

THE MANDATES OF THE PACIFIC

By George H. Blakeslee

OF THE islands of the Pacific Ocean, a large proportion are now held, not under the complete sovereignty of any power, but as Mandates under the supervision of a group of nations. The problem of these Pacific Mandates raised one of the most acute issues at the Paris Conference in 1919; one of them has more recently been the cause of severe international friction between the United States and Japan; while of the others, the United States still contests the validity of their title. These Mandates in the Pacific, together with that for Southwest Africa, were the first formally awarded by the League of Nations; and, with Southwest Africa, they alone make up the class of "C" Mandates. They are of especial concern to Americans, due to the long-continued and important interests which the United States or its nationals have had in many of the islands.

There are four distinct Mandates in the Pacific. Japan administers the Carolines, Marshalls and Marianas (except Guam), all north of the Equator; Australia, the former German part of New Guinea and the Bismarck Archipelago, with adjoining islands, all south of the Equator; New Zealand, the western islands of the Samoan group; and the British Empire, the rich phosphate island of Nauru. With the exception of Samoa, which is in the south central Pacific, the Mandates comprise a large bloc in the west central part of the Pacific, east and southeast of the Philippines. Their land area is greater than that of England, Scotland and Wales combined, although their estimated population is small, hardly 500,000, and of this total, just before the War, the whites numbered less than 2,000. The chief importance of the islands lies in their strategic and naval value; they include one of the best possible commercial and naval bases in the Pacific—Rabaul in New Britain—and have particular significance for any possible conflict between the United States and Japan. From an economic viewpoint, they produce large amounts of copra, and contain some of the richest phosphate islands in the world. The full extent of their economic importance is still undetermined; while they are valuable tropical possessions, it is certain that they can never rank with such islands as Java or the Philippines.

These Mandates formerly comprised the German island possessions of the Pacific. They were well administered by the Germans along economic lines, although the natives, while not subject to such grave abuses as in Southwest Africa, were not as well treated as in the usual British and American dependencies.

At the opening of the war, in 1914, all of these islands were easily captured, for they were entirely undefended; they had no forts, no garrisons, and only a few native police. At the suggestion of the British Government, Australia and New Zealand occupied New Guinea and Samoa respectively. It was the original intention of the British Government to have Australia seize also the strategic points in the Carolines, Marshalls and Marianas, but Australia delayed, and when its Expeditionary Force was organized and ready to sail, word was received from London that an agreement had been made by which Japan would occupy the islands north of the Equator.¹

At the Peace Conference, when the Supreme Council discussed the disposition of the German colonies, and President Wilson urged the mandate idea, Premier Lloyd George accepted the principle for those German colonies which had been conquered by British Imperial forces, which included none of the Pacific islands, but the Premiers of Australia, New Zealand and Southwest Africa, and the representative of Japan, insisted vigorously that their countries should be permitted to annex the territories which they then held under military occupation.² This claim to treat a large part of the German colonies as spoils of war led to one of the crises of the Peace Conference. The delicate situation was met by Mr. Lloyd George who called a meeting of the Dominion Premiers and, after a heated discussion, induced them to accept a compromise proposal by which the Mandates would be divided into three classes, and class "C," containing the Pacific islands, would be "administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards . . . in the interests of the indigenous population." This plan was as near to outright annexation as could well be

¹Report by the (Australian) Minister of State for Defence on the Military Occupation of the German New Guinea Possessions, 1921. Melbourne: Government Printer.

²In February, 1917, Japan induced Great Britain, France and Italy to agree by an exchange of secret diplomatic notes, that at the Peace Conference they would all support Japan's claims to Germany's island possessions north of the Equator, and Great Britain to those south of the Equator. J. V. A. MacMurray, *Treaties and Agreement with and concerning China*, 1894-1919, p. 1168.

secured under the form of a Mandate;³ but the compromise was accepted by President Wilson, and later became Article 22 of the Covenant of the League in the Treaty of Versailles.

Although the Council of Three, President Wilson and Premiers Lloyd George and Clemenceau, agreed at the Paris Conference on the division or allocation of the Pacific Mandates, so far as they alone could legally do so—a misunderstanding as to Yap developed later—the only provisions in the Treaty of Versailles regarding the Mandates were in Article 22, which outlined the Mandate plan, but without reference to their allocation, and in Article 119, which stipulated that Germany renounced in favor of the Principal Allied and Associated Powers all of her rights and titles over her oversea possessions. After the United States had failed to ratify the Treaty of Versailles, the remaining Principal Powers, without the official consent or knowledge of the American Government, formally awarded the “C” Mandates, the Pacific islands and Southwest Africa, and drew up proposed terms under which they should be administered. The Council of the League of Nations confirmed these “C” Mandates December 17, 1920.

According to the terms of these Mandates, which are identic, the Mandatory’s full power of administration and legislation is limited by important conditions. Each is required to “promote to the utmost the material and moral well being and the social progress” of the natives; to control the traffic in arms and ammunition; to ensure freedom of conscience and worship and to respect the rights of missionaries; and to make an annual report of its administration to the Council of the League of Nations. There are also certain things prohibited: The slave trade; forced labor “except for essential public works and services, and then only for adequate remuneration;” “the supply of intoxicating spirits and beverages to the natives;” “the military training of the natives, otherwise than for purposes of internal police and the local defence of the territory;” and the erection of fortifications and the establishment of military or naval bases. No provision was made in the “C” Mandates for the open door in the mandated territory, as was done in the case of the “A” and “B” Mandates.

The finality of the Mandate award was seriously affected by the protests made by the United States, both to the Council of the League, February 21, 1921, and to the Principal Allied

³Ray Stannard Baker, War Spoils at Paris, *New York Times*, May 28, 1922.

political control, although it complained when Germany and Powers, especially by the trenchant identic note sent by Secretary Hughes to Great Britain, France, Japan and Italy in the early days of April, 1921. The United States maintained particularly that the cable island of Yap had never, with its consent, been included in the Japanese Mandate; and also, in Secretary Hughes' note, that neither the other Principal Powers nor the League of Nations had the right to award or define a Mandate without the consent of the United States. It regarded the title of all Mandatories as invalid without this consent.

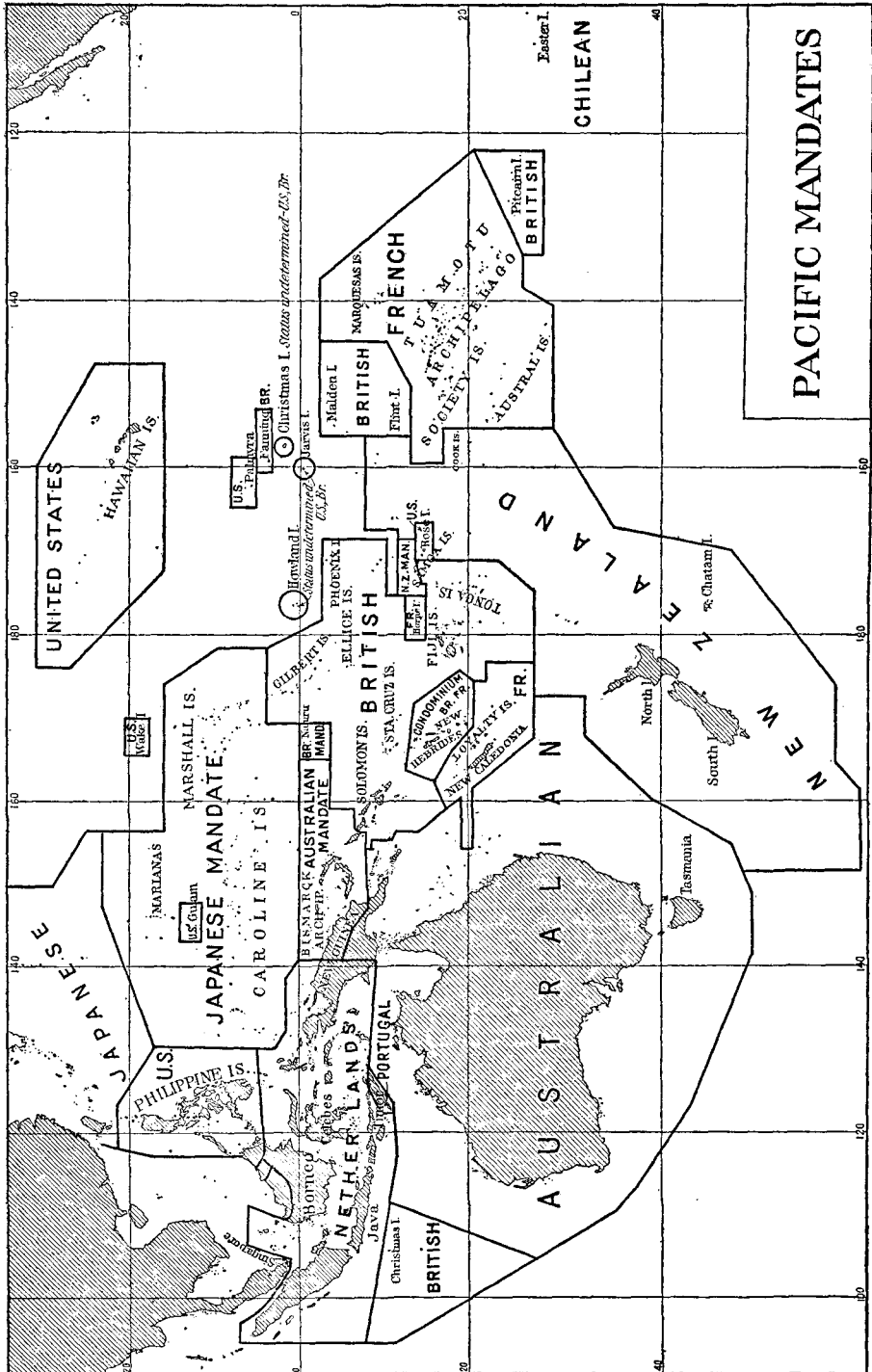
Japan also protested; it contended for the Open Door in the "C" Mandates, and officially objected to the application of the White Australia policy to the New Guinea and Samoan territories.⁴

THE JAPANESE MANDATE

The Japanese Mandate, including all of the former German islands north of the Equator, comprises many hundreds of islands, some of them rocky peaks of volcanic origin, but the greater number low-lying, tiny coral islets. The total land area is less than that of the state of Rhode Island. The population is small—52,222 according to the Japanese census of 1920. The natives vary greatly, from the barbarians of the Western Carolines to the civilized and Christianized inhabitants of the Marshalls. The economic value of the islands is not great; their trade, at its height under the Germans, was less than \$2,000,000 a year, scarcely one-ninth of that of such a small and backward country as Salvador. Copra is the chief product; phosphate deposits are worked upon Angaur, to the annual value of approximately \$200,000 to \$400,000, and exist upon others of the Western Carolines; and sugar is now raised profitably upon one of the Marianas. But the island products, while some of them, especially copra, may be considerably increased, will probably never be very great in amount.

In these archipelagoes the United States or its citizens have long been much interested. American missionaries, beginning in 1852, largely civilized and Christianized the eastern Carolines and the Marshalls, and finally became so influential that the United States might easily have annexed some or all of the islands, had it desired to do so; but it would not make the slightest move to develop the predominant influence of its citizens into

⁴Official Journal, League of Nations, January-February, 1921, p. 95.



Spain occupied the groups in 1884-5.⁵ American policy, however, was unexpectedly changed by the Spanish War, which revealed the naval value of these groups. The United States then insisted, in the armistice terms, upon taking Guam; and later, during the Peace negotiations, when the importance of the Eastern Carolines was realized, it made unsuccessful financial offers for one or more of them.⁶

In the World War, when these archipelagoes were in the naval control of Japan, informed American opinion realized their strategic importance more keenly than before. While they contain no great naval bases, they have many good coaling stations and reef-protected anchorages. For 2,400 miles they flank, and if fortified and equipped, would gravely endanger the line of American communications between Hawaii and the Philippines. For this reason it was felt by many that these islands should be ceded to the United States at the close of the war.

At Paris, however, President Wilson made no objection to the award of these islands, as a Mandate, to Japan, although he did make an exception of Yap, which he believed should be open to more general international use on account of its value as a cable station. While Yap is not as important to the United States, even for this purpose, as Guam, it does control an alternate and the more important cable route from Guam to China, and the only direct Pacific cable connection between the United States and the Dutch East Indies. The reservation in regard to Yap, by some oversight, was unfortunately not recorded in the minutes of the Supreme Council on May 7, 1919, at which time a temporary agreement was reached for the allocation of the Pacific Mandates.

After months of popular discussion and diplomatic negotiation, the United States and Japan agreed upon a treaty, signed February 11, 1922, and now in force, which settles this Yap-Mandate dispute. As to Yap, the United States is given exactly the same rights as Japan in the island so far as relates to electrical communication—that is, to the landing and the operation of cables and to radio, although it is stipulated that so long as Japan shall maintain an adequate radio telegraphic station, with equal charges, the United States will not exercise its right to establish its own radio station in the island.

⁵Moore, Digest, I, p. 423; United States Foreign Relations, 1892, p. 444.

⁶Senate Document, No. 62, Part I, Fifty-fifth Congress, Third Session, pp. 251-2, 474-5, 484; United States Foreign Relations, 1898, pp. 939-64.

As to the Mandate as a whole, the United States gives its formal consent that Japan shall administer these islands and Japan, in return, agrees that the United States is to enjoy all the rights named in the Mandate for the benefit of the members of the League of Nations, and, in addition, certain further rights not specifically guaranteed to the members of the League: that is, American missionaries may own property, erect religious buildings, and open schools throughout the islands; vested American property rights are to be respected; and existing treaties between the United States and Japan are made applicable to the Mandated islands. By the latter provision, due to the liberal character of the present American-Japanese Treaty of 1911, American citizens have the right, upon the same terms as the Japanese, "to enter, travel and reside" in the Mandated islands in order "to carry on trade . . . and generally to do anything incident to or necessary for trade." They are also guaranteed the most favored nation treatment in tariff duties and "in all that concerns commerce and navigation."

The Treaty should satisfy both Japan and the United States, for each secures its essential needs and desires. Japan has gained a clear title as Mandatory. The United States has obtained: (1) equal cable rights in Yap; (2) a definite guarantee, given both in the original Mandate and repeated in the present treaty, that "no military or naval bases shall be established or fortifications erected in the territory," a provision which, in largest part, does away with the menace of these islands remaining in Japan's possession; (3) protection for American missions and American traders; and (4) a recognition of its rights as one of the original trustees of the Mandate—shown especially by Japan's agreement to send annually to the United States a duplicate of the report on its administration which is to be made to the Council of the League of Nations.

The legal status of Japan's title as Mandatory, as a result of the new treaty, is an interesting one. The title is derived in part from Great Britain, France, Italy and Japan, as four of the Principal Allied and Associated Powers, and is granted by the Mandate, ratified by the League of Nations; but it is also derived in part from the United States, as the remaining Principal Allied and Associate Power, and is granted by the present treaty, which ratifies the Mandate and stipulates for certain additional advantages. The essential parts of the Mandate cannot be modi-

fied without the consent both of the Council of the League and of the United States; the necessity for the consent of the Council is stipulated for in the terms of the Mandate; while the consent of the United States is assured by a provision in the present treaty. As Japan derives its title from two sources, given by two differing legal documents, so it is also responsible for its administration to two trustees: (1) the Council of the League, for administering in accordance with the terms of the Mandate; and (2) the United States, for administering in accordance with the terms of the Treaty of February 11, 1922.

From October, 1914, when Japanese forces first occupied these islands, they remained under the control of the Japanese Navy Department until April 1, 1922, when a purely civil South Seas Government came into operation, which is responsible directly to the Imperial Cabinet. The Japanese undertook the administration of the islands with commendable earnestness and energy. Experts and high officials visited the archipelagos in large numbers in the early months; the native chiefs were taken on visits to Japan; roads were built, additional cocoanut trees planted, navigation buoys placed, surveys made; a regular subsidized steamship service to the islands was established; and trade and commerce with Japan were furthered. Due to wartime regulations, the government was able to give Japanese a virtual monopoly of trade and commerce. The Germans were all sent away, other foreign traders discouraged, commerce in general restricted to Japanese ships, and all foreigners forbidden to enter or leave the islands without special permission, usually difficult or impossible to obtain. Under these conditions Japanese commercial companies established themselves in the islands and invested considerable capital, and the number of Japanese increased from 83, before the war, to 3,671 in 1920.

In military and naval matters the Japanese have completely lived up to the provisions of the Mandate. They have built no fortifications, established no naval bases, and have not trained the natives for military purposes. But, as they have a right to do, they have established radio stations, at least eight of them, four being powerful enough to communicate with Japan, have begun experiments with aeroplane flights, and are maintaining a small police force numbering less than a hundred.

The most striking feature of the Japanese administration is the establishment of elementary schools. The Germans had no

government schools, leaving the education of the natives entirely to American and German missions; but the Japanese Government, with much the same spirit which actuated the American Administration in the Philippines, is extending elementary schools as rapidly as possible and requiring the attendance, wherever the schools are available, of all children from 8 to 15 years of age. Many are boarding schools, to which the children are brought from the nearby islands and educated free of all charge under the almost constant influence of the Japanese teachers. Wherever government schools have been established, the school authorities have refused to allow native children of school age to attend the mission schools.

The Japanese administration as a whole has been energetic, progressive—as is shown by their schools and by their care for the health of the natives—and in general fairly efficient. On the other hand, there has been over-administration, a too careful supervision of details, too many officials, occasional annoyances and injustice due to petty naval officials, and an attempt to hustle the simple natives too fast.

As to American rights and interests, the Japanese, the past few years at least, have been placing no obstacles in the way of the evangelistic work of the American missions. The regulation, however, forbidding native children between 8 and 15 to attend the mission schools would appear to be in violation of the new treaty regarding the Mandate, although they may reasonably insist upon proper educational standards in these schools and upon instruction in Japanese. With the inauguration of the new civil government, this regulation, as well as those which have practically closed the islands to American trade and commerce, will naturally be modified.

THE NEW ZEALAND MANDATE: WESTERN SAMOA

Next in importance to the Japanese Mandate, from an American point of view, is that of New Zealand over Western Samoa. In the principal harbor of Samoa the rusted wrecks of old warships are today a striking reminder of the past international rivalry for these "Pearls of the Pacific"; of the stirring times when American and German warships threatened each other, sometimes with decks cleared and guns trained for action, until the hurricane of March 15, 1889, destroyed them all and left them impotent wrecks in the harbor and on the reefs of Apia. After

international administration had been demonstrated to be a failure, the archipelago was divided between Germany and the United States, in 1899, Germany receiving the western islands, the largest of the archipelago and among the best developed and most fertile in the Pacific, while the United States gained the eastern islands, including Pago-Pago, the only real harbor in the entire Samoan group and the most magnificent naval base in the South Seas.

Western Samoa comprises two islands of a total area of 1,000 square miles. Though both of them together appear no larger than a pin head on an ordinary map of the Pacific, their area is somewhat greater, and their exports, mostly copra and cocoa, very much greater, than that of all the hundreds of islands which make up the Japanese Mandate. The total population, in 1921, was 37,031, including 2,026 whites and half-castes, and 1,781 indentured laborers, mostly Chinese.

After the New Zealand forces occupied German Samoa, August 29, 1914, the islands were under military administration until May 1, 1920, when a civil government was established. During military rule, there was no serious interference with the economic life of the islands; the Germans were permitted to manage their well-kept plantations as usual, the copra product grew larger, and the economic prosperity of the islands increased. There was no monopoly of commerce, such as both Japan and Australia enforced in their occupied territory. In fact, the greater part of Samoan trade during these years was with the United States and was carried in American vessels. The tariff rates were low and were uniform, with no national preferences or discriminations.

The civil government of the Mandate was established by a Samoa Constitution Order, issued by the New Zealand Parliament. By this act the Parliament of New Zealand retains full power of legislation over Samoa; the Governor-General of New Zealand may issue orders in Council; and the Administrator of Western Samoa—the chief executive officer for the Mandate, appointed by the New Zealand Government—may make ordinances with the consent of the local Legislative Council, a body which is composed of officials and appointees. The laws of New Zealand are not to be in force in Samoa unless expressly extended to it.

The civil government has been less liberal in most respects than the military. It has deported all Germans from Samoa, except

those who are married to natives or are themselves partly Samoan, and has confiscated their properties and plantations, the most valuable in the archipelago, leaving them to receive reimbursement from their own government. Foreigners, other than Germans, have little of which to complain. They may own land, and foreign companies and corporations may establish themselves in the island. There are now nearly 300 Americans in Western Samoa, many of them owning landed properties and carrying on trade. Foreign commerce is under no restrictions other than a preferential import duty, established April 20, 1920, which charges British imports in general only 15 per cent ad valorem as against 22½ per cent on similar foreign goods.

The most interesting experiment upon which the civil government is entering is the attempt to carry on as State enterprises the large plantations and trading stations which it has confiscated from the Germans. There is considerable scepticism expressed as to the success of the attempt.

The civil government, notwithstanding its apparent good intentions, has evidently not been completely successful. There is well-nigh universal and deep-seated dissatisfaction on the part both of the whites, most of whom are British, and of the natives, who recently, through their district leaders, presented a petition requesting the British Government to relieve New Zealand from the Mandate and to appoint a Royal Governor direct from London. The New Zealand officials, while admitting the discontent, attribute it in general to hard times, and in particular to the prohibition of liquor, now enforced against whites as well as natives. But they do not meet the chief criticism, which is that New Zealand has sent a needlessly large number of officials to Samoa, about double the number under the Germans, most of whom are alleged to be inexperienced, incapable and unsympathetic towards the natives. It is a sad commentary upon the new regime that many are looking back longingly to the days of well-ordered, efficient German administration.⁷ Probably, however, it is only fair to conclude, with the *Sydney Morning Herald*: "The administration is not nearly as bad as it has been painted."⁸

The chief foreign problems confronting Western Samoa both concern the United States. New Zealand must obtain the consent of the United States before its title as Mandatory will be

⁷Melbourne *Argus*, June 3, 1921.

⁸*The Round Table*, December, 1921, p. 221.



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indisputably valid. Further, the new tariff discrimination would appear to violate the treaty rights of the United States, secured by the Samoa Partition Convention of 1899, Article III of which reads: "It is understood and agreed that each of the signatory Powers (United States, Germany and Great Britain) shall continue to enjoy, in respect to their commerce and commercial vessels, in all the islands of the Samoan group, privileges and conditions equal to those enjoyed by the sovereign Power, in all ports which may be open to the commerce of either of them." Since this Convention was a tripartite treaty, it is difficult to see that the United States has lost any of its rights as against Great Britain, by Germany's defeat in the War. If the Convention is

still valid, it would appear to make illegal the British preferential tariff.

THE AUSTRALIAN MANDATE: NEW GUINEA

The Australian Mandate is of greater economic value, especially for the future, than any of the others in the Pacific. It includes about one-fourth of New Guinea, the largest island in the world with the exception of Australia; the Bismarck Archipelago, with the great island of New Britain; and the northern Solomons. Altogether it is about the size of the combined states of New York and Pennsylvania. Although much of the Mandate, especially the interior of New Guinea, is mountainous or swampy or covered by dense tropical forest, there is abundant rich land along the coasts and in the valleys of the large rivers. The economic development of the territory is limited, however, by the sparseness of the native population, which is supposed to be around 400,000—a mere estimate, since great areas of both New Guinea and New Britain have not even been explored. Although this number is large for the Pacific islands, it is small for the extent of the territory; and many of the tribes live in the almost inaccessible interior. In addition to copra, the usual product of the Pacific, the Mandate contains gold, coal and petroleum, but to what extent and commercial value, is not yet known.⁹

The territory was under Australian military rule from September 17, 1914, to May 9, 1921, when civil government was established. During military rule, until the Treaty of Peace was ratified, German law remained in force, in accordance with the terms of the Capitulation, and the German residents and their plantations were undisturbed. In outside trade and commerce, Australian military regulations were similar to those of the Japanese, rather than to the open door policy of Samoa; all over-sea communication was limited to British ships, and trade was restricted exclusively to Australia.

By the New Guinea Act, 1920, the Australian Parliament provided for the establishment of a civil government, similar to that in Western Samoa, the chief executive officer being an Administrator with extensive powers. The Australian Parliament may

⁹For recent authoritative descriptions of the Australian Mandate, see Report by the (Australian) Minister of State for Defence on the Military Occupation of the German New Guinea Possessions, 1921. (C. 18347) pp. 8-10; and Interim and Final Reports of Royal Commission on Late German New Guinea, 1920, largely reprinted in Stewart's Handbook of the Pacific Islands, 1921, pp. 271-317.

legislate for the Mandate, and the Governor-General may issue Ordinances. The ordinary legislation of the Commonwealth is not to be in force in the Mandate unless expressly extended to it.

The outstanding features of the Australian administration have been notable consideration for the welfare of the natives, anti-Asiatic restrictions, expulsion of most of the Germans and confiscation of their valuable properties, and a tendency to monopolize the economic resources and opportunities of the territory.

By the extension to New Guinea of the Australian Commonwealth Immigration Act, 1901-1920, the principle of White Australia has been applied to the Mandate, and the fears and protests of the Japanese have been justified. The Germans, with certain exceptions which are much the same as in Samoa, have been forced out of the territory and their properties confiscated; men even of moderate means who have spent their best years in plantation life in New Guinea have been turned adrift, taking with them only their claims against the German Government for repayment. The expropriated plantations, however, will not be retained as State enterprises, as in Samoa, but will eventually be sold to private individuals or companies.

As to the policy adopted in the Mandate, Australian opinion is divided. It is the treatment of the Germans, thought by many to be harsh, and the alleged resulting mismanagement of the plantations which have caused much severe criticism in certain of the Australian papers. It is claimed that young, inexperienced Australians are displacing the German plantation owners and managers, with the natural result that the estates are running down; and that the number of officials, as in Samoa, has been greatly and needlessly increased, many of the new appointees being former soldiers who have no knowledge of, nor sympathy with, the natives.¹⁰ Whatever justice there may be in these criticisms, the last available statistics, although they do not cover the recent period since the Germans were dispossessed, show that the exports, especially of copra, the great plantation product, were greater for the twelve months ending June 30, 1920, than for any previous year, and more than double the figures of the last years of German rule. Whatever be the attitude of the newly appointed officials in New Guinea, the Commonwealth

¹⁰See Sydney *Morning Herald*, March 2, 1921; the *Melbourne Age*, June 13, 1921; the *Manchester Guardian*, August 2, 1921; and the *Sydney Telegraph*, August 17, 1921.

Government has certainly shown an earnest desire to benefit the natives. The same governmental department which supervises the Mandate has charge of the affairs of Papua, British New Guinea, where the administration for years has been notable for its care for the indigenous population. In the Mandate, such former abuses as flogging have been abolished and increased protection has been given to indentured native laborers; as a possible result of these reforms, the number of natives who have entered indentured service has increased from 17,000, the maximum under the Germans, until, in 1921, under the Australians, it was 30,000.

It is the possible monopoly of the natural resources of the Mandate which most interests Americans, since the United States has no historic claims in New Guinea, as it had in both the Japanese and New Zealand Mandates, and no previously established missions. Trade and commerce are now legally open to foreigners, the tariff duties are uniform with no preferential rates, and the carrying trade between the Mandate and Australia is free to foreign vessels provided they meet Australian requirements as to seamen's wages and scale of accommodation. While there appears to be no law preventing foreigners from buying any of the former German property, or from receiving exploration permits to search for petroleum, there have been indications that these privileges would be restricted to Australians. Should the petroleum deposits in New Guinea turn out to be extensive and valuable, as they do not appear to be from the most recent explorations, it is to be presumed that the United States would not view with favor the monopolizing of these deposits in a territory to which it believes that its rights of partial ownership, resulting from the War, have not been legally extinguished.

A further point of possible contact between Americans and the Australian Mandate results from the recent action of the Australian and American Lutherans in taking over the mission work of the German Lutherans in the Mandate. Already several American missionaries have arrived in New Guinea.

THE BRITISH EMPIRE MANDATE: NAURU

Nauru, the tiny but valuable phosphate island just south of the Equator, is unique among Mandates. While it was granted to "His Britannic Majesty," yet in actual operation, by an official agreement between the Governments of Great Britain, Australia

and New Zealand, the power of administering the Mandate has been placed in commission. By this agreement the executive, legislative and judicial powers in Nauru are vested in an Administrator, to be appointed by the Governor of Australia for the first five years, who is given practically unlimited authority over all matters other than the business relating to the phosphate deposits. The title to the phosphate is vested in a Board of Commissioners, one from each of the three governments, which manages the business and divides the output in a prescribed ratio: Great Britain, 42 per cent; Australia, 42 per cent; and New Zealand, 16 per cent. None of the phosphate can be sold to any other than these three countries until the wants of all of them are satisfied.

The Nauru agreement presents a clear case of a Mandatory monopolizing the natural resources of its Mandated territory, and has aroused considerable criticism. It was vigorously attacked in the British House of Commons. Mr. Asquith said: "It is illegal in its origin, unequal in its operation; it is opposed in all respects to the letter and the spirit of the Covenant of the League of Nations."¹¹ The government pointed out in defence that the exclusive right of working the phosphate had previously belonged to a British corporation, the Pacific Phosphate Company, and that the agreement merely transferred the property and rights of a British corporation to the British Government. The government was sustained by a vote of 217 to 77.

Nevertheless, American citizens are deprived of their previous privilege of purchasing this phosphate, and the United States regards the Mandate as invalid without its consent. It may be pointed out, however, that before the War Americans appeared indifferent to this privilege, for none of the phosphate was exported to the United States.

SUMMARY AND THE FUTURE

All four of the Pacific Ocean Mandates now enjoy civil government, under administrations pledged to carry out the terms of a "C" Mandate, identic for each. Of the Mandatories, Japan alone has an undisputed title; others, if they wish to perfect their titles, are under the necessity, like Japan, of making special treaties with the United States.

All of the Mandatories show a tendency, in some measure, to

¹¹For the Nauru debate, see Parliamentary Debates, Commons, 1920, Vol. 130, pp. 1320, 1323-4.

monopolize the resources or economic opportunities of their islands. In their view, they have a perfect right to do this, and their restrictions, in most cases at least, are not in violation of the terms of the "C" Mandates, which do not stipulate for equality of economic opportunity; yet, in the view of the United States, these restrictions are contrary to the implied obligations of a Mandatory or trustee state.

The status of all the Mandates has been affected by the recent Washington Conference. By the Four Power Treaty, Great Britain, Japan, France and the United States bind themselves to respect each other's rights in the Mandates as well as in the other islands of the Pacific, to refer serious international disputes regarding them to a joint conference, and in case of threatened attack upon them to consult together as to possible means of defence. But it is also provided that the making of the treaty shall not of itself be a recognition by the United States of any of the Mandates. Should a Mandatory Power, however, be engaged in war, there is apparently no reason why its Mandated islands should not be attacked, although it would appear doubtful whether, under the Treaty of Versailles and the Covenant of the League of Nations, a Mandate could legally be transferred at the end of a war without the consent of the Principal Allied and Associated Powers, which originally designated the various trustee states.

The introduction of the Mandate principle into the Pacific is an experiment which will be watched with interest. It means the administration of backward areas primarily for the benefit of the native inhabitants, the partial neutralization of such areas by the prohibition of fortifications and naval bases, and a genuine supervision of the work of the Mandatory by the League of Nations. This supervision gives promise of being thorough and effective. The League has appointed an able Permanent Mandates Commission, with a majority of its members representing non-Mandatory States, whose duty is to "examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the Mandates." Under the able guidance of the Director of the Mandates Section, Dr. William E. Rappard, of Geneva, for a time professor in Harvard University, the Commission is already making a careful study of the terms of the Mandates and the extent to which they are being carried out by the various Mandatories. Some idea of the thoroughness with

which the Commission intends to exercise its supervision may be judged by the detailed and searching questionnaire submitted to each of the Mandatories as to its administration. Some puzzling questions are already being considered, among them the nationality of the inhabitants of a Mandate, and the apparent conflict between the prohibition of forced labor and the natural requirement of an administration that those under its control should do a reasonable amount of useful work.

The administration of backward races and undeveloped areas by individual states, in the Pacific as elsewhere, has hitherto not always been as fortunate as could be desired. There is hope that the Mandate principle of collective international supervision may bring better results and may furnish an example for the administration of backward regions which are now under the full sovereignty of separate Powers.

THE ALLIED DEBTS

By John Foster Dulles

THERE cannot be a war without losses. For five years the world discontinued productive effort and concentrated upon destruction. The resulting losses are measured by debt. The debt assumes varying forms—internal, reparation, inter-Allied, etc.—and is generally represented by bonds or notes. For the four years succeeding the armistice the nations of the world have been desperately concentrated upon manipulating and shifting these symbols of loss. Each nation has sought to place them so as to relieve itself from, and impose on another, the task of making good its own war losses.

But have the stakes of this game been as high as they seemed? Will they ever be more than paper counters, due to practical limitations on the possibility of one nation making good material losses suffered in another nation?

This is the problem which we shall consider with respect to so much of our own war losses as are represented by the Allied debts.

STATISTICS

A large part of our material and products which were consumed in the war passed through the hands of the Allies. It was they who used them, and they undertook to make good to us this portion of our war contribution. This arrangement took the form of the Allied governments giving us their promissory notes in an amount equal to the value of the goods so used by them. There is thus owing to our government from Allied governments the following sums (which include some credits extended after the armistice for reconstruction rather than for war purposes):

United Kingdom	\$4,197,000,000
France	3,357,000,000 ¹
Italy	1,631,000,000
Belgium	350,000,000
Russia	170,000,000
Other Allies	300,000,000 ²
Total	\$10,005,000,000

¹Includes \$407,000,000 due War Department for war stocks purchased.

²Includes \$160,000,000 due War Department for war stocks purchased.

These figures represent principal only. Interest is not included. If we take January 1, 1918, as the average due date, and compute