

them His Majesty acts for and on behalf of the Governments of the Union of South Africa, the Commonwealth of Australia, and the Dominion of New Zealand, and each of these Governments is expressly designated as the Mandatory for the territory to which each mandate refers.

“The Commission was therefore bound to consider the Island of Nauru as under the mandate of the British Empire as a whole, to the exclusion of any one Government within that Empire.

“It is true that the Secretariat received, on July 28th last, a telegram from the Australian Prime Minister announcing that the Australian Government, after consultation with the British Government, had appointed Sir Joseph Cook, its High Commissioner in London, as representative of the mandatory Power at the discussion on the reports concerning Nauru. But the Commission was confirmed in its original opinion by a second notification, proceeding this time from the Secretary to the Cabinet in London, and dated July 31st, accrediting Sir Joseph Cook to the Commission as representative of the British Empire.

“However, an examination of the report leaves the impression that the administration of the island is exercised *de facto* by the Australian Government, which now assumes responsibility for it. This was confirmed in the course of the discussion, which revealed the following facts:—

“While the mandate was conferred upon the British Empire as a whole, as the result of an agreement which was signed at Paris in 1919 between the Governments representing various portions of the Empire, the rights and responsibilities conferred upon His Britannic Majesty as regards the Island of Nauru were reserved to Great Britain, Australia, and New Zealand.

“By the terms of a second agreement concluded by these three Governments, and ratified by an Act of the Imperial Parliament on August 4th, 1920 (10 and 11 Geo. V, Nauru Island Agreement Act, 1920, cap. 27), it has been laid down that the first Administrator of the island shall be appointed for five years only, and it is provided in the Act that thereafter the Administrator shall be appointed in such manner as the three Governments may decide.

“As far as the Commission is aware, these agreements (the effect of which is that the Australian Government, though not designated as such in the mandate, has become in practice the Mandatory responsible for the administration of the Island of Nauru) have not been made the subject of any notification to the League of Nations.

“The Commission wishes to include in the present report, for the information of the Council, these facts, which have led to some uncertainty as to whether the mandate for the Island of Nauru, with the responsibility which it entails, is to be considered by the League of Nations as having been in effect transferred to the Australian Government.

“Another point of interest which the Commission wishes to bring to the notice of the Council, in connection with the Nauru mandate and with the above-mentioned Act, is the relation of the authority responsible for the administration of the island under the conditions of the mandate to the organization established jointly by the three Governments for the exploitation of its extensive and valuable phosphate deposits. It appears from the discussion that the exclusive rights to the possession and development of these deposits formerly rested in a German private company. The rights of this company have now passed to the three Governments of Great Britain, Australia, and New Zealand, which have provided the necessary capital (amounting, approximately, to £4,000,000), in proportions of 42, 42, and 16 per cent. respectively, out of their general public revenues. The administration of the deposits so acquired by the three States has been vested by them in three Commissioners appointed severally by the Governments concerned.

“Article 2 of the agreement embodied in the Act lays down that all the expenses of the administration of the island (including the remuneration of the Administrator and the three Phosphate Commissioners), so far as they are not defrayed out of the ordinary revenues of the island, shall be defrayed by the proceeds of the sale of the phosphates. From this it would seem to follow that, should the expenditure of the public administration exceed the revenue from taxation, the Phosphate Commission, and not the mandatory Power for the time being, will be responsible for finding the deficit.

“The attention of the Permanent Mandates Commission was drawn more particularly to Article 13 of the agreement embodied in the Act, which lays down that ‘There shall be no interference by any of the three Governments with the direction, management, or control of the business of working, shipping, or selling the phosphates, and each of the three Governments binds itself not to do or to permit any act or thing contrary to or inconsistent with the terms and purposes of this agreement.’

“The question therefore arises as to whether the conditions of labour employed, whether imported or local, are under the control of the Administrator, and through him of the mandatory Power, or are under the control of the three Phosphate Commissioners, who would appear to be vested with powers subject to little, if any, Government control. The Commission would be glad to find in the next annual report information which would remove any preoccupations which might be inspired by this fact.

“It would seem that, as a great part of the island consists of phosphate deposits, the present conditions of life and the future well-being of the Nauruan Natives, *vis-à-vis* the use of their lands by the Phosphate Commissioners, merit the continuous attention of the Commission, and it is hoped that the exploitation of the mineral wealth of the island will not entail any undue restriction of the area open to Native habitation or cultivation. The Commission desires to know the probable duration of the exploitation of known deposits, and also what area proportionate to the whole will have been affected by that exploitation when the deposits are exhausted.

“It is important that the future of the population should be fully guaranteed, and the Permanent Mandates Commission would be particularly glad to find in a later report an explanation of the measures taken by the Nauru Administration to ensure not only the present welfare of the Natives, but also, in conformity with the provisions of the Covenant, the development of the population of the mandated area.