

# NAURU ISLAND AGREEMENT,

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No. 8 of 1919.

An Act to approve the agreement made between His Majesty's Government in London, His Majesty's Government of the Commonwealth of Australia, and His Majesty's Government of the Dominion of New Zealand, in relation to the Island of Nauru.

[Assented to 28th October, 1919.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Nauru Island Agreement Act* Short title. 1919.

**Commencement.** 2. This Act shall commence on a date to be fixed by Proclamation.

**Approval of agreement.** 3. The agreement made between His Majesty's Government in London, His Majesty's Government of the Commonwealth of Australia, and His Majesty's Government of the Dominion of New Zealand, in relation to the Island of Nauru (a copy of which agreement is set forth in the Schedule to this Act) is approved.

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### THE SCHEDULE.

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#### AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN LONDON, HIS MAJESTY'S GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA, AND HIS MAJESTY'S GOVERNMENT OF THE DOMINION OF NEW ZEALAND.

WHEREAS a Mandate for the administration of the Island of Nauru has been conferred by the Allied and Associated Powers upon the British Empire and such Mandate will come into operation on the coming into force of the Treaty of Peace with Germany, and

WHEREAS it is necessary to make provision for the exercise of the said Mandate and for the mining of the phosphate deposits on the said Island.

Now, therefore, His Majesty's Government in London, His Majesty's Government of the Commonwealth of Australia, and His Majesty's Government of the Dominion of New Zealand do hereby agree as follows :—

#### ARTICLE 1.

The Administration of the Island shall be vested in an Administrator.

The first Administrator shall be appointed for a term of five years by the Australian Government; and thereafter the Administrator shall be appointed in such manner as the three Governments decide.

The Administrator shall have power to make ordinances for the peace, order and good government of the Island, subject to the terms of this Agreement, and particularly (but so as not to limit the generality of the foregoing provisions of this Article) to provide for the education of children on the Island, to establish and maintain the necessary police force, and to establish and appoint courts and magistrates with civil and criminal jurisdiction.

#### ARTICLE 2.

All the expenses of the administration (including the remuneration of the Administrator and of the Commissioners), so far as they are not met by other revenue, shall be defrayed out of the proceeds of the sales of the phosphates.

#### ARTICLE 3.

There shall be a Board of Commissioners, comprising three members, one to be appointed by each of the Governments who are parties to this agreement.

#### ARTICLE 4.

Each of the Commissioners shall hold office during the pleasure of the Government by which he is appointed.

THE SCHEDULE—*continued.*

## ARTICLE 5.

The three Governments, or if they are unable to agree a majority of them, shall fix the remuneration of the Commissioners.

## ARTICLE 6.

The title to the phosphate deposits on the Island of Nauru and to all land, buildings, plant, and equipment on the island used in connexion with the working of the deposits, shall be vested in the Commissioners.

## ARTICLE 7.

Any right, title or interest which the Pacific Phosphate Company or any person may have in the said deposits, land, buildings, plant and equipment (so far as such right, title and interest is not dealt with by the Treaty of Peace) shall be converted into a claim for compensation at a fair valuation.

## ARTICLE 8.

The amount of the said compensation shall be contributed by the Governments of the United Kingdom, the Commonwealth of Australia, and the Dominion of New Zealand in proportions to be mutually agreed upon, or in the event of their failing to agree within three months of this agreement coming into force, then in the same proportions as the first allotment of phosphates under Article 14 of this agreement. Any other capital necessary for working expenses shall be contributed by the three Governments in the same proportions.

## ARTICLE 9.

The deposits shall be worked and sold under the direction, management, and control of the Commissioners subject to the terms of this Agreement.

It shall be the duty of the Commissioners to dispose of the phosphates for the purpose of the agricultural requirements of the United Kingdom, Australia and New Zealand, so far as those requirements extend.

## ARTICLE 10.

The Commissioners shall not, except with the unanimous consent of the three Commissioners, sell or supply any phosphates to, or for shipment to, any country or place other than the United Kingdom, Australia or New Zealand.

## ARTICLE 11.

Phosphates shall be supplied to the United Kingdom, Australia and New Zealand at the same f.o.b. price, to be fixed by the Commissioners on a basis which will cover working expenses, cost of management, contribution to Administrative expenses, interest on capital, a sinking fund for the redemption of capital and for other purposes unanimously agreed on by the Commissioners and other charges.

Any phosphates not required by the three Governments may be sold by the Commissioners at the best price obtainable.

## ARTICLE 12.

All expenses, costs, and charges shall be debited against receipts; and if by reason of sales to countries other than the United Kingdom, Australia or New Zealand, or by other means or circumstances, any surplus funds are accumulated, they shall be credited by the Commissioners to the three Governments in the proportion in which the three Governments have contributed under Article 8 of this Agreement and held by the Commissioners in trust for the three Governments to such uses as those Governments may direct, or if so directed by the Government for which they are held shall be paid over to that Government.

## ARTICLE 13.

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 SCHEDULE—*continued.*

## ARTICLE 14.

Until the readjustment hereinafter mentioned, each of the three Governments shall be entitled to an allotment of the following proportions of the phosphates produced or estimated to be produced in each year, namely :—

United Kingdom	..	..	..	42%
Australia	..	..	..	42%
New Zealand	..	..	..	16%

Provided that such allotment shall be for home consumption for agricultural purposes in the country of allotment, and not for export.

At the expiration of the period of five years from the coming into force of this agreement, and every five years thereafter, the basis of allotment shall be readjusted in accordance with the actual requirements of each country.

If in any year any of the three Governments does not require any portion of its allotment, the other Governments shall be entitled, so far as their requirements for home consumption extend, to have that portion allotted among themselves in the proportions of the percentages to which they are entitled as above.

Where any proportion of the allotment of one of the Governments is not taken up by that Government, that Government shall, when the phosphates are sold, be credited with the amount of the cost price as fixed by the Commissioners under the first paragraph of Article 11 ; but if such phosphates are sold to a purchaser other than one of the Governments any profit above the said cost price shall be carried to the surplus fund mentioned in Article 12.

## ARTICLE 15.

The agreement shall come into force on its ratification by the Parliaments of the three countries.

Dated this second day of July in the year of Our Lord one thousand nine hundred and nineteen.

Signed by the Right Honourable David Lloyd George for and on behalf of His Majesty's Government in London, in the presence of—  
ERNEST EVANS. } (Sgd.) D. LLOYD GEORGE.

Signed by the Right Honourable William Morris Hughes for and on behalf of the Government of the Commonwealth of Australia, in the presence of—  
R. R. GARRAN. } (Sgd.) W. M. HUGHES.

Signed by the Right Honourable William Ferguson Massey for and on behalf of the Government of the Dominion of New Zealand, in the presence of—  
R. R. GARRAN. } (Sgd.) W. F. MASSEY.