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# Marshall Islands History Sources No. 10

## Agreement between the Jaluit-Gesellschaft and the Reich 1888

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### Agreement between the Jaluit-Gesellschaft and the Reich

Whereas the Marshall Islands, situated between 4 deg. and 131 deg. N. Lat. and between 184 deg. and 175 deg E. Long., as also the Brown Group and the Providence (Ujelong) Islands have been placed under the protection of His Majesty the Kaiser, and whereas, on 21 December 1887, the Jaluit-Gesellschaft was incorporated in Hamburg on the basis of the Articles of Association appended under A, and this company has undertaken to meet the cost of the administration of the Protectorate, subject to His Majesty's assent the following agreement has been concluded between the Foreign Office and the Jaluit Gesellschaft:

#### Section 1

The Jaluit-Gesellschaft is granted the following exclusive rights and privileges within the domain of the aforesaid Protectorate:

- a) the right to take possession of ownerless land,
- b) the right to engage in fishing for pearl shell, insofar as this is not carried on by the natives in accordance with tradition,
- c) the right to mine guano deposits, without prejudice to the duly acquired rights of third parties.

#### Section 2

The administration of the Protectorate will be conducted by an Imperial Commissioner, assisted by a Secretary, to be appointed.

#### Section 3

The Imperial Commissioner will appoint the requisite officials for the local administration of the Protectorate as proposed by the agents of the Company in Jaluit, subject to the assent of the German Chancellor.

#### Section 4

A budget for the administration of the Protectorate will be drawn up annually, to be agreed upon between the Foreign Office and the Jaluit-Gesellschaft.

Pending further agreement, the budget for the preceding year will apply.

### **Section 5**

The Jaluit-Gesellschaft undertakes to meet the costs arising from the administration. It is consequently liable to:

- a) pay to the Foreign Office, in quarterly instalments as from 1 April 1888, the sum of M23,460.00 (twenty-three thousand four hundred and sixty marks) for the remuneration of the two Government officials named in Section 2 plus retirement and widows' pension contributions;
- b) upon presentation of the balance-sheet, to reimburse the Foreign Office annually for any deficit due to an excess of local expenditure as provided for in the budget (Section 1) over local revenue, any surplus being credited to the Company;
- c) to provide free accommodation for all officials in quarters provided by the Company as specified in Appendix B; to maintain and replace the same as required, and also to make available suitable office accommodation.
- d) to equip the residence of the Imperial Commissioner and the Secretary, as also the office, with appropriate furniture and furnishings, as. specified in Appendix B.
- e) to provide free passage and board within the Protectorate at all times to the Government officials named in Section 2 on board all ships belonging to the Company.

### **Section 6**

Licence fees and head-taxes as specified in the budget are to be collected annually in the Protectorate. The collection of other taxes and the collection of charges and fees intended to cover the cost of administration is to be carried out in accordance with the relevant laws and Ordinances. If the ratio of receipts to expenditure is less favourable than laid down in the budget, the tax provisions are to be amended in the succeeding year on the initiative of the Jaluit-Gesellschaft.

### **Section 7**

Laws and Ordinances affecting the administration of the Protectorate are to be introduced only after a hearing before the Jaluit-Gesellschaft.

### **Section 8**

In the promulgation of local administrative regulations, the Imperial Commissioner will, as far as possible, act in agreement with the agents of the Jaluit-Gesellschaft.

### **Section 9**

Jaluit will be proclaimed the exclusive port of entry and departure for the whole Protectorate.

### **Section 10**

Voluntary liquidation of the Company may take place only after previous notice of severance of this agreement. Any amalgamation of the Company with another company requires the approval of the Foreign Office.

### **Section 11**

The Company has the right to give notice of severance of this agreement after the expiry of two years. If the Company avails itself of this right, the agreement will lapse after the expiry of one year from the date of such notice. The Foreign Office has the right to give notice if the severance of the agreement is necessary for political reasons or if the Company fails to fulfil its obligations under this agreement.

### **Section 12**

Pleasant (Navoda) Island will be subject to the terms of this agreement as soon as the same is placed under the protection of the Reich. This agreement has been executed in duplicate and signed by both parties.

Berlin, on the twenty-first day of January, eighteen hundred and eighty-eight.

The Jaluit Gesellschaft  
for the Board of Directors  
A. Weber      Hemsheim

The Secretary of State  
The German Foreign Office  
Count von Bismarck

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