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CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Report of the Drafting Committee

1. At its 1427th meeting, on 10 June 1974, the Trusteeship Council appointed a Drafting Committee composed of the representatives of France and the United Kingdom of Great Britain and Northern Ireland 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 three 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.1185 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 and include them at the end of each appropriate section or subsection of the chapter.

Annex

DRAFT CONCLUSIONS AND RECOMMENDATIONS

A. GENERAL

Population movements

1. The Trusteeship Council notes the assurances given by the Administering Authority that, as the Bikinians prepare to return to their ancestral home, they have been given all the necessary guarantees concerning the safety of Bikini Atoll. It welcomed with satisfaction the promise made by the United States that it will in principle grant financial compensation to the population of Bikini.

War damage claims

2. The Trusteeship Council notes the statement by the Administering Authority that the first payments were made in October 1973. It expresses the desire that priority will be given to the study of those claims which seem to be the most urgent and that the payment procedure will be accelerated. The Council recalls once again that it is now nearly 30 years since hostilities ceased in this region and that fair compensation must be paid without delay to those who were victims of hostilities.

B. POLITICAL ADVANCEMENT

Territorial Government

3. The Trusteeship Council notes that since its last session the Congress of Micronesia has enacted numerous items of legislation, including one of particular importance, providing for the holding of a Constitutional Convention.

4. In view of the inevitable differences of opinion to which the exercise of the right of veto gives rise, the Council feels it desirable that this right should be regulated by appropriate legislation, which should in particular distinguish between the special interests of the Territory and the international obligations of the Administering Authority, and limit as far as possible the areas in which the United States Secretary of the Interior may intervene.

5. The Council again reaffirms its view, expressed in previous sessions, that the Congress of Micronesia should be given final authority over a greater percentage of the total budget. It regrets that this matter is still under consideration by the United States authorities. While appreciating that one outcome of the forthcoming Constitutional Convention may well be an increased degree of internal self-government in Micronesia in the period before the termination of the Trusteeship Agreement, the Council nevertheless remains of the view that only by giving the elected representatives of Micronesia greater control at an earlier

stage over the money available for expenditure will Micronesians be in a position to take decisions with full knowledge of the Territory's financial and economic circumstances.

6. The Special Micronesian advisers mentioned their concern over the exercise of the right of veto by the Administering Authority. The latter stated that the number of laws it vetoed was small in proportion to the number of laws which have been adopted. It emphasized that this right was only exercised in practice when its interests or its international obligations were at stake.

Executive

7. The Trusteeship Council notes with interest the additional information provided by the Administering Authority on the appointment of Micronesians to head important departments in the executive. This information shows that indigenous inhabitants occupy approximately 65 per cent of the highest posts of responsibility.

8. At a time when negotiations on the future status of the Territory are continuing, the Council expresses the hope that the separation of functions between those reserved to the Administering Authority and those of the local authority will in general facilitate the changeover to internal autonomy during the transitional period which will precede the vote by which the Micronesians will decide their future.

District government

District legislatures

9. The Trusteeship Council considers that special attention should be given to the functioning of the district legislatures, since they constitute the basis for the Territory's deliberative organs. It feels that this question should be settled by the Constitutional Convention.

Civil service

10. The Trusteeship Council notes with satisfaction the figures given by the Special Representative which indicate that 65 per cent of the most important posts subject to the approval of the Congress are held by Micronesians. It also notes that, according to the Special Representative, of 37 important posts at a lower level than those indicated above, 20 are held by Micronesians. It takes note of the assurances given by the Administering Authority that this trend will continue in accordance with the wishes reiterated during the session by the Micronesian representatives.

11. The Council notes that although there was a decline during the past year in the number of expatriate civil servants or contract employees, the total number of persons employed by the Trust Territory Government rose by 894. While it welcomes with satisfaction the establishment of a single salary scale for the civil service, it expresses the desire that measures be considered to avoid both too high a level of salaries and too large a number of civil servants, since these would place a heavy burden on the budget of Micronesia.

Political education

12. The Trusteeship Council notes with interest the information given by the representative of the Administering Authority concerning the institution of a political education programme designed to provide the population with explanations of both the negotiations concerning the future status of the Territory and the forthcoming Constitutional Convention. It hopes this programme will be accorded a high degree of priority. It notes especially that an extra effort will be made to ensure that the education campaign is carried out at the level of village communities.

13. The Council expresses the hope that revision of the programme on the general subject of national unity will not in any way prejudice the over-all result of the vote by the population on its future status.

Judiciary

14. The Trusteeship Council expresses the hope that the efforts made by the Administering Authority gradually to entrust the posts of responsibility in the executive to Micronesians will be extended to the judiciary. It recalls the assurances given by the Special Representative during the fortieth session that the High Court would include Micronesians among its members as soon as possible.

C. ECONOMIC ADVANCEMENT

General economy

15. The Trusteeship Council notes with pleasure the recovery of copra prices in the course of 1973/74 and the consequential increase both in export earnings and in the return to producers. It also notes the continued growth in tourist revenue.

16. The Council recalls the regret which it expressed at its thirty-ninth and fortieth sessions that Micronesian products entering the United States remained subject to United States tariffs, and notes, again with regret, that, although the subject is still under consideration, the situation remains unchanged. It expresses the hope that the Administering Authority will do its utmost to encourage the development of a viable Micronesian export trade. In this connexion, it also expresses the hope that the arrangements made for the entry of Micronesia's exports into the United States upon termination of the trusteeship agreement will not be substantially less favourable than those arrangements which might be granted to the Mariana Islands should the latter proceed in the event to a different form of relationship with the United States.

17. The Council recalls the view expressed in the report of the 1973 Visiting Mission that a serious effort must be made to reduce the growth of imports into the Territory. Although fully appreciating the concern voiced by the special advisers from Micronesia that any increase in the taxation of imports should not harm the interests of the poorer peoples of the Territory, it recommends that consideration should be given to the identification of non-essential imports and, where appropriate, to their discouragement. This is particularly the case where alternative local resources are available.

18. The Council welcomes the request made by the Administration to the United States authorities for a higher appropriation of United States grant funds in the years 1975 to 1977. It hopes the request will be granted so that plans to accelerate the development of Micronesia's infrastructure may go ahead. It also welcomes the submission by the Administration, in consultation with the Congress of Micronesia, of a new five-year budget programme to this end.

19. At the same time, the Council recalls its endorsement at its fortieth session of the suggestion in the report of the 1973 Visiting Mission that the Administering Authority should give consideration to commissioning a full review of the economy of the Trust Territory. It notes that Representative Joah Sigrah, Special Adviser, welcomed the suggestion. It considers that a detailed knowledge of Micronesia's economic potentialities is essential if Micronesia is to become more self-sufficient and if it is to attract significant foreign investment. It expresses the hope that such a review can be carried out speedily with a view to laying the information before the forthcoming Constitutional Convention so as to guide the latter in its vital work. It recalls its endorsement last year of the recommendation of the 1973 Visiting Mission that the Administering Authority should consider inviting appropriate international bodies to carry out such a review. In

this connexion it notes with pleasure the creation of a Territorial Planning Office, and suggests that the latter's expert knowledge should be put at the disposal of whichever body undertakes the proposed review.

20. The Council warmly welcomes the lifting by the United States Secretary of the Interior of the ban on foreign investments in the Territory, with effect from 1 April 1974. The Council, recalling its previous recommendations to this end, considers that the foreign investment guidelines outlined by the Special Representative promise to safeguard adequately the interests of the inhabitants of the Territory, and is pleased to note that some applications by foreigners to invest in Micronesia have already been received.

Assistance from international institutions

21. The Council warmly welcomes the attendance by members of both the Administration and the Congress of Micronesia at the thirtieth session of the Economic Commission for Asia and the Far East (ECAFE); the intention of the United States Government, upon the enactment by its Congress of the necessary legislation, to sponsor Micronesia's membership in the Asian Development Bank; and the agreement signed on 10 June 1974 between the United States Government and the United Nations Development Programme (UNDP) which will make it possible for UNDP to begin drawing up a country programme for Micronesia. In this connexion, the Council hopes that these new contacts between Micronesia and international developmental institutions will contribute to the growth of a viable Micronesian economy. The Council is also convinced that Micronesians can only benefit from closer bilateral links with other countries, particularly their neighbours in the Pacific region.

Credit

22. The Trusteeship Council welcomes the enactment by the Congress of Micronesia of legislation permitting the establishment of the Development Bank of Micronesia. It looks forward to a vigorous programme of investment by the Development Bank in infrastructure and in the expansion of Micronesia's economic resources in accordance with the priorities agreed upon by the Administration and the Congress of Micronesia.

Public finance

23. As noted above, the Trusteeship Council reaffirms its earlier recommendations that the Congress of Micronesia should be given final authority over a greater percentage of the total budget.

24. The Council recalls that, at its fortieth session, it suggested that the Congress of Micronesia should consider the establishment of a graduated personal tax scale and increased rates, and should also examine further the possibility of raising import duties on items such as food-stuffs, beverages, cigarettes and

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tobacco. It reaffirms its view that tax changes of this nature could increase Micronesia's self-sufficiency, assist the process of import substitution, and give individual Micronesians a feeling of participation in the development of their nation.

Land

25. The Trusteeship Council warmly welcomes the agreement reached during the seventh round of negotiations between the Joint Committee on Future Status of the Congress of Micronesia and the United States authorities for the return of control over public land to the district authorities. It trusts that the transfer will be carried out with all necessary speed.

26. The Council notes the petitions it has received concerning the question of the alienation of land on Tinian. It notes also the statement by the representative of the United States that a tentative agreement was reached on this matter in recent negotiations between the United States authorities and the Marianas Political Status Commission, and hopes that the agreement takes full account of the interests of the district of the Marianas, including in particular the inhabitants of Tinian, and the latter's need of an adequate amount of land to ensure their economic and social development.

Agriculture and livestock

27. The Trusteeship Council notes with pleasure the recent rise in copra prices, and the progress of Micronesia towards self-sufficiency in certain agricultural products. It again expresses the view, however, that within the framework of Micronesia's budgetary capacity a far greater priority should be given to the development of Micronesia's agricultural resources.

Marine resources

28. The Trusteeship Council notes with satisfaction the progress since 1972/73 in developing Micronesia's vital marine resources. It notes in particular the construction of a fleet of ferro-cement fishing boats, and the proposed order of a fleet of larger fishing vessels. It believes that, as in the case of agriculture, more resources could usefully be made available for the development of Micronesia's fishing industry, for example for the canning of fish for export. In this connexion, the Council expresses the hope that the unused balance of the Marine Resources Development Fund can be speedily disbursed.

29. The Council reaffirms the responsibility of the Administering Authority to protect Micronesia's marine resources. It is pleased to learn that the United States Government has agreed to Micronesian participation in the United States delegation to the forthcoming Conference on the Law of the Sea.

Industry and tourism

30. Although recognizing that too much reliance on tourism can be unhealthy for a developing country and its people, the Trusteeship Council notes with satisfaction the growth in the volume of tourists to Micronesia, the increase in Micronesia's own tourist income and the degree of participation by Micronesians themselves in the development of tourist facilities. It expresses the hope that all districts of Micronesia will share in the benefits, both financial and in the employment field, to be derived from a programme of tourist development, provided that it is properly controlled and reflects the desires of the inhabitants of each district.

Transport and communications

31. The Trusteeship Council, while regretting the circumstances that necessitated putting TransPacific Lines into receivership, notes that the Administering Authority has arranged for other shipping lines to serve Micronesian ports on a temporary basis, and that the first of a new fleet of inter-island field trip vessels has recently been launched. It recalls, however, the concern it expressed at its fortieth session at the continuing existence of major deficiencies in the system of transport and communications. It urges the Administering Authority to give the highest priority to the rapid establishment of permanent shipping arrangements as soon as circumstances permit, in order to alleviate the hardships faced by the inhabitants of the outlying areas of Micronesia.

32. The Council continues to hold the view that decisions on the awarding of airline routes to Micronesia should be based solely on the interests of Micronesia as a whole.

Co-operatives

33. The Council notes with pleasure the continued growth of fishing co-operative associations. While appreciating fully how difficult it is to persuade farmers of the benefits of farming co-operatives, in particular the shared use of machinery, it hopes that the Administration will devote some of its educational and information efforts to this end.

D. SOCIAL ADVANCEMENT

Medical and health services

34. The Trusteeship Council is bound to note with concern the critical observations of the World Health Organization (WHO). It welcomes, however, the financing of a new hospital in Ponape District in 1973/74 and the progress in planning another new hospital in Yap District. It also notes that the first class of MEDEX students has graduated, and that the new five-year budget programme

envisages the construction of 115 new dispensaries during that period. It reaffirms the recommendation made last year that a greater effort should be made to improve the supply of both preventive and curative medical facilities in the Territory's outlying areas.

Labour

35. The Trusteeship Council notes with interest the appointment of a full-time Chief of the Division of Labour. It also notes the continuing efforts that are being made to train Micronesians for senior posts in both the private and the public sectors. It believes that these efforts should be intensified, in conformity with the expressed wishes of the Micronesian special advisers and of the Congress of Micronesia.

36. The Council notes with satisfaction that four of the eight major territorial departments are now headed by Micronesian directors, and that two more departments are scheduled to follow suit within the next year.

Housing

37. The Trusteeship Council recalls that, at its fortieth session, it requested a report from the Administering Authority on the implementation of a low-cost housing programme. It trusts that such a report will become available in due course.

Public safety

38. The Trusteeship Council notes the remarks made by Senator Wilfred Kendall, Special Adviser, on the need for judicial and penal reform, and would appreciate a report on the matter by the Administering Authority at the Council's forty-second session.

E. EDUCATIONAL ADVANCEMENT

39. The Trusteeship Council welcomes the efforts that have been made during the period under review to adapt curricula to the specific needs of the Micronesians. However, it feels that this new policy should aim increasingly at greater autonomy and a greater awareness of the outside world. The Council hopes that the Administering Authority will prepare a report explaining the additions which have actually been made to the curricula of Micronesian students so that they can learn more about neighbouring districts, in accordance with the law of 1969, the Pacific countries and the developing countries. It also feels that in these curricula more emphasis should be laid on subjects related to the development of a Micronesian cultural identity.

40. The Council, aware of the importance of vocational training for Micronesia, wishes again to stress the urgency of projecting manpower needs for each district. Such a projection would facilitate the adaptation of the programmes of vocational training centres and would enable the authorities to make provision for the teaching of those additional subjects which should be added to the curriculum as soon as possible.

41. The Council also hopes that a similar projection will be made for higher education. While it welcomes the fact that nearly 1,000 Micronesians already have degrees ranging from "Associate of Arts" to "Ph.D", it would wish to avoid in the future too great a discrepancy between the fields chosen by students and those where a real need exists for the Territory.

Dissemination of information on the United Nations

42. The Council, while welcoming the favourable reactions of Micronesians to the Visiting Missions, hopes that additional efforts will be made to disseminate their recommendations and their observations among the inhabitants.

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

Future status

43. The Trusteeship Council notes with satisfaction that, during the resumed discussions in Washington, in November 1973, between the Joint Committee on Future Status and the United States delegation, the latter announced the decision of the Administering Authority to return control over public lands to the districts.

44. The Council regrets that, since no agreement could be reached on United States assistance to Micronesia on the termination of the Trusteeship Agreement, the discussions were again adjourned; however, it noted that contacts between the heads

of the two delegations were never broken off. It also noted that both the Administering Authority and the special advisers expressed their satisfaction at the progress accomplished during the past year and announced that official discussions would be resumed during the summer of 1974. The Council hopes that in the search for an agreement the Administering Authority will not lose sight of the moral and legal obligations it has accepted to fulfil vis-à-vis the Territory.

45. The Council notes that, without ruling out the alternative of independence, according to the statements of the Administering Authority and the special advisers, the discussions continue to be oriented towards the choice of free association for the five districts of the Marshall Islands, Ponapé, Truk, Yap and Palau. With regard to the Northern Marianas, separate negotiations are taking place and they are tending towards the establishment of a commonwealth under United States sovereignty. While recognizing that future negotiations may be facilitated by the private conversations now taking place, the Council has expressed the hope that it will be kept fully informed during the months to come on the important developments taking place.

46. The Council notes that the two parties have agreed that the future political status of Micronesia should be approved not only by the United States Congress but also by the Congress of Micronesia and particularly by the people of Micronesia by means of a free consultation, which will take place in a form to be decided. It is also expected that this consultation will take place in the presence of the United Nations.

47. The Council expresses the hope that the terms of the consultation will be clearly defined and that no alternative, including independence, will be ruled out.

48. The Council, having heard the statements of the Administering Authority, feels that, if the people of the Marianas are consulted separately from the people of the rest of Micronesia, the Congress of Micronesia will be informed in advance of their future political status. The Council has noted that the consultation of the people of the Marianas should also take place in the presence of the United Nations and should not exclude any alternative.

49. The Council earnestly hopes that the three delegations will conduct the negotiations in such a way that, if separate plebiscites have to be held in the Marianas and in the other districts of Micronesia, these consultations will be carried out simultaneously.

50. As during the previous session, the Council has expressed the hope that, if the secession of the Marianas cannot be avoided, the three delegations will strive for solutions allowing the maintenance of the closest possible links in all fields and leaving open the possibility for the Marianas to rejoin Micronesia without difficulty if their people should express the desire for reunification in the future.

51. The Council stresses that the Administering Authority has again affirmed its intention to terminate the Trusteeship Agreement simultaneously for all parts of Micronesia and not for one part separately. In the light of the explanations given by the United States representative, the Council interprets this statement as meaning that trusteeship might continue to apply to a part of the Territory administered separately before the termination of the Trusteeship Agreement.
52. The Council notes with genuine concern that the Marshall Islands has also expressed the intention of initiating separate negotiations with the Administering Authority. It notes that the Administering Authority has expressed on several occasions the desire to preserve the unity of the Marshalls and the Carolines. It expresses its firm conviction that the problems underlying this trend will be settled in such a way that the unity of these districts will be maintained.
53. The Council hopes that the Administering Authority, which has announced the development of a programme of political education at the village level, will ensure that it is implemented. It welcomes the progress made towards the convening of a Constitutional Conference preceded by elections throughout the Territory and designed to play a determining role in the achievement of autonomy.
54. The Council, however, feels that more substantial progress should be made in training Micronesian personnel to take over from expatriates and in achieving internal autonomy even before the termination of trusteeship.
55. The Council has expressed the wish to be kept informed as fully as possible about the conditions in which trusteeship will be exercised during the interim period. It expresses its concern at the statements by the special Micronesian advisers to the effect that the future status of the Territory may be settled only in 1981 and hopes that the termination of trusteeship will occur sooner, with due regard nevertheless to the interests of Micronesia.
