

ADMINISTRATION AND LEASE OF ISLANDS OFF COAST OF BORNEO

*Exchange of notes at Intervale, New Hampshire, July 3, 1907, and at
Washington July 10, 1907
Entered into force July 10, 1907*

47 Stat. 2207; Treaty Series 856

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Intervale, N.H., July 3, 1907

Nº 151

SIR,

I have the honour to inform you that His Majesty's Government, acting at the request and on behalf of the British North Borneo Company, are prepared to acquiesce in the last proposal stated in your letter to Sir H. M. Durand of the 19th of December last, respecting the administration of certain islands on the East Coast of Borneo. I am therefore instructed by His Majesty's Principal Secretary of State for Foreign Affairs to place the proposed arrangement formally on record without further delay.

His Majesty's Government understand the terms of the arrangement to be as follows:

"Firstly: that the said Company be left undisturbed in the administration of the islands in question without any agreement specifying details, the United States Government simply waiving in favour of the said Company the right to such administration in the meantime, in other words, that the existing status be continued indefinitely at the pleasure of the two Governments concerned.

"Secondly: that such privilege of administration shall not carry with it territorial rights, such as those of making grants or concessions in the islands in question to extend beyond the temporary occupation of the company; and any grant, concession or license, made by the company shall cease upon the termination of the company's occupation.

"Thirdly: That the temporary waiver of the right of administration on the part of the United States Government shall cover all the islands to the

westward and southwestward of the line traced on the map which accompanied Sir H. M. Durand's memorandum of the 23rd of June, 1906, and which is annexed to and to be deemed to form part of this Note.¹

"Fourthly: That the British North Borneo Company, through His Majesty's Government, shall agree to the exemption of the United States Government from any claim or allegation that the latter Government has incurred any responsibility in respect of acts done in or from any island within the said line.

"Fifthly: That the understanding shall continue until the said two Governments may by Treaty delimit the boundary between their respective domains in that quarter, or until the expiry of one year from the date when notice of termination be given by either to the other.

"Sixthly: That in case of denunciation, the United States Government shall not be responsible for the value of any buildings or other permanent improvements which may have been erected or made by the company upon the islands, but permission is hereby given to the company to remove, at its own expense, any buildings or improvements erected by it, provided the interests of the United States be not injured thereby."

I have therefore the honour to request you to be so good as to inform me whether the United States adhere to the terms of the arrangement above described, and I shall be glad to receive an assurance from you at the same time that this Note will be considered by the United States Government as sufficient ratification of the above arrangement on the part of His Majesty's Government.

I have the honour to be with the highest consideration, Sir, your most obedient, humble Servant

JAMES BRYCE

The Honourable
ELIHU ROOT,
etc., etc., etc.

The Acting Secretary of State to the British Ambassador

2160/6
No. 109.

DEPARTMENT OF STATE,
Washington, July 10, 1907

EXCELLENCY:

I have the honor to acknowledge the receipt of your note No. 151 of the 3rd instant, by which you inform me that His Majesty's Government, acting at the request and in behalf of the British North Borneo Company, are prepared to acquiesce in the last proposal stated in the letter of December 19, 1906, from the Secretary of State to Sir H. M. Durand, respecting the ad-

¹ Not printed here.

ministration of certain islands on the East Coast of Borneo, and that you are therefore instructed by His Majesty's Principal Secretary of State for Foreign Affairs to place the proposed arrangement formally on record without further delay.

The understanding of His Majesty's Government of the terms of the arrangement is stated by you to be as follows:

[For terms of arrangement, see numbered paragraphs of British note, above.]

The understanding of His Majesty's Government as above recited agreeing with that of the United States, I have the honor formally to announce the adherence of the United States to the arrangement and the acceptance of your note as sufficient ratification of the arrangement on the part of His Majesty's Government.

I have the honor to be, with the highest consideration, Your Excellency's most obedient servant,

ROBERT BACON,
Acting Secretary

His Excellency
The Right Honorable
JAMES BRYCE, *O.M.*,
Ambassador of Great Britain.