided. It is the outside area about which we are not yet ready to decide.

Mr Hayward : I shall not be leaving Rabi Island until this agreement is signed. Ask Rowl if he is representing others who won't sell the poor land.

Rowl : Please may I have a few words with Rowl.  
"Rowl, are you now speaking for yourself or for the Dominions?"

Rowl : Not for all. It's up to each landowner to give his opinion.

Mr Hayward : Might I say that one day you Dominions will put up a big school building. Some of you will wish to paint it red some white. If you can't agree on the colour of the paint are you going to leave it unpainted?

Rowl : We thank you very much Mr Hayward for your assistance in helping us, but will you allow us a few moments to make our final decision?

Mr Hayward : Yes, that's all right. You talk together and make a decision now.

(A lengthy discussion among the Dominions followed. Mr Hayward was not present.)

Mr Hayward : You have had a talk and I have had a rest. I am now ready to hear you.

Rowl : We thank you Mr Hayward for giving us time to decide. We are now prepared to sell the poor as well as the good area. You must know that this is the last land, the poor land, and when it's finished, Ocean Island is finished also. We ask therefore for a better price for the outside area, if the Commissioners can be generous enough to do so.

Mr Hayward : Give me a few minutes to work out some sums.

Mr Hayward : This is what I am prepared to do. Yes, I am prepared to increase the price from \$50 to \$65 an increase of \$15 per acre, which means that 300 acres will bring \$22,500 an increase of \$9,750. The total of both areas now comes to \$32,900 in Australian currency. Now I advise you to accept it.

Rowl : What is wrong with the land you call the poor land?

Mr Hayward : Well, for one thing we get about 50% phosphate of lime from a good land, and about 5% from a poor land on Ocean Island. (Mr Hayward had explained earlier that the good land, 291 acres, was estimated to yield 13,000 tons per acre, and the poor land, 300 acres, was estimated to yield 6,000 tons per acre).

Rowl : The royalty of 1/3 is the same for both classes of land. I suggest that the price per acre should be the same.

Mr Hayward : It's up to you. But if we make the prices the same, then the average price per acre will be about \$125, instead of \$200 per acre for the good land and \$50 per acre for the poor land.



Hakua : We have seen at Puna that the depth of phosphate is the same whether in the center or not.

Mr Hayward : Are you talking about phosphate or coral ?

Hakua : Both coral and guano (phosphate).

Mr Hayward : It is not true that the depth of phosphate is the same. Sometimes in a mine coral sand is dug out in error, but laboratory tests soon show that a mistake is being made. The Manager is then informed and he stops mining in that place. Now, you remember don't you, the tests in the laboratory when coral sand was shown and not phosphate of lime.

Hakua : Yes, I remember.

Mr Hayward : Now I have increased the price of your land from \$50 to \$65 per acre, and you must say whether you accept it or not.

Tito : Can you increase it a little beyond \$65 please ?

Mr Hayward : No more. Mr Case will support the increase of \$15 from my first offer of \$50 thus making the price \$65 per acre. Mr Case will tell the Commissioners that I increased the price from \$50 to \$65 per acre.

(Hakua seems to accept the price).

I want to say something further. I want to prepare an agreement on these figures and have the agreement signed. The next business will be the land boundary marking party. I suggest you discuss the boundary marking party with Major Holland.

Now I hope to have this agreement signed sometime tomorrow. When the agreement is signed I will send a cable to Mr Case saying that the Hakua are now discussing with Major Holland the question of the members of the party. Mr Maule and Mr Macdonald are coming to Vahia and you have to finish your talks with them so that I can take you to Oahu Island. I am not going to discuss with you who shall be the members of the boundary marking party, that is between you and Major Holland. When the boundary marking party is settled Mr Case will send a ship as soon as he can arrange it. We shall care for you and make you as comfortable as possible. But some of you will have to stay in tents because we are short of houses. I let you know now so that you won't grumble, will you ?

Tito : Before signing ---

Akeriba : We thank you Mr Hayward very much for all your help in explaining things for us. And what about the soil under the surface ? Will that be payable to the landowner ?

Mr Hayward : (Who thinks Akeriba is talking about the surface price) I think the money will be put in the bank, and each landowner will draw interest.

Akeriba : Yes, but what about the under surface 1/3 per ton. What shall be done about it ? I am talking about the royalty.

Mr Hayward : I have nothing to do about that. That is none of my business. I should advise you to ask Mr Maule and Mr Macdonald about it.

Akeriba : Thank you. It's all clear now.

- Mr Hayward : Are you prepared to sign the agreement now ?
- Alarika : Yes (loudly).
- Tito : Not yet. All the figures are in Australian currency. I ask if you could pay us the same figures in Fiji currency.
- Mr Hayward : The answer is this. We are dealing with Australian currency. We raise the phosphate on Ocean Island where Australian currency is used. We work on Ocean Island and earn our money in Australian currency. The figures in Australian currency shown on the blackboard are quite clear, with their equivalent value in Fiji currency. The Commissioners will not agree. The price we offer is a good price. If we put Fiji currency instead of Australian currency the Commissioners will not pay that amount.
- Tito : Australian money buys much less in Fiji. That is why I asked you to pay us in Fiji currency. We "bubuti" Mr Hayward to convey our petition to the Commissioners to pay us in Fiji currency.
- Mr Hayward : I tell you that the Commissioners will never agree to that. They have worked out and kindly offered you a good price. These are generous figures and not mean ones.
- Tito : And supposing some of us go and ask the Commissioners.
- Mr Hayward : They will also say, No. I am the voice of the Commissioners.
- Reva : Tito, that will do. We must all join together in this matter and agree with Mr Hayward.
- Mr Hayward : May I with Major Holland make an agreement form ready for signature tomorrow ?
- The Banabans : All together, Yes.
- Roton : I wish to know whether Mr Hayward can help us in increasing the interest percentage when our money is invested.
- Mr Hayward : That's the Bank business but I will cable to Mr Case to see if he can help. (See note below)
- Roton : I am sorry to put up this request, which is that the R.P.C. may send one of their ships once a year to go to Hobi, so that we may get a chance to go to Ocean Island.
- Mr Hayward : I cannot promise you that I can help you. It's a very expensive thing sending a ship up here. Well, thank you very much and I hope to go amongst you and see your "patore". Thank you.

(Meeting closed at 4.30 p.m.)

Note : Cable sent to Mr Case by Mr Hayward, on the 17th April, asking Mr Case if he will hold 332,500 with interest at 3% until individual areas surveyed, when Banaban Landowners hope to arrange with Government to place the money in Savings Bank Accounts in names of individual owners who could draw interest currently. Cable from Mr Case to Mr Hayward, received on 16th April, said "Agree hold 332,500 carrying interest 3% from 17th April".



2419  
21-158

NO. 954.

16th April 1946.

Dear Mr. Caze,

I wrote you on 9th instant and now acknowledge receiving on 12th your Enclosure List No. 162 for which I thank you.

1. CHINESE LABOUR:

Your cable No. 533 of 10th was received as follows:-

"Christian reports satisfactory discussion Chinese Government representative. Now unnecessary for him visit Canton. Expects recruiting will take six weeks after wages decided. States opinion Hongkong very doubtful if suitable men can be attracted under

- £12: -: - Mechanics
- £7:10: - Boatmen
- £5: -: - Coolies.

Propose authorising him do best possible."

I commented on this the following day -

"235 Referring your 533 high rates regretted but agree your proposed reply."

The increases in rates of pay in all directions emphasises the necessity for our making the fullest possible use of mechanical methods.

2. RAVBI - BANABANS:

I am pleased that you were able to arrange for Mr. Maynard to return from Fiji via Auckland, and to have had the fullest particulars from him regarding the position both at Rariki and Suva. There are aspects concerning the Banabans and their new home which call for very careful handling but I am convinced from Mr. Maynard's information and also reading between the lines that the natives have in mind to settle down. Mr. Maynard's discussions with them have been very useful and I judge that a policy of seeing them occasionally as circumstances permit and also facilitating the visit of a few to

106

Ocean Island in connection with their land boundary marks will be important factors in the direction of their settling down under the new arrangements. Feeling you would be desirous of hearing how the position appeared to me I cabled you on 12th instant -

"236 After hearing particulars from Mynard an very hopeful success of settlement scheme."

21

3. PHOSPHATE VESSELS:

Following on the strike of last week the port is very congested and it is satisfactory that 'TRIONA' is not among the vessels now delayed here. I trust the two Florida cargoes can be unloaded without undue delay.

Yours sincerely,

(Signed) Albert F. Ellis

Encl.

Decoded Cables No. 533 & 235/236

(2000) 159

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE. 1

NO. 92.

24th April, 1946.

The New Zealand Commissioner,  
AUCKLAND.

Dear Sir Albert,

I thank you for your No. 954 of 16th April.

CHINESE LABOUR:

From copies of further cables exchanged with Mr. Christian herewith you will note that recruiting is proceeding on the basis of the rates first indicated, but Gibb Livingstone have discretion if necessary to go to the higher rates. Apparently men are offering freely, which is satisfactory. We are having quite a lot of difficulty in arranging transport. The rates asked by the 'Helikon', the only ship available in Hong Kong, are fantastically high, and it seems certain we shall have to use the 'Tricenza'. We now seem close to agreeing an equipment basis with which we can comply.

MR. CHRISTIAN'S MOVEMENTS:

You will note from the cables also that I have arranged with Mr. Christian to remain at Hong Kong and accompany the Chinese to the Islands. This will give him an opportunity of inspecting progress at both Islands, but will delay his return here until late July.

RAMBI- BANABANS:

Your comments are interesting and useful. After talking to Mr. Maynard I concur with your view that there is a good prospect of success with the settlement scheme. It is an interesting development that the Banabans as well as the Fiji Government people want the matter of land purchase at Ocean Island dealt with. Mr. Maynard is writing a report, and when we have this I will confer with you further.

PHOSPHATE FOR NEW ZEALAND:

You will be glad to note that in addition to a prompt Florida cargo we have been able to arrange to divert a Kosseir cargo and a Morocco cargo to New Zealand. This will keep the supplies in proper balance between Australia and New Zealand.

KAD



ATOMIC BOMB TESTS:

Attached is a copy of a letter to the Department of External Territories reporting that Dr. White of C.S.I.R. in reply to questions we put to him considers we need not fear adverse effects at Nauru from the atomic bomb tests to be conducted at Bikini Atoll, 720 miles to the north.

Yours sincerely,

(Signed) A. Harold Gaze

Enclosures:

C/Cables from Mr. Christian 17th, 18th (2), 20th (2), 22nd April  
to " " 18th & 20th April.

C/ltr. to Dept. External Territories 16/4/46

COLONY OF FIJI,

LABI ISLAND,

30th April, 1946.

16

Dear Macdonald,

By this mail I am sending a number of letters to the C.S. dealing with odds and ends, and I imagine that you, with your specialized knowledge of our Banabans, will be the first to "vet" them. In this connection, I thought you might care to have a copy of a letter I have just written to Eastman and so I am sending it along. It gives some idea of the local "set up" but I am not so pessimistic as I appear to be in the letter.

And at all  
to "copy" and  
"forward"

11/11/46  
X p. 16 →

2. In it I have mentioned Potan, whom you will remember well as something of a permanent thorn in the side of the administration. Here, he has been a failure as a leader. I suspect that his smooth and friendly relations with the Japanese have turned the people away from him as they have similarly been turned away from all the old Banaban leaders Iote and Karota (the latter recently deceased) included. He is inclined to blame his failure on me and has recently been stirring up trouble, as of yore, and inciting people to protest against any restrictions placed on their free will. (I may instance control in the consumption of rice and the prevention of the slaughter of kabi cattle at a rate beyond the natural increase). Yesterday he arrived at the office "bollyuching" to the effect that he and the Banabans had asked the High Commissioner (in 1940) for my release from Government to work with and for them and not that I should come here as a Government Officer to represent the interests either of the High Commissioner or of the Governor of Fiji. He accused me (on the cattle issue) of fighting for the High Commissioner against the interests of the Banabans. I retail this local political storm because, as you know, Potan is an inveterate letter writer and sooner or later, when he is balked here, his effusions will be trickling through to headquarters and thence back to me with a polite "please explain". There is a move afoot among the younger people to unseat him and I apprehend some lousy squealing if it happens.

3. A second matter of some local concern is the relations between the Local Medical Officer and the N.M.P. at Labi. Verrier, from the outset, has given me to understand that he is practically at loggerheads with his own department. He claims that they have not defined his official duties as far as Labi is concerned and so as far as he is concerned "officially we do not exist". He has adopted this attitude particularly when requested to lend assistance in the obtaining of supplies of drugs and instruments. His argument would seem to be that, because he, at Tavuni, is short of drugs and instruments, why should the Banabans have them even if they can afford to pay for them. He pays a perfunctory visit to Labi about once a fortnight but rarely spends more than a few minutes with the N.M.P. and a few minutes walking through the camp. He is much more interested in politics than he is in medicine, as Raymond could tell you, and I fear that his pernicious way of asking questions and inviting comparisons is going to lead to trouble. He has tried to raise a storm over the provision of a kitchen for the N.M.P. The Banabans have built one, practically under

11/11/46  
X p. 16 →



protest, their idea being that that the M.F.P. who is a Banabian, could have a kitchen built by his family in the same way as they build their own kitchens. I explained to Verrier that I do not propose to involve the Banabian Settlement Scheme in expenditure on purely temporary structures other than those provided with the original camp, unless they are imperative. Nevertheless he returns to the ridiculous charge at each succeeding visit. How can I get him to talk either medicine, health or sanitation. I feel we would be much better without his visits. We would appreciate his help and advice in purely medical and public health matters, but not in administration or politics.

4. The Banabians are adamant in their attitude towards both medicine and education. They state that they are unwilling to cooperate in any form of administration in either department to which they have not given their previous consent. They took me to task, a day or two ago, for presuming to arrange for the accommodation of a European schoolmaster when I had not received their formal consent to engage a European schoolmaster, in spite of the fact that, in talking many times with the Council and others it was always assumed that their Headmaster would be a European.

5. Rightly or wrongly, the Banabians are hostile to Government interference with their free will. They believe that the Trust Funds are their own property and wish to have the deciding voice in the way they are used. "Who pays the piper calls the tune", is the watchword. I believe it will be necessary to humour them in this until we get a final agreement for the permanent settlement of Iabi and then to devise a means of settling once and for all the financial obligations - preferably by capitalising all annual payments setting aside a sum, the interest of which will provide for annually recurrent expenditure - administration, medicine education public works etc. - a further sum for immediate expenditure on improvements - houses, fences etc. and dividing the balance between them, having regard to the capitalisation of land owners' bonuses. I am at present working on a memorandum to this effect.

Hayward thinks Case is unlikely to support the proposal. I believe I could persuade the Banabians to agree to it. Probably it will prove to be the only thing to which they will agree and the only termination to continuous bellyaching about the High Commissioner's "unjust control of their funds".

I should be glad to have your own views when you have found time to readjust yourself to the Pacific and focus some spare time attention on this little irritating problem.

I am,

(Signed) Donald Kennedy.



Received 21.6.46  
Answered 30.7.46

2451  
Virginia Cove,  
Rabi Island,  
Fiji,  
10th May, 1946.  
2482

Dear Sir Albert Ellis,

Thank you for your letter of the 18th April. I am glad that Mr. Maynard was able to see you after his visit to Rabi. We much appreciated his company, and the news he was able to give us of B.P.C. affairs enabled us to reorientate ourselves in the light of different aspects of our common problem.

Rabi is indeed a fascinating place but I am sad to say that its possibilities are much beyond the comprehension of the Banabans. This was, of course, to be expected, but it is, nevertheless, disappointing to find people almost wilfully blind to their wonderful opportunities and tending ever more strongly to hark back to old suspicions and complaints. I refer to the generation of so-called "old men" who have always had the last word in Banaban affairs. They seem to be ultra conservative, reluctant to enter into the spirit of settlement and development and somewhat hostile to the groups of younger men who are showing some enthusiasm for these things. The younger men (and active men of middle age) and their families are much more promising material for the ultimate success of this experiment. They are learning to work the copra plantation and those not so engaged are spreading out in small settlements along the north west coast where they will cultivate their own land. The old-timers, led by Rotan, (who would be a baby in your time at Ocean Island, but of whom you must have heard much) are clinging to the camp at the original settlement, purchasing exotic food stuffs and 'raising Cain' when they cannot purchase adequate supplies from Suva of such things as tinned meat, rice and tobacco.

3  
I will refer this to R. Ellis  
2

Their standard of living here has been excellent. They are all in good physical condition in spite of much sickness due to a very wet season and an epidemic of measles which is still raging. But you know our friends well enough to understand

Sir Albert Ellis,  
Auckland, New Zealand.



me if I say that they will never be really happy as a community. There are too many internal jealousies and too little co-operative spirit.

These pessimistic reflections are largely due to a sense of disappointment at the large gap between things as they are and things as they could be. They are not meant to indicate that I see any signs of ultimate failure for the Settlement Scheme. On the contrary, as time goes on, there is every indication that it would be as difficult to eject the majority from Rabi as it was, at one time, to get them to agree to move from Banaba.

I believe that they are almost ready to conclude a final agreement with the High Commissioner for permanent settlement at Rabi. They will want to reserve the right to visit Ocean Island, at their own expense, and in limited groups, after the expiry of a period of two years from the date of their arrival here. A few old timers may wish to return to Banaba to die. They will also wish to stipulate that Ocean Island, after the cessation of mining, will be theirs, if only as absentee owners.

I am endeavouring, during my time here, to further this agreement; to provide permanent housing for all Banaban families; to provide adequate education, medical and social welfare (including entertainment) services; to devise an equitable system of partition of lands and thereafter to divide the lands and mark the boundaries and lastly to foster a spirit of cooperation which will enable the settlers to carry on their commercial enterprises - Cooperative Store and plantations without European assistance.

I believe that best results could be achieved if we could capitalise their remaining financial interests in Banaban Royalties, add this sum to the balance of their accumulated Trust Funds, set aside a sum for investment to produce sufficient interest to cover annual expenses of Government at Rabi and all welfare services, and divide the remainder between them, having regard, in this connection, to the due capitalisation of land-owners bonuses. Furthermore, it would

seem desirable that land owners invested funds (the actual purchase price of mining lands) should be handed to the land owners to control for themselves, there being, when they are permanently settled here, no longer any reason to consider them as held in trust for future generations since future generations can depend on the entailed family lands of their new home.

In this way, the extremely harmful annuities, which have rightly been called a "dole", would cease, and I think there would be much more incentive to individuals to develop the resources of this island.

Thank you very much for the films which Mr. Maynard brought. If I manage to get any interesting topical pictures as time goes on I shall send prints along to you.

I am glad to know your book is taking shape at last and I am looking forward to reading some more of your unique experiences. I agree that its publication will be timely, as interest is certainly focusing on the area about which you write.

I have passed on your greetings to the people who have expressed their pleasure and asked me to reciprocate the greetings on their behalf.

Mr. Maynard, in a letter written from Auckland just before he left for Melbourne, said that there was a possibility of your being able to accompany him if he should be required to pay us a second visit. I do not need to assure you that you will be most welcome and both my wife and myself will be happy if you will stay with us.

With kind regards,

Yours sincerely

Donald Kennedy

P.S. Please read the above comments on the future of the Panalcan Settlement as an expression of my personal opinion only. D.K.



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7 May 1947

2525

The following is a statement of the intentions of Government with regard to the future of the Banaban Community on Rabi Island, with special reference to their lands and funds and other matters incidental thereto, and is drawn up on the understanding, which a majority of the Banabans hereinafter affirm, that they desire to reside on Rabi and regard it as their headquarters and home.

(A). As regards lands on Ocean Island -

(1). Such decision to reside on Rabi Island shall in no way affect any rights to lands possessed by the Banabans on Ocean Island;

(2). The title to all worked out phosphate lands, which have, or may in future, come into possession of the Crown shall revert to the Banabans.

(B). As regards lands on Rabi Island -

(3). The ownership of Rabi Island, with the exception of a Fiji Government reserve of 50 acres at Katherine Bay, shall be vested in the Rabi Island Council on behalf of the Banaban Community resident in Rabi Island, subject to the creation at Nuka of a Government Station of an area to be agreed upon by the Island Council in consultation with the Banaban Adviser;

(4). The division of lands on Rabi Island, and the system of land tenure and inheritance shall be in accordance with legislation to be enacted by the Rabi Island Council;

(5). The ownership of all the assets of the former estate, including stock, tools, houses, etc. shall be vested in the Rabi Island Council on behalf of the Banaban Community resident here and no such assets shall be disposed of except in such manner as may be jointly agreed upon by the Banaban Adviser and the Council.

(C). As regards Banaban Funds -

(6). The Banaban Royalty Trust and Provident Funds shall be amalgamated into one fund to be called the Banaban Fund which, save for the payment of annuities as at present, shall be used exclusively for the benefit of the Banaban Community on Rabi Island;

(7). The management of the Fund shall be vested in a Banaban Fund Trust Board consisting of the Banaban Adviser as Chairman and of not more than five members of the Rabi Island Council elected by the Council as members; such Board shall be empowered to deal with problems connected with annuities and like matters. Decisions of the Board in such matters shall be subject to the approval of the Governor or of such Officer as he may appoint for the purpose;

(8). Residence on Rabi Island for more than six months in each financial year shall be an essential qualification for all members of the Banaban Fund Trust Board;

(9). The Banaban Fund Trust Board shall draw up annual Accounts and Estimates showing, inter alia, the revenue accruing from royalties and interest from the Banaban Fund, and the expenditure on different services. Such Accounts and Estimates shall be submitted to the Council for its consideration and when passed by it, shall be forwarded by the Banaban Adviser to the Governor of Fiji for his approval. The Accounts and Estimates shall be published and shall be made available to the Banaban Community;

(10). The Board shall also deal with all problems arising from the Landholders' Fund. The capital sum invested in the Landholders' Fund shall be handed to the Banaban Fund Trust Board for investment as Trustees on

behalf

behalf of each landholder, who shall have the same rights, in accordance with Banaban customary law, over his invested capital funds as he would have had over the lands which such capital funds represent. The Board shall also deal with all problems arising from the Landholders' Fund. Decisions of the Board in such matters shall be subject to the approval of the Governor or <sup>of</sup> such Officer as he may appoint for the purpose.

(11). At a public meeting of the Banaban Community held at Rabi Island on the 9th May, 1947, it was agreed, at the unanimous request of those present, that His Excellency the Governor of Fiji should be petitioned to permit the withdrawal by individual landholders of part or the whole of their capital invested in the Landholders' Fund for the purpose of effecting permanent improvements to their landholdings on Rabi Island, the prior consent of the Governor of Fiji being required in each instance. The meeting was informed that an amendment to the present legislation in the Gilbert and Ellice Islands Colony would probably be necessary, in the event of this proposal receiving the approval of the Governor.

(D). As regards Annuities -

(12). The payment of Annuities, in accordance with the terms of the 1937 Annuities Settlement, shall continue unless varied by the Governor of Fiji consequent upon recommendations made by the Banaban Fund Trust Board;

(13). Such annuities shall be payable in Fiji currency to those resident in Fiji and in Australian currency to those resident elsewhere.

(E). As regards visits to Ocean Island -

(14). The Banabans shall be permitted, subject to the provisions of the laws of Fiji and further subject to shipping being available, to travel freely between Rabi



Island and Ocean Island and, subject to the rights of the British Phosphate Commissioners over any lands purchased or leased to them, to reside on Ocean Island.

“(F). As regards Taxation on Rabi Island -

(15). The Banabans on Rabi Island shall be subject to the laws of Fiji, including the laws relating to Taxation, in the same manner as other residents of Fiji. The Banabans will consequently be eligible to receive all normal services provided by the Government of Fiji on the same terms and conditions as such services are provided for other residents of Fiji.

(G). As regards the Banaban Adviser -

(16). The Banaban Adviser hereinbefore mentioned shall be an Officer of the Government of Fiji, appointed by the Governor to advise the Banaban Community resident on Rabi Island on all matters connected with its social and economic advancement. He shall be paid from the Banaban Fund at such salary as may be fixed from time to time by the Governor, after consultation with the Island Council and the Governor shall have power to vary the terms of, or terminate, his appointment.

---

The above

OH



37

APPENDIX.

The following are the results of a vote taken by secret ballot, held in Rabi Island on the 10th and 11th May, 1947, at which 318 (94.6%) out of 336 of the population over the age of 18 voted; the voting was supervised by the undersigned:

For making Rabi their headquarters and home -	270 (84.9%)
Against making Rabi their headquarters and home -	48 (15.1%)
Majority in favour -	222

(Sgd.) H.E. Maude

Resident Commissioner,  
Gilbert and Ellice Islands Colony,  
for the High Commissioner for the  
Western Pacific.

(Sgd.) Iete Eri

(Sgd.) P.D. Macdonald

Acting Assistant Colonial Secretary,  
for the Governor of Fiji.

" Rotan

(Sgd.) F.G.L. Holland

Administrative Officer,  
Rabi Island.

" Kabanti

(Sgd.) Bauro Ratieta

Assistant Administrative Officer,  
Gilbert and Ellice Islands Colony,  
(Interpreter in Gilbertese language).

" Akeriba



(8)

(10)

Phosphate House,  
515, Collins Street,  
Melbourne.

10th May, 1946.

Received 23rd May, 1946.

Dear Sir Alexander,

Maynard returned to Melbourne on 16th April and I cabled the following day confirming acceptance of the arrangements made in letters exchanged between him and Vaskess for commutation of Ocean Island taxation for 5 years from 2st April. Although the total amounts payable are higher than the Commissioners contemplated I am sure the simplified basis is sound and will prove satisfactory in practice.

Maynard's report indicates that the Banabans wish to conclude an agreement with the Commissioners for the sale of phosphate land and that you consider early action may be advisable and helpful towards assisting the Banabans to settle down at Rambi. We are ready to proceed in the matter as soon as you wish. We shall be prepared to send one of our ships to Rambi en route to Ocean Island to embark a party of Banabans for identifying boundaries and in due course another ship could return them. We would leave you to determine how many should go, but I would suggest the numbers be not cut down too much. Maynard mentions that in Suva the question of acquiring not only the area of good phosphate land above the 170 foot contour but the poorer land below that level came under discussion. When thought desirable we would consider taking over that land also, but it will be realised that the value per acre would be much lower. I see the younger Banabans brought about a request to Maynard for the Commissioners to increase their 1940 offer (which the Banabans Committee then accepted subject to the condition they would get from the Government an increased share of the proceeds in cash) from £175 to £225 per acre and from 1/- to 1/6 royalty per ton. I do not think the Commissioners are likely to agree to any voluntary increase in terms which seem liberal enough already. Maynard can be made available to proceed to Suva for further discussion on land questions whenever you deem the time opportune. The courtesies shown to him by you and Vaskess during his recent visit are appreciated.

With kind regards,

Yours sincerely,

(Sgd) A. Harold Gaze.

Sir Alexander Grantham, K.C.M.G.,  
SUVA.  
FIJI.

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE. 161

No. 99

24th May, 1946.

Dear Sir Albert,

I thank you for your letter 953 received this morning.

1. SURRENDER FILMS:

These will be sent by the 'KUROKI' from Melbourne to Auckland as suggested.

2. JAPANESE ATROCITIES AT NAURU AND OCEAN ISLAND:

As far as I know there have been no official publications issued yet with regard to the trials. I will ask Mr. Halligan to let us have copies should any such papers be issued.

3. NAURU STAFF:

Mr. J.A. Smith, Assistant Manager and M. & E. Engineer, is unable to return to Nauru for domestic reasons. I have arranged to make use of his services here temporarily for 12 or 18 months to assist the Engineering and Buying Departments in handling the considerable volume of technical orders needing attention.

Mr. L.E. Cameron has been promoted M. & E. Engineer, Nauru as from 15th May, and will act as Manager when Mr. Kirk comes South about end of July for a few weeks. Mr. Adams, recently appointed Civil Engineer, will act as Assistant Manager.

4. OCEAN ISLAND TAXATION:  
R A M B I:

Mr. Maynard's report has now been completed and a copy is attached.

Regarding taxation the next step is the issue of an Ordinance by the High Commissioner to give effect to the arrangements agreed by letter.

Regarding land, my views are that we should -

- (a) Refuse the request of the Banabans to increase the terms of our 1940 offer

- (b) Take a boundary marking party from Ranbi to Ocean Island as soon as practicable - probably in about 4 months, leaving the Government to fix the number which it would be impolitic for us to limit.
- (c) Include the Puakonikal Village site in the land to be taken over above the 170' contour.
- (d) Agree to take over the whole of the rest of the phosphate land if desired by the Banabans and to pay the same royalty. The price per acre should be much lower, say £75, as being on the lower slopes the phosphate yield will be relatively small. No doubt deferred payment could be arranged.
- (e) Send Mr. Maynard with the boundary marking party and authorise him to continue negotiations for purchase.

I should soon receive a reply to my letter to Sir Alexander Grantham dated 10th May.

I do not think we should insist on concluding an agreement before we take the boundary marking party. I would appreciate your views on the foregoing.

Yours sincerely,

(signed) A. Harold Gaze.

Enclosures:

C/Mr. Maynard's Report on  
visit to Fiji  
C/Cable from F.F.C. 21/5/46  
" to " 22/5/46  
" to Ocean 21/5/46  
" from " 22/5/46



25  
2464  
23  
162

NO. 940.

28th Nov. 1946.

Dear Mr. Gaze,

Since writing you on 21st I received on 27th your Nos. 98 and 99 of 22nd and 24th instant with correspondence as listed, for all of which I thank you.

1. BOARD MINUTES:

My set of these is to hand also the original set to be initialled and forwarded to Mr. Bankes Amery, which I will attend to.

2. ISLAND STAFF:

I note the numbers who will be employed at each Island as at the end of June and the large proportion of these who were previously in the Commission's employ.

3. MAKATEA:

The adverse health conditions at Rarotonga are very unfortunate and it appears as if phosphate production at Makatea will suffer through the delay in recruiting operations in the Cook Group.

I note by cable received yesterday that the 'TICONA' had been able to resume her loading following on the westerly spell.

4. C.I.F. PRICE FOR PHOSPHATE 1946/47:

Thank you for advice of these calculations and I trust that the assumption on which they are based will be realised. It appears as if the Fertiliser Committee in Washington is dealing with the various claims regarding allocations which may act somewhat adversely to Australian and New Zealand interests, but I trust this danger can be overcome.

5. REPRODUCER FILMS:

I note that these will be sent by the 'KURON' from Melbourne to Auckland.

6. NAURU STAFF:

The arrangement regarding Mr. J.A. Smith being transferred to Melbourne office temporarily is noted also that Mr. L.E. Cameron has been promoted to the position of M. & E. Engineer and will act as Manager during Mr. Kirk's absence. I judge that Mr. Cameron will fill both positions to our satisfaction.

7. OCEAN ISLAND TAKAFION:  
RABBI:

Mr. Maynard's report is duly received and contains much useful information.

I have carefully considered your views as set out in sections (a) to (e) and think they are all on suitable lines. The acquisition of the Puakonikai village site would be an important development and well worth trying for. I judge that it consists of a relatively large number of small sections which will call for survey soon after the boundary marking party arrives.

While the acquisition of the remainder of the phosphate lands below the 170' contour is a very desirable objective, I doubt if it should be stressed at present. We should concentrate on getting the area concerned in the 1940 offer including the Puakonikai site finalised at an early date. If the unexpected happens and the Banabans bring forward the taking over of the lands below their 170' contour we should of course respond. I judge their line of thought will be to retain those lands meanwhile, even if they settle down at Rabbi, for the reason that their interests at Ocean Island will constitute a link with their old home, resulting in occasional visits of parties between Rabbi and Ocean. We know that the spirit of travel and adventure is strong in their minds and I judge this will influence their attitude as regards the remaining blocks of land: that however remains to be seen.

The proposal for Mr. Maynard to accompany the boundary marking party and to continue negotiations for purchase is, I consider, very appropriate.

Your view that we should not insist on concluding an agreement before the boundary marking party visits Ocean is no doubt correct. The Banabans would look on it as being undue haste and possibly as an attempt to force their hands. Our attitude, I judge, should be that they give their consent to the 1940 offer peacefully and we consider their action in doing so as final.

Yours sincerely,

(Signed) Albert F. Ellis

13th June, 1946.

33

Meeting at Rabi Island to meet  
some of the elders at their  
request.

Introduction

Come at request of some of elders to listen to their remarks -- have asked to see D.C.N. alone -- request made in letter addressed to D.C.N. personally -- regretted method of approach -- correct way through Major Kennedy to D.C.N. -- they should know correct methods as H.M.G. Fiji will always listen to people who make requests in proper manner -- should have been through D.O., Major Kennedy.

Question : Who wishes to speak to me ?

Answer : Iote. There is one thing we would like to talk about on behalf of the Banabans -- we don't want Major Kennedy to stay with us -- that is why they did not tell Major Kennedy that they did not want this meeting.

Question : Is that all ?

Answer : Yes.

D.C.N. : Before this matter could be discussed further Major Kennedy should be here to listen to any reasons why they do not wish Major Kennedy to remain with them.

Question : Are all the elders of the council here ?

Answer : Some are not present; only two are absent.

Question : Who are absent ?

Answer : Kaiekiaki, and Tetebano.

Question : Are all the representatives of the head families here ?

Answer : They are all here.

Question : Aren't there about 200 ?

Answer: (R) Some are absent because of distance.

D.C.N. : I have come here in your interests but to help you I must have all elders and heads of families present in order to obtain their wishes as representatives of a community. At such a meeting I am sure I could make you realize and appreciate the advantages of then making every endeavour to make Rabi their home and the home of the children in the years to come.

I shall be in this area for a few days and would be very happy to meet them at such a meeting. I wish you to know that the wishes of this Government is to do everything in its power to



make you happy, comfortable and prosperous. When you have fixed a time and a day I will meet you, but everyone must be present.

Question : (R) How long is the D.C.N. staying here ?

Answer : I am going to Tavuni but I can return when they are ready, within the next three or four days.

Meeting was then arranged for  
10 a.m. Monday.

D.C.N. : I am happy to meet you but wish that you had arranged this meeting through Major Kennedy according to our custom in Fiji.

Rotan : We are sorry that they did not arrange this meeting for to-day.

D.C.N. : To-day is the King's Birthday and we hope that you will celebrate it by being happy.

Rotan : We all thank you very much for coming.

(Sgd.) J.E. Windrum.  
13.6.46.

Meeting held at Rabi on 17/6/46

D.C.N. : Representatives of heads of families, councillors, elders, and members of the Banaban community of the island of Rabi.

We have met this morning in the terms of the arrangement we made when I was here and met some of you last Thursday at 10 a.m.

Some of you at the meeting last Thursday made certain complaints to me and I told you then that I could not discuss them unless you were all present and also Major Kennedy, the Administrative Officer, appointed by the Government of Fiji and the W.P.H.C. to be in charge of the Island of Rabi and to administer all those things necessary for the prosperity, comfort, peace and happiness of the Banaban community.

Question to Magistrate : Are the representative heads of all the families present here this morning ?

Answer : Yes.

Question : Are all the councillors present this morning ?

Answer : Yes.

Question : Have they a spokesman ?

Answer : Yes.

Question : Who is he ?

Answer : Iete.

Question : What have you to say Iete ?

Answer : This morning he has been authorized by the Banabans to speak to you.  
The first thing I wish to say is that the Banabans do not wish Major Kennedy to stay with them.

D. C. N. : Major Kennedy is here and he should hear those reasons.

Iete : The first thing is that Major Kennedy drinks to excess and could not attend a meeting because he was under the influence of liquor.

Secondly, about our homes. When we first landed on Rabi we lived in tents where we still are and we feel that Major Kennedy cannot assist us.

He is only thinking about his own home.

Akoripa : We do not wish to live on this island because of the food. Only during two months did we have any food, and after that time we suffered from starvation. And there is another thing. Some of our people have died on this island, the total deaths being about 40.

Tito : Major Kennedy did not tell us the truth. He first told us the land belonged to the Banabans and then told us it belonged to the Government. That is the reason why they do not wish Major Kennedy to remain in charge.

D. C. N. : Is there anything else ?

Nei Naka : In a meeting at Tarawa Major Kennedy showed us a map and photographs of houses where he said we would live. When we arrived here we were not given the houses shown to us but lived in tents.  
Living in the tents caused us sickness, and we were uncomfortable in these quarters. When they heard at Tarawa that they had to live in tents at Rabi, some of the Banabans did not wish to come.

D. C. N. : Whom did you tell this to ?

Answer : I can't remember.

D. C. N. : When they complained about coming to Rabi to live in tents, to whom did they complain ?

Answer : We did not complain. It was only in our minds.

Kaitu : When we first landed on Rabi we Banabans were allowed to go on Fijian land and no Fijians were allowed to come on our land. Why was this rule enforced ?

D. C. N. : That question will be answered when you have finished making your statements.

D. C. N. : Anybody else ?

Neiwawa  
(head of  
a family) : Who does this land belong to ?

Answer : This will be also answered later.

Neiwawa : We do not want Major Kennedy to stay with us.

D. C. N.  
to  
Iete : Is there anything else you want to say ?

Answer : No.

D. C. N. : Major Kennedy wishes to ask certain questions to those who spoke this morning.

M/r Kennedy: Iete raised the question about living in tents and the question of the work on my house. What I want to ask Iete is "have you ever complained to me or asked me about any work which you wanted done to your house"?

Iete : No, we have not made any complaints but were looking to you as our helper.

M/r Kennedy: If I was your helper, if you felt that you wanted some work done, why did you not ask me ?

Iete : I could not ask anything because it was Major Kennedy's duty to look after us.

Major Kennedy : When you were in the council do you remember any talk about new good houses for the Banabans ?

Iete : There was.

Major Kennedy : Do you remember that we agreed in the council that it would not be good to waste any money or time on little jobs until we got the materials for good houses.

Iete : Yes, but only because of the conditions of the people.

Major Kennedy : Did you ever complain in the council about the condition of the people ?

Iete : Major Kennedy understood.

D. C. N. : This is a fair question and he is evading the true answer. If they wish me to help them then I must get the true answer to Major Kennedy's question.



Iete : Major Kennedy understood. (This is an evasion).

Major Kennedy : Do you remember that I put up two photos sent to me by the C.S. showing the kind of houses we wanted to build on Rabi ?

Iete : Yes.

Major Kennedy : Can you tell me who tore them down ?

Iete : I don't know.

Major Kennedy to Ateripa : When you were at Tarawa do you remember an agreement you made with me before you came to Rabi ?

Answer : Yes.

Major Kennedy : Do you remember the statement in that agreement that the High Commissioner had kindly agreed to give you one month's rations and after that you had to obtain your own rations.

Answer : Yes, but it was not clear.

Question : Who was the interpreter ?

Answer : Takai.

Major K: Were you at Kusaie ?

Answer: Yes.

Major K: Do you remember the agreement at Kusaie ?

Answer : Yes.

Major Kennedy : Did you hear the same statement there or a different one ?

Answer : He said it was different. At Kusai we only heard that we would go to our new island.

Major K. Who was the interpreter ?

Answer : Tokamen

Major Kennedy : Do you never hear at any time before you came to Rabi that you would get free Government rations for one month only ?

Answer : We did not hear at Kusai but did at Tarawa.

Major Kennedy : If you heard at Tarawa and you agreed to that why do you complain ?

Answer : We are not complaining about the agreement. I am complaining that you did not help us.

Major Kennedy : Have you ever complained about food ?

Answer : I did not come because I felt you must know.

Major Kennedy : In the agreement at Tarawa you remember you agreed to stay on Rabi for 2 years.

Answer : Yes.

Major Kennedy : You said that you did not wish to live on this island because of the food. Is that because of the food or is it because of home sickness ?

- Answers:  
(to K)
- Major Kennedy : What is the strongest thing in your mind, hunger or homesickness ?
- Answers:  
(to K)
- We don't want Major Kennedy because he didn't think about us. (Question evaded).
- Major Kennedy : Tito said he had heard two different statements from me (1) that Rabi belonged to the Banabans and afterwards when they had been here some time that it belonged to the Government.
- Major Kennedy : Who was the interpreter who said that this belonged to Banabans ?
- Tito : To people. Haven't you all heard from him that Rabi is yours ? Isn't that true ?
- Yes (by whole body).
- Major Kennedy : If you think that Rabi is entirely yours, why were these statements made about a two years agreement during which time you were to live here and tell the High Commissioner whether you wanted the Island or not ?
- Tito : About last Xmas the Banabans wanted to kill some cattle and asked Major Kennedy who owned the cattle ? He said these are yours not mine.
- Major Kennedy : I instructed one of the overseers to kill some of the cattle for a feast. He is using this to show that the island was theirs. Later I refused and would not allow them to kill cattle beyond the natural increase because the High Commissioner owned the island.
- Major Kennedy : (repeated question to Tito)
- Tito : We heard from Major Kennedy that everything on this land was theirs (evasion).
- Major Kennedy : Did you or did you not hear from me that you could not sell things like launches, cattle or horses ?
- Tito : We don't know about that question.
- Major Kennedy : In your opinion can you sell a launch to an Indian ? If a thing belongs to a person, he can sell it.
- Tito : (Just said he didn't understand the question). We cannot answer that question.
- Major Kennedy : Have you ever heard from Rotan the things which I explained to him i.e. the things you can do and the things you cannot do.
- Tito : We are getting tangled by these questions and don't want to answer them, but we don't want Major Kennedy.
- Major Kennedy : Do you remember hearing me tell you at Tarava and other places before we came here that I had in writing the instructions from the High Commissioner to me.  
Is there any man here who has ever asked to see that letter ?
- Answer : No.



Major Kennedy : Is Rotan here ? Will you answer a question ?  
Have you asked to see the letter and has  
any man ever asked you to see it on his behalf ?

Rotan : We don't want any more questions.

D.C.N. : Major Kennedy is asking you questions to help  
me understand the true position on Rabi and  
unless you answer I cannot understand the  
position. Unless you answer the questions  
fairly and honestly you will not assist me  
at all.

D.C.N. :  
(to gathering  
in reply to  
questions).

I will not take up your time in telling  
you the various events commencing from when  
you first considered the question of leaving the  
Gilbert Islands and coming to Rabi with a view  
to making it your permanent home for yourselves  
and your generations to come. When you arrived  
at Rabi you were more or less refugees, but you  
were far better off than the usual type of  
refugee, because you had a beautiful  
fertile island with fresh water streams,  
coconut palms, rich fertile flats and  
forest produce with which to build houses.  
You were rich and you enjoyed the facilities  
of a regular steamship service from Suva to  
Rabi. You were therefore able to buy foods  
and supplies from Suva. When you arrived  
you were expected to do everything in your  
power to try and make a success of making  
this island of Rabi your permanent home.  
The immediate and essential conditions for  
making the scheme a success consisted of  
firstly building houses of bush construction  
similar to the one here; secondly, to  
plant food gardens; and thirdly to take  
advantage of the very valuable coconut  
plantations growing on most of the beaches  
around the island.

It is your duty to endeavour to honour the  
agreement which you made before you came to  
Rabi Island and to put on trial for 2 years  
in the interests of yourselves and your  
children the making of Rabi Island your home.

If it is not your wish to make Rabi Island  
your home then it will be my duty to advise  
your High Commissioner that you do not wish  
to stay and that you wish to return to your  
homeland - Banaba. It lies with you to make that  
decision. It is not my duty to influence you, but  
it is my duty to endeavour to lay before you the  
advantages and disadvantages of both Banaba and  
Rabi Island. What I tell you about Banaba is what  
I have learnt, and you must forgive me for any  
errors and omissions. Your homeland, Banaba, is  
slowly being mined by the British Phosphate  
Company and within the next 40 or 50 years  
there will be little left of your island other  
than the fringe of coconut palms down near the  
coast. You yourselves can best answer the  
question as to whether you should return to  
Banaba there to rear your children and at the  
end of 50 years without the revenue that you  
are now deriving from the mining activities  
that are at present in progress there or to  
make this fertile island of Rabi your permanent  
home. Here on Rabi with the revenue you derive



from Banaba you can be better off than any of the other races now living in Fiji; by other races I mean Polynesians, Melanesians and Indians. Here on Rabi you can build permanent houses, schools, hospitals and all the services necessary such as water, electric light and sanitation. All this you can do from the monies you receive from Banaba. In addition to the monies you receive from Banaba by cultivating the rich lands of this island and by working the copra plantations you will obtain sufficient money to keep you and your families well fed, well clothed, well housed and, above all, happy and contented.

When the time comes that you no longer receive revenue from Banaba you should have established yourselves on Rabi Island so that you could live in peace and plenty. You are very fortunate you are here today because the High Commissioner considers that this is the best answer to your future and the future of your children. That is why Major Kennedy was sent here to endeavour to make this island your home. There are bound to be difficulties with such a project as this. It can only be a success if you all pull together and bury and petty grievances. I propose soon to adjourn this meeting for about two hours to allow you to discuss over your fires what has been said to you this morning. I want you all to come back this afternoon because I wish to ascertain your wishes as to whether you wish to remain on Rabi Island or return to Banaba. If you wish to return to Banaba I shall convey that wish to the High Commissioner. If you wish to make Rabi your home we can then discuss intensification for settling you here permanently. If you decide to remain the question that you brought up this morning with regard to your movements to and from Rabi and visits to Rabi by outsiders and other such questions can then be discussed. Most of those questions can be dealt with by your Island Council.

Before adjourning I wish to thank you for your patience and the attention you have given to these discussions. Thank you !

Meeting resumed at 3.00 p.m.

D. C. N. 3

Before we adjourned this morning I asked you all when you went back to your houses to discuss the various matters brought before the Council this morning. The most important matter under discussion is whether you wish to make Rabi your home or whether you wish to return to Banaba.

The only means of ascertaining your wishes is to take a vote and this I now propose to proceed to do.

There are two ways of taking the vote, one is by raising the hand and the other is by a ballot paper. I think in your interests that a ballot paper will give a more true and accurate answer. Have you any of you anything to say about this suggestion ?

Iete :

Before we take this vote we want to know what the price of this island was?

D. C. H. :

I am given to understand that the purchase price is in the vicinity of £25,000 A.

Iete :

We are agreeable to buy this land at this price.

D. C. H. :

The High Commissioner purchased Rabi Island to see if it was suitable for a new home for you.

I do not know if the High Commissioner will keep it for any other purpose but I am sure he will give it to you if you decide to make it your permanent home now. It lies with you to make the decision whether to stay or whether to go, and only by voting will this be possible.

Iete :

Some of us cannot write.

D. C. H. :

Those who cannot write may be assisted by those who can.

Rotan :

When we were at Ocean Island we did not think we would be separated like this.

D. C. H. :

How am I to convey to the High Commissioner the wishes of the Banaban community as to whether they wish to make Rabi their permanent home or not unless each head of a family expresses his wish in writing.

Rotan :

When we were at Ocean Island they discussed the question of buying another home amongst themselves. They decided to buy an island in Fiji. (Evasion of question.)

D. C. H. :  
(to Rotan)

I am afraid you are avoiding the issue which is very simple. Does the Banaban community wish to make Rabi its permanent home now or does it wish the High Commissioner to make arrangements to return them to Banaba? The answer is "We want to stay" or "We want to go".

Rotan :

The Banabans may want Rabi but they may want it for a future home.

D. C. H. :

If Rotan cannot answer my question I am unable to give the Banaban people any assistance or advice.

You arrived here on 15.12.45 on agreement to stay here for two years and within that period you have to make up your minds whether you wish to live here now or return to Ocean Island now.

Iete :

We asked you what was the price of the island and you said £25,000 A. and now we have decided to take the island at this price.

(The question was re-read to Iete who evaded it by saying "We agreed to buy it for our island".)

We want to be under your control and do not want Major Kennedy with us any more.



D. C. N. :

I am only trying to find out whether you intend to make Rabi your permanent home or whether you wish to return to Banaba.

We want to know so that the construction of schools, hospitals, etc. may be expedited.

Do not think of me or of Major Kennedy think of yourselves. The Banaban people and the children who will come to the Banaban people. Are they going to be happy on Rabi Island or on Banaba ?

It is for you people to decide, not us, but whatever you decide your wishes will be conveyed to the High Commissioner and it is the duty of the High Commissioner to make you happy and contented.

If you decide to stay on Rabi Island there is much to be done as it is nearly the end of June, four-five months before the next hurricane season and it is most important that you do everything now to ensure that you have houses that can stand up to the strong wind and rain.

As soon as you wish to help yourselves experts in house-building can be obtained for you and they are the Fijian people of this Colony. There are no great difficulties, only those that you make yourselves, and we again come to the question that started at 3 o'clock this afternoon and that is to take a vote as to whether you wish to make Rabi your permanent home now or return to Banaba now.

Iete :

We wish to stay on this island.

D. C. N. :

I want everybody's individual vote. I will give you the paper and you may vote.

Rotan :

If these things are done for the Banabans they must not be done until the Banabans agree. Was the island bought by Banaban Trust Funds or otherwise ?

D. C. N. :

We are back to where we were at 3 p.m.

You certainly cannot exist under these conditions for 2 years. You will have to have houses to protect you from the winds and rain even if you return to Banaba.

Rotan :

(Again gave an evasive answer.)

D. C. N. :

I have already told you three or four times how the island was purchased. It lies with the Banabans to decide (1) not to make Rabi their home when they will go back to Banaba (2) to stay on Rabi when immediate plans will have to be made for the construction of schools, hospitals, water supplies etc. It is for you to decide.

Iete :

Do you want us to give you the money for this land ?

D. C. N. :

I have nothing to do with the sale or purchase of the island; that has already been dealt with by the High Commissioner.



I told you this afternoon that we wish to stay on this island for ever and to be under the Government of Fiji but we do not want Major Kennedy to remain with us.

C.H. :

It is my duty to lay before the High Commissioner everything that has been said today and it is for the High Commissioner to decide what is to be done, having read these notes being taken down by Mr. Harwood. And again I come back to the one question - what are the best means of finding out the wishes of you, the Banaban community, as to your wishes with regard to making Rabi Island your permanent home, which means that you forsake your island of Banaba.

Rotan :

We can't give it up.

D.C.H. :

It is for you to decide. I have tried to tell you this morning both the advantages and disadvantages of Banaba and Rabi.

Rotan :

Would the Commissioner please explain what is meant by staying on Rabi and going back to Banaba ?

D.C.H. :

Is it necessary for me to answer that question ? I have already told you this morning what it means to stay on Rabi or return to Banaba.

Am I to understand from your reluctance to give me a direct answer, assuming that you are speaking for the whole of the Banaban community, that you wish to own two islands and wander freely between them ?

Rotan :

That was indeed our agreement at Ocean Island (agreement refers to what they agreed to between themselves).

D.C.H. :

I am afraid there is little I can do to help you further in this discussion. If you are unable to make up your own minds it will be my duty to so report to the High Commissioner.

Kaitu :

There is some important work to do at Banaba in connection with the boundaries. That is why we cannot give a direct answer.

D.C.H. :

Rotan, don't waste my time. I have a very big area to administer and I can't stand here for you to fence with me. It is not a difficult question to decide. It is either "Yes" or "No". "Yes, we stay on Rabi Island" or "No, we do not stay on Rabi Island". If it is "Yes", we get down to work and settle in here, if it is "No" you will probably have to wait here at least two years to enable arrangements to be made to accommodate at Ocean Island or somewhere else.

I don't want to waste your time. I told you this morning the advantages and disadvantages of Rabi Island. It is for you to decide, not one of you, and it is my duty to advise the High Commissioner and the reason I wish you to give a decision is to enable the Government of Fiji and W.P.H.C. to do everything in their power to make you happy and contented here. It is hard for you and for the Government but the answer lies with you, not with me nor with Major Kennedy, but with you and in making that decision you have to remember your children. Is it better for them to inherit the island of Rabi or for them to live on Banaba. That

is all I have to say.

Rotan :

I am sorry for wasting your time but there is one thing we are afraid to answer now and that is that question because Banaba will be lost to us.

D.C.N. :

When the Phosphates are finished no ships will go there, you will get no money and you will be the only people there. Where is the headquarters of the Banaban Government going to be or do you envisage two Governments, one at Rabi, one at Banaba ?

Rotan :

We do not think of making two Governments. If we are going to stay on Rabi will Ocean Island be lost to us or not ?

When pressed  
Question by Rotan made statement

See

" We agree to stay on Rabi Island for ever if Ocean Island is not taken away from us."

Answer

" This is a matter which I will have to refer to the High Commissioner. I will take the necessary steps to place it before him as soon as possible. I will ask him to give the Banaban people an answer quickly."

Kaitu :

We do not want Major Kennedy.

D.C.N. :

Is there anything else you would like to say before I go ?

Rotan :

We wish to ask about our lost money.

D.C.N. :

The matter is being enquired into by the Police.

Rotan :

On behalf of the Banabans I thank you for coming here and if we have anything we wish to report we will tell you.

D.C.N. :

All reports must be made through Major Kennedy and I hope to visit you again soon. I thank you again for being so patient in this very long meeting today.

(Sgd.) J.E. WINDRUM  
D.C.N.  
17.6.46

Also present : L.W. HARWOOD  
Agricultural Officer Northern.

J. PROBERT 17.6.46.  
A.S.O.P.

COLONY OF NIUE,

P.O. BOX 10,

18th June, 1946.

24

Dear Macdonald,

In continuation of my letter, Windrum has been and gone. He arrived about midday on the 12th left for Buaa Bay and Tavuni early on the 14th, returned here on the 17th and left for Savasavu early this morning. He was accompanied by The Agricultural Officer, (Harwood) and the Police Officer (Probert).

2. Windrum had two meetings with the Bandems; the first, on the 13th lasted about half an hour and the second yesterday, (17th) which lasted from 10.30 a.m. to 5 p.m. (with a break for lunch).

3. At the first meeting he received a request from the old men to have me removed from Rabi. At the second meeting, at which all the "elders" were present he received a similar request backed up with about half a dozen accusations. Windrum will be reporting no doubt and so I will not attempt to vitiate any conclusions to which he may have come by giving my own views at this stage. I shall report officially, of course, when I get time to marshal the facts. The chief object of this addendum to my letter is to let you know that I have suggested to Windrum that, in view of the difficulty he had in following the "shuffling" of the Bandems' political game, due, not only to ignorance of the language, but also to inexperience with this type of islander, he request that you be sent here to investigate our difficulties. He concurred and gave me to understand that he would telegraph Suva on his return to N.C.



4. I regard it as of the utmost importance to the possible success of the Rarabua Settlement on Rabi that a person who understands the Rarabua and knows the language should come, without delay and armed with the necessary authority to enter into a final agreement with them for permanent settlement on Rabi. I think you are the only person who could undertake this.

5. You would need to be able to state definitely the conditions under which the Fiji Government would agree to the Settlement, - taxation; right of disposal of land (or otherwise) between Rarabua themselves or between Rarabua and others; right of returning to Rarabua at any time after 1947, (temporary visits? or for permanent residence?); annuities to continue, or not; land holders funds to be released or not? (it may be held that they could rightly be released to all Rarabua who received a share of Rabi provided that the tenure of such share were in fee tail); in respect of the settlement of how many people will the High Commissioner agree to hand over all of Rabi with its plantations, equipment and livestock? (obviously, an island of this size could not be handed to a mere 20 or 30 families). It will be necessary to stipulate clearly the position with regard to each of these points and, possibly, others before a final agreement can be obtained.

6. I am suggesting this agreement, at this time, because it will be impossible to go ahead with work of a permanent nature until it is made. If the Rarabua do not accept the terms offered for permanent settlement here, it may be necessary to advise the Gilbert and Ellice Islands Colony administration to prepare for their return to Cecan Island at the end of 1947.

7. After interminable shuffling at the meeting yesterday, Retan and his clique, as a result of several questions, put by Lindsay at my suggestion, were forced into

the position of declaring "for Isbi and permanent settlement here, henceforth, provided they do not lose their interest or rights in Ocera Island".

8. I do not know how far the High Commissioner is prepared to go in yielding to their "rights" to Trust Funds, but I feel that, if the administration views the desirability of their settling here as urgently as does the B.P.C. it may be advisable to yield some "rights" provided they do not take the form of annuities. For their own good, annuities should cease as soon as possible.

9. In any case, if you could come here, state the position definitely & obtain a signed agreement stipulating terms, from a sufficient number of people, we could then hand over the island and all things on it for division. (Partition in fee-tail tenure as regards land). Local troubles would then probably disappear.

10. The administrative officer would have the comparatively simple task of supervising partition, organising villages and social services, coaching the local government and preparing generally to hand over full control to the settlers.

11. I fear me that Botan's apparent yellow face at the end of Windrum's meeting yesterday covers many mental reservations and hides many future verbal equivocations, but I feel that the time is ripe to bring our wordy friends face to face with the reality of deciding their own destiny.

12. I hope that you will agree and that H.E. will authorise the course I have suggested. If not, I propose to visit Suva, as soon as arrangements can be made, in order to discuss the situation with all who are interested.

13. Revi, the Magistrate, visited me this morning and, when I informed him that, as a result of the requests made to Windrum, I proposed to visit Suva and recommend to H.E. that

he appoint another officer to this post, he protested forcibly and said that, at yesterday's meeting, quite a number of influential people wished to refute the accusations of Rotan's clique but were waiting for Windrum's "invitation" to do so. I replied that Windrum had called the meeting, whether they had any more to say. Rewl stated that they thought he was addressing the complaints only.

14. My own impression was that the meeting was pretty solidly behind Rotan and the front benchers. Rewl however, stated that there were many who were disappointed that the issue was not put to the written vote. It would appear that not many wish to be made to appear ridiculous by challenging the glib Rotan in debate. Here, again is an indication of Rotan's reason for banning my general meeting of elders at which the various issues were to have been decided by written vote.

15. At my time of life, I feel rather despondent at finding myself embroiled in a tangle of petty politics in such a very small, if turbulent community.

16. Harwood gave me much valuable advice and I have no doubt he will submit a report to his Head of Department.

17. Probert looked into our police problems and will likewise recommend necessary action through his department.

18. Again hoping you will be able to visit Rabi and help solve the outstanding problems - also (and my wife joins me in this) hoping you will be able to bring Delis and the Dairn and stay with us.

I am,

P.S. A copy of this letter is being sent to Windrum. Any or all of my letters to you may be treated as C.O. if you require them for record. I have not addressed Habington on this subject of the Benchers solely because he has not yet had time to go into the past history of the problem, and any reference to this would need to be covered by tedious explanations.



COPY

93

1695

FROM THE ASSISTANT SUPERINTENDENT, NORTHERN.  
TO THE ACTING COMMISSIONER OF POLICE.

BANABAN COMMUNITY ON RABI.

22nd June, 1946.

In accordance with your telegraphed instructions, I accompanied the District Commissioner, Northern, to Rabi, arriving on the afternoon of 12th June.

2. In an interview with the District Officer, Major Kennedy, D.S.O., that day and again next morning, he made it very clear that conditions were far from satisfactory and that he attributed a good deal, if not all, of the trouble to one Rotan, one of the "Heads of Families".

3. The history of this man as related to me is as follows:-

He arrived on Banaba in 1920, as a Missionary after having been trained in Samoa by the London Missionary Society. Well educated, fluent and with a political mind, he eventually became the recognised leader of the Banabans and, as such, came into conflict with the then Administration and, in 1926, openly defied the Resident Commissioner.

Throughout the years, he was their constant spokesman and his methods must have had some success.

The next thing of interest was his capture, early in 1942, by the Japanese and eventually he was selected to go to Kusaie in the Caroline Group. There he was employed and appeared to be a willing worker.

is apparently true  
Major Kennedy

On the arrival of the Banabans at Rabi on 15th December 1945, his position as leader of the community was still recognised and to such an extent, that instructions were given to him in the first place and he, then, conveyed them to those concerned.

Early in January 1946, an election was held, seven members assuming the duties of Councillors. To maintain a democratic basis for legislation, the District Officer sought the approval of those elected to appoint four others. This course was agreed to. Rotan was one of the nominees and he was subsequently appointed by the District Officer to be Chairman of the Council.

On 26th January 1946, a meeting of Council was held and it is alleged that Rotan ignored the District Officer to such an extent and expressed sentiments, the implication of which were so antagonistic to Government, that the District Officer considered it necessary to suspend him.

A further incident occurred when the Native Magistrate, at the request of the District Officer, sent a message to one of the Banabans requesting his attendance to permit of an inquiry being made of him in connection with a matter then under review. He was prevented from doing so by Rotan who informed him that verbal messages were to be ignored. Rotan claimed that the issue of a summons was obeyed only after the matter had been referred to him, when he would decide whether it was one in which Government could properly act.



the opinion that although somewhat evasive in his answers, he was, nevertheless, sincere in his belief that he was the chief representative of the community. He told me he had been chosen by the people to voice their complaints and that he had difficulty in doing so. He then briefly referred to the District Officer's drinking habits and to his apparent disregard for their welfare. He expressed the view that this officer no longer had their interests at heart.

4. At a meeting held on 17th. almost all of the "Heads of Families" and Councillors were present. It was convened to enable the community to place their views before the District Commissioner, Northern, who invited the District Officer to be present. A complete record of the discussion was taken and a copy will, I understand, be forwarded to the Hon., the Colonial Secretary. I would, however, mention that the matter of the necessity of the District Officer leaving Rabi, his drinking and his neglect of them was referred to more than once and in his questioning of them, it was noted that whilst he endeavoured to justify his course of conduct as an Administrator, he did not refer to the allegations of intemperance.

5. There will be no dispute that the conditions at Nuku under which the Banaban's live are primitive. A large number of them are still living in tents, many of which leak badly. No serious attempt has been made to deal with either drainage or sanitation which is primitive in the extreme.

*Because they had  
in by a military.*

6. On the other hand, extensive structural improvements have been carried out at the District Officer's quarters. Electric light, hot water and a septic system have been installed and, in addition,, a well formed and graded motorable road has been made.

7. There can be no doubt that these facts weighed heavily with the Banaban's. It would be difficult indeed for them not to contrast the seeming comfort of the District Officer with their own squalor nor to estimate whether the prodigious amount of labour required in the making of the road would not have been better employed in providing hospital and school accommodations or in the carrying out of some comprehensive scheme of building and sanitation.

8. Another matter which seemed to be puzzling the Banabans was the conditions governing their residence on, and their purchase of Rabi. It was fully discussed at the meeting and following a full explanation, they expressed their desire to buy the island and live there permanently, provided Banaba was not lost to them.

9. Orders given by the District Officer regarding the slaughter of cattle, the riding of horses and the movement of the Banaban's from Rabi were no doubt brought into force for some good reason but the fact remains that resentment at them has reached a stage where observance is farcical. Wanton riding of animals is still persisted in and during last month, three Banaban's went to Tavuni to see Ratu Lala. Two returned, the other is said to have gone to Suva.

10. One of the most disquietening things which came to my notice was the alleged larceny of £250 from the safe of the cooperative store. The District Officer carried out some inquiries without result. He is of the opinion that when the safe in question was handed to a Banaban named Ikamawa by Mr. Crabbe during last January, two keys changed hands and as he received only one, Ikamawa must have retained the other. On the other hand, Ikamawa, asserts he received only one key and that the other was retained by Mr. Crabbe, who said that he would send it on to Major Kennedy. If the latter version is true it would



appear that Rotan and his assistant Kabuta, who have access to the key, must know something more than what they have admitted. I have written to Mr. Crabbe regarding the handing over and his reply will be communicated to Major Kennedy as soon as received.

11. Another disturbing factor is the retention in a safe in his office of an amount approximating £6000. The safe is a small one and could be removed by two men with ease. A suggestion that a guard be placed over it at night was met with the reply "that it was probably safer without one." A second suggestion that it would probably be safer in his own quarters brought no reply other than the implication that it would be a source of worry to his wife.

12. With no knowledge of the people or of the problems of either the Administration of the community and depending entirely on verbal communications during my short stay, I forward this report with a good deal of reservation. I have no hesitation, however, in saying that the unrest is general and that feeling is running very high. It might well be that under the influence of "toddy" which is consumed in large quantities, the present attitude might become one of open defiance and perhaps, of violence.

*this is  
somewhat  
premature!*

13. Now that the question of their residence on the island has been settled, I would recommend that a comprehensive scheme of housing, drainage and sanitation be commenced forthwith and that in view of the Banabans' lack of knowledge of this work, it be carried out by Fijians under the direction of the District Commissioner, Northern.

14. I do not recommend the use of any members of the Fiji Police at present. No laws have been drawn up by the Banabans, there is no Court, no Gaol or suitable accommodation. Their presence might be resented and made the excuse for aggravating a position already full of possibilities.

15. I would suggest that an officer of the Western Pacific High Commission, one who has a thorough knowledge of these people, and of their language be sent to Rabi to carry out a full inquiry.

(Signed) J. PROBERT  
Ass't. Superintendent.



1115  
I cannot say whether  
it is possible to increase the  
price of phosphate to consumers  
in Australia & New Zealand, who  
take the bulk, if not all, of the  
main and Ocean Island  
production. The only way to find  
out is to ask the British Phosphate  
Commission.

1602

It should be remembered,  
however, that in addition to the  
proposed royalty of 1/9 per ton the  
Commission pay royalties as  
follows:- 2/8 per ton to the Beneben  
Propident Fund and 10/5 per  
ton to the Beneben Royalties Fund.  
That is total royalties of  
2/19 on an f.o.b. value of  
phosphate of 33 5/6 per ton, which  
is just over 12% - W.A.A. 1/26  
But 13/5/26

I think the terms of this letter from the  
Treasury justify Mr. Caine's observations in para. 1  
of his minute of 20/8.

1604

I think we should explore every possibility of  
getting a maximum contribution from the Commission  
right from the start, and the only way to do this is  
to suggest to the High Commissioner on the lines of  
'X' in my minute of 4/11, or of 'X' in 7. The  
Commission's arguments would probably be that the  
Treasury have made a very good investment in the  
Company (see (1) in my minute of 26th September).  
But on this file we are concerned with the revenue  
recovery of the Gilbert and Ellice islands, and I  
think we should be quite sure that the consumers of  
the phosphates, to whom the profits are indirectly  
passed on, are paying a price for their phosphates  
/which

which ensures that the Colony is adequately compensated, irrespective of the total annual production.

W. J. Walker

16/11/46.

Mr. Minister.  
Mr. Cairns

Mr. Serpell, as it appears to me, says you must base your requests for royalties on the amount of profit (presumably 'net profit') which the Phosphate Commission is making on its sales ~~and~~ and on what it is going to make at post-war price levels. There has I imagine been hardly time for the Phosphate Commission to produce any post-war accounts since they recommenced operations, and quite how in one to ascertain what their profits are or are likely to be except by a direct request for information which I imagine they would be able to find plenty of reasons for inability to produce. ~~Therefore~~ We have also to remember that as pointed out at the 16th October minute of 26/3 Ocean Island Phosphate Extraction is far less profitable than haurun & the Commission might well be tempted to agree "well if you are going to adopt that time we shall agree to have our profit on Ocean Island extracting ~~only~~." "

(After deduction of cost of re-jumping etc at Ocean Island & haurun etc)

(In any case I gather that shortly after speaking they were not a profit making concern at all.)

1603/4

112

WESTERN PACIFIC.

NO. 13.

1696

OFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC,  
SUVA, FIJI,

24<sup>th</sup> June, 1946.

Sir,

86034 / <sup>204</sup> 1941

With reference to the late Lord Moyne's despatch No. 70 of the 18th October, 1941, and connected correspondence relative to the taxation of the phosphate industry in Ocean Island, I have the honour to inform you that, on the suggestion of the British Phosphate Commissioners, their representative, in the person of Mr. H.B. Maynard, of their Melbourne staff, visited Suva recently to discuss and, if possible, to reach an agreement on the question of the post-war taxation of the industry in Ocean Island.

31  
86034/38.

2. The previous commuted taxation agreement with the British Phosphate Commissioners, which was given effect to by Ordinance No. 7 of 1938, was for a period of five years from the 1st July, 1938, and consequently came to an end on the 30th June, 1943. In the meantime the operation of the agreement was suspended as from the 1st January, 1942, by Ordinance No. 7 of 1942.

5  
86034/42.

3. After discussion with Mr. Maynard in Suva the Secretary submitted the attached memorandum explaining the position and the proposals of the British Phosphate Commissioners for a new commuted taxation agreement. After further discussion with Mr. Maynard, and reference by him to his principals in Melbourne, I agreed to recommend for your approval a new commuted taxation agreement as set out in the attached

the Right Honourable

THE SECRETARY OF STATE FOR THE COLONIES.



5.11.46.  
17.11.46.

attached copy of a letter addressed to Mr. Maynard. A copy is also enclosed of a letter from the General Manager in Melbourne signifying the Commissioners' agreement to accept the terms set out in the letter of the 5th April.

4. Ocean Island was re-occupied by British forces early in October, 1945, and the British Phosphate Commissioners immediately commenced the work of rehabilitation of the phosphate industry. They hope to re-commence the export of phosphate in July, 1946, and work up to a maximum production at the rate of 300,000 tons annually by the middle of 1949.

5. It will be observed that when the maximum production figure is reached the annual contribution of the industry to the revenues of the Gilbert and Ellice Islands Colony under the commuted taxation proposals now submitted will be as follows:-

Royalty:-

300,000 tons at 6d.	=	SA. 7,500.
300,000 tons at 1s.3d.	=	SA. 18,750.
Fixed contribution	-	<u>SA. 24,000.</u>
Total..	..	<u>SA. 50,250.</u>

6. I should be glad to receive by telegraph your approval of the agreement.

I have the honour to be,

Sir,  
Your most obedient,  
humble servant,

*M. M. M.*  
High Commissioner.

2465  
163 -

26



*[Handwritten signature]*

NO. 964.

25th June, 1946.

Dear Mr. Gaze,

Since writing you on 18th instant I received on 24th your No. 4 of 20th also enclosures for the Commissioners No. 5, for all of which I thank you.

1. H. A. VOSS:

The exchange of messages is interesting, particularly that Mr. Voss is reaching out in other directions.

2. SOLOMON ISLANDS:

Thank you for copies of personal letters exchanged with Mr. Vaskess. We are so fully occupied with our own Islands and Makatea that any diversion of our vessels to the Solomons must incur delays and inconvenience.

3. ISLAND SUPPLIES:

Your correspondence with Mr. Halligan on this subject is noted and the serious difficulties in obtaining our requirements are fully realised.

4. WAR DAMAGE:

The reports of Mr. Fisher and Mr. Figgis on this subject after visiting the Islands will be valuable. I note that copies of the correspondence with Canberra on the matter is included in List No. 5.

5. MINUTES:

I note you have received the original minutes of our last meeting which were sent to Mr. Amery for his signature. The data has certainly made a quick round trip.

6. 1946/47 PHOSPHATE ALLOCATIONS:

Your further comments on information contained in cable No. 543 are noted. It appears as if the matter has been finalised in Washington and that we can hardly hope for the decision to be affected by Mr. Amery's suggestion re sending the Florida phosphate to Japan, which certainly would have been the better arrangement.

7. CHINESE:

It is evident that Mr. Christian has made useful arrangements with the Chinese on the matter of overtime and rates to be paid.

I see by cable yesterday that the 'FRIENZA' arrived at Ocean and proceeded to Mauru on 22nd instant.

8. CHRISTMAS ISLAND:

The position there, as advised by Mr. Paris in your discussion with him, appears to be very unsatisfactory, and evidently it will take a considerable time for things to settle down. Probably they will have to send away practically all their old hands and engage a fresh lot but with the position so difficult at Singapore it is possible that considerable delay will be incurred.

8. INTEREST & SINKING FUND:

Thank you for messages Nos. 544, 545 and 546 repeating messages exchanged with Mr. Amery. From these it is very satisfactory to learn that the arrangement for 7/- per ton for four years beginning 1st July 1946 has met the approval of the British Treasury. Your advice of the result of the discussion with Mr. Ashwin in London on the subject of dating the interest reduction from 6% to 4% as from January 1942 instead of July 1944, is awaited.

8. NEW ZEALAND RATIONING:

You were advised by my cable No. 241 regarding Mr. Fawcett's meeting with the farmers representatives and merchants. He telephoned us details of this meeting and said that your comments on his proposals would be appreciated as he intended placing the matter before the Minister today. I therefore cabled you yesterday as follows -

"My 241 Fawcett advises following recommendations made at meeting -

- (a) Continuation rationing 1946/47
  - (b) Topdressing increase 20 percent on 1945/46 other sections remain same as 1945/46
  - (c) Heskett and imported slags to be rationed 1 ton 12 cwt. to 1 ton super.
- 1946/47 estimated requirements on this basis are

Topdressing.....



Topdressing	393,600	
Crops	120,000	
New pastures	40,000	
Appeals	10,000	
Soldier settlement	10,000	
Emergencies	40,000	to allow for excess orders above estimates
<b>Total</b>	<b>613,600</b>	

In addition following expected to be available 20,000  
Basis Slag equivalent for rationing purposes -  
13,000 Super  
5,000 Blood and Bone

Total super equivalent 631,600.

On these figures Fawcett expects surplus 18,400  
super equivalent 11,000 rock. Fawcett would  
appreciate your comments as he proposes place  
recommendation with Minister tomorrow."

This morning your No. 547 was received as follows -

"Your 242 consider proposals suitable and practicable  
as provisional plan which Fawcett could amend for  
second half year should phosphate supply position  
and or demand in Dominion justify or necessitate  
amendments."

This message was telephoned to Mr. Fawcett  
and he appreciated this prompt expression of our agreement  
with his proposals.

9. BANABANS AT RABI:

Enclosed please find copy of letter from  
Major Kennedy dated 10th ultimo containing valuable information  
regarding the position at Rabi and the attitude of the  
Banabans. We can hardly expect them to settle down in a few  
months but the fact that the younger men are obviously taking  
to their new home is, I consider, of much greater importance  
than that the 'old men' are still suspicious and complaining.  
We know by experience that it is impossible to satisfy the  
whole community. The winter months and the epidemic of measles  
will certainly try them out but theirs is not the only community  
which has been in trouble these days.

Yours sincerely,

Signed - ALBERT F. ELLIS

1831

Rabi Island,

28.6.46.

2465

RECORDED  
Sec p. 79

Reply 2.151

Sir,

We, all the Banabans, have the honour, indeed, to inform you that we have informed the Commissioner from Labasa of these, our wishes:-

- 1) We are very sorry (or dissatisfied) to be together with Mr. Kennedy on Rabi.
- 2) We have agreed to the purchase of this island, Rabi, as allowed to us by the High Commissioner; provided that Ocean Island would not be lost to us.
- 3) If we are to live on this island, we shall be pleased to be under the sway of the Governor for the Colony of Fiji.

Please help us.

We are your children.

The Banabans.

H.E.H. and P.D.M.

1831

2466

(for translation - see  
Page 74.)

Enclosure X.

Rambi Is.

28.6.46.

RECEIVED  
Secy P. 79

Sir,

Iai Karimani ae bati i rous  
ngaisa kaini Banaba ni bane, ni  
Kastia nakasani, ba ti a fia ni Kastia  
nakon te Kamitina mas Labasa  
nanora aikwa.

1) Li bati n nanokawaka i tikau  
bataki ma Ma Kennedy i aoni Rambi

2) Li adiani Kevana Kevana te  
aba asi ae Rambi, n ai aron are  
Kariaia nako ira te Kamitina ae  
Kiritata ma ma aki bus Banaba.

3) Ngkana tia maeka i aon te aba  
asi ast a Kukurui ni mena ian  
ana Tau taeka te Kevana ibukin  
te Koroni ni Fiji.

Taioka ni buokira

Ngaisa natini

Kaini Banaba.

H. E. N. as P. D. M.



1832

75

Rabi Island.

28.6.46.

2455

ANSWERED  
See p 60.

Reply p. 152

Sir,

We, all the Banabans, have the honour, indeed, to inform you of our collective wishes with regard to the price paid for the soil of Ocean Island, our island, as follows:-

- a. Banaban Landowners.
- e. Banaban Royalty Trust Fund.
- i. Banaban Provident Fund.

(a) Banaban Landowners - We beg of you to be allowed the freedom to it, to draw from it or to accumulate it.

(e) Banaban Royalty Trust Fund - We beg of you that you will agree to the sharing by us, individually, and per acre, as explained in our 'kabowi' with the Resident Commissioner and the Secretary to the High Commissioner held in the former's office at Ocean Island on 23.5.40.

(i) Banaban Provident Fund - We agree that this fund should be the foundation of the works for our welfare as sanctioned by us.

(o) The reason for these, our requests, is the fact that we now agree to the purchase of Rabi to be our land in the same way as Ocean Island is ours.

Thankyou very much for your assistance.

We are your children,

The Banabans.

H.E.M. and P.D.M.

*[Handwritten signature]*

1832

(for translation -  
p. 75)

Enclosure XI.

69

Rambi Is.

28. 6. 46

(2466)

Sir,

RECEIVED  
S. P. 80

Iai karineam ae tati i roura  
ngara kaini Banaba ni bane, ni  
Rastia nako im, Berasin nanora i  
aon bon tinon abara ae Ocean Island. w  
ai arow aikai:

- a. Banaban Landowners.
- b. Banaban Royalty Trust Fund.
- c. Banaban Provident Fund.
- (a) Banaban Landowners - Ii bukiko te  
kora ni ananmata i aona, w aniti  
ke ni karai a piki.
- (b) Banaban Royalty Trust Fund - Iibu-  
tika ba ko na karai a w tibatibi  
nako ira i aon te aomata, asi aon  
te eka, w ai arow are kastaki w ara  
Kabowi mia te tinimane i Banaba, as  
ana tia koroboki te Kamitina ae  
Rictata n. 23-5-40, w ana aobiti te  
tinimane i Banaba.
- (c) Banaban Provident Fund - Ii karai

*[Handwritten signature]*



te mane aei ba e na riki  
ba ari makuri ibukira ni bai  
aika te karai ni karai.

(c) Oin ara bubuti akai, ba keoma  
ngkai tia karaiia kaboom Rumbi  
ba abara, ni ai eron naba Banaba  
ngkai bou abara.

Kame bati n raba n emi  
i bus buski.

Paia natimi

Kumi Banaba.

M. as P.M.



1837

Rabi Island.

28.6.46.

2435

ANSWERED  
S. p. 81.

16.9.46.

Sir,

I have the honour to ask you to assist me in the interests of all the Banabans, now as we draw nigh to the end of the Banaban money at the G. & E.I.C. and I want to know of the fund called "Fixed Deposit". My opinion is that this is Banaban money as it is raised from 6d. royalties. You know the truth, and I wish you to inform <sup>me</sup> of the truth.

2. I want to know the correct price of Rabi, as Mr. Cartwright said it was £20,000 but Mr. Kennedy said £25,000.

3. I also want to know of Wakaya whether it shall also become our land or its price refunded.

4. I want to know of the funds of our store at Ocean Island, whether these are being used or not. I have asked Mr. Kennedy to inform me but no satisfactory replies were received.

5. I want to know how much money the Government has permitted to be spent on our behalf for the things that have ~~been~~ done by Mr. Kennedy on Rabi for us.

I am very sorry to worry you with these, but you will appreciate that these are the <sup>h</sup> things we very much want to know.

I am,

(Sgd) Rotan,

For the Banabans.

H.E. Maude.

P.D. Macdonald.

123

*[Handwritten signature]*

(for circulation  
see p. 76)

Enclosure XII.

71

Rabi Is.

28. 6. 48

ANSWERED  
P. 81

Sir,

Jai karamnam ni buri ko ba  
kora buokai ibuki. I-bana  
ni bane ngkai timan. Bana  
tokini to manani Bana  
mema inam on to k. a. 1. 1.  
ao I a Kaw ata taekkan to  
mane ae pangapi ba  
Fixed Deposit. I ku ingo balow  
to manani Bana ba are e reke  
man b, Kaw ba e t. k. a. u. s. Kaw  
bia mangai te k. a. u. s.

2. I a Kaw ata elini bow Rambi  
to Mr Bartisputh e tuku ba 2000.  
ao Mr Kennedy e tuku ba 25,000.

3. I a Kaw ata naba taekkan  
Wakaya, ba e na pikis naba ba  
abara ke a piai n. a. ki. b. a.

4. I a Kaw ata taekkan ma-  
nen ara Titoa i Bana ba, ba  
ngai ae ti makuri sai ke pikis

*[Handwritten signature]*

Ia tia ni butia Mr Kennedy ba  
e na tuangai, ma akca te kaaka  
ae rian.

5. Ia keu atara ba urana te mana  
are ka rian te tua i bukira raka  
bai aika e a tia ni karaoi Mr  
Kennedy i aon Rambi i bukira

I badi or rano kawaki ni  
Katabe a angan kani ni bai  
ma e bon Inuskenaki i rouni  
ba boni bai aika di badi ni  
Kau atari

Ngai Ralan

I bukira J. Panaba

H. E. Maude  
P. B. Macdonald



26  
164

252

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 106.

28th June, 1946.

The New Zealand Commissioner,

Dear Sir Albert,

I received yesterday your letter 964 of the 25th.

1. INTEREST AND SINKING FUND

53

I repeated to you yesterday a cable from Mr. Bankes Amery from which you will see that Mr. Ashwin will try to have a talk with the British Treasury before he leaves London.

2. CHRISTMAS ISLAND

Mr. Paris left here this morning by plane for Sydney and proceeds thence by air to London tomorrow. He expects to be back at Christmas Island by September and mentioned to me that he thought Mr. Vinen might come out with him.

3. BANABANS AT RAMBI  
OCEAN ISLAND LAND

55

I have read Major Kennedy's letter of 10th May with considerable interest. The reactions of the older and younger men to settling at Rambai are what one might expect. It is to be hoped that everything possible will be done by Major Kennedy to press forward arrangements for better living conditions and to encourage the Banabans to adapt themselves to the different conditions of living at Rambai.

With regard to the financial suggestions in the letter I think this may be an indirect way of trying to find out whether or not we favour capitalising the phosphate interests of the Banabans. I suggest it would be wise when replying to be non-committal about this and to say something along the lines that the 1940 offer was a very generous one which it is difficult to find any good reason to increase, but that if the Government has in mind a plan on different lines to deal with the matter the Commissioners would no doubt give careful consideration to it. Meantime I have discussed the letter with Mr. Maynard and Mr. Young and we will make some calculations as to the present value of future royalty payments.

With regard to the idea of acquiring the whole of the remaining phosphate land, Summary 51 of the 1940/1941 summaries shows 603 acres as the balance of unworked land at

Letter to N.Z. Commissioner No.106

23/6/46

P.2-

3. Banabans at Rambi  
Ocean Island Land (Continued)

30th June, 1941. However, part of this is above the 170' contour and therefore included in land already under negotiation. The acreage below the 170' contour is about 247. The phosphate content of this would be low and Mr.Young estimates the pro rata acre value, compared with our 1940 offer for land above the 170' contour, is about 223/-/-.

4. MAKATRA CONTRACT

I enclose a copy of cable 214 received from Mr. Bankes Amery this morning, together with the reply which I am sending today. I have conferred with Sir Clive McPherson who is in agreement.

5. C.I.F. PRICES -- 1946/1947

Referring to my letter No.105, I enclose a note re c.i.f. prices for the coming year dated 27th June, attached to which are estimates of outside phosphate accounts for the years 1945/46 and 1946/47.

6. LOADING AT NAURU AND OCEAN ISLAND

A message from Ocean Island today states that 24th July is the earliest they can be ready to load phosphate. From Nauru the advise is that they cannot be ready before 19th July, and this is subject to the lifting of quarantine on the recruits on 29th June. Mr.Kirk says there are several suspicious cases amongst the recruits and it is to be hoped that none of these develop into illness requiring extension of the quarantine period.

Yours sincerely,

(SGD.) A. HAROLD GAZE,

ENCLOSURES:

- Note re c.i.f. prices for 1946/47
- Estimates of outside phosphate accounts for 1945/46
- " " " " " " 1946/47
- C/Cable from Mr. Amery No.214
- C/Cable to Mr. Amery No.304

} 27/6/46



2468  
H.S.

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE

per s.s. "TRIONA" (13)

Ocean P.C. No. 20

29th June, 1946.

The Ocean Island Manager,  
-----

Dear Sir,

Thank you for your letters Nos. 8 and 9.

1. MAJOR R.F. WAKEFIELD:

I attach for your information copy of a personal letter received from Major Wakefield and of my reply. I am sorry that Wakefield is leaving the Colony.

2. REPORT ON VISIT TO FIJI:

I enclose copy of Mr. Maynard's report on his visit to Fiji during March/April of this year.

Taxation:

The result of the discussion on the question of the commutation of the taxation is set out in Appendix 16.

Income Tax:

Paragraph 3, Appendix 16, states, inter alia, that members of our Ocean Island staff are to be exempted from "Income tax, including arrears due in respect of any previous year."

On the 10th June, you telegraphed :-

" Income tax assessments 1941 been received payable 30th June  
" some of staff would like your view as to whether they should  
" pay."

to which I replied on the 11th June :-

" Staff should not pay.  
" Have telegraphed High Commissioner - message begins -  
" 'We are informed by telegram that income tax assessments  
" 1941 have been received payable 30th June by our Ocean  
" Island staff. Grateful if you would take up the matter  
" with Resident Commissioner with a view to withdrawal of  
" assessments by Treasurer.'  
" Message ends."

I sent you a further telegram on 14th June -

" Secretary High Commissioner telegraphs today  
" Message begins -  
" 'Referring to your telegram of 11th. Income Tax Assessments

(Cont.)



29th June, 1946.

" Treasurer is being instructed to extend date of payment for  
 " 6 months with a view to eventual cancellation if and when  
 " taxation agreement approved and necessary legislation  
 " enacted."  
 " Message ends."

3. ADDITIONAL MINING LANDS SURVEY:  
PARTY OF BANABANS FOR IDENTIFYING BOUNDARIES:

I confirm the following telegrams :-

To 31/5/46:

" Additional Mining lands survey work to proceed with the  
 " least possible delay using E. Wigley full time. Refer  
 " Drawings 299MO 1403 forwarded  
 " Referring to Engineering letter to Ocean No.1 -  
 " Boundaries new areas should be established base lines run  
 " enable individual blocks to be roughly located on plan when  
 " owners define boundaries and corners marked. Consider Wigley  
 " with additional surveyor for whom making enquiries will <sup>be</sup> full  
 " time this work until preliminary and permanent surveys  
 " completed and propose replacing Wigley by draftsman with field  
 " experience Telegraph your views.  
 " For your information expect boundary markings party Banabans  
 " will proceed Ocean Island within 3 or 4 months though no  
 " definite arrangements yet made with Government. What do you  
 " suggest regarding accommodating party which might be up 150  
 " including say 75 wives."

From 3/6/46:

" Agree arrangements additional surveyor and draftsman with  
 " field experience both should be sent as soon as possible.  
 " Suggest accommodating Banabans Tapiwa Village in tents  
 " preferably each accommodate 2 persons if you provide tents I  
 " can arrange erection including shingle floor also pit latrines  
 " fresh water salt water. Would require Rotan with party."

To 5/6/46:

" Enquire Nauru if any tents available Please advise."

From 11/6/46:

" Referring to your telegram of 6th - Nauru can supply 13 tents  
 " only 14 feet by 14 feet by 3 feet and 9 flys."

I attach copy of my personal letter to Sir Alexander  
 Grantham, dated 10th May, to which I have not yet received a reply.

We have a Surveyor/Draftsman in view and hope to send  
 him up in August. We have not yet been able to obtain a second man.

Yours faithfully,  
 per pro THE BRITISH PHOSPHATE COMMISSIONERS,

(Sgd.) A. Harold Gaze,  
 GENERAL MANAGER.

TELEGRAM.

[Code 6078]

1830

From THE HIGH COMMISSIONER.

To THE SECRETARY OF STATE.

2459

No. 168.

(Date) 4th July 1945.

RECEIVED  
Secy P. 37

IMPORTANT. CONFIDENTIAL. Scheme of settlement of Banabans (natives of Ocean Island) in Rabi Island, Fiji. During their occupation of Ocean Island Japanese deported all Banabans some to Nauru some to Kusale (Caroline Islands) and some to Gilbert Islands. With cooperation of British Phosphate Commissioners who provided ship for transport D.G. Kennedy was sent in November last to collect the Banabans and as their villages in Ocean Island had been completely destroyed and there were no food supplies available in that island Banabans were brought direct to Rabi Island which had been purchased early in 1942 and paid for from the Bandan Provident Fund for Banaba settlement purposes against the day when the progressive destruction of Ocean Island by mining operations should render it untenable.

2. Banabans arrived at Rabi Island in December last on the understanding that the settlement should be regarded as temporary until they should have had time to decide whether they were prepared to settle in Rabi permanently.

3. Great difficulty is being experienced with the Banabans who are naturally indisposed to commit themselves until they know exactly what the policy is to be in connexion with their lands in Ocean Island and the disposal of the phosphate royalty funds. Maudo is present in Suva engaged on preparing a statement of the position in respect of all these matters for submission to you for decision.

4. In the meantime it has become urgently necessary to relieve Kennedy in Rabi and no suitable Officer is available in Fiji or the Gilbert and Ellice Islands Colony for the purpose. Holland would do very well as he knows the Banabans intimately and unless he is already committed to appointment as representative of British Council in Trinidad (see your telegram No. 74) I propose to offer him temporary post as Bandan Welfare Officer at difference between his pension and £1,000 Fiji currency payable from Bandan Royalty Trust Funds. If he has not yet been appointed to British Council I should be grateful if that appointment could be held in abeyance pending his decision on offer mentioned above.

5. Grateful for early reply by telegraph.

(Receipt put up at 23 in C.P.F. 90 + 90 in R.P.F. 51.)  
# p. 4. in R.F. 90.  
(see 18 in C.P.F. 90)

130

High Commissioner.



2470/166

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

per "Triona" (13)

OCEAN ISLAND P.C. No. 55

14th July, 1946.

The Ocean Island Manager,  
-----

Dear Sir,

1. LEASE OF LAND FOR USE BY CHINESE:

We have exchanged the following telegrams :-

From 8/7/46 (No. 154):

" Although instructed to the contrary Chinese building  
" private shacks outside Chinese location over weekend  
" have already pigs in stys. Does paragraph H.V. Bott's  
" personal letter 2nd May refer to shacks and pig pens  
" outside Chinese location. Chinese hostile withdrawal  
" of privileges enjoyed previously. District Officer  
" Ocean Island willing to allow them to use area ground  
" near Chinese location west of Hospital for gardens if  
" marked out and we agree to pay rental when fixed  
" Banabans. Will endeavour persuade them to use land  
" already leased for gardens but expect refusal as too  
" far from Chinese location."

To 8/7/46: (No. 77):

" Referring to your telegram No. 154 - Bott's letter -  
" Our answer is "No". Outside location is District  
" Officer's jurisdiction but we should assist food  
" producing activities if sites available and supervised.  
" Agree renting land proposed. To control suggest  
" District Officer issue permits gardens pig pens subject  
" to cancellation if not kept satisfactorily. Plan  
" operated successfully Nauru whence details can be obtained."

I agree to renting land to enable our Chinese to keep fowls, ducks, pigs, and to raise produce in gardens. The Chinese may wish to keep their fowls, ducks and pigs in worked out phosphate land where the coral pinnacles assist in the fencing and roofing. The gardens will, of course, be located on non-phosphate land.

2. WORKED OUT PHOSPHATE LAND ON OCEAN ISLAND:

(Within the 150 acres Mining Land):

In our negotiations with the Banabans for the transfer to us of 150 acres of mining land we agreed that all lands after being worked out shall revert to native owners as soon as this can take place without inconvenience to our operations. We



5th July, 1946.

were unable to come to an agreement with the native owners for the acquisition of the 150 acres of mining land and the Resident-Commissioner on the 10th January, 1931, entered into possession of this mining land and on the 18th January, 1931, the Resident Commissioner issued a lease to us under the provisions of Section 5 of the Mining Ordinance, 1928.

In connection with the execution of this lease, we wrote to the Resident-Commissioner on the 24th January, 1931 -

" We undertake -  
 " That after being worked out all phosphate land the  
 " subject of the lease shall revert to the Resident  
 " Commissioner, as soon as this can take place without  
 " inconvenience or prejudice to the operations of the  
 " Commissioners."

The reason why the Resident Commissioner asked on the 17th January, 1931, for the undertaking given in our letter of 24th January, 1931, is that when we were conducting negotiations for the acquisition of mining land by agreement with the Banabans we gave an undertaking -

" All phosphate mining lands after being worked out to  
 " revert to native owners, as soon as this can take place  
 " without inconvenience to the Commissioners' operations."

The 150 acres of mining land is now deemed to be Crown Land and if it is proposed, at any time, to use any worked out phosphate land within the 150 acres the negotiations for the use of such land for Chinese private shacks, pig pens, fowls, ducks etc., will be made with the Resident Commissioner.

### 3. OUTSIDE THE 150 ACRES MINING LAND:

Any worked out land outside the 150 acres of mining land which you may wish to lease will be the subject of leases with the Banaban landowners concerned.

### 4. NON-PHOSPHATE LAND:

In the meantime I note that the District Officer is agreeable for the Chinese to use an area near the location, west of the hospital, for gardens, on condition that we mark out the boundaries of the land and agree to pay rent from the date of using the land, when the lease is fixed with the Banabans.

The Banaban landowners concerned in any land we use, either in worked out phosphate land or non-phosphate land, will have to be included in the boundary-marking party, if and when the Banabans go to Ocean Island in connection with new mining land.

5th July, 1946.

The rentals we are paying for all leasehold lands are set out in our Accounts Letter No.7 dated 29th June, 1946, and we do not want to be forced to pay more. If nothing is said to the Banabans they may, when they find we are using the land, ask a higher rate than we are paying. We should then be in a position of having to meet their demands - which would unsettle the Banabans who are being paid at the present rate - or refer the matter to Australia.

Possibly the District Officer has communicated with Major Kennedy, the Administrative Officer at Rabi, with a view to obtaining the consent of the Banabans to the use of their land subject to the conclusion of a lease when the owner is known. If not we are willing to take up the matter with the Banabans through Major Kennedy.

Yours faithfully,

per pro THE BRITISH PHOSPHATE COMMISSIONERS,

(Sgd.) A. Harold Gaze,  
GENERAL MANAGER.

86624/46

2 1700

C. O.

Mr. Webster <sup>6/2</sup> atmel

Mr. \_\_\_\_\_

Mr. \_\_\_\_\_

Mr. \_\_\_\_\_

Mr. \_\_\_\_\_

1 ansd

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Coded + sent

6/7/46

gby

1445 hrs

No 149. Confidential

DRAFT. Code tel.

IMPORTANT

(1)

7aw telegram no. 168

BANABANS

Banabans settlement.

H.C.

Wes. Pacific

Offer may be made to HOLLAND.

See

NOT COPIED

RECEIVED  
-6JUL 1946  
COL. OFFICE

FURTHER ACTION.

From B. to  
note.

Mr. Wilkins to see  
after action

W. Wilkins  
877



NO. 966.

9th July, 1946.

2471

27

167

Dear Mr. Gaze,

I acknowledge with thanks receipt of your letters Nos. 106/108 dated respectively 28th and 29th ultimo and 4th instant also enclosures as listed.

1. INTEREST & SINKING FUND:

It will be of particular interest to hear how Mr. Ashwin succeeds with the Treasury regarding the backdating of the reduced interest. By press news he will now be en route for America on his way home.

2. PANABANS AT RAIBI:

The points you mention for inclusion in my letter to Major Kennedy are useful and will be brought forward when I write to him in a week or so. I hope to keep in regular touch with him in order to learn how the position is developing.

Regarding the phosphate content of the area below the 170' contour, I judge that Mr. Young's estimate as to pro rata acre value compared to the 1940 offer would be about right. Naturally the country varies a very great deal but I consider it is all workable right down to the extensive pinnacle belt extending from Sydney Point round the eastern side connecting with the old Tapiwa workings.

3. PHOSPHATE ALLOCATIONS 1946/47:

The position regarding the enquiry from the Liaison Officer at Tokyo as to the 50,000 tons of Makatea phosphate is noted and you will probably be advising further developments. Copy of letter No. 169 from Mr. Bankes Amery containing his views in detail regarding the Makatea diversion is carefully noted. As the position stands at present it does not appear as if this diversion of supplies to Japan can be averted but there should be good prospects of our being recouped for any financial loss in the matter.

I confirm receipt of your cable No. 552 of 4th instant repeating Mr. Amery's message No. 216 as per decode herewith.

Letter No. 966 to Mr. Gaze.

- Page 2 - 9/7/46

27

4. CONFERENCE WITH AUSTRALIAN FERTILISER MANUFACTURERS

Thank you for copy of the memorandum dealt with at this meeting which I note passed off satisfactorily. Two copies of the memorandum for New Zealand manufacturers have been sent to Mr. Fawcett for his information. Much useful data is contained in this.

5. WEATHER AT ISLANDS:  
INFLUENZA EPIDEMIC:

Your cable No. 478 advises westerly conditions and an outbreak of influenza at Ocean and this is noted with regret. It is unlikely that the westerly will last long and I hope that next Island news will advise that the epidemic has passed its worst stage.

6. "MID-PACIFIC OUTPOSTS":

My new book came out yesterday afternoon and some two dozen copies are available for the press. One is being sent to you by air mail by this opportunity. Further supplies will be sent by surface mail due to leave here on 11th instant.

Yours sincerely,

Signed - ALBERT F. ELLIS

Encl.  
Decoded Cables No. 244 & 550/552  
C/Letter to E.J. Fawcett, Esq. 26/6/46

1688(6)

(Copy sent to O.I.C., Rabi, Isd., on 1.8.46.)

TELEGRAM

ag. Rbr.  
G. J. B.

DECODE.

CODE Bentley's.

16 X 46 6 Rm

From Secretary, Western Pacific High Commission.

To: British Phosphate Commissioners, Melbourne.

No. (Date) 16th July, 1946.

E.C  
16.7.46.

4

Your telegram of 5th instant, Banabans. High Commissioner is seeking Secretary of State's approval for commencing negotiations with Banabans for permanent settlement of Rabi and would prefer that visit of boundary marking party to Ocean Island did not take place until completion probably late in year.

Secretary, Western Pacific High Commission.



K. ...

Col. Darby

The point which concerns us is the proposed exemption from Customs duties (para 3(d) of Enclosure No II to (1)). Under the 1938 arrangement the British Phosphate Commissioners were and are exempt from payment of Customs duties except on liquor and other liquors liable to duty and on tobacco in all forms. However, I think the extension to these articles can be accepted without comment as it is integrally bound up with the whole arrangement.

Col. Johnston  
1977

So far as exemption from Customs duties is concerned I think that the proposal should be accepted.

W. ...  
20. VII. 46.

Mr. Burt should see the mineral  
policy. ~~Presumably~~ The Treasury  
should also see these proposals  
since Gilbert & Ellice Islands  
revenues are concerned

92)

I imagine that the Treasury  
will wish to be assured that we are  
fully in agreement with the view in  
para 22 of the memorandum that  
writing the Ocean Island deposits  
at a rate which would bring down  
cost of production to a competitive  
level is desirable, in Burt's  
no doubt comment on this point but  
prima facie I should have thought  
there is no real case for depriving  
the present generation of the funds  
of the estate in order to conserve  
an asset for 40 years. From the narrow  
practical point of view a greater  
rate of exploitation would presumably  
reduce the cost of the plant in aid  
a world-wide attraction which  
Treasury.

(para 5 of  
despatch)

Subject to Mr. Burt's views on the  
necessary para. however I would  
agree that a committed payment  
of £50,250 compares reasonably with  
the nearer figure of £34,734 mentioned  
in paras 29 & 30 of the memorandum  
If we can however urge a higher  
rate of extraction than a maximum of  
300,000 tons per annum the committed  
payment would have the revised  
(5% shd be the total if  $\frac{1}{2}$  in due course)


1582

Enrolled  
5/8

As regards paras. 20-22 of  
the memo. in the despatch  
139

3

General Questions of Mining Policy  
 said that there was "no reason  
 why <sup>the</sup> ~~the~~ should hold back the  
 expansion of their mining  
 industries except in so far as  
 it may be necessary to avoid  
 too disruptive impacts on  
 the society, and to safeguard  
 against contractions in  
 mining employment." In the  
 case of Ocean Island, I take it  
 there is no alternative employment  
 for the British Phosphate Commission  
 employees and there is therefore  
 much to be said for having  
 the phosphate deposits as  
 long as they can be worked  
 as long as it is not thought  
 desirable to reduce the  
 output of phosphate as the  
 situation of reducing costs  
 arises as a result of the  
 expansion of the phosphate  
 industry and the fact that  
 the phosphate industry is  
 a major source of revenue  
 for the Government of the  
 Territory.

I think  


1583



... on account of the  
... phosphate... There  
is a... to the competition...  
... and Ocean Island  
phosphate. The former...  
... produce but the  
latter has a higher P<sub>2</sub>O<sub>5</sub> content.

I understand there is  
... phosphate...  
... that the f.o.b. value of  
Green Island phosphate for  
insurance purposes is  
taken as  $3\frac{5}{16}$  per ton (I  
could not get any more  
accurate figures). - Loyalties  
of  $1\frac{5}{9}$  per ton on a price of  
 $3\frac{5}{16}$  amount to 5.27, which  
I consider reasonable.

I do not follow the  
doctrine in para. 20 of the memo.  
... does not  
prevent the mandating power  
from being taxation for  
development and social services.

I take it that the...  
... with the...  
... and New Zealand...

mission. I think Ocean  
Blair has a claim to some  
of these profits, and this should  
be borne in mind when  
considering the question of the  
grant-in-aid.

12/5/46

Jacques with Mr Burt - proposed that  
concerns X it is agreed that £24,500 (limit)  
first amount is a tentative commitment for  
income tax and other taxation payments falling on  
the Corporation in the course of this agreement. Should  
the Corporation wish to get out of this undertaking sooner  
in the event of working costs exceeded in the Territory,  
the Corporation receipts and royalties, the latter being  
the economic value of the agreement in the ground.  
9.2% is reasonable for that only if the  
figures quoted in the agreement under royalties do not  
include any tax allowed which might properly  
be included under provisions

1584

12/5/46

13/5

2. W. Pae. — 38 Savings — 8.7.46.

1. Dr. Emanuel. 2. Dr. Sidelotham.

Consultation of these pp. has been  
interrupted to consider a point which Dr.  
Sidelotham has raised in connection with X  
on page 7 of the Enclosure to (1). As to this

142

Various

17/8

in which I shd. be grateful for any suggestions you may have in this aspect.

Meanwhile no. 2 has been registered. This proposes that the Commissioners should be exempt from the payment of Sales Tax & that, in fact, the legislation (attached) should be repealed. If you agree I suggest we should raise no objection to this & comment appropriately in the reply to (1) which will, of course, be telegraphic.

No. 17/40

W. Webster 16/8

Mr. Webster

I don't know what the effect of (2) is. Could we not tel. for figures?

W. Emmanuel  
17/8

I have discussed with Mr. Emmanuel. The Commissioners have always been exempt from the Sales Tax, so there is really no point in telegraphing for figures. (In 1945, had they paid it it would have brought in £30000)

Mr. Gaine

So far as No. 1 is concerned my own conclusion would be to agree by telegram to the conclusion of a new computed taxation agreement on the terms proposed in enclosure No. 1 to No. 1 on the assumption that this agreement will be without prejudice to any agreement which may be made vis-a-vis future payments of royalties into Banders funds, as to which we shall await the High Commissioner's recommendations. (As stated at the top of page 7 of enclosure 1 to No. 1 the question of payments to Banders funds

Saying that we do so

1523

1523/16

83 143



7  
are outside present negotiations but we must, I think, be careful that we do not prejudice that position in any way by what is now agreed).

I should also accept the proposal in No. 2 on this file in the circumstances therein stated.

1525  
*? time but then business with the Treasury for convenience*  
*Anticipatory arrangement*  
*attempt for very early reply.* J.B.S.  
19.6.45.

Mr. Sidebotham.

I do not at all like this proposal. Intrinsicly, I regard all agreements for exemption from taxation as undesirable and as regards mineral exploitation generally, the whole trend of recent policy has been towards securing a return to the side of the community more closely related to the actual financial results of the exploitation rather than a fixed or commuted payment. I realise that the conditions in Ocean Island are very peculiar and some agreement of this kind may, therefore, in spite of these more general considerations, be on balance desirable. But we still ought to try and get the best deal possible and I must say that on first examination, this looks to me a very poor bargain. The following points strike me:

1. The comparison between what it is expected to get under this arrangement and the pre-war receipts is rather confused by the inclusion of royalties. Apart from the fact that I think that these ought to be calculated quite separately from tax, the post-war royalties are calculated on the assumption of a much larger output.

2. Taking tax receipts alone, the pre-war total was £25,984 per annum against a proposed post-war payment of £24,000. Similarly the post-war tax to which the Company would be liable without such an arrangement is put at £35,332. The commuted payment of £24,000 would, therefore, make no allowance whatever for the fall in the value of money and the necessary increase in tax levied and looks a very good bargain indeed for the Commissioners.

1527  
3. The figures quoted include nothing in respect of income tax which might be payable by the Commissioners themselves. I should be glad to know exactly what is the position on this. There was, of course, no income tax at all in the Colony before 1941, but I see no reason why we should not bring it into the calculation now that the tax exists and is going to be continued for other people in the Colony. Is it suggested that the Commissioners are automatically exempt? If not, and if they are exempt only as a result of this taxation agreement, the loss of income tax must obviously be brought into the account in calculating whether the agreement is favourable or unfavourable to government. Incidentally, are the Commissioners liable to income tax either in the United Kingdom or the Dominions? If so, tax levied in the Gilbert and Ellice Islands would probably be recovered by the Commissioners under the double income tax arrangements.

I should be obliged for your further comments

on these points. If necessary they might be put to the High Commissioner.

20.8.46.

Mr. Emanuel.  
(Through Mr. Sidebotham).

Mr. Curran

I think we must accept the principle of commutation in this case for reasons of convenience (see Mr. Fox Strangway's minute of 19/7).

Although £24,000 p.a. represents the loss of £11,000 p.a. on revenue under the head of taxation, I should be chary of pressing for an increased fixed sum, as I feel sure the reaction of the Commissioners would be to make a claim for reducing the rate of additional royalty. We do not know what arguments were adduced by the administration to encourage the Commissioners to agree to this royalty of 1/10, but I cannot help feeling that the generous concession vis-à-vis taxation must have been one of them.

As regards payment of income tax by the Commissioners, I am afraid we have no definite information. I infer from back papers, particularly X on No. 15 of 86054/1, as well as from para. 3 of Mr. Vaskess' memorandum, that they are automatically exempt. I assume that, with the Commission being a non-profit-making concern, this is by virtue of Section 3(7) of the Income Tax Ordinance behind 1 on 86554/14. But these are only inferences, and perhaps we should telegraph to the High Commissioner saying that we are assuming, for purposes of comparing revenue accruing from this agreement with revenue which might accrue in the absence of such a receipt, that the three Commissioners are automatically exempt from the payment of local income tax, and ask him to confirm this.

F. D. Webber

22nd August, 1946.

Mr. Emanuel, for marginal comments etc.

Please pass to the Curran with any comments you may wish to make from the T.T. Angle etc. Mr. Curran's Curran, the new British Phosphate Commission is likely to be coming to see the Curran shortly & he may be able to throw some light on the Curran's side.

*Handwritten notes:*  
I should be chary of pressing for an increased fixed sum, as I feel sure the reaction of the Commissioners would be to make a claim for reducing the rate of additional royalty.  
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Mr. Sigebotnam.

NOTE.

(through Mr. Curran)  
paid

1901

The royalties, into the Banaban Provident Fund and Banaban Common Fund are outside the scope of the present agreement which concerns only what means are to be paid by the Commissioners in the Revenue of the Colony.

It will be seen from 2 on 85545/24/46 that Rabi was paid for out of the Provident Fund.

As regards the Common Fund, paragraph 3 of 86120/35 shows the origin of the arrangement which appears to have held good until the entry of Japan into the war; see also paragraph 3 of enclosure 2 to No. 1 on 86120/38. The agreement with the Banabans as to the administration of this fund will be found behind No. 3 on that file.

As you suggest it would be worthwhile enquiring with reference to this new agreement how the matter stands regarding (a) the payment of royalties to the Common Fund now that the mining operations are recommencing and (b) the administration of that fund now that the Banabans are in Rabi Island. You may recall the following which I have extracted from a "chit chat" letter of Mr. Maude's.

"The only question in which Gaze allowed himself to criticise the Government freely - 'off the record', of course; - was our treatment of the Banabans. He said that he had no doubt in his own mind that the Banabans, if the point was taken to the Courts, would succeed in gaining full rights over their funds; they had until recently always been given to understand (as he had himself) that they were the owners



1701

owners of the under surface rights and he could not see that any change of policy instituted late in the day (by Sir Murchison Fletcher) could deprive them of these rights. He added that they were fools and he had little expectation of their agreeing, while on Ramboi, to any settlement which would have the effect of separating them from their funds (either accrued or prospective). I smiled but said little: time will tell if he's right."

'X' above might be taken up on the 86120 series after action on this file.

W.D.W. 15/11

P.S. After discussion with you today on this I feel that in replying to (1) on 86034/46 we should make it clear that <sup>we assume that</sup> the agreement which has been reached vis a vis the payment of royalties in fact reserves will not be to the prejudice of any agreement which may be made vis a vis the payment of royalties in Baramba funds, as to which we will await the His recommendations in due course. And a copy shd. then go on 86120/46. W.D.W. 15/11

1585

87 147

2473 169 28

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

Per Airmail

OCEAN ISLAND P.C.No.28

20th July, 1946.

The Ocean Island Manager,

Dear Sir,

1. PURCHASE OF THE FIJIAN ISLAND OF KIOA:

The July number of the Pacific Islands Monthly contains the information that Kioa was bought at auction on 15th June on behalf of the Ellice islanders of Vaitupu. The price mentioned is £2,000 and the statement adds that Mr. H.N. Maude bid for Kioa on the islanders' behalf. The Pacific Islands Year Book gives the approximate area of Kioa as 9 square miles. Kioa lies a few miles south-westward of Rebi.

2. PHOSPHATE LAND. By 24/1:

On the receipt of the reply to my telegram of the 5th July to Sir Alexander Grantham, I telegraphed to you on the 17th July :-

" If Banaban visit arranged will probably be late in the year."

The High Commissioner's message reads :-

- " 18th July. Referring to your telegram of 5th inst. Banabans.
- " High Commissioner is seeking Secretary of State's approval
- " for commencing negotiations with Banabans for permanent
- " settlement Rebi and would prefer that visit of boundary
- " marking party Ocean Island did not take place until
- " completion probably late in year."

3. MR. R. GREENE - Assistant Ocean Island Manager.

I enclose copy of Dr. Walter Sumner's report of 22nd July on Mr. Greene. Subject to further examination in a month Mr. Greene will return to Ocean Island. He is consulting a specialist this week on his own account.

4. COMMENCEMENT AND TERMINATION OF MILITARY OCCUPATION OF OCEAN IS.

The date of commencement of military occupation of Ocean Island was 1st March, 1942, as shown in the Schedule to Ordinance No.3 of 1945.

On 22nd July we received a telegram from Suva stating that 1st November 1945 is being declared as the date of the termination of the military occupation of Ocean Island.

Yours faithfully,

per pro THE BRITISH PHOSPHATE COMMISSIONERS,

(Sgd.) A. Harold Gaze,

GENERAL MANAGER.

Enclosure: 5/Dr. Walter Sumner Report for Mr. Roberts 26/7/46.

35

TELEGRAM.

12

To : Secretary to the Western Pacific High Commission, Suva.

From: The District Officer, Rabi Island.

16th August, 1946.

(6) Your telegram No. 24.

Banabans would prefer to consider lease on first visit to Ocean Island. They regret being unable to give immediate consent.

Holland.



OUTWARD TELEGRAM

3  
1702

86034/46

Conf. Code

TO HENRY PROFFER (Sir A. Grantham)

FROM S. O. S. PHOSPHATE.

Sent 29th Dec, 1945. 22.15 hrs.

No. 186. Confidential.

14/10/46

Your despatch No. 13. Phosphate industry  
proposed taxation agreement.

2. The terms of agreement have been under  
consideration here and at first sight some doubts  
were raised whether proposals represent a  
satisfactory bargain from the point of view of  
Gilbert and Ellice Islands, having regard  
particularly to the increase in value of money and  
the corresponding increase in the rates of taxation  
generally, together with the introduction of income  
tax.

3. Opportunity has been taken of informal  
discussion with U.K. member of Phosphate Commission  
who said frankly that he and his colleagues regarded  
the correspondence between Yabess and Howard  
enclosed in your despatch as final and not as  
reference to myself.

4. The matter will have to be referred to the  
Treasury here, and before doing so, I shall wish  
to know whether there was any correspondence which  
made it clear that an agreement would be subject to  
my approval.

5. I assume from the enclosure to your  
despatch that royalty payments by the Commission  
to British funds, (paragraph 13 of Yabess  
Memorandum refers), are continuing on the same basis  
as formerly. Please confirm.

OFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC,  
SUVA, FIJI.

No. C.F. 48/5/9.

20th September, 1946.

Greetings,

7.118  
With reference to your letter of the 28th June, relative to the settlement of the Banaban population on Rabi Island, I am directed to inform you that:-

- (1) No action is required regarding the complaint of the Banaban people against Major D.G. Kennedy, D.S.O., as his place as Officer in Charge of Rabi Island has now been taken by Captain F.G.J. Holland, O.B.E., G.S., who is an officer well known to you;
- (2) Your statement that the Banaban people agree to the purchase of Rabi Island has been noted with satisfaction by the High Commissioner, who desires me to assure you that there is no intention that it should affect your existing rights on Ocean Island; and
- (3) Your willingness to remain at Rabi Island under the administration of the Colony of Fiji has also been noted.

I am,

Your obedient servant,

7  
For Secretary, Western Pacific (High)  
Commission.

The People of Banaba,  
Rabi Island.

COPY.

OFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC,  
SUVA, FIJI.

No. C.F. 48/5/9.

20th September, 1946.

Greetings,

P.K.O

With reference to your letter of the 28th June, containing certain requests regarding the control and distribution of Banaban Funds and the purchase of Rabi Island, I am directed to inform you that your desires have been duly noted but that it is not possible, at this stage, to give you definite answers to the points raised by you as they have been referred to the Secretary of State for his decision. You will be notified of the Secretary of State's ruling on each matter as soon as it has been received.

2. I am to state that the delay in replying to your letter is regretted.

I am,

Your obedient servant,

For Secretary, Western Pacific High  
Commission.

The People of Banaba,  
Rabi Island.

152



COPY.

OFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC.

SUVA, FIJI.

No. C.F. 48/5/9.

20th September, 1946.

Greetings,

I have received your letter of the 13th August and, in reply, would like to assure you that the requests which the Banaban people made to Mr. P.D. Macdonald and to me during our visit to Rabi Island have not been forgotten.

During the time which has passed since our visit I have been busy in preparing for the High Commissioner a full report on the Banaban Funds and the lands on Ocean Island and Rabi. Now that is finished and the High Commissioner has sent it to the Secretary of State with his recommendations.

As soon as the final decision of the Secretary of State on all matters has been received, either myself or some other officer will visit Rabi Island and explain everything to you. Then the Banaban people can make their decision whether they wish that Rabi Island should be their home. This decision would not, however, affect the present rights of the Banaban people on Ocean Island.

That is all.

Ten Rotan,

Rabi Island.

2477 36 170  
THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 126

9th October 1946.

The New Zealand Commissioner,

Dear Sir Albert,

I refer in this letter to questions of policy which I took the opportunity of discussing with Mr. Webster when he visited Melbourne last week.

1. PUBLICATION OF ACCOUNTS

Mr. Webster is opposed to the publication of our Confidential Accounts and considers we should adhere for our public accounts to the printed form as last published. When Mr. Fisher was here I asked his views, and he said that, though it is not his function as auditor to decide or advise how much should be published, his personal opinion is that to publish our Confidential Accounts would be sheer folly. I have promised to write to Mr. Amery again on this subject and shall be doing so as soon as practicable.

2. ISLAND STAFF CLAIMS (Minute 42A(a))

I mentioned to Mr. Webster that it had been agreed by the Commissioners to consider compensating the Island Staff for loss of effects left behind when the Islands were evacuated. In accordance with the approval given in the minute I appointed a committee consisting of Messrs. Bott, Bridges, Kirk, Figgis and Milne, with Mr. Bott as Chairman, to go through claims received from members of the staff on forms which we circulated for the purpose. I cannot yet say how much is involved, as the examination of the claims has not yet been completed, but the amount will be substantial.

3. NAURU LAND

Detudawa has approached the Administrator at Nauru, stating that the agreement which he and the other chiefs made with us in 1933 was not regarded as definite, and that he expects me to discuss with them before 30th June, 1947 on behalf of the Commissioners the terms to apply for twenty years from that date. Though the word "interim" is used in Colonel Chalmers' letter dated 9th December 1933 to the Nauru Manager enclosing the agreement which was signed by the chiefs, I am sure this implied only that it covered the period until the issue of Ordinance No. 11 of 1939. You will recollect that the terms we offered were approved in advance by the Commonwealth

3. Nauru Land

Government, and the issue of the Ordinance shows clearly that no one at that time had any doubt that the acceptance by the Nauruans of the terms was final and binding. I imagine that some of the younger Nauruans may have been suggesting to Detudamo that more money should be obtained from the B.P.C. and that Detudamo in consequence is trying to find a way of re-opening the matter. Obviously it would be embarrassing to the partner Governments if dissatisfaction regarding land terms should exist concurrently with the application for a trusteeship agreement in respect of Nauru. I think, therefore, that it will be necessary to hear what the chiefs have to say and to make some increase in the terms on the ground of depreciation in money values.

4. OCEAN ISLAND LAND

I explained to Mr. Webster that at the moment we can make no headway regarding Ocean Island land terms because the Government is negotiating with the Banabans at Rabi regarding their future home, and possibly also regarding the capitalisation of their Ocean Island land interests, though we have no definite information on the latter subject. If we can get no news from Suva during the next few weeks, I propose to telegraph the High Commissioner, as in the meantime we have not given any reply to the 'bubuti' of the Banabans to Mr. Maynard for an increase in the 1940 offer from £175 to £225 per acre and from 1/- to 1/6 per ton. It is important that the terms agreed for the two Islands shall be kept proportionate, otherwise dissatisfaction would arise. My idea is that it might be policy to concede at both places an increase in royalty of say 3d per ton in addition to some increase in the price per acre.

5. COMBUTED TAXATION, OCEAN ISLAND

Mr. Webster looked over Mr. Maynard's report. We are now waiting to hear whether the Colonial Office confirms the agreement made between the High Commissioner and Mr. Maynard. Should the Colonial Office demand increased payments, it may be necessary for the Australian and New Zealand Commissioners to refer the matter to their Governments. In the meantime payments are being made in accordance with the provisional agreement.

6. CHRISTMAS ISLAND

Mr. Webster has read the notes on my discussions with Mr. Vinen in London October/November 1944 and in Melbourne June 1945, also recent letters from Mr. Amery and Mr. Vinen. He is in agreement with the idea of purchasing firm for shipment 1948 and 1949 moderate quantities if necessary to secure options up to 200,000 tons in each year. He favours control, should this



6. Christmas Island

be found practicable, in preference to long term contracts.

7. RESERVE STOCK PROPOSALS

I outlined to Mr. Webster the ideas of Mr. Wolskel of the Phosphate Co-operative Company, and when next in Melbourne he will go through the file on this subject.

Yours sincerely,

Sgd. A. Harold Gaze.

2417  
36 170

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 123

9th October 1916.

The New Zealand Commissioner,

Dear Sir Albert,

I refer in this letter to questions of policy which I took the opportunity of discussing with Mr. Webster when he visited Melbourne last week.

1. PUBLICATION OF ACCOUNTS

Mr. Webster is opposed to the publication of our Confidential Accounts and considers we should adhere for our public accounts to the printed form as last published. When Mr. Fisher was here I asked his views, and he said that, though it is not his function as auditor to decide or advise how much should be published, his personal opinion is that to publish our Confidential Accounts would be sheer folly. I have promised to write to Mr. Amery again on this subject and shall be doing so as soon as practicable.

2. ISLAND STAFF CLAIMS (Minute 424(a))

I mentioned to Mr. Webster that it had been agreed by the Commissioners to consider compensating the Island Staff for loss of effects left behind when the Islands were evacuated. In accordance with the approval given in the minute I appointed a committee consisting of Messrs. Bott, Bridges, Kirk, Figgis and Milne, with Mr. Bott as Chairman, to go through claims received from members of the staff on forms which we circulated for the purpose. I cannot yet say how much is involved, as the examination of the claims has not yet been completed, but the amount will be substantial.

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3. Nauru Land

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6. Christmas Island

be found practicable, in preference to long term contracts.

7. RESERVE STOCK PROPOSALS

I outlined to Mr. Webster the ideas of Mr. Wolskel of the Phosphate Co-operative Company, and when next in Melbourne he will go through the file on this subject.

Yours sincerely,

Sgd. A. Harold Gaze.

39

2478  
3: 171

3. 1946

No. 978 15th October 1946

Dear Mr. Gaze,

I wrote you last on 24th ultimo and now acknowledge with thanks receipt of your letters Nos. 126 and 127 of 9th and 11th instant also Commissioners' Enclosure List No. 12 and list of enclosures No. 174.

Your No. 126 deals with questions of policy discussed with Mr. Webster during his recent visit to Melbourne.

1. MAURU LAND:

The information contained in each of your letters makes it clear how this matter has arisen and I judge it should not be difficult to come to some arrangement when the time arrives and certainly it would be preferable to take the line with the natives that any increase given should be in respect of depreciation in money values.

2. OCEAN ISLAND LAND:

The delay in receiving advices from Suva points to there being continued difficulty in getting the Nankans to settle down at their new home. The less we appear in this matter, the better I consider, pending such time as the natives evince a reasonable attitude.

With reference to their 'babuti', I doubt the advisability of increasing the rate per acre as well as an increase in royalty to say 3d. per ton. It appears to me that if an increase is practically forced on us it should be in regard to the royalty.

3. COPIED TAXATION OCEAN ISLAND:

I sincerely hope it may not be necessary to refer this matter to the Governments on this side. I feel sure the view would be expressed in Wellington that our industry is already making copious payments in respect of Ocean Island operations apart from the fact that our employ is of very great value to the natives of the Gilbert & Ellice Colony.

3/15/10/46

4.

RESERVE STOCKS OF PHOSPHATE:

It is noted by your 127/3 that the Phosphate Cooperative Company will not let this matter rest and are seeking to bring it forward at the next meeting of the Agricultural Council. An aspect of this matter which we have not as yet brought forward is, I consider of great importance. The course of action advocated by Mr. Folskel if carried to its legitimate conclusion would shorten the length of the Mairu and Ocean Island deposits by about 50%, and it appears to me that our policy should be in the opposite direction. We should I consider pursue a policy of extending the life of these invaluable deposits by keeping production at say 1<sup>1</sup>/<sub>2</sub> million tons per annum and purchasing other requirements from the high grade deposits of Christmas Island and Makatea and if necessary the lower grade deposits. In such case any reserve stocks would have to be outside phosphate and we might well consider the advisability of the Phosphate Cooperative Company being informed officially that this would be the only course open for the Commissioners to consider, in the event of the Governments on this side deciding in favour of any such scheme. It is possible that clear intimation to this effect might call a halt to the unsatisfactory manner in which this matter is being pursued.

You may have the opportunity of discussing this aspect with Mr. Fraser and it would be interesting to hear his impartial views.

5.

PRESS EXTRACTS:

I enclose extracts from the 'New Zealand Herald' of 2nd instant concerning an adverse report in 'Pacific Islands Monthly' re the position at Mairu as to which the Herald made enquiries of me. I also enclose press clipping from the 'Christchurch Star-Sun' of a sub-leader under the heading of the 'Phosphate Islands'.

Yours sincerely,

Signed - ALBERT F. ELLIS

Encl.

Newscuttings 'Herald' 2/10/46; 'Christchurch Star-Sun' 5/10/46



COPY

173

33 RAMBI ISLAND  
FIJI Via SUVA  
18th October 1946.

2480

Copy for Ocean Is  
wb

Dear Sir Albert Ellis,

I am very conscious of being late in writing to you, and to Lady Ellis also. But there has been a press of work. I have had to move at high pressure. Not only was there considerable arrears of work to overtake, and day to day problems were numerous, but also I undertook a campaign as regards agriculture, housing, roadmaking, resuscitation of civic spirit and individual effort. The campaign is still in progress. There is much about it all, that I would like to put down here, but that must wait.

The old men still long for Ocean Island, and for reasons good enough for them. The more stable and drier climate, the convenient life as they remember it - and it really was convenient - and the dignity given them by their local knowledge. With the young men it is different. They see a wider horizon, actual and metaphorical, adventure, and a land with a progressive future, but they are not prepared to argue it out with the old men. They say sarcastically, the old men talk, we have to work. It would be most unwise however to put the matter of Rambi to a vote, as few young men would be free from customary obedience. They would side with the old men. My plan is to make the matter inevitable, by the accumulation of measure in its favour - building of roads, houses, giving Gilbertese names to local places, sending boys to Suva for education, teaching of agriculture and Fijian lore, and so on. I hasten to assure you at this point that (a) the Banabans hold not the slightest pro-Japanese feelings, and (b) the Banabans hold not the slightest anti-European feeling. They are as intensely loyal to the flag as ever, bless them.

I regret not having written yet to the Secretary of the Y.M.C.A. Auckland about the welfare worker. There is at present no work for such a man, except to duplicate what I am doing, and that would be waste. Further, the Mission pastors are doing magnificently. They were among the first to start building, and now have good churches and splendid services. Do you mind therefore talking to the Secretary, and giving him my message, with sincere thanks added.

The Banabans were greatly pleased with their copy of your book, and all have had a good look at it. It is kept in the office, but loaned to those who wish to have 'another look'. Only this morning, a number of old men asked for it again. I could not help telling the assembly, when I presented the book, that the B.P.C. still loved them, in spite of the nuisance - the great nuisance - they had been. What resonant chuckles followed. Who loves a joke more than the Gilbertese? I have yet to find such a person or persons.

With the kindest messages to you and Lady Ellis, in which my wife and Barbara join.

Yours sincerely,  
Signed - F.G.L. HOLLAND

2479

THE BRITISH PHOSPHATE COMMISSIONERS, OCEAN ISLAND

Box S.S. "Triona" (14)

P.C. No. 14

16th October, 1946.

The General Manager,  
Melbourne.

Dear Sir,

We acknowledge receipt of Joint P.C. No. 32.

1. RECONSTRUCTION REPORT No. 5

These have been distributed as requested.

2. ELLICE ISLANDS RECRUITING

In view of the Government advice that prospects at Vaitupu were poor owing to the purchase of the island of Eica, near Rambi, Fiji, by the people of Vaitupu and their land settlement scheme there, we have taken out permits to enter the Closed Districts of Nui, Mintao, Nanamaga and Hukofetau.

It is hoped that sufficient recruits will be obtainable from Mamua, which is not a Closed District, and Mintao, where, the Government advise, the young men are asking for work.

3. DANABAN COMMUNITY

Major Lloyd informed me that the Acting Resident Commissioner, Mr. H. E. Maude, had advised that six Danaban men, with wives, were desirous of visiting Ocean Island for the purpose of examining land boundaries. I have asked for information concerning the families and will pass this on as soon as received.

On 15th instant I telegraphed you as follows

"Mr. H. E. Maude advises six Danabans with wives  
"no children wish to visit island for purpose of  
"examining land boundaries - asks if we any  
"objection. Have requested names of men. We  
"to accommodate. If Rotan and/or Ioto Eri in  
"the party propose agreeing - do you agree.

and thank you for your reply of 16th instant

"Referring to your telegram of 15th agree  
"unconditionally if as we assume they are nominees  
"of Danabans approved by Mr. H. E. Maude.  
"Presumably they constitute party referred to in  
"High Commissioner's telegram to us 16th July  
"referring to Confidential letter from Melbourne 26  
"second paragraph and it would not be in order  
"for us to stipulate who shall come.

Yours faithfully,  
FOR THE BRITISH PHOSPHATE COMMISSIONERS,  
(signed) Roger Greene

ASSISTANT OCEAN ISLAND MANAGER

Incluzes:-

C/Letters to District Officer Nos. 60 to 69 incl.

C/Letters from District Officer Nos. 43 to 49 incl.

C/Cables exchanged



COPY

173

29

RAMBI ISLAND

FIJI Via SUVA

18th October 1946.

2420  
Copy for Ocean Island  
W

Dear Sir Albert Ellis,

I am very conscious of being late in writing to you, and to Lady Ellis also. But there has been a press of work. I have had to move at high pressure. Not only was there considerable arrears of work to overtake, and day to day problems were numerous, but also I undertook a campaign as regards agriculture, housing, roadmaking, resuscitation of civic spirit and individual effort. The campaign is still in progress. There is much about it all, that I would like to put down here, but that must wait.

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With the kindest messages to you and Lady Ellis, in which my wife and Barbara join.

Yours sincerely,  
Signed - F.G.L. HOLLAND

2481

COPY

22nd October 1946.

70/1946

The District Officer,  
OCEAN ISLAND.

Dear Sir,

With reference to your verbal advice regarding a party of six Banabans with wives who desired to come to Ocean Island from Rabi for the purpose of examining land boundaries, would you please advise the Acting Resident Commissioner that, if, as we assume, the party constitutes nominees of Banabans approved by him we have no objections to their visit.

We should be obliged if he can give an early indication of their expected date of arrival so that preparations can be made for their accommodation.

Yours faithfully,

for THE BRITISH PHOSPHATE COMMISSIONERS,

(signed) Roger Greene

ASSISTANT OCEAN ISLAND MANAGER.



2402  
 Copy for Ocean Id //

COPY

THE BRITISH PHOSPHATE COMMISSIONERS, AUCLIA/D. 175

CONFIDENTIAL

29th October 1946.

Dear Mr. Gaze,

This morning I received a letter from Major Holland dated at Rabi 18th instant and enclose copy herewith for your confidential information.

In my opinion one can sum up the situation as regards the Banabans not only by what Holland says, but also reading between the lines. I judge that the atmosphere is good and that he is handling the position in the best way. His method is, so to say one of 'peaceful penetration' in the way of gradually increasing the majority <sup>decision</sup> in favour of Rabi, rather than by trying to carry the position by an immediate vote, in other words evolving instead of trying to force the issue. We must remember that in the native mind there is always longing for travel and adventure. If they had the idea that a majority decision would mean a prompt return to Ocean Island with the stirring incidents therewith I have little doubt that one and all would decide for it regardless as to what effect it would have on their future settling down at Rabi. Then again if they were to go back to Ocean it would not be very long before they would be equally keen on another voyage back to Rabi. In other words they could hardly be called responsible where such a big issue is concerned and their leaning will ever be one in the direction of travel combined with a definite love for their old home, Ocean Island. As the old generation passes away the feeling regarding Ocean Island will materially lessen and more decided preference will be given to Rabi, particularly on the lines that Major Holland mentions, having their boys educated at Suva, getting in touch with the Fijians and so on.

I am relieved to read Major Holland's assurance that they are not disgruntled in any way. In many ways Major Holland's letter has reassured me considerably.

Yours sincerely,

Sgd. Albert F. Ellis.

Encl.

C/ Letter from Major Holland 18/10/46.



Copy for Ocean Island  
 24/10/46

COPY

THE BRITISH PHOSPHATE COMMISSIONERS, AUCKLAND. 175

CONFIDENTIAL

29th October 1946.

Dear Mr. Gaze,

This morning I received a letter from Major Holland dated at Rabi 18th instant and enclose copy herewith for your confidential information.

In my opinion one can sum up the situation as regards the Banabans not only by what Holland says, but also reading between the lines. I judge that the atmosphere is good and that he is handling the position in the best way. His method is, so to say one of 'peaceful penetration' in the way of gradually increasing the majority <sup>decision</sup> in favour of Rabi, rather than by trying to carry the position by an immediate vote, in other words evolving instead of trying to force the issue. We must remember that in the native mind there is always longing for travel and adventure. If they had the idea that a majority decision would mean a prompt return to Ocean Island with the stirring incidents therewith I have little doubt that one and all would decide for it regardless as to what effect it would have on their future settling down at Rabi. Then again if they were to go back to Ocean it would not be very long before they would be equally keen on another voyage back to Rabi. In other words they could hardly be called responsible where such a big issue is concerned and their leaning will ever be one in the direction of travel combined with a definite love for their old home, Ocean Island. As the old generation passes away the feeling regarding Ocean Island will materially lessen and more decided preference will be given to Rabi, particularly on the lines that Major Holland mentions, having their boys educated at Suva, getting in touch with the Fijians and so on.

I am relieved to read Major Holland's assurance that they are not disgruntled in any way. In many ways Major Holland's letter has reassured me considerably.

Yours sincerely,

Sgd. Albert F. Ellis.

Encl.

C/ Letter from Major Holland 18/10/46.

AT

Tel. No.: Whitehall 1234



Your Reference 8603/46

Treasury Reference S.413/09



copy to Recs. Dept  
" " Miss Wilson

TREASURY CHAMBERS,  
GREAT GEORGE STREET,  
LONDON, S.W.1.

4th November, 1946.

Dear Webber,

-6

17/2

Please refer to your letter of 3rd October regarding the proposed new agreement between the British Phosphate Commissioners and the Gilbert and Ellice Islands Administration.

I think we can agree about the importance to the Gilbert and Ellice Islands budget of the receipts from Ocean Island. In the present difficult state of the colony's finances we ought to make quite sure that the Gilbert and Ellice Islands are deriving the maximum legitimate benefit from the activities of the British Phosphate Commissioners. As stated clearly in paragraph 32 of enclosure 1 to your letter it was recognised already in 1939-40 that the question arose whether the British Phosphate Commissioners or the British taxpayer should shoulder the burden of deficiencies in this region. We ought to be sure that the U.K. share is not unfairly high.

The High Commissioner has estimated that taking the depreciation of the value of currency in terms of goods and services at the low figure of 33 1/2 per cent, a pre-war total contribution to revenue of £A 34,374 would have to be raised to £A 46,312 to give the same annual value (Enc. 1 para 30). But this figure will not be reached until 1948 or 1949. My own view is however that we ought not to confine ourselves to parallels with pre-war contributions. The question of the B.P.C. contribution should be looked at in the light of the profits being made, or to be made, by the B.P.C. at post-war price levels. I feel it would be wrong to approve the provisional agreement without further information on this point. Perhaps you would in the light of that information consider a possible upgrading of the royalties with a view to a larger B.P.C. contribution towards expenditure in the colony during the next five years.

P. Webber, Esq., I.C.,  
Colonial Office.

Yours sincerely,

*D. M. S. J.*

it is possible to increase the price of phosphate to consumers in Australia and New Zealand, who take the bulk, if not all, of the main and Ocean Island production. The only way to find out is to ask the British Phosphate Commission.

1602

It should be remembered, however, that in addition to the proposed royalty of 1/9 per ton the Commission pay royalties as follows:- 2/5 per ton to the Beneficial Proprietor Fund and 1/5 per ton to the Beneficial Royalties Fund. That is total royalties of 4/10 or 2/9 on an FOB value of phosphate of 33/6 per ton, which is just over 12% - 13/11/2

I think the terms of this letter from the Treasury justify Mr. Cairns's observations in para. 1 of his minute of 20/8.

1602

I think we should explore every possibility of getting a maximum contribution from the Commission right from the start, and the only way to do this is to suggest to the High Commissioner on the lines of 'X' in my minute of 4/11, or of 'X' in 7. The Commission's arguments would probably be that the Treasury have made a very good investment in the Company (see (1) in my minute of 26th September). But on this file we are concerned with the revenue recovery of the Gilbert and Ellice Islands, and I think we should be quite sure that the consumers of the phosphates, to whom the profits are indirectly passed on, are paying a price for their phosphates



1713

W. D. Walker

16/11/46.

Mr. [Name]  
to: [Name]

" Mr. [Name], as it appears to me, says you must base your requests for royalties on the amount of profit (presumably 'net profit') which the Phosphate Commission is making on its sales ~~and~~ and on what it is going to make at post-war price levels.

(After deduction of cost of re-fitting etc. at Ocean Island & Haerem etc.)

I have had I imagine been hardly time for the Phosphate Commission to produce any post-war accounts since they recommenced operations, and quite how in use to ascertain what their profits are or are likely to be.

Except by a direct request for information which I imagine they would be able to find plenty of reasons for inability to produce ~~information~~ It has also been mentioned

(In any case I gather that shortly after starting they were not a profit-making concern at all.)

that as pointed out at the [Name] letters minute of 26/8 Ocean Island phosphate extraction is far less profitable than Haerem & the Commission might well be tempted to inquire "will if you were going to adopt that line we should also have our profit on Ocean Island extraction ~~etc.~~"

16/11/46

244  
176 288

THE BRITISH PHOSPHATE COMMISSIONERS, LONDON.

No. 188

5th November, 1946.

Dear Mr. Gaze,

1. PUBLIC ACCOUNTS COMMITTEE.

When I wrote to you on October 24th (No. 187) Mr. Robb was away with Mr. Young and I did not have the benefit of a discussion with him. Since his return he has called my attention to your letter to Sir Arthur Gaze of 10th March 1936 (No. 15) in which a good deal of information was given regarding the difficulty of expressing our accounts, and particularly the balance sheet, in Australian currency. I notice that you state the English banks operating in Australia have the same difficulty and that they have solved the matter by placing sufficient sums into a currency adjustment reserve.

In this connection I enclose copy of the relative portion of the 'Trading and Balance Sheets' for 1944, which forms the basis of Sir Arthur Gaze's evidence on 19th March. Sir Gilbert Upcott's printed report of 4th March refers to the question of the exchange value of the various currencies and this led to the rather rude enquiries and comments at the Public Accounts Committee. I see from a letter in the file that Sir Arthur Gaze was consulted on the 6th February 1946 about Sir Gilbert Upcott's report before it was issued but we do not seem to have any record of the action which he took.

I am now in the position that I shall almost certainly be called upon to give an explanation at the next meeting of the Public Accounts Committee and I shall therefore be grateful if I could have an up to date memorandum showing the difficulties in presenting the accounts in a single currency and mentioning what has been done to safeguard the consequential financial position.

2. INTERNATIONAL ALLOCATIONS:

I enclose a cutting from the 'Times' which reports upon the developments in the U.S. since the virtual abolition of price control for electoral reasons. This cutting states that 'Nobody with any pretension to political knowledge believes that.. the War Powers Act... will be extended beyond 31st March 1947 and that this would mean the end of all.. allocations.. and with equal certainty the life of the International Emergency Food Control Council.' This I suggest is sufficiently reliable as to confirm our previous expectation that there will be no international control of fertilizers for the year 1947/48. This view is now confirmed by your telegram 323 of 6th November, (though Nitrogen is a complication) and by the results of the American election.

3. REGISTRATION OF S.S. 'TRICHA' AND M.V. 'TRINZA':

I notice that you wrote to the Australian Commissioner on the 23rd October (No. 6) and the New Zealand Commissioner on the same date

(No. 129) about the transfer of our 2 vessels.

Unfortunately the Registrar of Shipping will not accept the documents prepared when I succeeded Sir Arthur Gage, for the reason that the formal consent of the Minister of Transport to the transfer of the vessels had not previously been obtained under the 'Ships and Aircraft (Transfer Restrictions) Act 1939'. I wrote to the Ministry of Transport protesting against this decision on the ground that the transaction was a purely formal one, that there was no real change in the ownership of the vessels or of the trade in which they were engaged, and that it was absurd that new documents should now have to be prepared and signed and sworn afresh in three separate countries merely because the formal consent of the Minister of Transport had not been given before the date upon which our documents were completed.

It appears, however, that the Treasury Solicitor has ruled that the Minister of Transport has no discretion which would enable him to sanction a transfer with retrospective effect. This is a somewhat ridiculous consequence of an Act which was passed in 1939 primarily in order to control the transfer of British vessels to foreign owners in time of war. The decision means that fresh sets of documents for the transfer of the vessels from Sir Arthur Gage to me, and from Sir Clive Matheron to Mr. W.M. Webster must be signed before we can get the change of ownership registered.

Fresh documents will accordingly be prepared in this office and sent to you in the ordinary routine for completion and return to us.

5. OCEAN ISLAND - FUTURE OF BANABANS:

I have read Mr. Maude's report which arrived with your letter No. 260 of 23rd October. This is of absorbing interest to a newcomer like myself who hitherto has had some difficulty in understanding the whole Banaban problem.

I do not, of course, feel qualified to offer any worth while observations on the proposals beyond recording that it would obviously be very desirable to clear up every remaining problem connected with the acquisition of Banaban land. Superficially, Mr. Maude's proposal that the purchase price for the land should now be fixed and should carry interest until such time as we require to work it, is very attractive since it would obviate all risks of subsequent argument with the Banabans and allow them to settle down to their new life on Rabi. Until however you have had an opportunity of considering the proposals, no doubt in association with the High Commissioner at Suva, and of reporting to the Commissioners on the financial aspects of the proposals, it would be premature for me to deal with the subject further. In view of the importance of the question, however, I hope that it will be possible for you to make some recommendations at the next Board meetings.

At the moment I do not think there is anything connected with the proposals which I can usefully discuss with the Colonial Office, but you will no doubt advise me on this question also. It is of course possible that it will



take the Colonial Office a long time to make up their mind what to do with the proposals even after they have received recommendations from the High Commissioner.

5. MAKATEA PHOSPHATE FOR JAPAN:

We have just received from Australia House (very belatedly) copies of the telegrams between Washington and Canberra about the price charged to the Americans for Makatea phosphate, and I attach copies of correspondence which I have had with Mr. Casdagli on the same topic. In view of the possibility that Mr. Bulcock may have something to do with this question I have sent him a copy of my letter to Mr. Casdagli. Mr. Bulcock is now in Washington.

6th November:

Since dictating the above I have received a copy of your letter to Sir Albert Ellis dated 2nd November and copy of letter from Mr. Nette of the Commonwealth Treasury of 29th October. I should have liked to send Mr. Bulcock a copy of Mr. Nette's letter but hesitated to do so, partly because the Treasury may already have sent him one and partly because it is not really my business to circulate letters we receive from the Commonwealth Government to other members of the Commonwealth.

7th November:

Just as this letter is going I have seen the telegram which Mr. Bulcock and Mr. Carside sent to the Commerce Department on the 5th November (1153) about the price to be charged for Makatea phosphate. This is clearly a matter for the Commonwealth Government on which it would be improper for me to offer observations.

Yours sincerely,

(signed) W. BANKES ALERY

Enclosures:

- Extract from the 'Times' 28 Octr. 1946
- + " " " 'Telegraph' 23 Octr. 1946
- \* Prospectus re-2½% Treasury Stock 1975 or after
- \* P.O. Issue do.
- Extract from 'Trading Accounts and Balancesheets' 1944  
ordered by H. of C. to be printed 22.1.1946.

\* Sent by personal letter

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE. 177

No. 131.

7th November 1946.

The New Zealand Commissioner,

Dear Sir Albert,

I thank you for your letter No. 980 received today.

1. OCEAN ISLAND LAND  
FUTURE OF BANABANS

I understand that the party of six Banabans and their wives are proceeding from Rabi to Ocean Island by a small Government vessel. Mr. Greene suggested putting up for their accommodation three native married quarters of our usual type at Tabian village, but as about six of our native married quarters will be unoccupied we have suggested to him that the Banabans be housed in these at the Tabian end of our native settlement. With regard to Mr. Maude's report, we may not hear for some time whether his recommendations meet with the approval of the High Commissioner and Colonial Office, but meantime I think we should give consideration to those points which affect us. The main question is are we willing to acquire the whole of the phosphate land as Mr. Maude recommends. I think we should agree to do so, subject to arrangement of terms. Regarding terms Mr. Maude is on safe ground saying that we should not pay less than the 1931 terms, which were fixed by arbitration, adjusted in conformity with the altered value of money. However, it will not be easy to define what adjustment should be made on this account. When in Sydney recently I asked the Commonwealth Bank for information as to the relative value of the Australian pound in 1931, 1940 and now. With some reluctance they gave me a statement, of which a copy is included in Enclosure List No. 14, but it was requested that I should check the information from other sources. Accordingly I am writing to the Commonwealth Government Statistician at Canberra to ascertain what official data he can supply. While such figures are a guide they apply only to Australian conditions, and although Australian currency is the official currency at Ocean Island, the natives there are affected only by the cost at Ocean Island of such commodities as they commonly use, and figures for rent etc., which are applicable to Australia, have no relevance at Ocean Island. I have asked Mr. Crook to take out a list of items usually purchased by the natives at Ocean Island, and we will try to arrive at index figures based on selling prices for the years 1931, 1940 and now. I think it is certain that we shall have to pay some increase in the

1. Ocean Island Land (continued)  
Future of Banabans

acre price and royalty at both Ocean Island and Nauru in order to obtain agreement on land questions. I discussed these matters with Mr. Webster in Sydney last week, and he would be agreeable to the acquisition of all the land at Ocean Island and to reasonable increased payments being conceded.

2. WEATHER AT ISLANDS

A heavy westerly has continued at Nauru for some days, and the "TRIONA" has been drifting. This morning the "TRIONA" moored at Ocean Island and commenced loading, which would indicate that the wind is keeping north of west. With bunker coal now aboard the "TRIONA" could not remain at Nauru later than 17th November, at which date she would still have enough left to reach Brisbane. We are sending 200 tons on the "OLIVEBANK" leaving here 9th November, which will enable the "TRIONA" to stay say twelve days longer, and I hope she will be able to load a full phosphate cargo instead of coming away short loaded. In view of the early commencement of the bad season we must expect delays to shipping during the next two or three months at least.

Yours sincerely,

Sgd. A. Harold Gaze.

ENCLOSURES

- C/ Letter to Australian Commissioner No. 7
- C/ Letter to U.K. Commissioner No. 262
- Commissioners' Enclosure List No. 14
- C/ General Letters from London Nos. 474, 475





Enclosure to Ocean Island P.C. Letter No.34

CABLES EXCHANGED RE PHOSPHATE LAND/VISIT OF BANABANS:

Received 15/10/46:

" Maude advises 6 Banabans with wives no children wish to visit  
" Island for the purpose of examining land boundaries asks if we  
" have any objection. Have requested names of men. Are we to  
" accommodate. If Rotan and/or Iete Eri in the party propose  
" agreeing Do you agree."

Sent 15/10/46:

" Referring to your telegram of 15th - Agree unconditionally if as  
" we assume they are nominees of Banabans approved by Maude.  
" Presumably they constitute party referred to in High Commissioner's  
" telegram to us 15th July Refer to Confidential letter from  
" Melbourne 26 - 2nd paragraph and it would not be in order for us  
" to stipulate who shall come."

Sent 21/10/46:

" Referring to your telegram of 15th - Have you any further  
" information. Were you asked to accommodate."

Received 23/10/46:

" Referring to your telegram of 21st - Awaiting further information  
" District Officer Ocean Island informed us today they would  
" probably come on the return of Avahau leaving Tarawa for Suva  
" today. Replying to your question, answer is "Yes". "

Sent 23/10/46:

" Referring to your telegram of 22nd - Maynard states it was  
" assumed in his discussions visiting Banabans would be guests of  
" Commissioners. We agree you should arrange accordingly."

Received 28/10/46:

" Referring to your telegram of 23rd - Propose erecting 5 houses  
" similar to our native married quarters Tabian village near large  
" fresh water cistern to accommodate party Do you approve."

Sent 2/11/46:

" Referring to your telegram of 26th - As some native married  
" quarters will be vacant suggest accommodating Banabans in them  
" at Tabian end."

MELBOURNE.

8th November, 1946.

2487

41

179

NO. 931.

12th November 1946

Dear Mr. Gaze,

I acknowledge with thanks receipt of your letters Nos. 130 and 131 dated 4th and 7th instant received here on 6th and 9th respectively.

1. BAHABANS:

I judge that Major Holland had in mind that it would be inadvisable to put the matter to a vote at present. In other words that time will favourably influence the position. In this I consider he is correct, particularly if his control at Rabi is conducted efficiently and on sound lines. It is quite possible that during the summer months some measures may be carried out which will bring home to the natives the advantages of being associated with the Fiji Group. Meanwhile they have passed through their first winter and under relatively uncomfortable conditions, living in tents and hurriedly erected huts for the most part.

2. ISLAND STAFF:

The particulars which you quote re the white staff on both Islands as at the end of last month are very interesting. The Nauru figure is much ahead of any previous one.

3. ISLAND LABOUR:

With a total of 906 at Nauru and 1020 at Ocean Island as per your particulars, we are now in a position to do relatively good work at both islands if and when the weather gives us a chance. Meanwhile with the heavy rains of the westerly season and the fact that No. 3 Unit at Nauru is still far from being in working order, also with Ocean Island dryers apparently not going yet, we have no prospect of building up stocks of dry phosphate at either island. I assume that no serious consideration has been given to the subject of obtaining sun-dried phosphate as was done at both islands in earlier years.



4. OCEAN ISLAND LAND:

The experiences with the party of six Banabans and their wives who are going to Ocean Island by the small Government vessel, will be very interesting, even though it may not be possible for them to indicate the boundaries of a lot of the sections, particularly round the vicinity of Paakonikai village. I suggest that if the problem proves of too difficult a nature it may be an argument in favour of the lands being taken over and the proceeds being divided among all the Banabans now on Sabi. Naturally this would not appeal to Rotan and some of the larger landowners, but it may constitute the best solution of the difficulty. From our point of view it would certainly save a great deal of trouble.

5. WEATHER AT ISLANDS:

By your last news it appears that loading has been resumed and further developments are awaited with some concern.

6. MY MOVEMENTS:

With Mr. Bissett I am proposing to leave by air for Sydney on 27th instant, going on by rail to Melbourne that evening, all being well. This will afford a useful opportunity for discussing matters with you, and I understand that Mr. Webster will probably be visiting Melbourne early in December when I look forward to meeting him. I gather that the annual accounts will be finalised about that date.

Yours sincerely,

Signed - ALBERT F. ELLIS

277

1839

2489

# TELEGRAM.

Code: Govt.

From: Major F.G.L. Holland, O.B.E., G.M., Rabi Island.

To: Secretary, Western Pacific High Commission.

No. (Date) 20th November, 1946

B.C.  
20.11.46

Banabans have informed me unanimous decision regarding them to make Rabi their permanent headquarters/home. Conditions submitted are those inevitable and no more. Matters of future management of communal funds and next agreement British Phosphate Commissioners are independent decisions. As some details still under consideration I shall not be able to forward full statement by the coming opportunity.

The condition receiving most emphasis is that contained in my telegram dated 25th September. The Banabans express hope that early departure of party to Ocean Island can be arranged.

Holland.

(See p. 1 in C.F.)  
48/5/21  
As subject for future work

2490

C.

THE BRITISH PHOSPHATE COMMISSIONERS, OCEAN ISLAND

THE GENERAL MANAGER (21)

P.O. BOX 12, 16

27th November, 1946

The General Manager,  
HAIRIHIKI.

Dear Sir,

Your letters Nos. 33 and 34 are acknowledged.

1. HAIRIHIKI LANDS - RETURN OF HAIRIHIKI

We thank you for the copy of Mr. Maude's report on the above, which is constructive in some of its aspects. Lack of information regarding expenditure and receipts has in the past caused considerable dissatisfaction amongst the elders.

It is hoped that the unrest at present displayed will be overcome and that they will settle in their new home which has considerable advantages over Saaba.

2. SUPPLY FACILITIES TO GOVERNMENT

We dare to have co-operated with the Government in every way and will continue to do so.

A question brought up within the past few days by the District Officer is housing facilities for the Government whaler, when it is recommissioned. I have suggested that probably the best plan would be a pair of boat davits with shelter located on the dividing wall projecting into the Boat Harbour from the "Ocean Transport" buttress. This would enable them to use their boat as necessary and the District Officer considers the idea excellent. It is subject to your approval.

3. VISIT OF HAIRIHIKI

The party are apparently not on the "Awahau" due at Tarawa today, as no advice has been received. From what I can gather the intention is for one of the vessels proceeding to Tarawa from Suva to divert to Nahi to pick them up.

Some days ago in reply to a further inquiry from the District Officer, the Acting Resident Commissioner sent a copy of his despatch to the High Commissioner, at the time of our original enquiry regarding the party, to which he has received no reply.

We advised you of the foregoing yesterday in reply to your request for information.



4. BANANAN Peep NUTS - 1945/2

With the increase in the number of native children since the completion of the "Trianza" recruit, the arrangements whereby the Government were delivering nuts to the Welfare Centre have had to be varied. They were previously utilising the services of prisoners collecting the nuts but these have since been discharged. The nuts are still available.

5. M. L. BERTON

I am pleased to be able to say that his trouble is clearing up. He has had a very worrying time with it.

Yours faithfully,

for THE BRITISH CONSULAR COMMISSIONERS,

ASSISTANT SECRETARY

Encl.

- C/Letters to Government Nos. 77 and 73.
- C/Letters to and from Superintendent of Police re Settlement Police Patrols.
- C/Cables

A

1684 (2)

RAMBI ISLAND.

29th November, 1946

18-DEC-1946  
W.P.H.C.

My dear Vaskess,

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(Page 27: A)

I was indeed pleased to get your letter No. C.P.F. 90, of the 6th November. It was kind of you to make time for this letter. I say "make time" as I know the unceasing pressure of work in your office.

To take the last first, i.e., your inquiry about the provision of "secure houses". This was my first exhortation after arrival - strengthen your houses, wire the top plate to the posts, sink stout posts deeply into the ground and so on. I introduced an Island Regulation, and followed this, with inspections. The Island Regulation reads, "All householders shall maintain their quarters in adequate repair by the provision of stout posts deeply sunk into the ground, and stout roof frameworks, well tied, wired or nailed to the posts, etc." I fear the hurricane very much, not only for the damage it will do to houses and the coco-nut crop, but for its effect on the Banaban mind. A hurricane is liable to undo in a few minutes the work of the last few months. It would not be an Act of God, but an Act of the W.P.H.C.

Well "Houses" came first and then "Agriculture". As the Banabans had never eaten yams, I got all the old men on my verandah and gave them yam cooked by my wife. Then followed a talk, and a demonstration of planting method. All went well with this, my first teaching on Rambi, until I heard one old man mutter, "I like the yam. It is good to eat. But what is the good of teaching us how to plant it, when all we want to do is to get back to Ocean Island, where yams will not grow". A reverse! Then came the turn of the young men. They proved most enthusiastic at the time and later with demonstration of other food crops, and considerable progress has been made with actual planting and with theory. There is now even on Island Regulation about "Crops". But more progress, much more, is needed, in this, and in the important matter of Fijian methods of fishing.

As regards the desirable permanency of the Rambi Settlement, I soon realized that to take a vote later, as recommended, would lead to one answer only: back to Ocean Island. No young man would dare to oppose the all-influential old men, whatever his own desires. The young men would range themselves implicitly along with their elders, in any considerable formality. Such respect has its benefits, of course, reflected in the peace and order of the community, and the old men's authority therefore must never be undermined. To do so would be to invite more serious difficulties. My method has been therefore to make the decision to stay on Rambi inevitable by the cumulative effect of measures contemplated or adopted in its favour. Here are some: The agricultural teaching already mentioned; giving Gilbertese names to local places; the provision of radio-telephone communication between settlements; the transfer of senior schoolboys to schools in Fiji; the making of roads and bridges; the development of the Co-operative Society, which embraces all Banabans; and the formation of women's committees. All formal large meetings

were

H. H. Vaskess, Esq., C.M.G., O.B.E.

Int. sec p. 181  
written only 19  
days earlier -  
2

184 92



were eschewed. At such meetings, individual Banabans are inclined to say things hastily, things they do not really mean. Informal meetings with representatives were held instead, and tongues allowed to wag, my role being that mostly of listener. Then all the information I am allowed to give was given, and courses of action outlined, with emphasis on, first things first. No decisions were asked for at the time. I adapted the housewife's instructions, "Let simmer for three - weeks". After that there came usually the answers, often really sensible answers. There has been some success so far, as you will have observed, but of course whether this will be consolidated only time will show. I have known the Banabans too long to feel contented about my own efforts. I appear, however, to have got them to think on right lines. But a hurricane. Ugh!

Thank you for the chance you give me to say something about the terms and conditions of my appointment here. These are entirely as I expected, except for the passages for Barbara. I had thought of them as being granted also. It is true that Maude informed me in his letter of 4th July, as follows: "You will of course get your passages (and Mrs Holland's) to and from Auckland and Rabi and 6 weeks leave on full salary at the end of the period". My reply was, among other things, that Barbara would be coming with us, whereupon his telegram said, "Burns Philp have been requested to book yourself, wife and Barbara by first air or sea opportunity after you are ready". I took this to mean that the usual concession (or is it not usual?) "not exceeding 3 adult fares in all" applied to my case. If my presumption is wrong, then I merely add the suggestion that the steamer fare, Auckland to Fiji, should be charged me for Barbara, and not the cost of air passage, as I came hurriedly at the request of Government.

We like Rambi very much, but after so many years in the Gilberts, we would rejoice in less rain, and less mud. The flat land is sandy and dries rapidly, but up the hill, where we are, the ground becomes heavy and sticky after rain. Improvements can be made with the use of gravel, but this will take time. Labour is so much required elsewhere. The island is very beautiful with its stony streams, fertile growth on the hills, and coloured views looking seaward. I certainly feel that we are lucky with our area and our natives.

With the kindest regards from the three of us,

Yours sincerely,

H. H. Holland

(see 25) in C.F.F. 90  
 see 26) " " "  
 see 27) " " "

Receipt put  
 up at 25 in  
 C.F.F. 90.



1684 (1)

COLONY OF FIJI,  
Rambi Island.  
2nd December, 1946

ANSWERED  
See P. 285

15-DEC-1946  
W.P.H.C.

Sir,

(Page 279)

I have the honour to refer to my telegram dated the 20th of last month, which reads :-

P. 181

" Banabans have informed me of unanimous  
 " decision by them to make Rambi their  
 " permanent headquarters and home.  
 " Conditions submitted are those  
 " inevitable and no more. Matter of  
 " future management of communal funds  
 " and that of next agreement with the  
 " British Phosphate Commissioners are  
 " independent of decision. As some  
 " details still under consideration,  
 " I shall not be able to forward full  
 " statement by coming opportunity.  
 " The condition receiving most  
 " emphasis is that contained in my  
 " telegram dated 25th September. The  
 " Banabans express the hope that early  
 " departure of party for Ocean Island  
 " can be arranged. "

(See p. 1 in  
b.d. 48/5/27)

2. The Island Council were the spokesmen for the statement that follows, made on behalf of the Banaban Community :-

- (a) The Banabans have no wish to wait until the two-year period allowed them has expired, before stating their decision, and so make it known now;
- (b) They remember the Government's promise that if they remained on Rambi, then nothing of what they enjoyed in the past of lands and money would be taken away from them;
- (c) This promise in their opinion should be extended to include that all lands at Ocean Island not yet returned, or being returned, to them shall be handed back, as soon as mining for phosphate ceases.

3. Of the above, I gathered that (a) was given, without prejudice. Other matters were then submitted :-

- (d) That at an early date, as already requested, a small number of Banabans may travel to Ocean Island and stay there to look after individual and communal interests. The members of the party may be changed, as needs dictate, though not with increase of number. The party would not possess any power of attorney;
- (e) That the Banabans who desire to live until death on Ocean Island shall be allowed to return and dwell there, when such return can be arranged;
- (f) That parties of Banabans may return on visits to Ocean Island, according as transport becomes available, in order that their ancestral home may be

The Secretary to the  
Western Pacific High Commission,  
S U V A, F I J I.

locked

186



looked upon again. The duration of stay of each such party would not exceed three months. One visit only per person to be formal, i. c., subject to this request;

4. (g) The decision, if the requests contained in the foregoing are granted, is that the Banabans will make Rambi their permanent headquarters and home. The decision is unanimous and final.

5. The paragraph that follows deals with four matters also of outstanding importance to the Banabans. These have been linked prominently, with the Rambi Settlement Scheme, in discussions and in correspondence, but the Banabans have chosen against involving them wholly or partly as conditions precedent to the decision.

6. The Future Management of Communal Funds

Soon after my arrival on Rambi Island, I assured the Banabans that I myself would not incur new expenditure, nor recommend expenditure, without first consulting them. Since then there has been peace over this - to them - once burning question, they being content to await the measures of control and adjustment thus expected as being set up by Government. I have not informed them, of course, of the proposals contained at paragraph 58 of Mr Maude's memorandum, but of these, (c) and (d), if approved, will be highly regarded by the Banabans and all their liability to grievance in this connection will be removed. Another grievance, one only recently voiced to me, will disappear when the recommendation made at paragraph 61 of this memorandum is approved. This recommendation is that annuities paid in Fiji shall not carry exchange deduction.

(See pp. 107  
- 136  
b.d. 48/5/10

The Banaban Landholders Fund

The request has been renewed that the capital, as well as the interest of this Fund, shall be handed over to each landholder, though not, as requested formerly, to be held at discretion, but now to be held strictly in accordance with Banaban land tenure. The capital thus transferred to individual landholders would no doubt be deposited in a Bank, the interest alone being withdrawable, except in special cases, as for instance, land improvements, which by their nature represented capital, prior official sanction being required in each case. The request as now amended has my full support.

Agreement with the British Phosphate Commissioners

The Banabans are reported in writing as having asserted that no decision at all would be given by them regarding the settlement on Rambi, until a final agreement (more correctly, the pending agreement) with the British Phosphate Commissioners was satisfactorily concluded. It does not lessen the importance of the question of this agreement to state that their present mood is not so arbitrary. In fact, they have readily agreed that the coming agreement has no real connection with the permanency or otherwise of the Rambi settlement Scheme. But they have urged that the departure of the boundary-marking party for Ocean Island may be expedited, because of the incidence of death among the elderly people, who alone possess knowledge of land marks. Further, they desire that the agreement mentioned shall be signed at Rambi, their headquarters.

Payment



Payment of Passages, Ocean Island

See (d), (e) and (f) above. This matter, like the previous three, is separate from the decision under report, but is much in the Banaban mind at the moment. The Banabans feel, and make request accordingly, that Government should bear the cost of passages of all those returning to Ocean Island, whether permanently or not. They base this opinion on a promise given at Tarawa that if, at the end of two years any or all of them should wish to return to Ocean Island, suitable transport would be arranged and that the expense of their return would also be borne by the Government. They submit that they should not be penalized for their speedy decision, with all its convenience, and given without prejudice, when they might have waited the two years allowed, thus making sure of the grant of passages. It would be idle to argue that the grant of passages related to the return to Ocean Island, after the non-adoption of Rambi as a permanent home. Though this may have been the intention, such was not made clear nor even mentioned at the time. I find myself much in favour of the request, not only for the reason furnished, but also for broader if less pertinent reasons, namely, the suffering and misfortune endured by the Banabans as the result of war; their loyalty in practice as expressed by the £10,000 sterling contribution to British war funds in 1939, and their recent donation of £1,000 to the Fiji Gifts to Britain Fund; and the surpassing proportion of revenue, direct and indirect, that has come to Government from the mining of their lands.

7. I would like in conclusion to refer generally to the memorandum prepared by Mr. H. E. Maude, M.B.E., on the "Future of the Banaban Population of Ocean Island: with Special Relation to their Lands and Funds." This document, necessarily used without mention of its recommendations, has given me indispensable help in my dealings with the Banabans. Such help I gratefully acknowledge.

I have the honour to be,  
Sir,  
Your obedient servant,

*H. H. Holland,*

Administrative Officer,  
Rambi.

Distribution :

The Honourable, The Colonial Secretary,  
The District Commissioner, Northern.  
The Resident Commissioner, Gilbert and Ellice  
Islands Colony.

(See 54  
in C.F.  
48/5/10.)



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2492

COPY

encl

TELEGRAM.



Bencom.

(57)

From: British Phosphate Commissioners, Melbourne.

To: High Commissioner.

No. (Date) 9th December, 1946.

Regarding Maude's Memorandum 2nd September, Commissioners' views generally favourable and they would be willing to negotiate in accordance with paragraph 74 A (iii). Maynard is available to reopen land negotiations. Suggest he proceed Suva by air early in January for discussion with you and if then decided time opportune he could proceed Rabia.

Gaze.

2476  
Litt. No.  
4202

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10th December, 1946.

My dear Caine,

Thank you for your letters of 5th and 6th December.

I am very glad to hear that the Treasury have now accepted the provisional Agreement reached between the High Commissioner for the Western Pacific and The British Phosphate Commissioners, as referred to in the correspondence exchanged in the early months of this year. I have now informed our Head Office in Melbourne of this satisfactory result, which I assume will be confirmed by direct telegram from Suva to them.

I am in touch with Webber about the arrangements for the purchase of more land from the Ocean Island land-owners. It is very important that as much progress as possible shall be made in this matter before I leave London on 22nd January for our annual Board meetings in Melbourne, which will also involve an inspection of Ocean Island in company with the newly appointed Australian Commissioner and the General Manager of the Commission. We have, in fact, just telegraphed to the High Commissioner to say that, in principle, we concur with the recommendations made by Mr. H. E. Maude in his recent report, and have suggested that our Mr. Maynard should go to see him early in January with a view to paving the way for an arrangement which we hope can be concluded in time for confirmation at our forthcoming Board meetings.

I am sending a copy of this letter to Webber.

Yours sincerely,

(W. BANKES AVERY)

S. Caine, Esq., C.M.C.,  
Colonial Office,  
Downing Street,  
Street, S.W.1.

2498

THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

per "Irienza" (72)

P.C. LETTER No. 39

11th December, 1946.

The Ocean Island Manager,  
-----

Dear Sir,

RETURN OF 12 BANABANS TO OCEAN ISLAND

Your telegram of 5th December reading -

- " officially informed message begins
- " (a) party will be in addition to and independent of boundary
- " marking party of 149 except in so far as they are linked by
- " functions
- "
- " (b) party will remain permanently
- "
- " (c) anticipated that party will on arrival assume duty of
- " representing Banaban interests here
- "
- " (d) party may include Iete but not Rotan
- "
- " Message ends
- "
- " party will leave Suva by next opportunity which should be about end
- " of December or beginning of January
- "
- " With reference to (b) possibly result of Mr. H.E. Maude's report
- " section 75 last paragraph"

to which I replied on 9th December -

- " In view of (b) - arrangements referring to our telegram of 23rd
- " October will not apply but if requested you may provide free
- " accommodation food for a reasonable period while they erect their
- " houses which we trust you can get them to agree will be Tabian or
- " Tapiwa."

clarifies the position.

As the 6 Banabans and their wives are remaining permanently there is no reason why they should be the guests of the Commissioners - an arrangement to which we had agreed in our telegram of 13rd October when it was thought that they were only visiting Ocean Island.

The erection of new houses will be one of their first



11th December, 1946.

considerations and if it can be agreed with them to build at Tabian or Tapiwa the sites will be outside the boundaries of our future mining operations. Free accommodation and food, which we are willing to provide for a reasonable period, will release them for this work.

In view of the length of time it would take them to collect and make pandanus thatch, they may wish to use corrugated iron or fibrolite to roof their houses. If so, we agree that you sell them sufficient material for this purpose as well as any necessary imported timber.

We do not know how many, if any, young men are included in this party of Banabans and we may be asked to assist in the erection of their new houses. If requested, I think we should help in clearing the sites and the erection of the houses, especially if fibrolite is used for the roofs. The Banabans have funds and you could agree to a figure for any labour supplied.

The presence of this party, representing Banaban interests, may be helpful and it is important to maintain good relations. Their reports to Rabi undoubtedly will influence Banaban opinion there. I hope you can arrange with them the matter of the lease of land for Chinese gardens, which was refused when referred to Rabi. The purchase of coconuts which our Medical Officer in a report dated 1st October states "go to waste" could be discussed with the party if, as is anticipated in your official information, they will, when on Ocean Island, assume the duty of representing Banaban interests.

Yours faithfully,

per pro THE BRITISH PHOSPHATE COMMISSIONERS,

(Sgd.) A. Harold Gaze,

GENERAL MANAGER.

TELEGRAMOFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC.  
SUVA. FIJI.

C.F. 48/5/10.

13th December, 1946

Sir,

I am directed by the High Commissioner for the Western Pacific to acknowledge the receipt of your telegram of the 11th December, relative to the proposed re-opening of negotiations for the acquisition of land in Ocean Island, and to inform you that His Excellency considers that the proposed action should be postponed pending the receipt of the Secretary of State's decisions on the various recommendations included in Mr. Maude's Memorandum of the 2nd September, and until the Banabans have been informed of those rulings and made their own decision as to whether they will settle permanently in Rabi Island or not.

I am,

Sir,

Your obedient servant,

(Signed) H. VASKESS

Secretary, Western Pacific High Comm.  
135-10

The General Manager,  
British Phosphate Commissioners,  
Phosphate House,  
515 Collins Street,  
MELBOURNE. VIC.

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THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 270

20th December 1946. A

The United Kingdom Commissioner,  
-----

Dear Mr. Amery,

RECEIVED  
27 DEC 1946

I received yesterday your letter No. 192 of the 12th.

1. CAPITAL EXPENDITURE

I think I can clear up any points which are not clear to you when we meet in March next. Meantime I may say that items such as timber and structural materials are disbursements in the place where they are purchased, and do not appear under the heading of Buildings and Plant until issued to construction jobs at the Islands. The sequence for providing funds for reconstruction work is as stated in Minute No. 449. Up to date we have slightly reduced the amount of our funds in Outside Phosphate and other funds have been obtained by not renewing deposits and some small amounts of matured investments.

I note your formal approval to the Capital Expenditure Estimates subject to further discussion during your visit here. You will note that Minute No. 467 covers approval subject to review within 12 months.

Referring to your P.S., the items debited to Reserves for War Damage and Depreciation are not expenditure, but losses due to the Japanese occupation. They could not properly be included in any expenditure statement but only in a list of amounts written off, and they are so included in Minute No. 466 (d).

2. INTERNATIONAL ALLOCATION OF PHOSPHATE

The advice you have received from Mr. Voss that phosphate allocation will not be continued after 30th June 1947 corresponds with information received here and in Wellington.

3. OCEAN ISLAND LAND

I confirm my cable to you today reading,

" Referring to my telegram No. 327 received from Vassess today letter dated 15th December stating High Commissioner considers proposed action should be postponed pending receipt Secretary of State's decisions on recommendations Maude's memorandum and until Banabans informed of those rulings and made their own decision whether they will settle permanently Rabi".



3. Ocean Island Land - continued

I hope that Colonial Office will not delay consideration of Mr. Maude's memorandum. The idea that the Banabans must decide whether or not they will settle at Rabi before any further Ocean Island land negotiations take place appears to me impracticable. If terms for phosphate lands were agreed with them it would have a considerable bearing on their willingness to remain at Rabi. I doubt very much whether an affirmative vote for settlement at Rabi can be obtained without the prior settlement of Ocean Island land terms, and Mr. Maynard shares this view.

4. CHRISTMAS ISLAND

Mr. Christian has not yet finished his report on his recent visit to Singapore and Christmas Island. When I have this I will prepare a letter to Mr. Vinen. I am anxious to get this off as soon as possible so that you and Mr. Robb can have a further discussion with Mr. Vinen before you leave London, and I think letters can then be exchanged dealing with arrangements for two or three years from 1st July next on the lines of Minute No. 474 (a).

5. MINUTES

Would you please make the following correction to Minute No. 466 (c) in your copy.

Credit Balance of REHABILITATION RESERVE (formerly DEVELOPMENT FUND) at 30/6/46

should read £660,000 instead of £669,000.

6. MAKATEA PHOSPHATE FOR JAPAN

Further to my letter No. 269, paragraph 2, Mr. Fraser informed me on 18th December that a cable on the lines of his draft had been sent to Messrs. Bulcock and Garside on the 13th.

7. WIRELESS TELEPHONE

During the last two days appointment calls were arranged on the radio-telephone between here and London, but the service was unworkable. We will try again early in the New Year.

Yours sincerely,

*A. Harcourt*

ENCLOSURES

- see page 3.

*Case letter*

*(5)*

2497

THE BRITISH PHOSPHATE COMMISSIONERS, OCEAN ISLAND

per s.s. "Deebank" (12)

P.C. LETTER No. 17

13th December, 1946

The General Manager,  
Melbourne.

Dear Sir,

Your letter No.35 is acknowledged.

1. VISIT OF BANABANS

We advised you on 5th instant that official advice had been received from the District Officer as follows:

- A. Party will be in addition to and independent of 149 except in so far as they are linked by functions.
- B. Party will remain permanently.
- C. Anticipated that party will on arrival assume duty of representing Banaban interests here.
- D. Party may include Iete but not Rotan.

Advice that the party would leave Suva by next opportunity was also received; the District Officer intimating that, so far as he could judge, this would be about the end of December or early January.

The original advice regarding the party of six men with wives intimated that they would be visitors and not permanent, and there has evidently been a change in ideas, possibly as a result of Laude's report, of which the District Officer has received a copy.

We have mentioned to the District Officer that in view of the party being permanent residents it would appear that the Government should arrange accommodation for them, and that this could best be done by providing houses for them in Tabiang village before they arrived. He is looking into the matter and if accommodation is not ready in time will ask us officially to put them up temporarily. The question of food was also mentioned in view of the changed status of the party.

For this party we consider Tabiang the better position, as it is near to the Government Headquarters and adjacent to our own native employees. The only natives at present living at Tapira are a few looking after the Sacred Heart Mission property and putting up buildings to accommodate any through passengers, and a Missionary to replace Father Kujebet.

It will interest you to know that native Government employees have and are continuing to erect houses for themselves in the old Tabiang village area with the District Officer's approval.

2. NEW DISTRICT OFFICER

Mr. Lloyd informed me verbally that Mr. Keegan will be replacing him as District Officer and that he will sail from Australia late February. Lloyd proceeds on vacation and does not know where his next post will be. Keegan has had previous service in the G. & E. I. C., and during the war held a position as Economic Warfare Officer in Suva.

3. SENIOR MEDICAL OFFICER

With outside vessels calling here once more the question of compensating the Medical Officer for consultations and treatment of ship's crews arises.

Our last Medical Officer's salary was made up as follows:

Salary  
Government Medical Officer's Allowance  
Ships Medical Fees

Our last record regarding the latter item is that the amount was fixed at £150 per annum, but in view of the lesser number of vessels likely to load here for a year or more we consider the amount should be reduced.

We would appreciate a direction on the matter.

Yours faithfully,

for THE BRITISH PHOSPHATE COMMISSIONERS,

(signed) Roger Greene

ASSISTANT OCEAN ISLAND MANAGER.

Encl. C/Letters to District Officer Nos. 79 to 83 incl.  
C/Letters from District Officer Nos. 62 and 63.  
C/Cables exchanged.



2499a

B. P. C. BOARD MINUTE NO. 478

DECEMBER 1946

Ocean Island Land

(a) Mr. H. E. Maude's Memorandum of 2nd September 1946 to the High Commissioner for the Western Pacific on "Future of the Banaban Population of Ocean Island with Special Reference to their Lands and Funds" was considered and general approval expressed. The views of the High Commissioner and Colonial Office thereon are not yet known.

(b) The terms offered to the Banabans in 1940 at Ocean Island for phosphate land above the 170 ft. contour, excepting the Puakonikai village area, and then acceptable to them provided they could receive a larger proportion of the proceeds from the Government were -

£175 per acre (including trees) and 1/- per ton royalty

At Rabi in March 1946 the Banabans asked through Mr. H. B. Maynard for this to be increased to -

£225 per acre (including trees) and 1/6 per ton royalty

(c) Agreed that negotiations shall be reopened as soon as practicable, through Mr. H. B. Maynard, for the balance of phosphate land above the 170 ft. contour including Puakonikai, and that he shall be authorised to offer, subject to agreement regarding other conditions -

£200 per acre and 1/3 per ton royalty

Should it prove practicable to purchase the balance of phosphate land below the 170 ft. contour, on suitable extended terms, lower rates per acre to be agreed corresponding with the estimated lower phosphate content.

(d) The following telegram was despatched to the High Commissioner at Suva on 9th December.

"Regarding Maude's memorandum 2nd September Commissioners' views generally favourable and they would be willing negotiate in accordance with paragraph 74a (iii). Maynard is available to re-open land negotiations. Suggest he proceed Suva by air early in January for discussion with you and if then decided time opportune he could proceed Rabi."

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THE BRITISH PHOSPHATE COMMISSIONERS, MELBOURNE.

No. 270

20th December 1946.

The United Kingdom Commissioner,  
-----

Dear Mr. Amery,

RECEIVED  
27 DEC 1946

I received yesterday your letter No. 192 of the 12th.

1. CAPITAL EXPENDITURE

I think I can clear up any points which are not clear to you when we meet in March next. Meantime I may say that items such as timber and structural materials are disbursements in the place where they are purchased, and do not appear under the heading of Buildings and Plant until issued to construction jobs at the Islands. The sequence for providing funds for reconstruction work is as stated in Minute No. 449. Up to date we have slightly reduced the amount of our funds in Outside Phosphate and other funds have been obtained by not renewing deposits and some small amounts of matured investments.

I note your formal approval to the Capital Expenditure Estimates subject to further discussion during your visit here. You will note that Minute No. 467 covers approval subject to review within 12 months.

Referring to your P.S., the items debited to Reserves for War Damage and Depreciation are not expenditure, but losses due to the Japanese occupation. They could not properly be included in any expenditure statement but only in a list of amounts written off, and they are so included in Minute No. 466 (d).

2. INTERNATIONAL ALLOCATION OF PHOSPHATE

The advice you have received from Mr. Voss that phosphate allocation will not be continued after 30th June 1947 corresponds with information received here and in Wellington.

3. OCEAN ISLAND LAND

I confirm my cable to you today reading,

" Referring to my telegram No. 327 received from Vassess today letter dated 13th December stating High Commissioner considers proposed action should be postponed pending receipt Secretary of State's decisions on recommendations Maude's memorandum and until Banabans informed of those rulings and made their own decision whether they will settle permanently Rabi".

Cable  
in  
file



3. Ocean Island Land - continued

I hope that Colonial Office will not delay consideration of Mr. Maude's memorandum. The idea that the Banabans must decide whether or not they will settle at Rabi before any further Ocean Island land negotiations take place appears to me impracticable. If terms for phosphate lands were agreed with them it would have a considerable bearing on their willingness to remain at Rabi. I doubt very much whether an affirmative vote for settlement at Rabi can be obtained without the prior settlement of Ocean Island land terms, and Mr. Maynard shares this view.

4. CHRISTMAS ISLAND

Mr. Christian has not yet finished his report on his recent visit to Singapore and Christmas Island. When I have this I will prepare a letter to Mr. Vinen. I am anxious to get this off as soon as possible so that you and Mr. Robb can have a further discussion with Mr. Vinen before you leave London, and I think letters can then be exchanged dealing with arrangements for two or three years from 1st July next on the lines of Minute No. 474 (a).

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should read £660,000 instead of £669,000.

6. MAKATEA PHOSPHATE FOR JAPAN

Further to my letter No. 269, paragraph 2, Mr. Fraser informed me on 18th December that a cable on the lines of his draft had been sent to Messrs. Bulcock and Garside on the 13th.

7. WIRELESS TELEPHONE

During the last two days appointment calls were arranged on the radio-telephone between here and London, but the service was unworkable. We will try again early in the New Year.

Yours sincerely,

*A. Harcourt*

ENCLOSURES

- see page 3.

*Case  
to this*

COPI.

CONFIDENTIAL.

OFFICE OF THE HIGH COMMISSIONER  
FOR THE WESTERN PACIFIC,  
SUVA, FIJI.

No.C.F. 45/5/2.

31st December, 1946.

P. 186  
Sir,

I am directed to acknowledge the receipt of your letter of the 2nd December, relative to various points in connection with the question of the permanent settlement of the Banabans in Rabi Island, and to inform you that, pending the receipt of the Secretary of State's decisions on questions of policy in regard to Banaban lands and funds, as submitted in Mr. Raude's memorandum, no useful purpose would be served by discussion of the various points mentioned in your letter.

2. I am to observe, however, that it is not clear on what grounds the Banabans would justify their request that Gilbert and Ellice Islands Colony Government funds should bear the cost of transport between Rabi and Ocean Islands of members of the Banaban community travelling to and from Ocean Island. As you are aware, a special Banaban Provident Fund was created from additional phosphate royalties for the express purpose of providing a new home for the Banabans; and all expenses in connection with such new home and settlement therein would appear to be properly payable from that Fund.

I am,

Sir,  
Your obedient servant,

Secretary, Western Pacific  
High Commission.

F.G. L. Holland, Esquire., O.B.E., G.I.,  
Officer-in-Charge,  
Banaban Settlement Scheme,  
Rabi Island,  
Fiji.

~~1892~~

(2 copies handed to  
Mr. Stephenson - 10.2.46)



1150  
2/150

COLONIAL OFFICE

# Memorandum on Colonial Mining Policy

1 copy handed  
to Brig Glaxman  
(July 20, 1950)

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LONDON: HIS MAJESTY'S STATIONERY OFFICE

1946


TWOPENCE NET

Colonial No. 206



## PREFACE.

In view of the importance of mining in the economic development of Colonial territories and the impact of mining operations on the social structure of the communities concerned, the Secretary of State considered it desirable that Colonial Governments should be furnished with guidance on the general principles which should be followed in framing mining policy. The questions involved were also studied by the Colonial Economic Advisory Committee and their recommendations, together with others derived from experience available in the Colonial Office in connection with mining legislation and problems have been used in the preparation of the following statement. This statement has been forwarded by the Secretary of State to Colonial Governments. In so doing the Secretary of State made it clear that it was not claimed that the statement was exhaustive, but that it did indicate the major points which should be taken into consideration in framing policy. He pointed out that no other industrial development has such potentialities for good or ill as mining and that it was therefore of the utmost importance that the Government should retain adequate control at all stages in order to ensure that mining enterprises were carried on in the interests of the territory and for the general benefit of the community at large.



## MEMORANDUM ON COLONIAL MINING POLICY.

The purposes of this memorandum is to put together in a convenient form the principles which should, and broadly speaking do, govern the policy of Colonial Governments in mining matters. It is not intended to be read as a detailed statement of policy applicable equally and in all particulars in every territory in the Colonial Empire. There are in certain territories special considerations, derived from their past history or social structure, which may militate against the full adoption there of the principles set out below, but at a time when all Colonial Governments are framing their post-war policy it would seem to be of service to them to have before them such a broad general statement of policy.

2. There is a fundamental difference between mining and other forms of productive activity such as agriculture, animal husbandry and forestry. Whereas policy in the latter cases should aim at the preservation and improvement of the productive powers of the basic natural resources of a territory, mining essentially consists of the removal of valuable natural resources which once removed, cannot in the nature of things be replaced. The process is therefore in the nature of the realisation of a capital asset and the general aim of mining policy must therefore be to make the best possible arrangements for realising such an asset.

3. The logical first step in the mining policy of any territory must be the determination of the extent of its mineral resources. It is recognised that in the past many mineral deposits, some of them among the most important in the world, have been brought to light by the prospecting work of individuals, but past experience has also proved the value of the work of government geological surveys. It is to the latter for instance that was due the discovery of the diamonds, bauxite and manganese of the Gold Coast, the iron ore and diamonds of Sierra Leone, the coal and gold of Nigeria. It may well be that the exploration of mineral resources has not exhausted its possibilities and that further riches may be revealed. In these circumstances the maintenance and extension of geological surveys should be a primary object of policy, and accordingly provision has been made under the Colonial Development and Welfare Act for funds to be allocated for Colonial geological surveys. Replies from Colonial Governments to Colonel Stanley's circular despatch of the 14th of March, 1945, indicated a general acceptance of the proposals made in the Report of the Committee on Geology and arrangements have now been made for the appointment of Dr. F. Dixey, O.B.E., at present Director of Geological Surveys, Nigeria, to be the Director of Colonial Geological Surveys. As such, Dr. Dixey will be the Secretary of State's adviser on all geological matters. One of his first tasks will be to prepare a scheme for a Colonial Geological Survey Service on the lines laid down in the Report of the Committee and he will take into consideration the views expressed by various Colonial Governments on these matters.

4. The discovery of minerals raises at once the question of mineral rights. The position in regard to the ownership of such rights varies between the different territories in the Colonial Empire. In some, the Crown owns all rights; in others it retains rights in all lands alienated after a certain date, the rights in lands alienated before that date having passed to surface owners; in one or two territories such rights have been conceded to corporations by charter or by agreement; in still others all mineral rights, except on Crown Land, belong to surface owners. In some cases individual owners, in others native communities.



5. There are powerful arguments to be adduced for the vesting of all mineral rights in the Crown. In the first place, the development of minerals in colonial conditions frequently requires considerable government expenditure, e.g., on survey, on transport or other facilities and it is undesirable that the results of such expenditure should accrue to private mineral owners. Secondly, a multiplicity of owners is frequently an obstacle to the organisation of economic units of operation. Thirdly, the payments made under contracts between owners and mining companies do not necessarily accrue to the benefit of the members of the community which have the most substantial interest in the lands affected. Fourthly, minerals are important economic assets to a territory and being the gift of nature, their benefits should be shared by the community generally, to which they belong, and not to be enjoyed merely by limited groups of private individuals who are often not members of the community concerned. Finally, Government by possession of the rights is in a position to control the size of concessions and the rate and terms of exploitation. In pursuit of these conceptions most Colonial legislation already provides for the reservation of mineral rights in any future sale or alienation of Crown or public lands; where such provision is not yet made the Governments of the territories concerned might well consider its adoption.

6. If mineral rights have already passed into private hands, the arguments stated in the preceding paragraph for the Government's retaining such rights are equally valid for recovering them, but each case will require a careful assessment of the balance of advantage. They could be recovered either by agreement or by legislation, but in either event some payment must be regarded as inevitable. Where the existence of minerals is already proved the payment demanded is hardly likely to be less than the estimated present net value of the minerals in the ground, and Government will have to consider whether the advantages of the transfer are sufficient to justify locking up part of their funds in a long-term investment of this kind. Where the minerals are not proved, an immediate cash payment may prove to be a purchase of something that does not exist. In such cases the most suitable form of compensation would seem to be the payment to the owner of the minerals for a limited period, say not more than 25 years, of a proportion of the royalties or other revenue received by the Government in respect of the exploitation of the mineral rights resumed. The proportion payable would necessarily depend on the circumstances, but ideally it should be quite small, say not more than 5 per cent.

7. The exploitation of mineral wealth opens out many problems of economic and social consequence to the territory concerned, and it is therefore of the utmost importance that it should be studied in relation to the economy of the territory as a whole and that as an industry, mining should be properly regulated, and its development in regard to transport, labour supply, other industries and agricultural and subsistence production kept amenable to public control. Mining should be carried on according to a deliberately planned programme and its social consequences carefully foreseen and directed so that the evils of unregulated development and consequent social distress and effects on agricultural village life and diversion of manhood do not arise. It would seem therefore that in shaping mining policy the following features should be kept well in mind:—

- (a) Mines should be run efficiently.
- (b) The unit of operation should be of economic size.
- (c) Other natural resources should be protected.





(d) The rate of development and exploitation should have regard to social as well as economic considerations.

(e) Labour conditions should be of good standard and welfare and social arrangements properly provided for.

(f) Provision should be made for the indigenous populations to fit themselves for the highest technical and administrative posts.

(g) An adequate share of the proceeds of mining should be retained in the Colony.

Colonial Governments should, where necessary, be prepared to undertake mining operations on their own behalf. In some cases it may not be possible to achieve the objectives mentioned above except by public operation, but whether operation is private or public these objectives should be aimed at. It should not be impossible for Governments either through an existing Department or by engaging experienced technical management, or sometimes by the creation of public utility corporations, to exploit new mineral resources for the public benefit in harmony with these objectives. They might even consider the operation of mines already developed where suitable conditions exist and the necessary arrangements can be made. Indeed, there may be circumstances in which Government mining would be particularly desirable, e.g., where private concerns are unwilling to take the risk of investment, where the minerals are consumed in whole or in great part within the Colony and Government operation is thought necessary to protect the consumer against exploitation or where the mineral is of special strategic importance, but even where these circumstances do not apply the fact that private interests are ready to take the risk of investment should not be taken as ruling out of consideration public operation of mining.

So far as private working is concerned, the responsibility of the local Government for the maintenance of minimum standards in the variety of conditions of mining, is very real.

Minimum standards whether in the case of publicly or privately owned mines can be considered seriatim in relation to the objectives I have already mentioned.

(a) Efficient operation. In the case of private exploitation, applicants for mining leases should be required to show that they or their agents have suitable technical qualifications or (in exceptional cases of small scale mining) at any rate an adequate knowledge of the mining regulations. Holders of prospecting licences and mining leases should be required to furnish the Government with full particulars of all information of geological interest obtained in the course of their prospecting or mining operations and accredited Government officials should have full access to all mineral workings. Local Governments must insist that the grant of a mining lease involves the mechanisation of the mine, where possible, proper safety measures, fair conditions of employment, and adequate safeguards to prevent the destruction of amenities.

(b) The size of mining units should be such as to ensure the most economic conditions of working, that is, they must neither be so small that the burden of overheads is greater than it would be if the size of the unit was increased, nor so large that the operators lack sufficient inducement to operate them to their full economic capacity. Between these two extremes physical circumstances will usually indicate the most economic size of unit in any particular case, but mineral occurrences vary so much in character, that it is impossible to give any precise guidance on this question. There are,

however, certain devices by which the Government can provide the necessary inducement to mining undertakings to operate their properties to the full economic capacity. For example:—

(i) The period of mining leases should not be too long. I consider that a reasonable arrangement is an initial term of 21 to 25 years with provision for renewal at the option of the lessee for a similar period on the conditions available for the grant of new leases at the date of renewal.

(ii) All leases should provide for a minimum "dead rent" to be paid whatever the output, subject to waiving only where it can be shown that it creates a drain on a company's resources in the development stage or in the course of a depression.

(iii) Mining leases should not include land definitely proved to be non-mineral bearing and not needed for actual mining operations and if part of the land covered by a lease proves to be of this character, it should be surrendered. Land for houses or other ancillary purposes should be obtained under ordinary land leases.

(iv) ~~An exclusive licence to work all the minerals in a Colony should never be granted. A mining lease should generally cover one mineral only or minerals found in association, such as a lead or copper group.~~

(v) Rights should not normally be granted over all deposits of a particular mineral. There may, however, be exceptional cases in which the economic interests of the Colony justify the grant of such comprehensive rights, e.g., to secure unified selling of the mineral. Even when mining is initially started in an area with units of economic size, changes in mining technique may make these units uneconomically small. In most cases of this kind the industry will probably re-organise itself but when re-organisation is palpably in the public interest and is held up unreasonably by a minority interest Government should be ready to effect it by legislation.

(c) By the protection of other natural resources is envisaged particularly the protection of agricultural land, forests and rivers. These ends should be secured by legislation reinforced by inspection and Government should have the right, in particular, to include in leases clauses requiring the restoration of land to a state suitable for agricultural operations after mining has ceased, where such land was previously of agricultural or pastoral value. There should be protection against subsidence and deposits and debris should be disposed of so as not to create unsightly dumps which destroy the local amenities.

(d) Social factors require consideration in connection with both the initial and the later stages of exploitation. The introduction of new mining industries into a community where they have not existed before and where perhaps they can only be developed by immigrant labour, is bound to disrupt to some degree the existing structure of society. Before mining operations are allowed, their effect on the existing and future pressure on the land for the supply of the food requirements of the community, should be seriously considered. Mining inevitably results in the disturbance of the normal life of the district and it is, therefore, essential that the understanding and goodwill of the local inhabitants should be enlisted. It is, of course, in the Government's power, if it owns the mineral rights so to regulate development by the judicious grant of concessions as to reduce or remove the danger of social upheaval.

Once the industry is established, social disadvantages are most likely to arise from the fluctuations in demand to which mining industries are particularly susceptible. If purely economic considerations were allowed to determine

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policy, such disequilibrium of demand and supply would be met by reductions in labour forces. A temporary recession may well not require Government intervention since companies may be ready to bear losses for a while, but Governments should be ready to take action themselves to mitigate the longer depressions. There are a variety of means at their disposal for this purpose and the following suggestions are only examples of what they might do: alternative employment for labour could be found in public works or other schemes; the mines could be helped by reductions in taxation (*per contra*, on sharp increases in employment in booms could be checked by increased taxation); or the labour force could be assisted by the establishment of compulsory unemployment insurance (even if such insurance is not universal, the peculiar liability of mining to recessions in demand may justify its introduction for that industry alone).

(e) Labour conditions in mining communities require particular care, quite apart from the liability of industry to fluctuations in demand to which reference has just been made. No other industry is so likely to bring together large numbers of men living in close proximity and unnatural surroundings. The psychological stresses to which the labour force is exposed are thus peculiar. Many mining companies have recognized in these circumstances the necessity for high standards on the employer's part, but Government also has its part to play. In the first place labour legislation should be directed towards the establishment of standards covering conditions of recruitment, safety, hours of labour, work, etc.; there must be proper inspection of working conditions and provision for accidents and for medical care and treatment; mining regulations can also in appropriate cases set the standard for the provision of food, housing and clothes by the management. Education services while primarily the concern of the Government, should also be a matter of concern to the employer who should where possible assist with the provision of facilities particularly for technical education to fit the workers for more responsible positions in the undertaking (see (f) below). Police services on the other hand are perhaps more appropriately borne, even in isolated mining communities, by Government. The problem of family settlement for miners and provision for women and children should be kept prominently in mind and the proper housing of families is a necessary provision, for men should be encouraged to settle in with their wives. Fully organised machinery should be established to allow workers to express their grievances through their own chosen representatives. The closer the association that can be established between the workers' representatives and the management in the solution of the industry's common problems, the more speedy will be the development of a sense of partnership in the industry and of a pride in its achievement.

(f) Participation by indigenous peoples. In Colonial conditions mining industries offer a particularly good opportunity for the development of technical and managerial skill among indigenous peoples and all Colonial Governments should consider how they can best implement the recommendations of the 1944 International Labour Conference at Philadelphia on the Prohibition of Colour and Religious Bars and other Discriminatory Practices. In some Colonies the problem can be eased by some regulation of recruitment for the industry and the provision of technical instruction.

(g) The financial proceeds of mining. Broadly speaking, a Colony's share of the proceeds of mining is comprised in the proportion of the working costs expended within its boundaries, in taxation and in royalties.

Of these three sources the first is, from the narrow point of view of Government finance, an indirect and the other two direct sources of revenue. From



the point of view of the Colony as a whole, however, all three are sources of profit, and as the first is usually much the largest it should be a matter of particular care to the Government. In other words it is in the interests of the community to ensure that the total proceeds are as large as possible, even if, on occasion, it is necessary to sacrifice part of the proceeds of direct taxation to achieve this end. So far as working costs are concerned, they will be importantly influenced by the extent of the Government's intervention in regard to such matters as rates of wages and the provision of medical services and other amenities by the employers. The object of the Government in intervening in such matters is, however, to secure proper conditions for the labour force, not to inflate working costs; the latter is incidental to, not the purpose of their intervention. Obviously, an undue inflation of working costs, either by unreasonable demands by a Government or by extravagant expenditure by the management, may have such an unfavourable effect on the industry as to reduce the net benefit to the community instead of increasing it. As regards taxation, this usually takes the form of export duties and income tax or other taxes on profits. The general aim here should be to establish a system of taxation of sufficient flexibility to meet the changing fortunes of mining. Freedom of action in this respect is particularly desirable in cases where mines operate under leases for long periods (some at present run for 99 years). In such cases the Government should, where the rate of royalty in the lease is unreasonably low, secure an adequate return by the levying of an export duty in addition to the royalty. In new leases, however, the situation would be met by including provision for a review of the rate of royalty at comparatively short intervals, say every five years. In that case it would be unnecessary, and indeed it would almost certainly be unacceptable to mining companies, that the Government should reserve the right to impose an export duty in addition to royalty. An export duty should, however, be levied where the minerals under exploitation are vested in private owners, in order to secure a share of the proceeds for the community. It is even more undesirable to include in concessions any exemption from income tax or other taxes applicable to industry generally.

The assessment of royalties represents the most difficult problem and one to which more attention might well be directed by Colonial Governments. The economic value of a royalty is the value of the mineral as it lies under ground, i.e., it is equivalent to the market value of the mineral less the cost of extraction and marketing (the last term including a reasonable return on capital). It therefore follows that the quantity in which a mineral is found and the conditions under which it is extracted are reflected in the rate of royalty it can pay. In most Colonies however each mineral pays a standard rate of royalty and there is no variation from lease to lease. As a result, lessees on the one hand will be unwilling to extract low-grade ores, so that the Colony thereby fails to realise part of its assets, and on the other will pay less on rich ores than such deposits could bear. Both these evils are avoided by the levying of royalty on the profits earned on the capital employed in mining operations after making allowance for amortisation. The question of adopting such a system in connection with gold mining in Tanganyika and Fiji is at present under consideration and if it is found practicable in these cases the possibility of its extension to other forms of mining will be considered in due course.

The capacity of a Colony to retain an adequate share of the profits of mining in its territory also turns to some extent on the length of the leases which it grants for mining operations. Clearly the longer the duration of a lease the greater the likelihood of changes in the conditions under which mining is being carried out. In view of this it is in the interests of Colonies

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to keep the terms of their leases as short as possible, and I have made suggestions in this connection in paragraph (b) (i) above. Moreover, in conditions in which a concession would tend to give a mining company a dominant place in a Colony's economy, the Government of the Colony may think it proper to stipulate as a condition of the concession that it should have the right to nominate one or more directors and that such nominees should have full access to all the Company's documents and accounts.

The principles set out in the preceding paragraphs will serve Colonial Governments for the determination of the terms on which they can agree to admit companies to the exploitation of their mineral resources, although I desire to repeat that Governments should seriously consider public exploitation wherever practicable. The rate of exploitation once a particular concession has been granted (and subject of course to the terms on which it is granted), depends primarily on the operating company, although it remains a matter of concern to the Government. Governments are, however, able to influence the rate of exploitation in other ways than by restrictions imposed on any particular lease. They must have regard to the degree of disturbance mining operations will have on the social life, on the maintenance of a right balance between agriculture and mining and to the danger of the creation of a lop-sided economy. In fact it is essential to any co-ordinated mining policy that the Government should have a clear conception of the policy by which the exploitation of minerals should be governed. As far as economic considerations are concerned, this poses the question whether in view of the fact that minerals are a wasting asset a policy of conservation should be followed rather than expansion encouraged. A policy of "go slow" will not however in itself alter the fundamental fact that minerals are a wasting asset. It should be Government's policy to secure that such a wasting asset should be converted into a permanent asset and that can be done by securing that the money accruing to Governments from royalties, etc., are employed to build up such assets, e.g., by training the local population as rapidly as possible to acquire the knowledge and the aptitude to support a higher standard of living. Many Colonial Governments feel that they are faced with the necessity of achieving these and kindred objects as quickly as possible, and for that reason favour an expansive rather than a restrictive policy as regards exploitation of their mineral resources. It should, however, be added that there may be in some areas valid reasons for some degree of restriction, e.g., land may be reserved for native occupation, forest reserves or other valid purposes and reference has been made above to the special need that may arise to curb mining activities in order to prevent excessive dislocation of the existing structure of society or to guard against sharp contractions in employment.

It is important, however, that Governments should consider how far they can by direct action help in the exploitation of mineral resources. There are many opportunities that present themselves to this end. The need for systematic geological surveys has already been mentioned. These should be as wide as possible and it is desirable that Government geologists should have reasonable access for the purpose and that all prospecting should be properly licensed and regulated. Secondly, within the framework of their general development plans, Government can assist the opening up of areas for mineral development by providing for the necessary transport, power and water facilities. Thirdly, Governments, particularly in territories where mineral deposits are few and scattered, may be of special assistance to the small prospector and miner on whose efforts the working of such deposits is likely to depend. Directions in which such assistance might be of value,

are the provision of loans, the encouragement or participation in organised marketing and the provision of adequate technical advice, e.g., in assaying laboratories. Finally, it is suggested that as part of a policy of encouraging the development of secondary industries, special attention might be devoted to the establishment in mining areas of industries to supply some at least of the many manufactured articles for which a mining industry provides a market. This indeed forms a counterpart to the assistance which a mining industry can give to the development of secondary industries by providing the raw material for local manufacturing or processing industries. In the latter instance, local processing and refining may lower costs, particularly where ore contains a large proportion of waste material, by lowering transport charges even to the extent of making it profitable to exploit ores which would not otherwise be economic to work.

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