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Thirty-seventh session
Agenda item 4 (b)

CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Report of the Drafting Committee

1. At its 1368th meeting on 11 June 1970, the Trusteeship Council appointed a Drafting Committee composed of the representatives of Australia and China to propose, on the basis of the discussions which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory of the Pacific Islands, and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the next report of the Trusteeship Council to the Security Council.
2. The Drafting Committee held four meetings. It had the benefit of the assistance of a representative of the Administering Authority.
3. In the light of the general discussions in the Council on conditions in the Territory, the Committee drafted a number of conclusions and recommendations which it considered as reflecting the opinions of the majority of the members of the Council and which are set forth in the annex to the present report.
4. The Committee recommends to the Trusteeship Council that it adopt the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1153 and Add.1) as the basic text for the chapter on conditions in that Territory to be included in the next report of the Trusteeship Council to the Security Council.
5. The Committee also recommends that the Trusteeship Council adopt the conclusions and recommendations set out in the annex below and include them at the end of each appropriate section or sub-section of the chapter.

ANNEX

DRAFT RECOMMENDATIONS AND CONCLUSIONS

A. GENERAL

Population movements

1. The Trusteeship Council welcomes the statement by the Administering Authority that Bikini Atoll has been officially returned by the United States Government to the Trust Territory, that full legal title will later be formally transferred to the people of the atoll, and that rehabilitation programmes for the atoll are under way.
2. The Council expresses the hope that as soon as feasible similar measures will be taken in respect of other displaced communities.

War damage claims

3. The Trusteeship Council recalls its previous recommendations on the important question of the settlement of Micronesian claims for compensation for war damage during the Second World War, particularly the hope expressed at its thirty-sixth session that measures necessary for the implementation of the agreement on this subject concluded between the Governments of the United States of America and Japan would be quickly completed and payments rapidly made.
4. The Council notes from the report of the 1970 Visiting Mission that the question of war damage claims was raised in meetings with legislatures and public meetings in all six districts of the Trust Territory, that the Mission found it was obliged to devote a considerable portion of these meetings to the question of war claims because of the importance which legislators and members of the public continued to attach to it and that three district legislatures made written submissions concerning war damage claims. The Mission expressed its concern over what seem to have been inordinate delays in settlement of claims. The Mission said that it trusted that, in justice to the claimants and in the interest of good government and popular confidence in government procedures, the necessary legislation for settlement of war damage claims and "post-secure" claims would be passed and implemented as a matter of priority.

5. The Council notes the statement by the representative of the Administering Authority that legislation is now before the United States Congress to create a Micronesian War Claims Commission which would receive, adjudicate and authorize payment of Micronesian war damage claims up to the amount of \$10 million.
6. The Council, concurring in the Visiting Mission's view of what seem to be inordinate delays in the settlement of claims, expresses the hope that the legislation now before the United States Congress will meet with early approval and that the Commission to be established thereby will complete its work as soon as possible.
7. The Council notes once more that no settlement of the "post-secure" claims against the United States has yet been made. It takes note of the statement by the Special Representative that legislation for expediting payment of such claims has been proposed but has not yet been acted upon by either house of the United States Congress. The Council once again expresses the hope that a definite solution to this question will be reached quickly and that payments will be made at the earliest possible date.

B. POLITICAL ADVANCEMENT

Territorial government

Legislature

8. The Trusteeship Council is glad to note the opinion of the 1970 Visiting Mission that the Congress of Micronesia is gaining confidence, authority and expertise in the discharge of its duties; that the work of the Congress has been improved by lengthening the period of regular sessions and by the creation of standing and ad hoc committees which has led to more efficient organization of work and has enabled members of both houses to acquire a more detailed knowledge of the various aspects of government in the Trust Territory; and that members of the Congress are doing more in the way of initiating legislation. The Trusteeship Council takes particular note of the high quality of the reports of the Committee on Government Organization, the Committee on Education, the Future Political Status Commission and the Budget Committee.

9. The Trusteeship Council notes the impression of the Visiting Mission that until recently the process of consultation between the Administration and the Congress of Micronesia concerning the preliminary budget plan did not last for a sufficient length of time, nor go into sufficient detail, to enable members of the Congress of Micronesia to exercise a really important role in the planning and framing of the budget. The Council notes that in the period under review the Administration has made a greater effort to associate the Congress of Micronesia with the planning of the budget and the organization of the basic budget strategy, and has extended this process to the six districts. It notes that the Administration intends to expand and deepen these consultations between the executive and the Congress of Micronesia, and between district administrators and district legislatures. The Council notes that members of the Congress of Micronesia assisted the High Commissioner when he presented the budget for 1970/1971 to the Congress of the United States.

10. The Council agrees with the Visiting Mission's opinion that, even at its best, a system of continuous and effective consultation between the High Commissioner and the Congress of Micronesia, and between the district administrators and the district legislatures would fall short of a situation in which the Congress of Micronesia itself held decisive financial power. Extension of this process of consultation will not meet the need for the exercise of more actual authority by elected representatives. The Council again expresses the hope that steps will be taken to enlarge the financial responsibility of the Congress by progressively extending its powers to include appropriation of United States financial subsidies.

Executive

11. The Trusteeship Council commends the Administering Authority for the number of appointments of Micronesians to senior positions in the Executive made in the period under review. The Council takes note of the comments of the Visiting Mission concerning the Executive, and the fact that at present the head of the Executive and the heads of the six district administrations are appointed and not elected. The Council reiterates its belief that Micronesians should gain early

experience in the framing of policy and the exercise of political responsibility at cabinet level. The Council draws the attention of the Administering Authority to the comments of the Visiting Mission regarding the possibility of creating a form of cabinet government in Micronesia and endorses the Mission's suggestion that further attention be given to this idea. The Council is pleased to note that progress has been made in consultations between the Administration and both the Congress of Micronesia and the district legislatures in the planning of the budget, and that considerable progress has been made in the way of appointment of Micronesians to higher positions in the Executive. The Council endorses the Visiting Mission's opinion that these developments themselves suggest the desirability of taking the process a significant step further and including popularly elected Micronesians as soon as possible in the most senior councils of the Executive. The Council notes also the Special Representative's statement that he favours the election of officials in Micronesia at the earliest possible moment, and that the time would certainly come when members of the executive branch would be elected.

12. The Council is pleased to note that the Administration has already taken into account some of the recommendations of the Committee on Government Organization of the Congress of Micronesia and looks forward to receiving reports of the results of the Administration's further consideration of the Committee's report.

District government

District administrators

13. The Trusteeship Council notes with approval the statement of the Special Representative that there has been greater progress in the policy of decentralization through giving more authority to the district administrators for making decisions and for carrying out programmes, and, in the context of the policy of decentralization, notes with approval that five of the six district administrators are now Micronesian.

District legislatures

14. The Trusteeship Council notes the comments of the of the Visiting Mission concerning the work of district legislatures, including the comment that the financial operations of the legislatures do not seem to be functioning in a completely satisfactory manner and that the present role of the legislatures lacks definition. The Council commends the Administering Authority for the steps it has taken to ensure a closer association between district legislatures and district administrations, particularly in the vital matter of the preparation of budgetary proposals for government operations and projects to be carried out in individual districts. The Council looks forward to further reports from the Administering Authority on the development of this process of consultation and also on other aspects of the programme of decentralization being promoted by the Administering Authority.

Local government

Municipalities

15. The Trusteeship Council takes note of the comments on the operations of municipal councils made by the Visiting Mission, including the observation that the municipal administrations have fallen far short of expectations, and that most of the municipal councils have only an inadequate knowledge of the scope of their powers and responsibilities. The Council endorses the Mission's view that an effort should be made to reduce certain operating expenses and to increase local revenues, and that municipal councils should be better informed of outside assistance which is available in addition to their own budgetary resources. The Council notes that some municipal councils have benefited from funds allocated by the Congress of Micronesia and from grant-in-aid programmes organized by the Administration, and more recently, the district legislatures, and that the active co-operation of the local people has made it possible to obtain good results, particularly in school construction.

16. The Council endorses the Mission's view that this practice should be encouraged because it makes possible improvements in the economic infrastructure

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at little expense, and particularly because it helps to develop a spirit of initiative in small communities. The Council also endorses the view of the Mission that municipal councils should become dynamic bodies capable of promoting the well-being of the people under their jurisdiction, and notes the Visiting Mission's suggestion that the allocation to municipalities of certain parcels of public land might strengthen their authority and prestige and might also help to propagate the idea that property held in the public domain really belongs to the Micronesian people.

Civil service

17. The Trusteeship Council is pleased to note the number of appointments of Micronesians to senior positions in the civil service in the period under review, including the positions of Executive Officer of the Trust Territory and Special Consultant to the High Commissioner, and the fact that Micronesians have become deputy directors of three cabinet-level departments, and that five of the six district administrators are now Micronesian. The Council endorses the commendation of this achievement by the 1970 Visiting Mission and the Mission's expressed assumption that as the flow of trained Micronesian personnel increases, the number of senior appointments going to Micronesians will be increased.

18. The Council takes account of the comment of the Visiting Mission that the Congress of Micronesia is now taking a more informed and critical approach to the organization and work of the Administration, and that the report of the Committee on Government Organization contains a thorough and detailed description of the structure of the Executive and makes a large number of suggestions for reform and improvement in various departments. The Council is glad to note the statement of the Special Representative that the report of this Committee was taken into account in the reorganization of the Administration which was made in 1969. The Council notes also the statement of Senator Ieshi, Special Adviser, that the Congress of Micronesia, at its forthcoming session, would review this reorganization and would determine whether its structure was in line with the political objectives of the Congress.

19. The Council takes note of the statement of the Special Representative that a group of personnel classification experts will complete, no later than 30 June, a single pay schedule involving a complete classification of all positions in the civil service for the Trust Territory Government, and that this will be presented to the Congress of Micronesia at its session which begins on 13 July.

20. The Council notes further the Special Representative's statement that it is the Administration's understanding that the new schedule will probably be implemented gradually over a period of years, and that the Administration is not yet at a point where it has determined what the level of pay will be or over how many years the pay system will be gradually equalized. The Council also notes the statement of the Special Representative that the local economy and the best interests of the citizens of Micronesia will be uppermost in the minds of the Congress in the determination of salary scales.

21. The Council notes the statement of Representative Manglona, one of the Special Advisers, that the Congress examine the new pay scale and classification plan to ensure that wage increases resulting from it shall bear some relation to the earning capacity of the Micronesian economy, and the statement of Senator Ieshi, that a committee of the Congress of Micronesia has expressed an opinion in favour of making the pay scale of both Micronesian and United States employees somewhat responsive to the productivity of the Micronesian economy.

22. The Council takes note of the comments expressed by the Visiting Mission on salary scales. It welcomes the steps taken towards the equilization of United States and Micronesian pay scales and trusts that when the new scales are finally established they will bear some relation to the general wage level of the Territory and thus with the general level of productivity, because, if these factors are not taken into account, civil service salaries may have a distorting effect on other important parts of the economy, a depressing effect on the private sector and even an inflationary effect on the economy as a whole.

Peace Corps

23. The Trusteeship Council notes that the Peace Corps, in the light of four years' experience and in consultation with the Administering Authority, has reduced the over-all number of volunteers in the Trust Territory, and is endeavouring to concentrate its efforts on areas where the need is most obvious and where the introduction of professional skills and techniques can make the maximum contribution. The Council recognizes the importance of concentration of effort but trusts that this will not mean a neglect of areas in which the Peace Corps has performed valuable work.
24. The Council notes the statement of the Committee on Government Organization of the Congress of Micronesia that the Peace Corps has provided an extremely valuable service to the Trust Territory, and expresses the hope that this service will continue. The Council shares the view of the Visiting Mission that members of the Peace Corps should bear in mind the particular problems they face as volunteers recruited by a United States agency working in a Trust Territory administered by the United States. The Trusteeship Council also shares the Mission's view that during their training, volunteers should be given more formal instruction in the role of the United Nations and the precise status of a Trust Territory and the structure of the Trust Territory Government.
25. The Council notes the Visiting Mission's concern that the Peace Corps volunteers engaged in the teaching of English as a second language might be phased out over the next two or three years. The Mission recognizes the desirability of ultimately ensuring that this work is carried out by Micronesian teachers, but shares the views expressed to it that there might not be a sufficient number of Micronesian teachers to take over from the volunteers all the necessary work at an early date. The Council endorses the hope expressed by the Mission that the Peace Corps will adopt a flexible attitude with regard to the phasing out of volunteers as teachers of English.

C. ECONOMIC ADVANCEMENT

General economy

26. The Trusteeship Council notes the assessment of the Visiting Mission that while the standards of living of the population of the Territory compare favourably with those in many developing countries, the situation may deteriorate unless vigorous steps are taken to remedy the present economic stagnation. The Mission drew attention to serious obstacles to economic development in the Territory, including the remoteness of the Territory and the limitations of its natural resources. The Mission stated that deficiencies in the systems of transport and communications are a major obstacle to development. The Council takes note also of some encouraging signs in developments in the past twelve months, particularly improvements in air transport and developments in fisheries. It notes the statement of the Special Representative concerning the Administration's plans for improvements in shipping services, roads, harbours, air fields and water and power systems within the next five years.

27. The Council recommends again that greater priority be given to the development of basic transport and communication services and other improvements in the economic infrastructure, which together are an essential prerequisite for economic development.

28. The Council commends to the attention of the Administering Authority the observations of the Visiting Mission on the condition of the economy, and the Mission's recommendations concerning the need for action to stimulate economic development, including development of local financial resources and the important question of the attitudes and motivation of the people of Micronesia.

29. The Council, recalling the stated intention of the Administering Authority to grant duty-free status to Micronesian products, notes that the necessary legislation has not been passed, but notes also the statement of the Special Representative that legislation to eliminate the tariff barrier on Micronesian goods imported into the United States is pending before the Congress of the United States. The Council again expresses the hope that these tariff barriers will soon be removed.

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Public finance

30. The Trusteeship Council welcomes the increase in the annual grants from the Administering Authority, and notes that the annual appropriation has increased from \$25 million in 1967 to almost \$50 million in 1970, and that further increases are planned by the Administration. The Council notes the comment of the 1970 Visiting Mission that the total amount allocated for economic development in the budget appears to have shown a percentage increase, and shares the Mission's view that the strengthening of the social services to which the Administration has so far devoted most of its attention and financial resources, should be carried out on a sound economic foundation. The Council notes the Mission's opinion that the Territory could not in the near future finance its development from its own financial resources, and commends to the attention of the Administering Authority and the Congress of Micronesia the recommendations of the Visiting Mission concerning the increased financing of development from the Territory's own public and private resources.

31. The Council continues to attach importance to the Economic Development Loan Fund. The Council notes the comments of the Visiting Mission on the operations of the Fund, particularly that, owing to the disappointing results achieved so far, the Congress of the United States has not seen fit to agree to the proposal that the Fund's available capital should be increased to \$5 million. The Council takes note of the statement of the Special Representative that the Fund has now lent almost \$1 million and that the Administration is again attempting to have the Fund increased to \$5 million. The Council commends the Visiting Mission's view that the Fund's procedure should be reviewed to achieve greater flexibility and efficiency, and that its operations should be more decentralized.

32. The Council, recalling its recommendations that the Congress of Micronesia should consider the adoption of a suitable system of direct taxation applicable to all residents of the Territory, notes the comments of the Visiting Mission on the report entitled Public Finance Program for Micronesia, prepared by Mr. Richard Pollock at the request of the United States Department of Interior. The Council notes that this report was used as a basis for recommendations drawn

up by the Administration and presented to the Congress of Micronesia at its special session in January 1970, that a discussion was held concerning these recommendations, but that the question of taxation, including import taxes as well as income tax, was deferred until the next regular session of the Congress in July 1970. The Council notes also the statement of Senator Ieshi, Special Adviser, on the need to devise a form of taxation that takes into account the particular conditions of the Territory. The Council trusts that the Congress of Micronesia will give particular attention to the question of taxation and other methods of raising revenue because they are important, not only as a source of funds for economic development, but also for the exercise by the Congress of greater financial and political responsibility.

33. The Council, taking account of the comments of the Visiting Mission concerning private capital from outside the Territory to be used for development, particularly the Mission's comments on the Foreign Business Permits Act which was adopted at the last session of the Congress of Micronesia, notes the statement of the Special Representative that the question of the Administering Authority's interpretation of article 8 of the Trusteeship Agreement will be given much serious study in the near future, particularly in connexion with the Foreign Investors Business Permits Act.

Land

34. The Trusteeship Council notes that the Administering Authority now expects that the land title survey and registration project will take much longer to complete than was originally envisaged. The Council notes the comments of the Visiting Mission on the vital questions of land tenure and land utilization in the Trust Territory, and on the Congress of Micronesia's Land Commissions Act, 1966, and the operation of the survey. The Council takes note of the considerable amount of work which will have to be done by the land commissions which are being appointed in all six districts. The Council recommends that the Administering Authority make every effort to complete the survey as soon as possible. It recommends also that the Administration and the Congress of Micronesia explain to the people of Micronesia the benefits to themselves that will result from the rapid completion of the programme.

35. The Council continues to hope that more public land not required for government use will be made available to the people of the Territory for productive use. In this context, it endorses the hope expressed by the Visiting Mission that the Administering Authority will keep the extent of "defence retention" land under constant review so that if such land is no longer required for defence purposes it can be returned to the original inhabitants.

Agriculture

36. The Trusteeship Council, aware of the importance of agriculture to the economy of the Territory, takes note of the comment of the Visiting Mission that the present condition of agriculture seems to be in a state of stagnation; notes the statement of the Administration that during the next financial year one of the largest increases in proposed spending will be to encourage expansion in the fields of agriculture and marine resources; and draws particular attention to the recommendations of the Visiting Mission concerning improvements in the agricultural extension services, the marketing and export of agricultural products and the training and guidance of agricultural workers. The Council also endorses the hope expressed by the Visiting Mission that the Ponape Farm Institute will be reopened in an improved form.

Marine resources

37. The Trusteeship Council notes with pleasure the Visiting Mission's statements that it was very much impressed by the work of the Marine Resources Division and that the Administering Authority has recently taken steps to develop the potential of the sea for the economic advancement of the Territory. The Council notes the statement of the Special Representative in regard to the construction of a marine laboratory in Koror and endorses the suggestions made by the Mission about research into and conservation of marine resources which constitute one of the major potential assets of the Territory. The Council also notes the developments in commercial fishing, particularly in Palau District, and endorses the suggestions made by the Visiting Mission for the strengthening and further development of commercial fishing operations.

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Industries

38. The Trusteeship Council, notes the Administering Authority's statement that tourism continues to be a major hope for the economic future of Micronesia, and that the improved services in air travel and accommodation which now exist are to be extended. The Council notes the opinion of the Visiting Mission that although there has been spectacular progress in the tourist industry recently, in contrast to other sectors of the economy, the development of this industry can be expected to give rise to some difficult problems. It should therefore be approached with caution, and should not divert efforts from promotion of the balanced economic and social advancement of the Territory. The Council notes also the opinions expressed by the Special Adviser, Mr. Manglona, on this question. The Council commends to the attention of the Administering Authority the Visiting Mission's observations and suggestions on tourism.

D. SOCIAL ADVANCEMENT

Medical and health services

39. The Trusteeship Council takes note of the developments in the health services which have taken place in the period under review, particularly the construction of the new hospital in Truk District and the extensions to hospitals in other district centres. It notes the plans of the Administering Authority for the expansion of hospital facilities, including the eventual building of a referral-teaching hospital at Ponape and the rebuilding of all three sub-district hospitals. The Council trusts that all of this proposed construction will be implemented according to schedule and that the necessary additional staff will be found.

40. The Council takes note of the fact that about half the population of the Territory depends on the services provided by the dispensaries of the Health Department. The Council takes note of the comments made on the work of the dispensaries by the Visiting Mission and endorses the recommendation of the Visiting Mission that the Administration should give top priority to the improvement of services provided by the dispensaries; in this connexion the Council notes the statement of the Special Representative that twenty-five new dispensaries are being built out of current funds.

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Housing

41. The Council, recalling its earlier recommendations on low-cost housing, taking into account the Mission's impression that the achievements of the Administration in low-cost housing have not been notable, endorses the Mission's suggestion for further experimental pilot projects.

Public safety

42. The Council notes the comments made by the Visiting Mission on the question of public safety and endorses the Mission's opinion that a strictly enforced system of controls in the importation and possession of firearms in the Trust Territory would be desirable. In this connexion, the Council notes the statement by Representative Manglona, Special Adviser, that there is at present pending before the Congress of Micronesia a proposal to regulate the use and sale of firearms.

E. EDUCATIONAL ADVANCEMENT

General

43. The Council notes with interest the attention which the Congress of Micronesia has given to the objectives and operation of the educational system, particularly the report of the Congress's Committee on Education and the adoption in October 1969, of Public Law No. 3C-36 which defines the educational framework of the Territory, and which, when fully implemented, will ensure participation by Micronesians at all levels at which educational policy is formulated.

44. The Council is pleased to note that the Micronesian Occupational Center is now in operation and trusts that this centre will contribute greatly to the educational structure by providing much needed training in vocational and technical callings. The Council is pleased to note also the statement of the Special Representative that, as from 1 June, the Micronesian Teacher Education Center on Ponape has been officially designated "The Community College of Micronesia", thus becoming the first institute for higher education in the Trust Territory, and that construction of new premises for the college will begin next year.

45. The Council notes the comments made on the present educational system by the Visiting Mission, which take into account the unique problems of the Territory. The Council notes the Visiting Mission's finding that while some sectors of the education system have shown very significant advancement in recent years, in others, progress has been less marked. The Council draws the attention of the Administering Authority to the view of the Visiting Mission that the main requirements for the next few years are: to ensure that all children attend elementary school; to improve teaching standards; to improve and expand vocational and technical education, especially at high school level; to create one or two selective high schools as a preparation for students proceeding to higher education; and to reform the curricula in elementary and secondary schools so as to give more attention to subjects of more relevance to Micronesian society and to the economy.
46. These recommendations take account of the difficulties which the Administration faces and the considerable achievements it has made, and the purposes of Public Law No. 3C-36. All told they call for a consolidation of, and a qualitative improvement in, the education now offered to Micronesian students.
47. Finally, the Council welcomes the establishment of the Micronesian Education Board and looks forward to hearing reports of its work and the work of education boards in the districts.

F. ESTABLISHMENT OF INTERMEDIATE TARGET DATES AND FINAL TIME-TABLE
FOR THE ATTAINMENT OF SELF-DETERMINATION OR INDEPENDENCE

48. The Trusteeship Council takes note of the Visiting Mission's comments on the discussions which it held in the Territory concerning the future of Micronesia, including its discussion with the Political Status Delegation of the Congress of Micronesia. The Council notes with great interest the report of the Future Political Status Commission of the Congress of Micronesia, which was summarized in the Visiting Mission's report, and notes that the Political Status Delegation has had two series of discussions with officials of the Administering Authority concerning the future of the Territory, but that, for the present, both parties wish to keep the proceedings of these discussions confidential. The Council notes that the Political Status Delegation will be reporting to the Congress of Micronesia on the results of these discussions in July 1970, and that the Council looks forward to receiving copies of the Status Delegation's report.

49. The Council commends the Future Political Status Commission for the thorough examination it has made of the issues now facing the Micronesian people and their elected representatives.

50. The Council notes also the interest shown by the Political Status Delegation and by the public in the role which the United Nations played when the Trusteeship Agreements for former Trust Territories were being terminated.

51. The Council reaffirms the inalienable right of the people of Micronesia to self-determination, including the right to independence, in accordance with the United Nations Charter and the Trusteeship Agreement and General Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960.

52. The Council, taking account of the responsibility of the Congress of Micronesia to acquaint the people of the Territory with the nature and consequences of the choice before them, and the responsibility of the Administration in this matter, and taking further account of the unique difficulties of the Territory, including its geographical situation, endorses the opinions expressed by the Visiting Mission that it would be desirable for the people of Micronesia to determine their future status sooner rather than later.

53. The Council urges the Administering Authority to pursue vigorously its efforts, in co-operation with the Congress of Micronesia, to prepare the people of the Territory to exercise their right to determine their own future.
