

A copy of this letter has been  
forwarded to the Ag. R. Cr.,  
G. & E.I.C.

Confidential.

M.v. "Sydney Star",

11th July, 1947.

Sir,

I have the honour to forward a copy of the final "Statement of the Intentions of the Government" regarding the future of the Banaban community on Rabi Island, as agreed to between the Banaban representatives on the one hand and those of the Fiji and Gilbert and Ellice Islands Colony administrations on the other at a series of meetings held at Rabi from the 8th to the 11th May, 1947. The delay in forwarding the document is regretted, being due to the fact that it was, with other notes relating to the Banaban negotiations, left in the High Commission office on my departure from Fiji with written instructions that it was to be forwarded to New Zealand by the following air mail; owing, however, to some oversight, it was evidently sent by surface mail and consequently reached me only a few days before my departure from the Dominion. Its non-receipt is fortunately of less importance since a second original was forwarded by

His Excellency

The Acting High Commissioner

for the Western Pacific,

Suva, Fiji.

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was forwarded by Mr P.D. Macdonald to the Colonial Secretary, Fiji, on the 15th May, together with a detailed account of the negotiations.

2. Mr Macdonald, Assistant Colonial Secretary, Fiji, representing that Government and myself, representing the administration of the Gilbert and Ellice Islands Colony, arrived at Rabi on the evening of the 7th May and left at approximately midnight on the 13th. Six days in all were therefore spent on the island: of these the 8th to the 10th were occupied in discussions with the Banaban community, part of the 10th and all the 11th in balloting on whether they wished to remain on Rabi or return to Ocean Island and the final two days in further conferences with the Banabans in explanation of the consequences of their final decision and in discussions with Major F.G.L. Holland, O.B.E., G.M., the Administrative Officer on Rabi Island (now to be known as the Banaban Adviser) on Banaban accounts and other allied matters.

3. The "Statement of Intentions" is based on the draft "Memorandum of Agreement" prepared by me at Tarawa in accordance with the instructions contained in the correspondence ending with the High Commissioner's telegram No. 171 of the 5th March. This draft, which incorporated the various recommendations set out in my memorandum of the 2nd September, 1946, on "The Future of the Banaban Population", was discussed by Mr Macdonald with  
the Attorney-General

the Attorney-General and various changes incorporated in conformity with his advice. The Attorney-General, furthermore, doubted whether the document would, in any case, have any legal validity and felt that it would be best cast in the form of a statement of proposed Government policy vis-à-vis the Banabans, assuming that they elected to make Rabi their future homeland.

4. I had anticipated, when drafting my main memorandum referred to above, that any proposals made to the Banabans along the lines there advocated would meet with a favourable response; and the event did not disappoint my hopes. It is true that nostalgia for their old homeland was evident on all sides, and particularly among the older Banabans, operating as a powerful drag away from the consideration of Rabi as a future home. Indeed, so potent was the very understandable call of their ancestral home that several leaders of the community were deaf to all argument based on more material considerations, and I feared more than once that their persuasive appeals might carry the rest with them on a wave of idealistic sentimentality. The superior advantages of remaining on Rabi under the terms now proposed were, however, obvious to all except the incurably homesick, and the younger generation in particular were able to appreciate the better economic, social and educational

social and educational opportunities to which they, and their children, would fall heir.

5. Few native races are more able than the Banabans to appreciate on which side of their bread the butter lies and I was not surprised to find that, after the small but vocal minority of sentimentalists had tried, and failed, to gain their point, the community settled down to their time-honoured technique of using the Government's latest proposals (as set out in the "Statement of Intentions") as a lever to gain further concessions and a yet larger measure of control over their funds. The relative generosity of the new policy clearly surprised them; but it was not long before more than one speaker had made it plain that, while acceptable as a step forward, the proposals did not as yet meet fully the demands of at least a section of the community.

6. These ultimate demands, as detailed by individual speakers, may be summarized as follows:-

- (1) the capital, as well as the interest, standing to the credit of each owner in the Landholders Fund should be handed over to the owner for investment or disposal at his or her absolute discretion;
- (2) all future royalties payable to the Royalties Trust Fund should be divided among the owners of the surface rights, if possible in proportion to the volume of phosphate taken off each

taken off each land, again for investment or disposal at his or her discretion; and

- (3) any balance lying in the Royalty Trust Fund after the erection of the necessary communal and other buildings on Rabi and the completion of the related public works programme should be divided among the existing members of the community. The Provident Fund would be, of course, used primarily for the above purpose but it was recognized that it will probably prove insufficient without assistance from the Royalty Trust Fund.

7. These demands were admitted by the Banabans themselves to be based on self-interest and framed regardless of the welfare of succeeding generations. The proposal as to the division of the capital in the Landholders Fund is, furthermore, contrary to Banaban customary law while those relating to the Royalty Trust and Provident Funds are in opposition to the policy hitherto adopted by the Government of regarding royalties from under-surface rights as being the property of the community as a whole rather than the individual owners of surface rights (vide, in this connexion, paragraphs 20 - 23 of my main memorandum).

8. With the settlement of Rabi, however, the Banaban arguments for exclusive and unfettered control over his own funds, as summarized below, will be greatly strengthened. As regards the Landholders

regards the Landholders Fund the Banaban recognizes that each capital deposit represents, in monetary form, the land formerly possessed by him and that, while he was living on Ocean Island itself, he could not logically expect to be able to spend it contrary to Banaban customary law regulating the inheritance of land. He points out, however, that the object of this restriction was to ensure that his descendants would, even if they no longer possessed any land, still enjoy an income from the interest on the capital representing their former holding. Now, however, that he will possess his own landholdings on Rabi (bigger and better than any he had on Ocean Island), which he can and must pass on to his children in accordance with Banaban custom, he considers that the whole object of the Landholders Fund has ceased and that he should be allowed to have the free use of both the capital and interest in it.

9. Regarding royalties (whether new or already invested in the Royalty Trust) the Banaban argues, as he has always done, that all under surface rights belong absolutely to the owners of the surface rights and that the Government has no right to withhold his royalty payments, which should be paid to each individual landowner and not diverted to communal use. A majority of the Banabans would except the payment of 2d per ton made to the Provident Fund for the purchase and development of Rabi as their community home,

since

since this was originally agreed to by the people, but an increasing minority of the younger men would have this sum also divided up and all development and other community expenses met from taxation.

10. The attitude taken by Mr Macdonald and myself to the Banaban demands was to the effect that we were not empowered to discuss such a drastic amendment of policy and that, in any case, we were of the strong opinion that the time for their discussion was not now, when so much effort and expenditure was required for the setting up and development of their new home and it was quite impossible to forecast what percentage of the Provident and Royalty Trust Funds would be needed before the work was complete. Once their public buildings, schools, churches, roads and other community requirements had been met it would be possible for the Banaban Fund Trust Board (who are elected by themselves) to recommend such division of Trust Funds as they thought best.

11. In the case of the Landholders Fund we agreed to recommend to Your Excellency that individual landholders should be permitted, with your prior sanction in each instance, to withdraw part or the whole of their capital investment for the purpose of effecting permanent improvements to their new landholdings on Rabi. Further than this very reasonable concession we were not prepared to go, since it was obvious that

that the majority at any rate of the younger Banabans wanted to be given their capital to waste on a few months of riotous and extravagant living, quite regardless (as they admitted themselves) of the rights or welfare of succeeding generations. Past experience confirms the powers of the Banabans to get rid of large capital sums in a few months, for in 1912 they were handed £7,000 and within a short period had nothing left to show for it.

12. Once everybody had had their say and every conceivable argument had been repeated, the Banabans were quite prepared to agree to:-

- (1) the holding of a secret ballot to establish whether the majority of the community desired to make Rabi their future home or return to Ocean Island; and
- (2) if the verdict was in favour of staying on Rabi, to agree to the terms governing the control of their lands and funds, and other incidental matters, as set out in the Government "Statement of Intentions".

The secret ballot was accordingly held on the 10th and 11th May with the following result, not less than 318 (94.6%) out of the 336 of the population over the age of 18 voting.-

- (1) For making Rabi the Banaban homeland - 270 (84.9%)
- (2) Against making Rabi the Banaban homeland - 48 (15.1%)
- (3) Majority in favour - 222

The "Statement of



The "Statement of Intentions" was thereupon unanimously approved and signed by all parties on the 12th May.

13. In this satisfactory solving of a series of complex problems concerning Banaban lands and funds, which have been a thorn in the flesh of the administration for some 30 years, much credit is due to the present Administrative Officer in charge of their affairs, Major Holland, who for many months had been engaged in patient explanation and tactful propoganda with this end in view. So marked was the change in the spirit of the community (and no less in its material state) since my last visit a year previously that I have little doubt that Major Holland, who obviously had the confidence of the Community and their welfare at heart, could have brought the negotiations to a successful termination without our presence. The fact, however, that offical representatives of the two Governments concerned were present at the final proceedings may serve to prevent future misunderstanding.

14. With the decision to make Rabi their future homeland, the Banabans become, as a community, subjects of the Colony of Fiji. After discussion with Mr Macdonald I recommend that the official date of handing over their funds and records to the Fiji Government should be the 31st December, 1947, since the majority of the people will be away engaged in boundary-marking on Ocean Island until the end of this year and, as a consequence, it will

*See page 11/149*

consequence, it will not be possible for the Banaban Adviser to organise elections to, and the functioning of, the Island Council and Trust Fund Board pending their return. The interval will, furthermore, give the High Commission time to straighten out the position as regards the Banaban Funds and hand them over with all receipts and payments complete to the end of the year.

15. The following details of the final action required before the management of Banaban affairs can be handed to the Fiji Government may be of assistance to the Western Pacific High Commission staff. -

- to words*
- (1) A complete tabular summary of all revenue and expenditure from Banaban Funds year by year from the beginning (either by calendar or financial years, whichever is the easier) should be prepared and forwarded to the Banaban Adviser, for the information of the Island Council, as promised to the community. This statement need not give details of each item of expenditure but only the service on which it was incurred, e.g. drought relief, upkeep of hospital, annuities, etc., and the revenue need only show each fund separately, not each payment.
  - (2) A complete statement, which would presumably be based on (1), showing the position of each Banaban Fund as  
at the 31st December,

at the 31st December, 1947.

- (3) Any necessary action to amend the Gilbert and Ellice Islands Colony legislation in the event of Your Excellency approving the recommendation contained in paragraph 11. Speaking without the records, it appears to me that no action is, in fact, required, since the Ocean Island lands code has never been gazetted in accordance with the provisions of the Native Land Codes Ordinance, 1940.

Once the above action is completed, it only remains to hand over the actual funds, files and records to a representative of the Fiji Government, presumably during the first week in January. It is necessary to emphasize, however, that the summary required at (1) cannot be prepared by the Gilbert and Ellice Islands Colony, whose records have all been destroyed by enemy action, but that the information is available in the High Commission office. It is suggested that it is usual for Governments to furnish details of the expenditure they incur from funds entrusted to their care and that the fact that the Banabans have never been given any such statements in the past should not be allowed to prevent one being prepared for them now, even though it may mean the temporary employment of an extra officer to extract the necessary facts and figures.

16. With this letter

16. With this letter I must perforce, and with feelings of genuine regret, close nearly 20 years of association with the Banaban community, during which period I have developed a great admiration for their many sterling qualities. My recent visit to Rabi Island has convinced me that now they have decided to settle down in a locality where their industry, perseverance and rugged individualism can be given full scope, they are destined to progress rapidly in every sphere of activity. They will, however, require much sympathetic advice and assistance for some time to come, and it is to be hoped, therefore, that they may find as many firm friends in the future among officers of the Fiji Government as they have among the Gilbert and Ellice Islands Colony staff in the past.

I have the honour to be,

Sir,

Your Excellency's obedient servant,

(Signed). H.E. Maude.

Resident Commissioner,  
Gilbert and Ellice Islands Colony.

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

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)

(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 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 of such Officer as he may appoint for the purpose.

(11). At a public meeting of the Banaban Community

held

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



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.

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The above

The above statement of the intentions of Government have been read out and explained fully to the Banaban Community a majority of which has, by voting in a secret ballot, the results of which are recorded in the Appendix hereto, signified its acceptance of the same.

(Signed) Iete Eri.

(Signed) H.E. Maude.

Resident Commissioner,  
Gilbert and Ellice Islands Colony,

for the High Commissioner for the  
Western Pacific.

(Signed) P.D. Macdonald.

Acting Assistant Colonial Secretary,  
for the Governor of Fiji.

(Signed) F.G.L. Holland.

Administrative Officer,  
Rabi Island.

(Signed) Bauro Ratieta.

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

Rotan.

Kabanti.

R. Kaibuariki.

Akeriba.

Tebuke.

Kaitu.

Keangibo.

Tarakai Kamarie.

Katarake.

Mataio.

Tekai Arekiba.

Auriaria.

? ?

Tetebano Taberanibon.

Tekenimatang.

Naikara Kake.

Teremita.

Ikamawa.

Tibaina.

Representatives of the  
Banaban Community.

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.

(Signed) H.E. Maude.

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

(Signed) Iete Eri.

(Signed) P.D. Macdonald.

Acting Assistant Colonial Secretary,  
for the Governor of Fiji.

(Signed) Rotan.

(Signed) F.G.L. Holland.

Administrative Officer,  
Rabi Island.

(Signed) Kabanti.

(Signed) Bauro Ratieta.

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

(Signed) Akeriba.