

MEMORANDUM

To: The Secretary, Western Pacific High Commission.

From: H. E. Maude, Esquire.

Subject: The Future of the Banaban Population of Ocean Island; with special relation to their lands and funds.

2nd September, 1946.

1. In accordance with the High Commissioner's instructions, the following report and recommendations are submitted on the Future of the Banabans (or indigenous population of Ocean Island), with special relation to the question of their lands, both on Ocean Island and their proposed new home on Rabi, and the use and control of the so-called "Banaban Funds".

2. Although the subject is one of considerable complexity and susceptible of almost indefinite sub-division into detail, every endeavour has been made to condense the report into a brief, readable summary, without omitting any of the main facts necessary for forming a reasoned future policy. In order to facilitate a quick grasp of the various points involved, the subject has been dealt with on historical lines and the rather illogical, but none-the-less convenient, step taken of dealing with funds before lands.

PART I.—BANABAN FUNDS.

(1) Early History of Ocean Island.

3. Ocean Island, or Banaba, as it is called by the natives, was discovered by the British vessel "Ocean" in 1801. From the only good account of the island written prior to the discovery of the phosphate deposits, we learn that in 1851 the population was between 2,000 and 3,000, and apparently flourishing. During the latter part of the nineteenth century, however, it was visited by a series of severe droughts, and the inhabitants, starving and thirst-stricken, and reduced in numbers by new diseases and wars which followed the introduction of firearms, flocked on board every labour-recruiting vessel that visited the island, to be scattered wide over the Eastern Pacific. By 1900 the miserable remnants of the former population numbered 450, riddled with disease and reputed to be among the poorest natives in the Pacific.

(2) Discovery of Phosphate and the 1900 Agreement.

4. The phosphate deposits on Ocean Island were discovered by Mr. A. F. (now Sir Albert) Ellis in 1900, and, as a result of representations made by the Pacific Islands Company, who were interested in their exploitation, the island was annexed to the Empire on the 28th September, 1901.

5. Shortly before formal annexation, the Pacific Islands Company applied for a Guano Licence in respect of Ocean Island, whereupon it was suggested that the Company's representative should make his own arrangements with the inhabitants as to any rights which they might have on the phosphate deposits. As a result an Agreement was made on the 3rd May, 1900, with the (*sic*) "King and population of Ocean Island" by which the Company obtained the sole right to work the phosphate deposits for 999 years, for a payment of £50 a year. Between 1900 and 1913, all land required by the Company for mining purposes was purchased from individual owners, under the so-called "Phosphate and Tree Purchase" deeds, for a fixed sum, apparently averaging about £20 an acre, which, together with the payment of £50 a year under the Agreement and compensation for any food-producing trees destroyed, was the sole consideration received by the natives.

(3) Government Licences.

6. Following on the agreement with the Banaban landowners, a Licence to operate was granted by the Crown on the 2nd October, 1900, by which the Company acquired official sanction for their activities on Ocean Island for a period of 21 years from the 1st January, 1901, in return for an annual rent of £50, payable to revenue. On the 13th August, 1901, this was superseded by a second Licence, which was made out for 99 years, and provided that, from the 1st January, 1906, a royalty of 6d. a ton should take the place of the annual rental, and be similarly payable to revenue.

7. In 1902 the Pacific Phosphate Company was formed as a subsidiary of the Pacific Islands Company, and the phosphate working rights on the island were transferred to the former concern by a further Licence dated the 31st December, 1902, which, however, left the previous financial arrangements unaltered.

(4) The 1913 Agreement.

8. In 1913, as a result of negotiations between the Government, Company and land owners, a further area of 145 acres of mining land was acquired by the Company under an Agreement providing, *inter alia*, for:—

- (a) purchase of the land at from £40 to £60 an acre, according to its position and quality;
- (b) compensation for food-producing trees destroyed, as under the previous "Phosphate and Tree Purchase" deeds; and
- (c) an additional royalty of 6d. a ton on all phosphate shipped after the 1st July, 1912.

The land purchase payments were to go direct to the landowners concerned, but the royalty at (c) was to be expended as follows:—

- (a) During 1913 and 1914 the whole sum, less £300 deducted to start a Banaban Fund, was to be used "for the benefit of the existing Banaban community in any way which may be recommended by them, and agreed to by their Native Magistrate and Kaubure, and subject to the decision of the Resident Commissioner that such expenditure is equitable and not wasteful".
- (b) After 1914 the interest on the capital sum in the Banaban Fund only was to be used, and this was to be distributed annually "among all Banabans who lease land to the Company in the proportions recommended by the Banabans themselves, and subject to the decision of the Resident Commissioner that such division is equitable".

Although not a condition of the Agreement, payments were also made annually from the interest accruing from the Fund, which later became known as the Old Banaban Royalty Trust Fund, for the maintenance of Banaban services: these payments, which by 1930 amounted to £2,600 a year, were apparently accepted without demur by the landowners, who also sanctioned special annual appropriations for Grants to Banaban Elders, and for Drought Relief. The annually increasing balance of interest available for distribution among the 257 landowners who alienated their land in 1913 amounted by 1930 to about £1,550, giving an average income of about £6 a year to each landowner.

(5) The 1931 Resumption.

9. In 1920 the Nauru interests of the Pacific Phosphate Company were acquired under the terms of the Nauru Agreement by the Governments of the United Kingdom, Australia and New Zealand, and the Company's interests in Ocean Island were taken over at the same time. The sum paid was approximately Three and a-half million pounds sterling, which was provided by the respective Governments in the proportion of 42 per cent., 42 per cent., and 16 per cent. From that date the phosphate industry on Ocean Island has been run on a commercial basis by the British Phosphate Commissioners, a board consisting of three members, each representing one of the countries concerned.

10. The land acquired in 1913 sufficed for mining purposes until 1927, when negotiations for the acquisition of further areas of mining land were commenced by the British Phosphate Commission with the native owners; but the terms demanded by the latter were considered unreasonable and the Government had perforce to intervene, with the result that the Mining Ordinance No. 4 of 1928 was enacted to permit the compulsory acquisition of land on Ocean Island.

11. Early in 1931 an area of 150 acres of mining land was thus compulsorily taken over and leased to the Commission on the following terms:—

- (a) Rental at the rate of 2s. 6d. per acre per annum, to be paid to Colony revenue, in accordance with Section 5 of the Mining Ordinance, 1928;
- (b) direct compensation to the owner for food-producing trees destroyed;
- (c) payment of £150 per acre as compensation for the owners' surface rights (this figure being settled by arbitration in accordance with Section 5 of the Mining Ordinance, 1928);

- (d) 2d. per ton royalty on every ton of phosphate exported, to be credited to a new Banaban Provident Fund until such time as the Fund reached £175,000;
- (e) 8½d. per ton royalty to be paid to the Resident Commissioner, to be held in trust on behalf of the Banaban community generally; and
- (f) the sum of £20,000 to be transferred from the Old Banaban Royalty Trust Fund to form the nucleus of the new Provident Fund.

12. After the coming into force of this Award, therefore, the following Banaban Funds were held in trust by the Government:—

- (a) the Old Banaban Royalty Trust Fund resulting from the 1913 Agreement, but now decreased by the £20,000 taken from it to form the Provident Fund;
- (b) the New Banaban Royalty Trust Fund consisting of moneys derived from the 8½d. per ton royalty under the settlement;
- (c) the Banaban Provident Fund created by the transfer of £20,000 from the Old Royalty Trust Fund and augmented by the 2d. per ton royalty under the settlement, the object of the Fund being the provision of a new home for the Banabans; and
- (d) the Banaban Landholders Fund consisting of £22,500 resulting from the purchase of the owners' surface rights at £150 per acre, the interest being paid annually to the landowners or their descendants.

It may be mentioned here that, rather surprisingly, the landowners under the 1913 Agreement raised no objection to the transfer of £20,000 from the Old Royalty Trust Fund to the Provident Fund, though it naturally decreased the annual interest payments made to them.

(6) The Payments of Annuities.

13. The proposal that annuities should be paid to all Banabans from their invested funds was first made by the then Resident Commissioner, Mr. A. F. (now Sir Arthur) Grimble, in 1931. Long-protracted discussions and negotiations between the Government and the Banabans followed, and it was not until 1937 that an agreement (see Appendix I.) was reached by which the following payments were to be made from the Banaban Funds:—

- (a) Annuities of £8 each to all adult Banabans and £4 to all Banaban children;
- (b) similar annuities to all half-Banabans actually resident on the island;
- (c) annuities to all owners of land in the 1913 and 1931 areas at the following rates:—

Less than 1 acre in aggregate area	=	£2.
1—2 acres	"	£4.
2—5 "	"	£6.
5—10 "	"	£8.
10 acres and over	"	£10.

The annuities were to be reduced should sufficient funds not be available in any one year.

14. Although the Secretary of State had directed that moneys derived from royalties should be held in trust for the community, and not the landowners affected, Section 6 (2) of the Mining Ordinance, No. 2 of 1928, had provided, owing to an error, that they should be held in trust "on behalf of the former owner or owners". Before annuities could be paid, therefore, it was necessary to rectify the mistake by the enactment of the Mining (Amendment) Ordinance No. 9 of 1937, which provided that, while payment for surface rights should be held on behalf of the individual landowners, money received as royalty should be paid or applied "to or for the benefit of the natives of the island".

15. The 1937 Annuities Agreement was approved by all landowners in the 1913 and 1931 areas with the exception of Rotan and his immediate family, who owned the most land. With its coming into force the following former payments were abolished:—

(a) the special payment to landowners under the 1913 Agreement (vide paragraph 8); and

(b) the payments to Banaban Elders, and for Drought Relief (vide paragraph 8); thus enabling the merging of the old and new Banaban Royalty Trust Funds (vide paragraph 12) into the Banaban Royalty Trust Fund or, as it is usually called, the Banaban or Common Fund. In accordance with the terms of the agreement the cost of the services performed by the Government for the Banabans was to be met from this Fund.

16. The first distribution of annuities was made on the 10th December, 1937, the amounts due to Rotan and his family being placed in a Deposit Trust Account, where they remained until drawn early in 1946.

(7) Proposed Future Land Acquisitions.

17. In 1940 Mr. A. H. Gaze, General Manager of the British Phosphate Commission, approached the representatives of the Banaban landowners with a view to the acquisition of a further 230 acres of mining land. The terms, which were agreed to in principle by the Banabans, were as follows:—

(a) payment of £175 per acre for the owners' surface rights;

(b) 2d. per ton royalty payable to the Banaban Provident Fund, as in the case of the 1931 Award;

(c) 10d. per ton payable to the Banaban Royalty Trust Fund;

(d) the Banaban Provident Fund to accumulate to a limit of £250,000, instead of the former limit of £175,000; and

(e) terms (b), (c) and (d) to be applicable not only to the mining of new land, but also to all land already held but mined after the acquisition of the new land.

18. The Banabans informed Mr. Gaze that they considered these terms to be satisfactory and that the only obstacle to their immediate acceptance of them was their dissatisfaction at the small share which they had hitherto derived in the form of cash payments from the Banaban Funds. They accordingly requested him to advance their case for a more generous scale of payment.

19. In March, 1946, however, a representative of the British Phosphate Commission again approached the Banabans regarding the acquisition of the new area, but was informed that owing to the change in monetary values since 1940 the Banabans now required:—

- (a) payment of £225 per acre for surface rights; and
- (b) 1s. 6d. per ton royalty (the proportion to be credited to the Royalty Trust and Provident Funds being unspecified).

It is understood that the British Phosphate Commission are unlikely to accept these revised terms, but no request has so far been received to have the land compulsorily taken over from the owners and leased to them.

(8) The Policy of the Government Towards the Banaban Funds.

20. The attitude of the Government towards the Banaban Funds differs materially according to whether they are derived from surface rights—the Landholders' Fund—or under-surface rights—the Royalty Trust and Provident Funds. As regards the Landholders' Fund the position is clear: the various amounts are regarded as deposited in trust for each individual landowner in the 1931 area, in proportion to the size of his holding, and the interest is paid direct to him. Each capital sum deposited in the Fund is thus regarded as the monetary equivalent of the land formerly possessed by him and held in fee-tail in accordance with Banaban customary law. The landowner cannot, therefore, spend the capital sum representing his land, but he may divide it amongst his next-of-kin or even, on occasion, alienate it outside his family group, provided it is done in strict accordance with the customary law governing native land transfers.

21. As regards under-surface rights, investigations have shown that, in so far as the Banabans had any clear idea of such rights at all, they were held (i.e., in the case of "bangabanga" or caves used for obtaining water and stalactite for fish hooks) by groups who did not necessarily own the surface rights. On the other hand, it may be argued that the 1913 Agreement conferred on the surface owners an interest in the minerals under the surface, though their rights to payments from royalties, as such, were extinguished in the 1937 Annuities Agreement.

22. In 1930 the Secretary of State laid down that "in any further discussions with the Banabans there should be no admission that rights in phosphate deposits not already surrendered belong to individual Banabans claiming surface land rather than to the community as a whole", and the following year the Resident Commissioner recommended that, in the absence of any clear native custom regarding under surface mineral rights, the general benefit of the community should be the chief object sought in the administration of Banaban Trust Funds. In July, 1931, the High Commissioner, Sir Murchison Fletcher, went further (though apparently without the authority of the Secretary of State) and informed the Banabans that "with regard to land it was the rule generally that the surface belongs to the owner; and any minerals under the land belong to the Government, which can do what it pleases with them. The surface owners did not plant the minerals nor were they responsible for them, therefore they belonged to the Crown".

23. The policy of the Government since 1931 regarding under-surface rights may be summarised as follows:—

- (a) all payments made by the Commission to the Royalty Trust or Provident Funds have been regarded as held by the Government in trust for the benefit of the Banaban community as a whole (whether by right or act of grace has not been made clear);
- (b) following the principle derived from Banaban customary law (and already applied in the case of surface rights), only the interest has been regarded as available for expenditure on Banaban services or annuity payments, the capital being considered as held in trust for succeeding generations, no less than the present; and
- (c) no encouragement has been given to claims made by Rotan and other large landowners that the royalties should be divided up amongst the individual owners of the surface rights, in proportion to the size of their holdings.

24. The scheme of Landowners' Annuities approved under the 1937 Annuities Agreement (vide paragraph 13) may be regarded as an exception to (c) and as a partial reversion to the principle of mineral ownership by the surface owners recognised in the 1913 Agreement. The scheme of payment, however, is not in correct proportion to the size of the surface holdings, but heavily penalises the large owner.

(10) Attitude of the Banabans Towards the Funds.

25. It is not easy to state the views of the Banabans as a whole towards the various Funds, partly because they are apt to change as each concession is gained and partly owing to the manner in which almost the whole population of the island has become dominated by the personality of their leader, Rotan, who is wont to express his own personal opinions as representing those of the entire community. In general, however, their attitude towards each fund may be summarized as follows:—

- (a) The Landholders' Fund.—There has been little dissatisfaction with the manner in which this Fund is operated, although Rotan, allegedly speaking on behalf of the community, has recently requested that the capital as well as the interest should be handed to each landowner for investment or disposal at his or her discretion (this being, as stated in paragraph 20, contrary to Banaban customary law).
- (b) The Royalty Trust Fund.—The disposal of the interest on this Fund is the main source of Banaban discontent, their view being firstly that they should have a larger voice in deciding the expenditure on Banaban services to be met from it and secondly that the balance of interest left in any year should be divided up in annuities to each Banaban, with special annuities to holders of land in the 1913 and 1931 areas. Rotan, and perhaps one or two other large landowners, desire that the annuities should be paid on a strict acreage basis, but here they are not joined by the rest of the community, who are content with the present system of apportionment.

- (c) **The Provident Fund.**—Until the settlement of Rabi Island there has been no controversy regarding this Fund. A request has recently, however, been made by Rotan, purporting to speak on behalf of the community, that the entire interest from the Royalty Trust Fund should be divided up annually amongst the Banabans and the cost of all Banaban services on Rabi met from the Provident Fund.

PART II.—BANABAN LANDS.

(10) The Ownership of Land on Ocean Island.

26. Before dealing with the settlement of Rabi Island as the future community home it is necessary to deal briefly with the customary law regulating land ownership on Ocean Island, as codified by the Lands Commission which sat there during 1931. For purposes of record it may be stated that the total area of Ocean Island is 1,470 acres, divided in 1937 among 316 landowners, the average area of each land being .534 of an acre. Of this area 1,080 acres are stated by the Local Manager of the British Phosphate Commission to be mineable land. The portion below the 170 foot contour line, however, is low grade phosphate land of relatively little value, while the high grade land above the contour is all (with the exception of a 42-acre reserve around Buakonikai village) included in existing or proposed (vide paragraph 17) sales or leases to the Commission.

27. All land on the island is held in strict individual fee-tail tenure, in marked contrast to the communal tenure common in most other parts of the Pacific. According to Banaban custom, validated by the Native Land Codes Ordinance No. 3 of 1940, the individual landholder is regarded as the life tenant of his lands, which are considered to belong not only to him but to the members of his family group as yet unborn. He may therefore only leave his lands on his death, or alienate them during his lifetime, in strict accordance with customary rules which jealously protect the interests of his next-of-kin. It may be said that Banaban customary law is found to work well in practice, since the landless native (whether male or female, for women inherit equally with men) is an impossibility, while childless couples can always adopt children, who have the same rights of inheritance as natural born issue.

(11) A Future Home for the Banabans.

28. As long ago as 1914 the Authorities were worried about the fate of the Banabans when the phosphate industry on Ocean Island came to an end, and in 1927 the creation of a Provident Fund was proposed, which should be used for the purchase of a future home for the community. The Resident Commissioner pointed out that if the phosphate industry were to fail "the race would literally be blotted out of existence: five hundred and fifty denaturalised natives could not possibly live on the interest yielded by the Banaban Fund". The Banaban Provident Fund was commenced in 1931, with the approval of the Secretary of State, and financed by the transfer of £20,000 from the Old Royalty Trust Fund augmented by 2d. per ton royalty under the 1931 Resumption Settlement. Little interest was taken in the project for a future home by the Banabans themselves.

for some years, since they feared that it might be a trick to have them removed from Ocean Island in order to facilitate the operations of the British Phosphate Commission, and it was not until 1940 that they proposed the acquisition of Wakaya Island, in the Fiji Group. In their proposal the Banabans made it clear that they were unwilling to consider Wakaya as a replacement for Ocean Island, but desired it to be regarded rather as a second home. They felt that the younger generation was growing up in too Europeanised an atmosphere and that, if they were to preserve their racial identity and culture, it was necessary to continue that culture elsewhere. At the same time they were insistent that their rights to land on Ocean Island should continue undiminished. A survey of Wakaya was accordingly undertaken, which showed it to be unsuitable for the support of a large population owing to the shallow depth of most of the fertile soils and the poor water supply.

(12) The Purchase of Rabi Island.

29. Investigations were thereupon instituted as to the availability and suitability of other islands in the Fiji Group for settlement by Banabans and, as a result, an offer was made by Messrs. Lever's Pacific Plantations Proprietary, Limited, to sell the island of Rabi, off the coast of Vanua Levu, for the sum of £A.25,000. Rabi was found to be very suitable for colonisation: 27 square miles in area, it is roughly triangular in shape, with a greatest length of 9 miles and a greatest width of 4½ miles. A central mountain peak, 1,550 feet high, is buttressed by ranges of hills extending to the north-east, west and south-east. The coast has several deep indentations providing good anchorages, with excellent fishing grounds in the vicinity. There are three flourishing coconut plantations at Vunisinu, Suctolu and Nuku, and the soil in most parts of the island is suitable for the growing of garden crops. On the south and east coast the conditions are damp and somewhat gloomy, but the north shore (with Nuku in the centre) enjoys a dry climate such as the Banabans are accustomed to, with broad sandy beaches along which they could build their villages.

30. On the offer being conveyed to the Banabans, they were at first unwilling to consider the purchase of Rabi, as they still considered that Wakaya was the better island of the two for their purposes. However, on the High Commissioner notifying them that he was unwilling to consent to Wakaya being bought except in conjunction with Rabi, they agreed to the purchase of both islands. In deciding thus they were actuated by the High Commissioner's statement that the option on Rabi had been obtained at the lowest state of depression in the copra market and that the island was a bargain at the price. This statement appears to have been fully justified, and there is little doubt that the island could be sold to-day at an appreciable profit. The Banabans, therefore, may be said to have intended Wakaya to be their future home and Rabi an investment. Unfortunately, however, nothing came of the project to buy Wakaya, as the price of £F.12,500 for which it was offered by the Trustees of the estate was considered to be too high and the counter-offer of £F.5,000 made by the High Commissioner was not accepted.

31. Rabi was accordingly purchased freehold in March, 1942, the transfer being made to "His Britannic Majesty's High Commissioner for the Western Pacific": the entire island was included in the sale, with the exception of a Fiji Government reserve of 50 acres. An agreement was then entered into with Messrs. Lever's Pacific Plantations Proprietary, Limited, by which they became tenants of the island until such time as it should be required by the Banabans, at a rent based on the price of copra which, at the price then ruling, amounted to approximately £A,1000 a year.

(13) The Banabans During the Japanese Occupation.

32. As stated in the letter to the Colonial Secretary of Fiji announcing the purchase, the object was "to provide an island for the settlement of the natives of Ocean Island against the time when the phosphate deposits in that island will have been worked out and the island will, in consequence, have become largely uninhabitable", although it was hoped that they would commence their settlement at a much earlier date; a subsidiary consideration, however, was the desire to prevent the carefully built-up Provident Fund, of which nearly £40,000 was then on Fixed Deposit in Sydney, from deterioration in real value, by the purchase of a fixed asset.

33. In the event, however, the Japanese landed at Ocean Island in August, 1942, and the Banabans remained under enemy control until September, 1945. They were at first all, with the Gilbertese labourers working for the British Phosphate Commission, kept on Ocean Island, but in July, 1943, a party of some 260 Gilbertese and Banabans were taken, owing to the serious shortage of food, to Tarawa Island. Ocean Island has, ever since the commencement of phosphate operations, been dependent on imported food supplies, and as reserves became depleted further parties of Banabans, together with phosphate labourers from the Gilbert and Ellice Islands, were taken by ship to Nauru and Kusaie in the Caroline Group. After the departure of the last party early in 1944, the only natives left on the island were 150 of the younger and stronger single men who were all, with a single exception, massacred by the Japanese shortly after the cessation of hostilities in August, 1945.

34. It will take some years for the Banaban community to recover from their treatment during the Japanese occupation: they were only a shadow of their former selves when discovered by the allied occupation forces. It appears, furthermore, that their attitude towards the Government, and Europeans in general, may have undergone a change. While for years they have distrusted the Government's good faith, they are now said to be more openly critical than before, which is ascribed to their having seen the European beaten, if only for a time, by a brown-skinned race such as themselves.

(14) Removal to Rabi.

35. Ocean Island was surrendered to Australian forces in October, 1945, and investigations made by Colony representatives showed that it would not be possible for the Banabans to reoccupy it for at least two years, owing to the absence of food supplies

and the total destruction of all four villages. It was therefore proposed to settle the Banabans temporarily on Rabi, where food and housing could be provided, a guarantee being given them that they would be returned to Ocean Island at the end of two years should they so desire. It was hoped that by that time they would have recognised the superior advantages of Rabi and, in their own interests, decided to remain there; if not, the period should be enough to enable the Commission to import sufficient food reserves for their support on Ocean Island and for the provision of temporary shelters for them while rebuilding their former homes.

36. Major D. G. Kennedy, D.S.O., was thereupon despatched by air to visit all the Banabans and ascertain their reactions to the above proposal and, at the same time, negotiations were conducted with the British Phosphate Commission to provide the shipping necessary first of all to collect them at Tarawa Island, where a temporary camp had been prepared for their reception, and then take them to Rabi. The detailed conditions of the transfer to Rabi, as put to and unanimously accepted by the Banaban community, were as follows:—

- (a) the removal was to be for a period of 2 years, with the option of permanently settling there;
- (b) their transportation, cost of establishing their temporary camp at Rabi and their rationing for one month after their arrival there would be a charge on Gilbert and Ellice Islands Colony Rehabilitation, and not on Banaban Funds; and
- (c) if, at the end of 2 years, any or all of them should wish to return to Ocean Island, suitable transport would be arranged at the expense of the Gilbert and Ellice Islands Colony Government.

They were assured that the removal would have no effect as regards their lands on Ocean Island or their privileges with respect to any of the Banaban Funds.

37. The following is a summary of the 1,003 persons carried by the s.s. "Triona" to Rabi and landed at Nuku on the 15th December, 1945:—

	Men	Women	Children	Total
Banabans	185	200	318	703
Gilbertese	152	97	51	300
Totals	337	297	369	1,003

The Gilbertese taken were natives who had been living with the Banabans before the war or with whom they had been living during the period of Japanese occupation, and were included at the request of the Banabans themselves. As expected, they have proved to be among the most useful and enthusiastic members of the new community, although their rights as to land (if any) have never been defined.

PART III.—THE BANABANS ON RABI ISLAND.

(15) The Formation of the New Community.

38. Adequate temporary housing was provided for the whole community in the shape of the already existing labour lines, together with a number of Army tents, and a large supply of rations was obtained from a commercial firm in Suva. As explained above, these rations were supplied from Colony funds for a month only, after which the community was expected to live off the resources of the island, supplemented by food purchased from the four years' arrears of annuities paid to them shortly after their arrival.

39. At the start, the personnel of the old Banaban Government at Ocean Island were requested to carry on until a new system could be devised, their judicial functions being necessarily suspended owing to the absence of any legal authority for action taken by them in the Colony of Fiji. On the 27th December, however, the Fiji Government enacted the Banaban (Settlement) Ordinance No. 28 of 1915, which enabled the Governor in Council to make regulations for the peace, order and good government of the Banaban community on Rabi and provided for the establishment of a Rabi Island Council with power to make Island Regulations along lines similar to those to which the community was accustomed on Ocean Island.

40. On the receipt of this Ordinance at Rabi a meeting of the heads of families was convened at Nuku and a system of local government agreed upon, which provides for an Island Council consisting of ten members and a chairman. Seven of the members, with the chairman, are elected annually by the heads of families, while three members are nominated by the chairman in consultation with the Administrative Officer in charge of the island.

41. At the request of the Banabans, the commercial affairs of the community are handled by the Banaban Co-operative Society, founded at Ocean Island in September, 1940, with a working capital of £3,525, provided by a free grant of £1,525 and an interest free loan of £2,000 from the Banaban Royalty Trust Fund. All Banaban family groups are members of the Society, and its affairs are controlled by majority decision at general meetings of the heads, or "Elders," of each group; the Executive Officers are elected at the annual general meeting. The Society runs a Co-operative Store at Nuku and works the coconut plantations on the south and east sides of the island, employing Banaban and Gilbertese labour at the standard rate of £3 a month, with rations costing about £1 8s. 0d. a month. It is intended that profits shall be divided approximately 20 per cent. to reserve, 40 per cent. to development and 40 per cent. to dividends. The plantation on the north coast has been divided into temporary family holdings, the copra produced being sold green to the Co-operative Society at a rate leaving a margin of profit to pay for the operation of the driers at Nuku and the preparation and shipment of the copra.

42. The educational needs of the community are temporarily met by a school staffed by two former Assistant Masters of the Banaban School at Ocean Island, using a marquee tent for a schoolroom. Hospital facilities are still somewhat primitive, but a Banaban Island Medical Practitioner is doing his best in a hospital made out of a converted labour building, assisted by a trained Banaban Dresser, an Ellice Islands Dresser on

loan from the Gilbert and Ellice Islands Colony Government and two Banaban nurses. A Child Welfare Clinic has been set up at the temporary hospital, where some 30 under-nourished children receive pasteurised fresh milk from the Rabi dairy cattle.

(16) Recent Developments.

43. The community on Rabi appeared to be settling in with reasonable smoothness until, on the 30th May, a telegram was received from the Officer-in-Charge, Major D. G. Kennedy, D.S.O., reporting an increasing incidence of lawlessness among the Banabans and requesting that a small detachment of Fiji Police should be sent to maintain order. This was followed by a further telegram on the 1st June, stating that a small party inspired by Rotan, the Banaban leader, was committing petty breaches of administrative instructions by taking and riding horses, slaughtering cattle and the like. He considered Rotan to be openly rebellious, using agitator tactics and propaganda and "approaching sedition against the High Commissioner". It should be explained here that Major Kennedy had been placed in charge of the scheme for the settlement of Rabi from its inception at the request of the Banabans themselves, and that he had hitherto received the close co-operation of Rotan, who had been unanimously elected Chairman of the Island Council and Manager of the Co-operative Society. He was suspended as Chairman on the 30th May, but continued to act as Manager.

44. In view of this disquieting news, the District Commissioner, Northern, visited Rabi with an Assistant Superintendent of Police on the 13th and 17th June and held meetings with the Banabans. On his advice Mr. P. D. Macdonald, Assistant Colonial Secretary, Fiji, and Mr. H. E. Maude, the compiler of this Memorandum, were sent on a joint Fiji/High Commission Mission to Rabi to investigate the situation and report. These officers, both of whom had considerable previous experience of the Banabans on Ocean Island and were able to speak their language, spent three days on the island and held meetings with the community, the Island Council and individual natives. The following is a brief summary of their findings.

45. The gist of the Banaban complaints was found to be as follows, the numbers referring to the paragraphs where the topics are dealt with at greater length:—

- (a) uncertainty regarding their rights over land on Ocean Island and Rabi and the Banaban Funds (paragraphs 52 to 59);
- (b) loss of confidence in Major Kennedy, the majority of the Banabans being in favour of his removal: this complaint has since been met by the appointment of Major F. G. L. Holland, O.B.E., G.M., to succeed Major Kennedy as Officer-in-Charge;
- (c) increasing incidence of sickness, and in particular pulmonary troubles, diarrhoea and measles: the community had not yet had time to get used to the damper climate of Rabi, which was found to be particularly trying by the more elderly, resulting in a total of 27 deaths (paragraph 66);
- (d) inadequacy of the housing facilities, thus aggravating sickness: about a third of the community were still living in tents and none of them could be regarded as adequately housed to withstand the climate, still less a possible hurricane (paragraph 66);

- (e) lack of food: this can best be overcome by the Banabans themselves, as they become adapted to their new life and start to take advantage of the excellent opportunities for fishing and the cultivation of food crops;
- (f) the deduction of exchange when paying Annuities (paragraph 61);
- (g) the fact that visits between themselves and neighbouring Fijian communities were prohibited (at their own earlier request): this Regulation has already been repealed.

46. Apart from the above, there appeared to the Mission to be two main reasons for the discontent on Rabi:—

- (h) the change of front evinced by Rotan, the acknowledged leader of the community for the past fifteen years, who was considered to be the active fomenter (possibly from personal animus against Major Kennedy) of a spirit of non-co-operation; and
- (i) a general demoralisation due to the system of annuities, coupled with a spirit of lethargy consequent on their treatment under the Japanese, as a result of which many of the community did little except gamble and play football to pass the time until the next "dole" payment.

No action is recommended as regards Rotan, since the measures suggested in succeeding paragraphs should serve to remove the major grievances of the Banabans and leave him with few grounds for anti-government activities: it is to be hoped that he will thereupon succeed in finding plenty of scope for his undoubted abilities in constructive work connected with the settlement of Rabi itself. The second point is dealt with in paragraphs 60 and 61.

47. As regards the settlement project itself Rotan, who claimed to be speaking throughout on behalf of the whole community, reiterated his previous statements that they agreed "to stay on Rabi for ever, if Ocean Island is not taken away from us". Private conversations with individual Banabans known to the visiting officers indicated, however, that many, if not most, of the community had little intention of staying on Rabi; Rotan's scheme being to obtain freehold rights over the island from the Government and then return to Ocean Island, leaving their property to be leased to others and thus enjoying a rent indirectly derived from the Provident Fund to supplement their annuities derived from the Royalties Trust Fund. The island would, of course, remain in their possession, to be re-colonised by their descendants on the withdrawal of the British Phosphate Commission from Ocean Island.

PART IV.—THE FUTURE.

(17) Rabi: the Future Homeland.

48. Having traced the history of the Banaban lands and funds problems to the present day, the following sections are occupied with recommendations for the rectification of the present state of affairs and the adoption of a definite future policy towards the Banaban community. I may state here that I have known the Banabans for

seventeen years; fifteen years ago I spent nearly a year working among them in their villages (when I got to know intimately a generation now almost extinct), and since then contact has been renewed periodically until the war. It seems to me that during this period the community has progressively degenerated morally and physically, and that urgent measures are now indicated if they are not to sink into a state of indolence and apathy. Many reasons have been advanced to account for this decline, but there appear to be three main factors:—

- (a) The growth of the phosphate industry, which has dislocated their traditional economy and turned them into a denaturalised race dependent for life on imported goods.
- (b) The lack of any sense of responsibility for the conservation of Banaban Funds, due to the fact that these funds are spent without any consultation of their leaders. Not knowing the true state of the funds, the Banaban is apt to regard them as limitless, and endeavours to divert as much money as possible to himself without any regard to the future of the community. Furthermore, far from feeling grateful for concessions, he has come to regard the Government as an enemy engaged in cheating him of his rights, but an enemy who can, at the same time, be out-witted by skilful bargaining.
- (c) The system of Annuities, which has sapped his moral fibre, turning him too often into a dole-fed hanger-on of the British Phosphate Commission.

49. Although the present state of the Banaban community is not reassuring, I would hasten to record that I am far from the opinion that it is beyond repair, provided only that everything possible is done to persuade them to remain and build up a new future on Rabi. Should the Banabans as a whole (as opposed to isolated members of the community) return again to Ocean Island, it is difficult to see how they can progress as a race: life on the dole on an isolated and barren island, in the shadow of a great commercial machine, can have only one ultimate result. But if a sufficient number of the people can be made to agree, in their own interests, to stay on Rabi, I believe that the future of the community is assured, though progress will be a hard, uphill fight until they have adapted themselves to a changed mode of life in which individual effort will count to a far greater extent than on Ocean Island.

50. It is considered that inevitably many of the older Banabans will return to Ocean Island, and with them a percentage of the others. The older generation, however, are largely incapable of adapting themselves to life on Rabi: the hope of the race lies in the generation under thirty who, with sympathetic assistance and encouragement, can turn the island into a prosperous homeland from from which they can venture out into the wider world of Fiji with its educational advantages and opportunities for technical training, employment and general advancement undreamt of by the pre-war community on Ocean Island. It is felt that the increasing material prosperity of the Rabi community can be safely guaranteed to draw back all who elected to return to Ocean Island, with the exception of the aged and incorrigibly idle.

51. On the assumption, therefore, that it is agreed that the future progress of the Banaban community is dependent on the success of the Rabi Island colonisation scheme, I recommend that the Government should, at the earliest possible date, effect a settlement of all outstanding points at issue which, as has been shown, relate to their:—

- (a) Land rights on Ocean Island;
- (b) Land rights on Rabi Island;
- (c) Control of Banaban Funds; and
- (d) Annuities.

The remaining paragraphs of this Memorandum are therefore concerned with the terms of the proposed settlement.

(18) The Ocean Island Lands.

52. To deal first with the question of Banaban rights over land on Ocean Island, it is recommended that the Government should make it clear that these will in no way be affected by the community electing to settle on Rabi. Furthermore, I suggest that the Government should make a public announcement that, as an act of grace, the title to the area resumed in 1931 shall, after the phosphate deposits have been worked out, be regarded as reverting to the Banabans. The 1913 Agreement specifically stated that the Company:—

“shall return all worked out lands to the original owners, and that they shall replant such lands—wherever possible—with coconuts and other food bearing trees.”;

and this condition was extended to all areas purchased between 1900 and 1913 under the “Phosphate and Tree Purchase” deeds. Although, however, the 1931 Resumption only contemplates leasing land “for such period as may be required for the purpose of the licence”—vide Section 5 of the Mining Ordinance, 1928—after that period it apparently legally reverts to the Crown and not to the original owners.

The worked out land in the 1931 area is of no use to the Government, but rightly or wrongly the Banabans set great importance to its eventual return since they hold that, in years to come, when a layer of humus has covered the coral rock forming the base of the deposits, it will be replantable with coconut and other food bearing trees and plants. Fortunately, the Banabans do not at present realise that this land, unlike the other phosphate areas, is considered to be Crown property, for they have made it quite clear at their meetings that any settlement of Rabi was conditional on none of their lands on Ocean Island being taken away from them; and they regard the areas resumed in 1931 as fully as much their land as those sold from 1900 to 1913.

(19) The Rabi Island Lands.

53. In the case of the Rabi Island lands it is recommended that a statement should be made to the following effect:—

The ownership of Rabi Island, with all assets of the estate, including stock, tools, houses, etc., will be vested in the Island Council on behalf of the Banaban

community resident there, subject to the creation of a Government station at Nuku, such portion as the community decides upon being divided up into individual fee-tail holdings in accordance with Banaban customary law and the remainder, with the exception of the Fiji Government reserve of 50 acres mentioned in paragraph 31, held by the community in common, for division as the population increases.

While it is recognised that the present system, by which the title to the island is vested in "His Britannic Majesty's High Commissioner for the Western Pacific", is a necessary safeguard for preserving the estate intact until such time as the Banabans have decided to make the island their home centre, it should be ended if and when such election has been made; on no other terms would the Banabans willingly remain there nor would any other terms be equitable or desirable. As already done in the case of Ocean Island, it may be necessary, however, to enact legislation and prohibiting sale or lease to a non-Banaban without the Governor's permission.

It should be noted that the above recommendations are only intended to apply in the event of the Banabans deciding to make Rabi their new homeland and that the arrangements suggested in the event of their not so deciding are set out in paragraph 68 below.

54. Again presupposing permanent settlement, a Government Station should be established at Nuku which would continue, as at present, to be the community centre, with sufficient area for a demonstration farm, the Co-operative Society's headquarters, churches, a hospital, school and offices, and quarters for the European Welfare Officer and Schoolteacher and the Island Medical Practitioner and other natives attached to the headquarters staff. The Banabans will almost certainly decide to divide the whole north-west coast into individual small-holdings, leaving the rest of the island as common land. It is considered unlikely that they will divide the plantations at Vunisinu and Suetolu into subsidiary coconut lands as these can best be exploited as a communal enterprise, with Banaban, Gilbertese and Fijian labour under a skilled European Manager. While it is true that the Banabans are at present averse to any European management of these plantations, they have not yet gained sufficient experience and organising ability to operate the driers without which the plantations are commercially useless: with tactful treatment, however, I am confident that the difficulty can be overcome.

55. The details of the division of the land and miscellaneous property can, in my submission, best be left to the Island Council, the Officer-in-Charge confining himself to a watching brief and to advising in the event of an impasse. It may not prove an easy matter, owing to the conflicting views of large Ocean Island landowners such as Rotan, who hold that they should receive areas proportionate in size to those owned by them in their former home, and the majority, who consider that the division should be into equal areas for each settler. No doubt a compromise will be reached more or less acceptable to all and, provided it is not clearly unfair, I think the Government should not interfere, since experience shows that the well-meant amendments and alterations of European officials without a knowledge of Banaban custom are more apt to breed resentment than achieve any worthwhile result.

(20) The Banaban Funds.

56. Previous sections of this Memorandum will have shown that two main points relating to the Banaban funds require decision. In the first place there is what would appear to be primarily a legal question as to whether the Banaban ownership of land on Ocean Island is limited to surface rights only, with the under-surface mineral rights vested in the Crown, or whether they possess both surface and under-surface rights. Should it be held that royalties from under-surface minerals belong to the Banabans not by right but by grace only, no change would appear to be necessary in existing legislation, since the interests of the community are adequately protected by Section 7 of the Mining Ordinance 1928, which lays down clearly that all royalty payments shall be paid or applied "to or for the benefit of" the Banabans. On the other hand a decision that the royalties belong by right to the Banabans will cause considerable difficulties: the large landowners will in all probability demand that individual royalty payments should either be in proportion to the volume of phosphate taken from each land holding (if this can be assessed) or else be based on the surface area of each land, despite the fact that either would be contrary to their own customary law and to Government's oft-declared policy that royalty payments should be applied to the benefit of the community as a whole. This in turn would render it impossible to proceed with the settlement of Rabi along the lines recommended, as there would no longer be any income for the operation of the scheme—see paragraph 53 (d). Furthermore once it is understood by the Banabans that they are the absolute owners of the minerals below the surface, they will undoubtedly demand greatly increased royalties.

57. The second point is the rather more complicated question of the control of the funds, and here my recommendations are intended to apply equally whether it is decided that royalty payments belong to the Banabans by right or by grace. In the past, the Banabans have seldom been consulted regarding the expenditure of the funds and they have little knowledge of how they stand at any given time: and this despite an intense desire for details, as shown by the questions put to individual officers known to them, and a considerable degree of political advancement. To this fact may be ascribed their unfortunate lack of a sense of responsibility in their monetary concerns and their constant endeavours to direct as large a share of royalty payments to themselves as possible. Until they develop this sense of responsibility we cannot expect them to learn to manage their own affairs, and they can scarcely be expected to develop it until we give them a much greater share in controlling the funds which are the very basis of their present economic structure.

58. With the aim, therefore, not only of satisfying the present grievances of the Banabans regarding the control of the funds, but also of assisting them to progress a step further towards the goal of ultimate self-government in their own local affairs, it is recommended that, in the event of their deciding to make Rabi Island their future homeland:—

- (a) the Banaban Royalty Trust and Provident Funds should be amalgamated into a common Banaban Fund: the Provident Fund has served its purpose and there would seem to be nothing gained by preserving its separate identity, since the

expenditure from both the Royalty Trust and Provident Funds will in future be used for precisely the same objects;

- (b) the High Commissioner should issue a reassuring pronouncement to the effect that the Banaban Fund will be used exclusively for the benefit of the Banaban community on Rabi Island;
- (c) the management of the fund should be vested in a Banaban Funds Committee (or, if the title is preferred, a Board of Trustees) consisting of the three nominated and a Chairman and two out of the seven elected members of the Island Council, under the Chairmanship of the Banaban Welfare Officer and subject to the ultimate control of the Governor of Fiji: the Committee would also deal with problems connected with the Landholders' Funds, Annuities and like matters;
- (d) the Banaban Funds Committee should draw up annual Estimates showing the revenue accruing from royalties and interest from the Banaban Fund and the expenditure by heads and sub-heads: these estimates would be forwarded by the Banaban Welfare Officer, with his recommendations, to the Governor and be subject to his approval;
- (e) residence on Rabi for more than six months in each year should be an essential qualification for all members of the Funds Committee; and
- (f) no expenditure should be approved from the Banaban Fund on the development of any other island except Rabi, or the welfare of Banabans living (except temporarily) outside Rabi.

It is hoped that the Banaban Funds Committee will prove to be an interim organisation only and that, with increasing experience of financial matters, the Island Council (which by then should have become entirely an elected body) will take over its work in its entirety.

I should perhaps explain here that it is intended that, once the Banaban Annual Estimates are approved, the expenditure under each head should be supervised, in the usual way, by the Banaban Welfare Officer and his headquarters staff and be subject to normal Government audit. Statistics relating to the funds will be found in Appendix II.

59. I believe that (e) and (f) of the preceding paragraph will, if approved, prove to be of crucial importance to the Rabi settlement scheme. The fact that Banaban funds are to be controlled, under proper safeguards, by a Committee resident on Rabi and expended (apart from annuity payments) solely on the island, will, in my opinion, be the turning point in causing a majority of the community to remain there. Such is the Banaban preoccupation with their funds that, where these are controlled and expended, there will they stay too, with the inevitable exception of a minority of incorrigibles to whom the nostalgia for their old home outweighs temporal considerations. Should, however, a majority still desire to return to Ocean Island, other arrangements will have to be made for the control of the Banaban Funds, these being detailed in paragraph 68 below.

(21) Annuities.

60. It will have been noted that the continued payment of annuities is assumed in the previous section; and this despite the fact that these payments have done nothing but harm to their recipients, and their abolition has been advocated by almost everyone connected with the Banabans. Unfortunately, however, desirable though it is to cease this demoralising form of dole, it is difficult to see how it can be effected in view of the terms of the 1937 Annuities settlement—vide paragraphs 13 to 16 above. A specimen copy (Appendix I.) of the document signed by each landowner at the time is annexed, and it is suggested that this binds the Government as much as it does the Banabans. It is recommended, therefore, that existing annuities should perforce be continued (and in Fiji currency, without deduction of exchange), but that all attempts to have them increased should be resisted in the interests of the community.

61. The point mentioned above, and at (f) in paragraph 45, regarding exchange deductions forms a minor but recurrent Banaban grievance. Since arriving on Rabi the difference between Australian and Fiji currency has been deducted from all annuity payments, each individual thus appearing to receive a few pence less than on Ocean Island. This results in hundreds of small conversions having to be made, and I recommend that in future all annuities should be payable in the currency of the country in which the Banaban is living at the time, in Fiji currency in the Colony of Fiji, and Australian in the Gilbert and Ellice Islands Colony, without exchange deduction.

(22) The Final Banaban Settlement.

62. It is recommended that the terms of the final settlement with the Banaban community, as detailed in paragraphs 52 to 61, should be embodied in an agreement, which should be signed by the Government and the Banabans as representing the basis of future relations between the parties. This agreement, and all subsidiary issues, should be explained at a general assembly of the people and every Banaban over the age of 18 required to sign his or her assent or dissent to the acceptance of Rabi Island as a homeland under the conditions set out therein.

Much will necessarily depend on the person negotiating with the community, who should be empowered to settle all minor questions by direct decision without further reference, provided they are in harmony with the main terms. It is essential, therefore, that he should be a senior officer with experience of the Banabans, and that he should be trusted by them.

63. I recommend that if 51 per cent. or more of the Banabans accept the agreement immediate steps should be taken to turn Rabi Island into the community homeland. A simple majority decision in favour of remaining on Rabi should, in my opinion, be all that is required; firstly because the settlement of the island is so very much to the advantage of the community (and particularly of those under 18, who cannot vote) that it would be wrong to abandon the project merely because a minority opposed it, and secondly because it is considered almost certain that the majority of those who, for

various reasons, may decide to go back to Ocean Island will return to Rabi after a short sojourn has satisfied their home-sickness. The overwhelmingly superior advantages of Rabi will, it is anticipated, attract back stragglers from the fold, if only a sufficient number to make the scheme worth while can be induced to stay at the outset.

64. If the community should elect, by majority vote, to stay on Rabi, the Banaban Royalty Trust and Provident Funds should be amalgamated (vide paragraph 58) and used exclusively for the development of Rabi and the benefit of the people living there. Banabans who may elect to live on Ocean Island or elsewhere, either temporarily or permanently, would still draw annuities, interest from the Landholders' Fund and land rents, but they would receive no other privileges by virtue of being Banabans. Ordinary services on Ocean Island would continue to be provided by the Gilbert and Ellice Islands Colony as at present, in return for taxation, but no part of the Banaban Fund would be earmarked for the provision of special services. It is obvious that the erection of permanent buildings on Ocean Island, in particular, is a waste of Banaban moneys, when the community will have, in any case, to abandon the place in a comparatively short space of time.

65. At the same time, the control of Banaban affairs should be handed over by the High Commission to the Fiji Government, together with all invested funds, bank balances and files. In making this change, it is desirable that the Banabans should be given an assurance that, while they will be subject to all normal taxation (and in particular the residential tax), they will receive in return, free of further charge, all normal services provided by the Government to other residents of Fiji. The Banabans are rather naturally apprehensive lest the Government may endeavour to use their funds to pay for every service, medical, educational and the like, which other residents receive by virtue of being citizens and tax-payers. This feeling is mentioned since it is calculated to cause eventual trouble and a demand to return to Ocean Island, and it can be easily met by a reassurance which should, if possible, be given out at the time the agreement is signed. The Banabans understand, of course, that if they require medical, educational or other advantages additional to those provided for ordinary residents of the Colony, they will have to paid for from their funds.

66. If and when the decision to remain on Rabi has been made, the first task of the Banaban Welfare Officer will be to draw up, in collaboration with the island Council, a comprehensive programme of public works for the Governor's consideration, in order to turn the island into a permanent home. The main houses required are proper homes for the inhabitants, a hospital, school and the usual community buildings. It may well prove necessary to spend the remainder of the capital at present in the Provident Fund (approximately £40,000) and more on these necessary services, but this need occasion no anxiety since the fund was built up for this very purpose, and the 2d. per ton royalty payments will still continue. The provision of proper permanent buildings is of the first and most urgent importance, and can alone overcome the present high incidence of sickness among the settlers, which is partly due to inadequate housing and partly to inadequate hospital facilities.

67. It is suggested that the title of Officer-in-Charge, Rabi Island, should at the same time be changed to Banaban Welfare Officer, and that the Banabans should be advised to employ, from the Banaban Fund, a European Schoolteacher and a Manager of the copra plantations at Vunisinu and Saetolu. The Banaban Welfare Officer should act as adviser to the Co-operative Society, in addition to his administrative duties. The various organisations on the island would thus comprise:—

- (a) The Island Council, with an elected Chairman and seven elected and three nominated members, in general charge of Banaban affairs, including those relating to lands;
- (b) The Island Court, with a Magistrate, Scribe, Chief of Police, and four elected and two nominated Councillors, with limited judicial functions under the Banaban (Settlement) Ordinance, 1945;
- (c) The Banaban Funds Committee, with the Welfare Officer and the Chairman, two other elected and the three nominated members of the Island Council, with limited control over the Banaban Funds; and
- (d) The Co-operative Society, with a General Manager, Deputy Manager and Accountant, and three Overseers who would all be Banabans, in control of the Trade Store and (assisted by a European Plantation Manager) the plantations.

As explained in paragraph 53, it is intended that the Banaban Funds Committee shall be an interim organisation only and that it shall hand over its duties to the, by then, fully elected Island Council as soon as that body has gained sufficient experience of financial matters.

68. It remains to consider what should be done if the required majority of acceptances are not obtained. In this event it is considered that Rabi should not be sold, but run by the High Commissioner as a copra estate under European management until the day when the Banabans decide to colonise the island voluntarily or the phosphate deposits on Ocean Island are exhausted and the Banabans compelled to migrate elsewhere. The profits from the estate would be added to the Provident Fund (which should be continued) and, since the concern is an extremely lucrative one, they should be sufficient to repay the capital spent in the investment within a few years. There should be no great difficulty in arranging for any Banabans who wish to remain on Rabi being given small holdings in fee-tail, thus incidentally providing labour for the plantations.

The Provident and Royalty Trust Funds would continue to be separated, the former being used exclusively for the development of Rabi in preparation for the future return of the entire Banaban population (this being its object), and the latter for the benefit of the Banabans both on Ocean Island and Rabi in proportion to their numbers. The Banaban community remaining on Rabi would be consulted in matters concerning the expenditure from the Provident Fund and their proportion of the Royalty Trust Fund and those on Ocean Island regarding the remainder of the latter Fund only.

(23) Future Land Acquisitions by the British Phosphate Commission.

69. Before concluding, it is necessary to deal with the future land acquisitions proposed by the British Phosphate Commission on Ocean Island—vide paragraphs 17 to 19 above. The immediate aim of the Commission is to obtain a further 230 acres of high-grade phosphate land, but it is understood that this does not represent their final requirements and that they will sooner or later also be seeking rights over:—

- (a) the remaining high-grade phosphate land above the 170 foot contour, consisting of a 42 acre reserve around Buakonikai village;
- (b) various mineable areas of lower-grade phosphate land below the 170 foot contour; and
- (c) several areas of non-mining land required for building sites, etc., including the present Uma village area.

70. It would appear advantageous, from every point of view, that the Commission should, if possible, effect a single and final settlement with the Banabans covering all the lands on Ocean Island which they will require either immediately or in the future. This desirability was mentioned to Mr. H. B. Maynard, the representative of the Commission who recently visited Suva, who recognised the force of the argument for one complete settlement but doubted whether, in view of their recent heavy expenses and the consequent depletion of their reserves, the Commission would be prepared to tie up what he imagined would be a large sum in land which they would not require for several years.

71. It is suggested that the difficulty could be resolved to the satisfaction both of the Banabans and the Commission by the latter not being required to deposit a lump-sum capital payment for the owners' surface rights with the Government, but merely to meet the annual interest charges on such sum, the capital being paid into the Landholders' Fund by the Commission in instalments (commencing, if necessary, in, say, five years' time). If this were agreed to, all the Commission would have to pay for the first few years would be:—

- (a) the interest payment as above—this would not be heavy and would apply to mining lands only;
- (b) the 2s. 6d. an acre rent to the Government on both mining and non-mining lands (see Section 5 of the Mining Ordinance, 1928)—this would be a negligible sum; and
- (c) rent for non-mining lands—at present £3 an acre.

Royalty payments do not, of course, enter into the above picture, being based not on surface area but on phosphate tonnage exported. Thus the immediate expenses which the Commission would have to face as a result of completing their land negotiations with the Banabans for all time would not be heavy, and would, I suggest, be quite outweighed by the advantages accruing to them.

72. On a recent visit to Ocean Island, I was asked whether, in the event of the Banabans returning to the island either individually or as a community, they could be debarred from access to parts of the island not covered by purchase or lease. It is difficult to see how this could be done, even if it were desirable, and I recommend that the Commission be informed that, if they wish to prevent the Banabans from returning to, occupying or using any portion of the island not already purchased or leased by them, they should take out a mining or non-mining lease covering the area.

73. It has been stated in paragraph 19 that the Banabans and the Commission are at present unable to agree to the terms on which any further lands should be acquired, and it is possible that the Government will be compelled to resume lands again under the Mining Ordinance, 1928 and 1937. I recommend that, in this event, the Government should:—

- (a) urge that the resumption should be a final one, including all lands required by the Commission—vide paragraphs 70 and 71; and
- (b) require that the terms offered for the acquisition should be at least as favourable as those offered in the case of the 1931 areas, due account being made for the fall in the value of money.

It is considered that the Banabans, or more correctly the proportion of the community electing to remain on Rabi, should be encouraged to appoint a paid representative on Ocean Island to look after their interests vis-a-vis the Phosphate Commission.

(24) Summary of Recommendations.

74. The following is a brief recapitulation of the main recommendations contained in previous sections, the numbers in brackets referring to paragraphs where the matters are discussed at greater length: a number of minor suggestions, subsidiary to the main points, have been omitted:—

A—The Settlement of Ocean Island Lands.

- (i) Banaban land rights on Ocean Island to remain unaffected by residence on Rabi (52).
- (ii) Title to worked-out phosphate lands to revert to Banabans (52).
- (iii) The British Phosphate Commission to be urged to effect a final lands settlement with Banabans (70).
- (iv) Government to assist by further resumption under Ordinance, if necessary (73).

B—The Settlement of Rabi Island Lands.

- (v) Ownership of Rabi to be vested in the Island Council on behalf of the Banaban Community (53).
- (vi) Government Station to be established at Nuku (54).
- (vii) Method of land division to be left to community (55).

C—The Settlement of Banaban Funds.

- (viii) Decision to be sought regarding ownership of under-surface rights (56).
- (ix) Royalties to continue to be applied for exclusive benefit of Banaban community (56).
- (x) Royalty Trust and Provident Funds to be amalgamated (58).
- (xi) Management of Fund to be vested in a Committee (58).
- (xii) Recommendations of Committee to be subject to Governor's approval (58).
- (xiii) Committee to draw up annual Estimates (58).
- (xiv) Committee members to be residents of Rabi (58).
- (xv) Banaban Fund to be used for development of Rabi and Welfare of Community there (58 and 64).

D—Annuities.

- (xvi) Annuities to continue at existing rates (60).
- (xvii) Payments to be made in terms of Fiji currency (61).
- (xviii) No future increase in rates to be sanctioned (60).

E—The Final Agreement.

- (xix) Above terms—with the exception of A (iii) and (iv)—to be embodied in final agreement with Banabans (62).
- (xx) Banabans to be required to accept (or refuse) Rabi as their homeland on these terms (62).
- (xxi) In event of acceptance:—
 - (a) Control of Banaban affairs to pass to Fiji Government (65);
 - (b) Absentee Banabans to receive no benefits except annuities, interest and rent (64);
 - (c) House construction on Rabi to have first call on Banaban Fund (66).
- (xxii) In event of refusal:—
 - (a) Royalty Trust and Provident Funds to remain separate (68);
 - (b) Rabi to be run as a copra estate pending exhaustion of phosphate deposits (68);
 - (c) Profits to be added to Provident Fund (68);
 - (d) Banabans who wished to remain to be given small holdings (68);
 - (e) Provident Fund to be used for development of Rabi (68);
 - (f) Royalty Trust Fund to be used for benefit of Banabans on Rabi and Ocean Island in proportion to their numbers (68).

(25) Conclusion.

In conclusion I would state that, in my view of the Banaban situation, the local administration has perhaps been over-cautious in granting them control over the administration of their funds, a caution which is the more marked when contrasted with the remarkable degree of local political self-government reached by them (in common with their kinsmen in the Gilbert Islands). As a result partly of this and partly of causes outside our control, the Banabans have become increasingly feckless and distrustful of the intentions and good faith of the Government. It is urged that a generous settlement of their problems now will bring, at a most propitious moment, new hope to the race and serve to inculcate in them a sense of responsibility, without which they can never advance.

The solution recommended in this Memorandum is, in brief, to persuade the Banaban community to make a new homeland on Rabi Island, with its almost limitless possibilities, and at the same time to hand over to them the management of their lands and their funds, subject to proper safeguards framed in their interests. By learning to solve their problems in their own way they will surely develop what they need most at the present time: self-reliance and a sense of responsibility. The Government, too, will come to be regarded, not as being indifferent to their welfare, but as an adviser and friend in need.

H. E. MAUDE,

Chief Lands Commissioner,

Gilbert and Ellice Islands Colony.

Suva, Fiji,

2nd September, 1946.

APPENDIX I.

Translation of Document Recording the Terms of the 1937 Annuities Settlement, as signed by all Banaban Landowners with the exception of Rotan and his immediate family.

I, being a landowner in the mining areas acquired by the British Phosphate Commissioners in 1913 and/or 1931, agree to the division of phosphate royalties which have accrued, or shall accrue, from that land as follows:—

Royalty moneys shall be paid into the Fund which is called the Common Fund, and from this fund there shall be paid:—

- (a) The cost of services performed by the Government for the Banabans;
- (b) An annuity to all true blooded Banabans, and to half Banabans so long as they reside at Ocean Island, at the rate of £8 to adults and £4 to children under 15;
- (c) An annuity to landowners in the two above-mentioned areas as follows:—

If the total land holding in the two areas falls beneath 1 acre,	£2
If it is between 1 and 2 acres	£4
If it is between 2 and 5 acres	£6
If it is between 5 and 10 acres	£8
If it is over 10 acres	£10

and I also agree:—

- (1) that in the above settlement, the payment of annuities to Banaban Elders, and of Drought Relief, shall cease;
- (2) that if royalties are insufficient to satisfy (a), (b) and (c) above, the divisions specified at (b) and (c) shall be reduced, but it is agreed that they shall only be reduced if royalties are insufficient to satisfy them.

And I further understand that the following are not affected by this Agreement:—

- (i) The Banaban Provident Fund;
- (ii) The £150 per acre purchase price of 1931 land or the interest on it;
- (iii) Rents for land outside the mining area.

It is understood that the foregoing shall continue as previously.

Signature of Clerk
as Witness.....

Signature of
Landowner.....

APPENDIX II.

Statistics Relating to Banaban Funds.
(All figures are in Australian Currency).

(1) Position of Banaban Funds as at the 30th June, 1945:

(a) Royalty Trust Fund	=	£67,498
(b) Provident Fund	=	£41,174
(c) Landholders' Fund	=	£22,655
Total Funds		<u>£131,217</u>

(2) Estimated Annual Income of Proposed Combined Banaban Fund in Full Year:

(a) From 1s. 0d. royalty on estimated 300,000 tons of phosphate exported	=	£15,000
(b) From estimated £70,000 in Fund at, say, 3 per cent.	=	*£2,100
Estimated Total Income	=	<u>£17,100</u>

*Note.—The Provident and Landholders' Fund are ignored, as it is estimated that the bulk of the former fund will have been spent in providing housing and other facilities in Rabi and the interest on the latter is paid in full to landowners.

(3) †Expenditure from Royalty Trust Fund in Average Pre-War Year:

(a) On Banaban Services (average of 2 years, 1940-41 and 1941-42)	=	£3,500
(b) On Annuities (1939 figures)	=	£4,340
(c) On Landholders' Bonus (1939 figures)	=	£902
Total Expenditure	=	<u>£8,742</u>

†Note.—There was no expenditure from the Provident Fund prior to the purchase of Rabi in 1942.

For expenditure from Landholders' Fund, see Note *.