

Nauru—Tiny But Rich

by OLE WANG

IN the southwest Pacific there is a speck of land named Pleasant Island by its discoverer and now known as Na-u-ru. Though comprising only eight square miles its phosphate deposits are said to be the largest and best in the world. It was recently estimated that with an annual output of two million tons the deposit will last for 25 to 30 years. About thirty million tons have been removed leaving craters which would require vast amounts of fill-in to make the land habitable.

After the World War Nauru was placed under the administration of a League of Nations mandate. The Japanese occupied it from 1914 to 1921 and in 1947 it came under a United Nations trusteeship jointly held by Great Britain, Australia and New Zealand; with Australia assuming administration. Each country was to receive its requirement of phosphates at cost price and the remainder (though non-existent) was to be sold elsewhere at the market price.

This transaction came before the British Parliament when its government asked for money to pay for its part of the take-over. At the invitation of the League of Nations the following memorandum was presented to the International Conference of World Economics at Brussels in 1920 by Gustav Cassel, a Swedish economist:

"The British government wanted to have the whole matter considered entirely as a private business transaction. Three governments had agreed with a private company to buy its assets—no outsider would be permitted to register a complaint. The opposition maintained there was a difference—if a government takes over such an affair it is worked as a monopoly for the benefit of its own country—a private company could not do that. Furthermore, the three

governments had no right to Nauru because a mandate over the island could only be granted by the League, who had not been asked. If the League gives a mandate the terms are rigorous — "equal conditions as to business and trade shall be guaranteed to all other members of the League of Nations." Mr. Asquith clearly stated that the whole make-up was illegal as to its origin, unjust as to its consequences, and in every respect in contravention of both the letter and the spirit of the Covenant of the League of Nations. In spite of all these weighty arguments, however, Parliament voted the sum by a great majority."

When the General Assembly of the United Nations approved a "trusteeship" agreement in 1947 it was with these same three governments, under the terms of Article 77 of the charter:

a) to further international peace and security,

b) to promote the political economic, social and educational advancement of the inhabitants of the trust territories and their progressive development towards self-government or independence . . .

d) to insure equal treatment in social, economical and commercial matters for all members of the United Nations and their nationals . . .

Article 87 of the U.N. charter calls for periodic visits to trust territories, and such a visit was made in 1962. Island representatives, after pointing out the importance of the phosphates for agriculture in New Zealand and Australia, complained of the poor chance they themselves had of advancement in the phosphate industry — also of their lack of housing and modern conveniences.

A spokesman for Nauru said, "sometimes it makes us feel that we, the in-

digenous people, are being looked upon as a bit of a nuisance and a humbug, and should have been somewhere else away from this phosphate island. We submit that the island is being exploited primarily for the benefit of other countries and peoples and request that whenever clashes of interest occur ours be given first consideration."

The remonstrance evidently had some effect, for in 1965 the three administering governments provided for a Legislative Council with powers to enact ordinances subject to assent by higher authority in all matters except defense, external affairs and the phosphate industry. These were to be referred to the Governor General.

By 1967 a strong movement for independence was under way. Although Nauruans had been offered a much larger island off the coast of Queensland for resettlement, this was refused—they preferred to stay on their own island. Another alternative was considered but found impracticable. This consisted of replacing sub-soil and top-soil in the same proportions as phosphate bears to top-soil in the unmined areas. It would have meant fetching millions of tons of refill ballast and soil from afar. The question of restoring the island after exhaustion of deposits was a crucial one, although it was decided that cost should not be a consideration.

Agreement was reached in June of that year—the local government of

Nauru was to own the phosphate enterprise and assume complete control and management as of June 30, 1970. With assets provisionally estimated at \$22 million, the three partnership governments agreed to buy the entire output.

Accordingly, on January 31, 1968, Nauru became an independent republic with a president and council of ministers chosen by himself. The per capita income of the 3,000 native Nauruans is now the highest in the world. In many ways the "pleasant" island is a veritable paradise. Shops are full of merchandise from all parts of the world. There are already 1,000 motor cars, but considering the limited area these may be paradisaical or the contrary. The natives will be exempt from taxes—an advantage that will not be extended to some 400 Europeans, 1,200 Chinese and 1,500 contract laborers from other Pacific Islands.

What a chance these tax-free Nauruans could have of making their republic a great center of activity if they would only adopt a complete free trade agreement with the rest of the world. It was Kipling who said the first thing that must be done to further international peace and security was to remove trade barriers. This ideal always recedes further away, notwithstanding attempts at circumscribed arrangements which harm rather than benefit immediate prospects of peace, and carry within them the germ of future discord on a greater scale.

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Fifty adult educators in the New York area assembled at the Henry George School on March 25th for a meeting sponsored by the New York Adult Education Council. The theme was "Opening the First Session" of adult education classes, and demonstrations were provided by Norman Newmark and Robert Clancy.

Dr. Newmark, who teaches Group Dynamics in college, showed how she got new students to "warm up" by mixing in small groups, the participants continuously moving to other groups until each had met all the students. Mr. Clancy demonstrated part of a first session of Fundamental Economics as conducted at the Henry George School—the opening questionnaire. There was much interest in both demonstrations, with lively discussion.