

[Professor Maude]

[The 1947 Royalty Negotiations]

I have considered the question of the attitude of Government towards the negotiations between the Banabans and BFC which led to the concluding of the agreement of 10th April 1947.

I recall that it was official policy that Government should not intervene in the negotiations. I do not, after this period of time, recall with whom this policy originated but my recollection is of having been informed of it by Mr Vaskess, Secretary of the Western Pacific High Commission. I have seen a letter dated 25th March 1947 (Bundle 39 page 35) which confirms that this was Mr Vaskess' view but he informed me of it at an earlier date, possibly in 1946 even. This tends to gain support from the fact that, when I was compiling (in August 1946) my Memorandum of 2nd September 1946, I felt that it would be inappropriate to deal with the negotiations themselves and confined myself to a recommendation.

I may say that I shared the view mentioned above and believe that I sent to the Western Pacific High Commission a telegram concurring in Major Holland's suggestion, in his telegram of 4th February 1947 (39/14), that Maynard should negotiate independently with the Banabans. I no longer have access to this telegram. * My view was based mainly on the disastrous effect on relations with the Banabans of the outcome of the 1928 - 31 negotiations.

It seemed to me that these negotiations were not entirely new ones, being a continuation of those (with which I had not been personally concerned) in 1940. My view was that, even if the Banabans had not been in a position, in view of their wartime sufferings, mentally and psychologically to deal with wholly new negotiations, they were, in 1946-7, quite able to handle the updating of matters already agreed to in principle.

* [That mentioned in paragraph 17 of Macdonald's note on the negotiations of April 1947 - not in the Bundles.]

I recall that, when on leave in Auckland - this was probably in the [Southern Hemisphere] winter of 1945 - I had conversations with Sir Albert Ellis in which I suggested that any terms to be offered to the Banabans for further land acquisition should be not less generous than those agreed upon in 1940 and that there should be an additional sum to provide for the fall in the value of money during the intervening years. I also recall mentioning this to Mr Gaze, on Ocean Island - this too must have been in 1945 as I connect it with the day when Kabunare emerged from the banga-banga.

I am not able to say whether Major Holland, as Banaban Adviser, gave specific advice to the Banabans on the terms proposed by BPC. It would have been very much in character for him to have done so - and it might be inferred from the end of the first paragraph of his telegram of 4th February 1947 (39/14) that he did so.

I am not able from my own knowledge [nor is Macdonald] to say that the High Commissioner, Sir Alexander Grantham, approved the terms but, again, it seems clear from contemporary documents that he did so (39/19-20; 39/25) in or shortly before February 1947.

As regards these negotiations, I do not believe [nor does Macdonald] that I was at any time officially requested or directed to express a view on the adequacy of the royalty agreed; this was not within our professional competence.

I would add that my recollection is that I have seen in the bundles (perhaps in connection with the previous action) correspondence which shows that BPC did, in fact, endeavour to ascertain the percentage decrease in the value of money between 1940 and 1946 for the purpose of calculating the 1940 figures which had been agreed to in principle by both parties. My recollection is that this was done by an enquiry made to the Reserve Bank of Australia (who should have known if anyone did).

No request, verbal or in writing, was received by me from any Banaban suggesting that the Banabans required a lawyer and it never occurred to me that, for calculating the arithmetical percentage by which the 1940 figures should be revised to allow for any fluctuation in the value of money in 1946, one would be required. In any case, the Banabans passed from my care to that of the High Commission and the Fiji Government in December 1945 on their arrival in Rabi.