

# UNITED NATIONS

## SECURITY COUNCIL



GENERAL

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### REPORT OF THE TRUSTEESHIP COUNCIL TO THE SECURITY COUNCIL ON THE TRUST TERRITORY OF THE PACIFIC ISLANDS FOR THE YEAR ENDING 30 JUNE 1949

Note by the Secretary-General: The Secretary-General has the honour to transmit to the Security Council the report of the Trusteeship Council on the Trust Territory of the Pacific Islands for the year ending 30 June 1949.

#### TABLE OF CONTENTS

	<u>Page</u>
I. Introduction . . . . .	2
II. Examination of the annual report . . . . .	2
<u>Part One.</u> Outline of conditions as stated in the annual report of the Administering Authority and by the special representative . . . . .	3
<u>Part Two.</u> Conclusions and recommendations approved by the Trusteeship Council . . . . .	23
<u>Part Three.</u> Observations of members of the Trusteeship Council representing their individual opinions only . . . . .	26
III. Petitions . . . . .	32
IV. Visiting Mission . . . . .	32

## I. INTRODUCTION

In accordance with Article 83 of the Charter, and with the resolution adopted by the Security Council at its 415th meeting on 8 March 1949 and the resolution<sup>1/</sup> adopted by the Trusteeship Council at the forty-sixth meeting; of its fourth session on 24 March 1949, the Trusteeship Council has carried out on behalf of the Security Council those functions of the United Nations under the International Trusteeship System relating to political, economic, social and educational advancement of the inhabitants of the Trust Territory of the Pacific Islands, designated as a strategic area.

## II. EXAMINATION OF THE ANNUAL REPORT

The report of the Government of the United States of America on the administration of the Trust Territory of the Pacific Islands for the period ending 30 June 1949 was transmitted<sup>2/</sup> to the members of the Trusteeship Council on 27 February 1950 and was placed on the agenda for the seventh session.

Rear-Admiral Leon S. Fiske, Deputy High Commissioner of the Trust Territory, who had been appointed as the special representative of the Administering Authority, submitted written answers<sup>3/</sup> to written questions addressed to him by members of the Council on the report and on the administration of the Territory. During the twelfth and thirteenth meetings, the special representative of the Administering Authority answered oral questions of members of the Council.

During the thirteenth and fourteenth meetings, the Council held a general discussion with a view to formulating conclusions and recommendations relating to the report and to conditions in the Territory, and appointed a Drafting Committee consisting of the representatives of Australia, Dominican Republic, China and the United Kingdom of Great Britain and Northern Ireland, to draft a report to form part of the report of the Trusteeship Council to the Security Council on its activities at its seventh session with respect to strategic areas under Trusteeship.

The draft prepared by the Drafting Committee was considered by the Council at its twenty-first and twenty-seventh meetings and at the latter meeting the Council adopted the report as a whole.

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<sup>1/</sup> 46 (IV), T/296.

<sup>2/</sup> T/470.

<sup>3/</sup> T/L.89.

## PART ONE

Outline of conditions as stated in the annual report of the  
Administering Authority and by the special representative<sup>4/</sup>

## 1. GENERAL

Area, topography, climate, population, natural resources

The Trust Territory of the Pacific Islands covers an area of some three million square miles in the western Pacific Ocean north of the Equator. The Territory contains 96 distinct island units with a combined land area of about 687 square miles. It consists of those Micronesian island groups known as the Marshalls, the Carolines, and the Marianas (with the exception of Guam).

The islands may be classified broadly as either "high" volcanic or "low" coral islands. The climate is, in general, tropical and rainy with small seasonal changes. Throughout most of the area, the mean annual temperature averages from about 75° to 85°F. with a diurnal range of less than 10°F. The area is subject to typhoons or tropical cyclones.

The total resident population of the Territory in 1949 was approximately 53,917 as compared to 51,475 in 1948. Of this total, the indigenous inhabitants, who are broadly classified as Micronesians, numbered 53,446 in 1949 as compared to 51,239 in 1948.

There are eight distinct cultures, each of which is imbued with local pride and traditions. These are represented by Chamorro, Palawans, Yapese, Trukese, Ponapeans, Kusaieans, Marshallese, and the people of Kapingamarangi and Nukunoro who have a predominantly western Polynesian type of culture. The indigenous people speak ten mutually unintelligible languages. Japanese is the nearest approach to a lingua franca throughout the Territory. However, English is now spoken by many of the inhabitants of the areas immediately adjacent to the Civil Administration Units.

The natural resources of the islands are meagre. Much of the soil is of low fertility, thin, and susceptible to erosion. Because of limited space or rugged

<sup>4/</sup> In accordance with resolution 128 (VI) of the Trusteeship Council and the decision taken by the Council on 15 June 1950, special sections on the implementation of the recommendations of the Trusteeship Council are included in Part One. Since the period covered by the report ended prior to the adoption of recommendations by the Trusteeship Council, the information in these sections is based on the information given by the special representative of the Administering Authority during the discussion of the report.

/end story

and stony terrain, few areas on any of the islands can be effectively plowed. Restricted mineral resources include phosphate, bauxite and manganese.

## 2. POLITICAL ADVANCEMENT

### A. Outline of conditions

#### General

The year now under review may be regarded as a period of consolidation in the administration of the Trust Territory. During this time the administration has been developing its programme based on a continuing evaluation of the needs of the several communities and framed within the limits of funds available. The result has been a gradual advance, providing a good foundation for further progress in the future.

#### Status of the Territory

The United States administers the Trust Territory of the Pacific Islands in accordance with the provisions of the Trusteeship Agreement for the former Japanese Mandated Islands, unanimously approved by the Security Council of the United Nations on 2 April 1947.

By Executive Order of the President of the United States, the Secretary of the Navy exercises responsibility for the Civil Administration of the Territory on an interim basis. Draft Organic Legislation for the Trust Territory, pursuant to article 12 of the Trusteeship Agreement, was introduced in the Eightieth Congress. However, the Congress did not take action on the draft legislation. Recently, the Executive Departments concerned have undertaken a review of the legislation previously submitted with a view to its resubmission to the present Congress.

Plans have been drawn up by the Executive Departments concerned and approved by the President providing for the transfer of responsibility for the civil administration of the Trust Territory from the Department of the Navy to the Department of the Interior. This transfer is scheduled to take place on 1 July 1951, providing certain essential arrangements can be made by the Department of the Interior with the Department of the Navy by that time.

#### Administrative organization

Subject to the direction of the Secretary of the Navy, all powers of government and jurisdiction in the Territory are vested in the High Commissioner of the Trust Territory of the Pacific Islands. The Headquarters of the High

/Commissioner

Commissioner are located in Hawaii at the Headquarters of the Commander-in Chief of the Pacific, who is also the High Commissioner. The Deputy High Commissioner is also located at Hawaii having moved there in October 1949 from his previous location in the island of Guam. A field headquarters has been established by the Administering Authority on Truk Atoll, where officials whose duties entail the most direct contact with the indigenous inhabitants are stationed. A small liaison office is maintained on Guam to facilitate the flow of personnel and goods to and from the Trust Territory.

The Territory, which previously was divided into seven administrative districts, is presently divided into five districts, as follows: Saipan, Palau, Truk, Ponape and the Marshall Islands. The former Yap District has been combined with the Palau District, and the former Kwajalein and Majuro districts have been consolidated into a single Marshall Islands District with headquarters at Majuro.

#### Participation of indigenous population

Through a programme of education and civic guidance, the Administering Authority has sought to further self-government, beginning on the local, or "municipal" level. There are at present a total of 116 municipalities in the Trust Territory. It is the objective of the Administering Authority to organize at least one of these on each inhabited atoll or separate island. Municipal officers are designated in one of three ways: where the people prefer to recognize the hereditary rights of a chief, the chief is recognized as magistrate of the administration; in some few instances, officers are appointed by the administration, only, however, after consultation with community chiefs and elders; in an increasing number of instances, municipal officers are elected by popular vote. The development of municipalities has progressed at a most gratifying rate with indigenous leaders taking a constantly increasing initiative and responsibility. It will be noted that the number of municipalities is slightly smaller than reported in the preceding year. This is the result of consolidating small communities within single municipalities, particularly in the Marshall Islands.

On the regional or district level, too, advances in the field of self-government are being made, but they are proceeding more slowly. Legislative advisory organs have been established, or are in the process of being established in each of the five administrative districts. These legislative

/advisory

advisory organs are designed to bring a representative group of the indigenous inhabitants into conference, to discuss, as they see fit, their own affairs and, if they choose, make recommendations to the District Administrator. Preliminary steps were taken by the Marshallese people to establish representative legislative advisory bodies for the Marshall Islands. In the Truk District, a premature attempt to establish a unified political structure above the local level has proved unsuccessful. The greatest progress has been made in the Palaus, where the Palau Congress has functioned as an advisory body on affairs of the islands since 4 July 1947.

On Yap the Chiefs' Council has been supplemented and liberalized by the formation of a "Young Men's Council" consisting of representatives elected by the young men's groups, which sits separately on some occasions and with the Council of Chiefs on others, to discuss problems of the islands.

Thus far, regional and district organizations, existing and proposed, had been given only advisory powers.

A Territory-wide legislative body is included in the long-range plan of the administration, but the problems of transportation, communication and of ethnocentricity, will have to be solved before the plan can be effectively concluded. It is planned that the Staff Legislative Advisory Committee will gradually be augmented by including indigenous representatives from the various districts, and that in time the Staff members will be replaced entirely by Micronesians, who will then be trained and equipped to develop and carry out legislative proposals for the Trust Territory as a whole.

#### Administration of Justice

A system of courts was established for the Territory with Community Courts competent to try smaller civil or criminal cases, Justice Courts, Superior Courts, a District Court and a Court of Appeal with specific competency and constitution in each case.

A District Court of broad general jurisdiction, staffed by trained lawyers, has been established to handle the more serious cases and to give the indigenous inhabitants a clearer conception of justice as understood in the Western world. It also serves as a court of review to pass on actions of the lower courts. This District Court holds sessions at each of the civil administration centres and at

/other points

other points as occasion may require. At the same time, indigenous leaders have been utilized in the lower courts and, guided by the two legally trained District Judges, are developing a consciousness of their responsibilities and an increasing proficiency in the administration of justice. A clerk's office under the charge of an indigenous Clerk of Courts has been established in each district. This serves as a permanent and public repository for court records, as well as for records of land transfers.

The Community Courts are exclusively composed of indigenous inhabitants of the Territory. Islanders have also served on the Justice and Superior Courts.

During the period under review, a Chief Justice for the Trust Territory was appointed by the Secretary of the Navy, to whom he is directly responsible.

B. Implementation by the Administering Authority of recommendations of the Trusteeship Council

1. The Trusteeship Council, recognizing the desirability of the closest possible contact between the Administering Authority and the inhabitants, notes that the Administering Authority is giving consideration to the possibility of transferring the seat of government from Guam to a site within the Territory itself, and believes that this will facilitate closer association between the Administering Authority and the indigenous inhabitants.  
(Recommendation, fifth session)

While it has not seemed practicable as yet to transfer the seat of government to a site within the Territory itself, the Administering Authority has established a field headquarters on Truk, which is near both the geographical and population centres of the area. Officials whose duties entail the most direct contact with the indigenous inhabitants will henceforth operate from that headquarters. Those presently based there are the Chief Administrator of the Field Headquarters, the Chief Justice, the Associate Justice, the Staff Anthropologist, the Staff Agriculturist, the Staff Conservationist, the Staff Medical Officer, and the Staff Fishing and Shipping Commissioner. It is estimated that to build suitable headquarters for the High Commissioner's entire staff at Truk, or at some other point within the Territory, if based on the present scale of administration, would cost twenty-five million dollars or more. Even if funds were now available, a construction programme would require at least four or five years for completion. A recommendation for construction of permanent facilities has been submitted by the High Commissioner to the Navy

Department. Pending the availability of more adequate facilities within the Territory, most of the High Commissioner's staff, including the Deputy High Commissioner, moved last October from Guam to Pearl Harbor, Hawaii. There they are immediately available for consultation with the High Commissioner and are in an advantageous position to co-ordinate arrangements for the logistic support of the Trust Territory, and to confer with the numerous scientific and professional advisers, many of whom reside in or pass through Hawaii. A small liaison office remains on Guam to facilitate the flow of personnel and goods to and from the Trust Territory.

2. The Trusteeship Council, while noting with approval the extent to which purely local forms of self-government have been fostered and encouraged, recommends that the Administering Authority increase its efforts to develop regional governmental organs on a representative and elective basis and that it endeavour to bring representatives of the indigenous population into the territorial government, if only in an advisory capacity in the initial stages. (Recommendation, fifth session)

3. The Trusteeship Council, noting that generally speaking the people of the Marianas Islands are relatively advanced, noting also that they do not yet possess a regional council, and noting the willingness of the Administering Authority to consider the possibility of establishing an appropriate regional organ for the Marianas, recommends the Administering Authority to press forward with this measure. (Recommendation, fifth session)

The Administering Authority has continued its efforts to develop regional governmental organs.

Leaders of the indigenous population in the Northern Marianas, meeting on the invitation of the Administration, proposed a charter providing for the establishment of an elected congress for the district with full legislative powers subject only to a veto power by the High Commissioner. In effect it was proposed that the Congress should be the full organ of government in the Marianas District. This proposed charter was considered unacceptable at the present time by the High Commissioner, who returned the charter to the indigenous inhabitants with recommended modifications proposing substantially an advisory council of elected members empowered to confer on all subject in their own interests and to make recommendations to the High Commissioner.

Under a tentative arrangement worked out in collaboration with the Civil Administrator, indigenous inhabitants of the Ponape District have elected Congressmen representing each municipality and a draft of proposed charter for a

/Ponape District



Ponape District Congress, composed of those representatives, has been forwarded to the High Commissioner and is now under review by him.

At the invitation of the High Commissioner, appointed indigenous representatives from each of the five districts, met with the Deputy High Commissioner, the Governors, Civil Administrators, members of the High Commissioner's Staff, and a representative of the Navy Department on 13 to 16 September 1949. An indigenous representative from each district was given a special opportunity to address the conference and express his views on matters of common interest, and all were invited to participate in the general discussion.

At the invitation of the High Commissioner, indigenous leaders in education conferred for three days in February 1950, in Honolulu, with Educational Administrators and the Educational Advisory Committee, on educational problems of mutual concern.

4. The Trusteeship Council, noting that some of the 137 municipal governments established in the Trust Territory enjoy a real measure of autonomy, welcomes the efforts of the Administering Authority to establish democratic organs of purely local government and hopes that further steps may be taken to ensure that the will of the people, rather than hereditary considerations, prevail in the election or appointment of such bodies. (Recommendation, fifth Session)

The Administering Authority has continued to encourage, but not to demand, the selection of municipal officials by popular election rather than on a hereditary basis. In several municipalities officials have been elected to perform the governmental functions previously performed by hereditary leaders. The Administering Authority is convinced that the development of democratic local institutions in the Western sense must be an evolutionary rather than a revolutionary process.

5. The Trusteeship Council welcomes the steps taken by the Administering Authority to effect a real separation of administrative and judicial powers and expresses the hope that, wherever practical, further steps will be taken to effect this separation. (Recommendation, fifth Session)

While a majority of the indigenous Community Court Judges are also magistrates in a municipality, it is the policy of the Administering Authority to have these judges separate from magistrates, in so far as possible, and as soon as possible. Where deemed practicable, appointment or election as Community Court Judges of persons other than Municipal Magistrates has been encouraged. However, in many communities it will be a difficult problem to find reasonably competent leaders in sufficient number.

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The High Commissioner is considering a recommendation of the Chief Justice that the power of appointment and removal of Justice Court Judges be transferred from the Civil Administrators to the High Commissioner.

In furtherance of the separation of administrative and judicial powers, an Associate Justice has been appointed, who is independent of the Civil Administrators and devotes his entire time to judicial duties.

### 3. ECONOMIC ADVANCEMENT

#### A. Outline of conditions

##### General

During the past year economic conditions have been greatly improved by the expanding production of copra and by the efforts of the Island Trading Company to expand markets for exports, to encourage native-owned trade stores and native wholesale companies and to increase the variety and volume of imports.

##### Budget

Funds appropriated by the Administering Authority for the conduct of government for the fiscal year ended 30 June 1949 totalled \$1,125,000, (\$1,021,656 in 1948), of which \$160,757 was spent for general administration, \$108,044 for legal and public safety, \$161,582 for public education, \$343,514 for public health, \$105,677 for commerce, industry, and agriculture and \$230,705 for public works and transportation.

Locally derived revenue amounted to \$367,951 (\$162,573 in 1948), including \$44,525 from an internal revenue tax and \$104,292 from a processing tax.

The budget request is formulated and estimates of funds needed from the Administering Authority are initiated by the High Commissioner and included by the Navy Department as a part of its request for appropriation under the United States budgetary procedure. The budget request for appropriated funds is based on the following formula: total requirements less estimated locally derived revenue equals the amount necessary to be appropriated by the United States Government.

Officially the indigenous inhabitants have no voice in the matter. In actual practice the civil administration makes every effort to provide the governmental services desired and considered necessary by the people who can express their wishes through their municipal officials, regional advisory

bodies where they exist, personal requests to local Civil Administration officials and to members of the High Commissioner's Staff or through petitions.

#### Economic situation

During the year under consideration, the economic situation was improved by various means. Among others a 2,700 acre coconut plantation was established, pure and cross-bred Brahma cattle were imported to improve local beef strains, and importation of coconut seed into Saipan from Ponape and Pagan Islands was extended. In June 1949 several scientists were sent into the Territory under the Scientific Investigation of Micronesia (SIM) programme. Two agriculturists joined the staff. A comprehensive exhibit of handicraft of the Trust Territory was shown in the city of St. Louis in the United States.

Some anxiety is currently felt by the administration over the weakening world market of the Territory's cash economy maintenance, copra. It is believed, however, that living standards attained thus far can be maintained by stimulating increased copra production, and by developing other natural resources.

#### Taxation

There are two main categories of taxes applied in the Trust Territory: namely, Trust Territory taxes and municipal taxes. The former are collected by the Civil Administration and paid into the Trust Territory Treasury. The latter are collected, expended and, except for the head tax, levied by each local municipality.

Trust Territory taxes are: Internal Revenue taxes (25 per cent ad valorem on cosmetics, face powders and perfume, 20 cents per carton on cigarettes and 20 per cent ad valorem on cigars and other tobaccos) and the processing tax of 15 per cent ad valorem on all copra sold in or exported from the Territory.

Municipalities derive funds from the municipal taxes deriving from the following sources: Head taxes from male residents (\$2 per year), licenses, fees for business, sales taxes on luxuries, property taxes, fees for private use of municipal property, services and facilities and contributions.

#### Trade

The rehabilitation and development of the commerce of the Territory is primarily the function of the Island Trading Company, a government agency created

/to provide

to provide essential commodities to the indigenous inhabitants and to facilitate the export of their products, to foster the establishment of native trading enterprises and to assist in the development of industries and new sources of income for the inhabitants.

Principal products of the Territory are phosphate ore, copra and handicraft articles.

Marketing of exportable items is done largely by the Island Trading Company. Business establishments on Saipan and in the Eastern Carolines are commencing export functions on a small scale. No co-operative marketing organizations are in existence in the Territory.

Consumers' articles such as certain foodstuffs and articles of clothing, and some capital goods such as building materials, knives and tools are principally distributed through trade stores.

The principal commodities exported in 1949 were phosphate (\$1,202,000), copra (\$757,000), handicraft (\$88,000), trochus (\$69,000) and other products (charcoal, fruits, vegetable, fish, coconut oil, etc. \$33,000). Exports were sent to Guam, Hawaii, the United States and Japan.

The principal imports were foodstuffs, hardware, carpentering tools, fishing gear, cloth, etc., valued in 1949 at \$1,112,000. The total of \$195,000 of goods were imported from Japan by the Island Trading Company. There are no tariffs effective on imports and exports. On 30 November 1948 import duties on goods entering the Territory were abolished because it was considered that the reduction in price of imported goods to the indigenous population outweighed the small amount of revenue being received from these duties. Products of the Trust Territory are admitted to the United States free of custom duties and exports from the United States to the Territory are free of export controls.

#### Economic Development Fund

See section B following, implementation of recommendation 1.

#### Mining

No mineral resources have been leased. The phosphate deposits on Anguar are being worked under an agreement with the Supreme Commander for the Allied Powers, Tokyo, for export to Japan. A trust fund has been established into which a royalty of 25 cents per ton of all phosphate extracted was paid during the

year under review. That royalty arrangement is now being completely revised on the basis of a mutual agreement reached between agencies of the Administering Authority, the Supreme Commander for the Allied Powers, and the Anguarese people, as further described in section B following, under implementation of recommendation 5. This trust fund is to compensate the Anguarese for the removal of the phosphate. The continuance of Japanese phosphate mining on other islands has not been authorized.

#### Land ownership

Customary laws relating to land tenure vary from group to group, and range from land-holding in fee simple to limited usufruct rights, and from individual ownership to ownership by extended families, clans and entire communities.

The indigenous inhabitants hold about 245 square miles of land; the Government holds about 450 square miles, including "public domain" and land under cognizance of the Area Property Custodian.

#### Fishing

On 20 January 1949, the waters of the Trust Territory were open to commercial fishing by outside interests under regulations promulgated by the Deputy High Commissioner. No outside commercial fishing companies, however, have requested permission to fish in the Trust Territory although several surveys have been made in the area to determine the advisability of commercial fishing. Such operations are still in exploratory stages. The Administering Authority has also undertaken a programme of small-boat building in order to assist the local fishing industry and improve local water transportation.

#### B. Implementation by the Administering Authority of recommendations of the Trusteeship Council

1. The Trusteeship Council welcomes the declaration of the representative of the Administering Authority that it seeks no profit or aggrandizement from the Trust Territory. It further welcomes the stated policies of the Administering Authority to protect the indigenous inhabitants against loss of their land and institute a sound programme of economic development along lines which will ensure that the profits and benefits accrue to the inhabitants and will assist them in achieving the highest possible level of economic independence. (Recommendation, fifth session)

The Administering Authority is continuing its efforts to diversify and improve the island economy. To aid in this effort, an Economic Development Fund of \$100,000 was set up in March 1950 by the Island Trading Company to be advanced to indigenous entrepreneurs as grants or, preferably, on a loan basis, for the development of new industries or for government-operated pilot enterprises. Projects currently under consideration include boat building, fishing industry, soap manufacture, cacao, papain and rami production, and other agricultural enterprises.

The special representative of the Administering Authority emphasized that the Island Trading Company was an agency of the government of the Trust Territory. And as such, all its profits and its entire net worth are for the benefit of the people of the Trust Territory.

2. The Trusteeship Council, noting the arrangements at present in force for the purchase of copra by the Island Trading Company, recommends that the Administering Authority keep these arrangements under constant review in order to ensure that the interests of the copra producers are safeguarded by receiving a fair return for their industry. (Recommendation, fifth session)

All capital stock of the Island Trading Company of Micronesia (value US \$1) is held by the Deputy High Commissioner in virtue of his office and passes to his successor. The officers are appointed by the Deputy High Commissioner and the Branch managers and subordinate officials are appointed by the President of the Company. Proposed changes in major operating or financial policies or procedures must have the approval of the High Commissioner and, in some cases, of the Navy Department. Periodic reports of operations and balance sheets are also furnished and reviewed by several agencies of the Navy Department, including the Fiscal Director of the Navy. Comprehensive audits of the books and operations of the Company are made periodically by a certified public accounting firm.

The Island Trading Company was initially financed in December 1947 by the Government of the United States. All of these financial advances have long since been liquidated and, beyond normal commercial accounts payable, the company has no indebtedness. In July 1948, a dividend of \$100,000 was paid into the Treasury of the Trust Territory as local revenue. A net profit of \$41,782 was earned during the nine-month period ending 31 March 1950. In that same

period, trade goods amounting to \$865,605 were sold in the several branches, and island products totalling \$685,741 at cost price were purchased. Of this amount copra represented \$593,319. Copra purchases were 7,554 short tons at an average price of \$78.55. The world prices of copra increased toward the end of the calendar year 1949 and effective 14 February 1950 the field (Island Trading Company branch) price was increased \$10 per ton and is now, #1 grade \$90; #2 grade \$80; #3 grade \$70.

A reserve for a Copra Stabilization Fund has been set up by the Island Trading Company, and the further development and most effective utilization of such a fund is under study by the Administering Authority.

3. The Trusteeship Council urges the Administering Authority before granting any permits to outside fishing companies to develop the marine resources of the Trust Territory, to explore again the possibility and practicability of developing the fishing industry as a purely indigenous enterprise with assistance from the Administering Authority itself. (Recommendation, fifth session)

The Administering Authority is continuing its effort to develop the fishing industry as an indigenous industry. To date no permits have been granted to outside fishing companies.

4. The Trusteeship Council recommends the Administering Authority to keep the taxation system in the Trust Territory constantly under review with a view to the ultimate abolition of the head tax and its substitution by a more progressive system of taxation based upon the capacity of the individual to pay. (Recommendation, fifth session)

The Administering Authority is reviewing the existing taxation system, but believes that the time is not ripe for the abolition of the head tax. As yet and probably for some time to come, the Administering Authority considers that this is a satisfactory and desirable form of tax under the cultural, economic and political conditions prevailing in the Trust Territory.

5. The Trusteeship Council, noting with concern that, in spite of the recommendation of the United States Commercial Company in 1946 that the entire output of the Anguar phosphate mines should be retained as soon as possible for use within the Territory, arrangements to export the entire estimated tonnage of phosphates to Japan are still in force, and noting further that apart from a royalty of 25 cents per ton, the Trust Territory derives no benefit even from a processing tax from the phosphates, recommends that the Administering Authority subject this arrangement to further review and, in the light of this review, reassure the Council that the interests of the Territory and its inhabitants have been safeguarded. (Recommendation, fifth session)

The Anguar phosphate mining arrangement, which had been under review by the Administering Authority for over a year prior to the Trusteeship Council's recommendation on the subject, is being completely revised on the basis of a mutual agreement reached between agencies of the Administering Authority, the Supreme Commander for the Allied Powers, and the Anguarese. This new agreement has been approved by all concerned, subject to the execution of a supplementary agreement between the High Commissioner and the Anguarese. The new agreement provides for a severance fee of \$2 a ton paid into a trust fund to be administered by the High Commissioner for the benefit of the Anguarese people plus payment into the Trust Territory Treasury of a processing tax of 15 per cent of the value of the phosphate removed.

#### 4. SOCIAL ADVANCEMENT

##### A. Outline of conditions

##### Social organization

The characteristic settlement in most of the Territory is a hamlet-like, close cluster of homes or farmsteads whose peoples are linked by kinship and by neighbourhood relationships. A scattered group of such hamlets may have traditional ties which approximate those of a village community; and larger, more diversified settlements are joined in organizations covering a whole atoll, or a substantial section of one of the higher islands. Within this framework of community life, there exists a complex pattern of individual and group relationships in which social distinctions based on age, seniority, family, clan, or achieved positions are observed.

The policy of the Administering Authority in social fields has been to reduce interference with local customs to a minimum and to assist in the preservation and healthy development of prevailing cultures.

The majority of the inhabitants are adherents of some form of Christianity, there being only remnants of endemic religious beliefs which existed prior to the introduction of Christianity.

##### Human rights and fundamental freedoms

The Trust Territory Bill of Rights, promulgated by the High Commissioner in April 1948, guarantees to all elements of the population (1) freedom of conscience, speech, Press, assembly, worship, religious teaching and petition; (2) no slavery or involuntary servitude; (3) protection against unreasonable



search and seizure; (4) no deprivation of life, liberty or property without due process of law; (5) no ex post facto law; (6) no excessive bail, excessive fines or unusual punishments; (7) no discrimination on account of race, sex, language or religion; (8) freedom of migration and movement; (9) the maintenance of a general system of education.

#### Status of women

In most of the Trust Territory women do not take a very active part in local government. The Administering Authority has encouraged women to participate in the processes of government, and the recent election of two indigenous women to the Palau Congress is taken as a sign of the increasing desire on the part of women to participate in the management of local affairs.

The Bill of Rights prohibits discrimination on account of sex and women enjoy equal voting and educational rights and they receive equal pay for equal work. Although by local custom women do not engage in certain activities, the Administration does not recognize any occupational barriers or legal restrictions against the employment of women by reason of their sex.

#### Population growth

A slight increase in the net gain of births over deaths has occurred during the year under review. This is probably to be attributed to improved medical attention, and to recovery from conditions of malnutrition developed during the war. Thus far this trend has produced no social or economic effects.

#### Labour conditions and regulations

Labour problems, as they exist in modern industrial society, are unknown in the Territory. The indigenous population spends its time mainly in subsistence farming and fishing. Scarcely 3,000 are gainfully employed for wages. Labour legislation is therefore limited and general in nature, and since the administration itself is the largest employer of labour it has been possible satisfactorily to regulate labour relations by administrative action alone. The Division of Economics on the staff of the High Commissioner has cognizance of labour, wages and associated functions and in many Civil Administration Units one officer is designated as labour officer.

All labour, except penal, is voluntary, and trade unions, though not prohibited, are non-existent. There is evidence that the people are becoming cognizant of the supply and demand factor in the labour field, since one instance of collective bargaining was reported on Truk Atoll during the past year.

#### Public health

Substantial reductions have been made in the incidence of the more common diseases in the Territory. Active yaws, which was originally estimated to be present in 90 per cent of the population, has been reduced until an open lesion of yaws is now seen infrequently, probably in less than 1 per cent of the patients presenting themselves for treatment.

Dispensaries, serving in effect as small hospitals, have been established at each civil administration centre. At other locations three sub-dispensaries have been established with provision for in-patient care, and 87 sub-dispensaries with provision for out-patient care only. Health aides, trained at these dispensaries by administration medical personnel, are located at outlying islands. They are visited by medical officers and dentists every few months; cases requiring hospitalization are transferred to a dispensary.

Perhaps the most striking experiment in the field of public health has been the equipping of a medical survey ship, specially fitted out as a floating clinic and laboratory, with the most modern equipment and a staff of medical and dental officers and technicians. This vessel, the U.S.S. Whidbey, proceeds from island to island and makes physical examinations, chest x-rays, serological and other analyses of the inhabitants, from which individual health records are being set up for virtually the entire population. Approximately 35 per cent of the total population of the Territory have already been examined. It is expected that it will take another year to complete this detailed survey. While the statistics compiled thus far by the medical survey unit aboard the U.S.S. Whidbey indicate that the incidence of pulmonary tuberculosis is not as great as some had feared, tuberculosis continues to be a problem. The administration is continuing to attack it vigorously and has established a tuberculosis ward in each district dispensary. Permanent long-range plans for a central Trust Territory tuberculosis sanatorium are being delayed until such time as a complete survey of the Territory has been accomplished.

Funds were authorized in the amount of \$100,000 for improvements at the leprosarium located on Tinian and a medical officer specially trained in the treatment of leprosy was assigned.

As of 1949, the number of medical personnel in the Trust Territory, exclusive of the indigenous population, was 90. Residents of Micronesia employed by the Trust Territory Medical Department totalled 284. During the year, the first fully trained native "medical assistant" was graduated from the School for Medical Assistants on Guam. He and the four graduates of the School of Nursing were returned to their own district medical centres for additional practical training.

#### Housing

The main housing problem has been to replace homes destroyed by the war and to make immediate provision for adequately sheltering all the islanders. Progress in the replacement of thatch houses in the more populous areas of the islands by frame and corrugated iron structures patterned after small Western-style dwellings has been hampered by lack of material.

#### Public works

During the fiscal years 1948 and 1949, \$1,320,100 was authorized to accomplish certain public works projects in the Trust Territory. Practically all these projects have been completed, consisting mainly of waterfront improvements (the building of piers and wharves, dredging and blasting of passages in reefs); roads and causeways; bridges; the renovation and reconstruction of buildings for use as native dispensaries and schools; the repair or construction of water and power plants and sanitation systems, radio stations and public administration buildings.

#### Food supply

An extensive programme to safeguard and develop fruit and coconut reserves is under way and will be continued. The island diet, consisting primarily of fish, taro, rice, bananas, papaya, coconuts, mangoes and chickens, is supplemented with "store" foods. The Island Trading Company sells canned milk, canned sweets, flour, lard, sugar, etc., at reasonable prices. An attempt is being made to have orange juice and powdered milk provided for school children.

### Penal organization

Vicious criminal types are almost non-existent and classification of prisoners has not been considered necessary. Very few women have been confined and major juvenile delinquency problems do not exist in the Territory. A new prison has been constructed at Saipan and facilities have been improved at other units.

#### B. Implementation by the Administering Authority of recommendations by the Trusteeship Council

The Trusteeship Council, noting that the living standards of the indigenous inhabitants are still below pre-war levels, recommends that the Administering Authority take such steps as may be practicable further to raise the standard of living. (Recommendation, fifth session)

The Administering Authority is continuing its efforts to diversify and improve the island economy, with a view to raising the standard of living as high as indigenous leadership and resources will permit. This is being done in part through the Island Trading Company, as explained in section 3,B, above, under implementation of recommendation 1.

The standard of living varies considerably from one part of the Territory to another. Certain aspects of living conditions also compare very differently with corresponding conditions prior to the second World War. It is considered that educational and health conditions, as they pertain to the standards of living, are generally better than they were before the war, and that the entire standard of living in outlying islands removed from Japanese centres of economic activity is at least up to pre-war levels. In those communities which were near Japanese centres, however, the purely economic aspects of the standard of living depending directly on a money economy appear still to be somewhat below pre-war levels. The Administering Authority is doing everything practicable to improve this condition without permitting the introduction of outside interests which might tend to exploit the indigenous inhabitants. The greater opportunities for employment for wages and for sale of local perishable products, which existed under the Japanese regime in these areas, should be weighed against the freedoms now enjoyed by the inhabitants and the fact that there are no longer large numbers of non-indigenous persons using major portions of the local resources.

## 5. EDUCATIONAL ADVANCEMENT

### A. Outline of conditions

#### Public schools

Almost universal elementary school attendance for children of school age has been attained except at a few outlying points. The elementary schools have approximately reached the fourth grade in their six year programme, and in some cases the sixth grade has been attained.

Intermediate school education is offered at each civil administration centre and also at Yap. To meet the need for a larger number of professionally and technically trained indigenous leaders, the School for Medical Assistants, the School for Dental Assistants, and the School of Nursing (all on Guam) and the Pacific Island Teacher Training School on Truk have been established. The Teacher Training School is now broadening the scope of its activities to provide for those not interested in teaching.

As of 31 March 1949, the total number of students in the public school system of the Trust Territory exclusive of higher professional schools, was 7,689. They attended 127 elementary schools, staffed by a total of 223 teachers, and 6 intermediary schools staffed by 29 teachers. The total number of pupils reflects an equal balance between boys and girls.

#### Mission schools

In addition to the schools of the public school system, there were 15 elementary mission schools with a total of 1,123 students and 56 teachers as of 31 March 1949. It has been the policy of the Administering Authority to give private mission schools assistance in the form of textbooks and school supplies, subject only to the provision that these schools maintain academic standards equivalent to those of the public schools.

#### Illiteracy

Illiteracy is being combatted by providing a system of general education for all children of the Territory and of adult education for interested persons. The percentage of illiteracy in the Territory is not yet known.

### /B. Implementation

B. Implementation by the Administering Authority  
of recommendations of the Trusteeship Council

1. The Trusteeship Council commends the Administering Authority for its achievements in the educational field but recommends that it consider the possibility of establishing secondary schools in the Territory to meet its progressive needs. (Recommendation, fifth session)

The Administering Authority has considered carefully the question of establishing secondary schools in the Trust Territory and has broadened the scope of education offered at the Pacific Islands Teacher Training School on Truk. In September 1949 a School of Communications was added to train indigenous radio operators. Arrangements are now being made to add a School of General Education in September 1950.

Commencing this fall, it is planned to offer courses leading to diplomas in government, agriculture, business, and the liberal arts in addition to the established courses now offered in teaching and communications. It is expected that this new broadened programme will meet the present need for general secondary school education.

2. The Trusteeship Council notes that the Administering Authority is sending promising indigenous students to Hawaii and the continental United States for higher education and urges it to continue doing so. (Recommendation, fifth session)

The Administering Authority is continuing to send a few promising indigenous students to Hawaii and the continental United States for higher education. Five students from the Trust Territory are now pursuing their education in the Philippines. A young man from Yap is now on his way to Yale University, where he will assist a professional linguist in the development of a standardized system for writing the Yapese language.

PART TWO

Conclusions and recommendations approved  
by the Trusteeship Council

1. GENERAL

The Council congratulates the Administering Authority on the substantial progress made in all fields during the year under review and is of the opinion that the progress achieved is all the more notable because of the scattered nature of the islands comprising the Territory and the relatively short time during which they have been under the administration of the United States.

2. POLITICAL ADVANCEMENT

(a) Application of international treaties and conventions

The Council notes that the Administering Authority is studying the question of the application to the Trust Territory of international treaties, agreements and conventions, including International Labour Organisation conventions and recommendations, and expresses the hope that the results of this study will soon be made available to the Council.

(b) Status of the Territory and its inhabitants

The Council notes that organic legislation for the Territory, including a definition of the legal status of the inhabitants, is the subject of renewed study and expresses the hope that such legislation will soon be enacted.

(c) Seat of the government

The Council notes with gratification the establishment of a field headquarters on Truk and requests the Administering Authority to continue to give consideration to the possibility of placing the seat of government within the Territory itself, in accordance with the Council's recommendation adopted during its fifth session.

(d) Territorial, regional and local bodies

The Council commends the Administering Authority for its progressive development of regional and local organs of self-government and recommends that the Administering Authority press forward with its long-range plans to establish a Territory-wide legislative body and that it proceed progressively to democratize the municipalities.

### 3. ECONOMIC ADVANCEMENT

#### (a) Economic diversification

The Council, noting the steps taken by the Administering Authority to foster indigenous fishing enterprises and indigenous-operated shipping, recommends that the Administering Authority continue its efforts to diversify the economy of the Territory.

#### (b) Head tax

The Council, taking note of the explanation given by the Administering Authority as to the desirability of utilizing the head tax at the present time, as well as the assurances of the Administering Authority that it fully appreciated the desirability of introducing, as soon as practicable, taxes based on ability to pay, reiterates its recommendation that the Administering Authority consider the ultimate abolition of the head tax and its replacement by a more progressive system of taxation.

#### (c) Customary tributes to indigenous chiefs

The Council, taking note of the existence of systems of customary tributes (payments in cash or in kind) to indigenous chiefs or headmen, expresses the hope that the Administering Authority will take such steps as may be possible, so as to ensure that these customs are not abused.

### 4. SOCIAL ADVANCEMENT

#### (a) Status of women

The Council, noting with satisfaction the election of two women to the Palau Congress, expresses the hope that the Administering Authority will encourage increasing participation by the women of the Territory in the discussion and management of island affairs.

#### (b) Public health

The Council commends the Administering Authority on the great progress achieved in the field of public health, and considers that the statistical information to be derived from the medical survey undertaken by the Administering Authority will be of great value.

### /5. EDUCATIONAL



#### 5. EDUCATIONAL ADVANCEMENT

The Council commends the Administering Authority on the progress achieved in education, trusts that this development will continue and recommends that the Administering Authority consider the possibility of the greater use of radio for mass education.

PART THREE

Observations of members of the Trusteeship Council  
representing their individual opinions only

I. POLITICAL ADVANCEMENT

Status of the inhabitants

The representative of the Dominican Republic, noting that there was a basic difference in law between "nationality" and "citizenship", observed that it was unsuitable to refer to the indigenous population of the Territory as "citizens of the Trust Territory". The Dominican delegation felt that in considering the status of the inhabitants it was necessary to pay particular attention to the question of nationality, and expressed the conviction that in time the individuality of the inhabitants of the Territory as well as of the Territory itself would emerge, thus giving the people of the Territory that political and legal status which was essential to the achievement of the final objective of independence and self-government.

Territorial and regional legislative bodies

The representative of the Philippines, noting with satisfaction the progress achieved by the Palau Congress and the establishment of the Marshall Islands Congress, expressed gratification at the rapid development of the regional councils. He expressed concern at the reported failure to establish a unified political structure above the local level in the Truk District, and reiterated the view expressed last year that the inhabitants of the Northern Marianas were entitled to a regional legislative body not merely with advisory powers but with real legislative powers, however limited these might be at the outset.

The representative of the United States of America stated that it was the conviction of the Administering Authority that much smoother and happier progress would be made if regional bodies were organized first on an advisory basis and given an opportunity to demonstrate their ability to function effectively before being faced with legislative responsibility. He stated that his Government was in sympathy with the general objective of organizing regional and territorial bodies without undue delay. However, he noted that far more was needed for regional or territorial self-government than mere machinery. Until the people could come to understand and appreciate the meaning of those

/public

public issues which affected an entire region or the Territory as a whole, self-government above the community level could not be real or lasting. At present the people of the different islands were in many cases separated not only by immense distances but by consequent prejudices and local jealousies. Referring to the efforts of the Administering Authority to foster the development of local self-government, the representative of the Administering Authority stated that his Government was convinced that the pathway toward territorial self-government must begin through the growth of municipalities, which were sound foundations for regional organs and a territorial organ of government.

## 2. ECONOMIC ADVANCEMENT

### Public finance

The representative of the United Kingdom suggested that such funds as might be available from external sources should be spent on development schemes, and that at the same time consideration should be given to increasing local sources of revenue so as to ensure that, so far as might be possible, the ordinary day-to-day expenses of the central administration were met from such local sources. While development schemes would be necessary for some time to come and while the generosity of the Administering Authority in providing funds for these schemes merited particular recognition, the long-run progress of the Territory towards economic autonomy might be rendered more difficult if the ordinary expenses of administration, as distinct from development schemes, continued to be met in large part from outside sources.

The representative of France believed the Administering Authority's policy of subsidizing the Territory to be absolutely necessary. He pointed out, however, that neither the subsidizing policy nor the integration of the Territory in the economic system of the United States would justify the assumption that the standard of living of the population could be rapidly or appreciably raised. It would be helpful if the Administering Authority would state its views on that subject.

The representative of Belgium, referring to the fact that local revenues were actually very small, considered that it would probably be impossible for

/the population

the population of the Territory, dispersed on numerous islands over a very wide area, ever to achieve a standard of living which could correspond to the requirements of an advanced society on the basis of its own resources and without the benefit of subsidies from the Administering Authority. He stated, also, that the Council should have more complete information on the division of revenues and expenditures between local revenue and subsidies from the Administering Authority.

The representative of Argentina felt that the Administering Authority should be congratulated for the subsidies it extended to the Territory because of the very useful purpose which they served.

The representative of the United States of America, referring to the observations of several representatives regarding the possible danger of excessive expenditures by his Government in comparison with the revenues contributed by the people themselves, stated that his Government was fully alive to the danger of making the inhabitants too dependent on outside aid. He pointed out, however, that the Territory possessed but slender economic resources and a population as yet lacking in capacities and training to develop additional sources of revenue. Furthermore, the Territory was feeling the distressing economic after-effects of the war.

For these reasons, it seemed manifest that, at least for the present, the Administering Authority, in order really to advance the welfare of the people as it had agreed to do under the Trusteeship Agreement, must be generous in developing and helping to finance political, economic, social and educational programmes.

#### Import duties

The representative of New Zealand appreciated the information given by the Administering Authority on the advantages of abolishing import duties. He urged the Administering Authority, however, to keep the question continuously under review in order to ensure that such a measure would not operate to the detriment of the interests of the inhabitants of the Territory.

#### Diversification of the economy

The representative of China stated that he was impressed by the efforts of the Administering Authority to diversify the economy and to promote the interests

of the indigenous population. He also expressed the belief that the economic development fund of \$100,000 created by the Island Trading Company was of tremendous benefit to the indigenous entrepreneurs, and expressed the hope that, as time went on, the fund would be increased so that it could serve a more useful purpose and reach a wider circle of beneficiaries.

#### Economic controls

The representative of Belgium stated that the Council should agree with the principle of government control over economic activities, which was exercised by the granting of specific authorization by the Administration. He felt that there should be a firmer legal basis for such controls than authorization by administrative officials.

#### Agriculture

The representative of Belgium declared that the Council would doubtless wish to congratulate the Administering Authority on the setting up of an agricultural experimental station in Saipan.

#### Copra

The representative of the United Kingdom felt that the question of the Copra Stabilization Fund merited particular attention, as the special representative of the Administering Authority had indicated. He asked that future reports contain the results of the study being undertaken and the conclusions which the Administering Authority might reach as to the best methods of dealing with the problem.

#### Phosphate

The representative of China felt that the new arrangements made for the mining of phosphate in Anguar constituted a considerable improvement over the original arrangements in the interests of the native inhabitants.

### 3. SOCIAL ADVANCEMENT

#### Standard of living

The representative of the Philippines suggested the possible initiation of a standard of living survey in the Territory.

The representative of Argentina stressed the importance of raising the standard of living of the inhabitants of the Territory.

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### Public health

The representative of New Zealand expressed the hope that the Administering Authority would continue to keep a close watch on the question of medical fees, in order that every inhabitant who needed medical attention would not hesitate to apply for such treatment.

The representative of the United States of America, referring to the remarks of the representative of New Zealand, noted that the modest medical fee system applied only to services not covered by the broad, free public health programme and that specific provisions were made for those unable to meet the charge.

### Social legislation

The representative of Belgium, feeling that the existing practice with regard to labour recruitment included an arbitrary characteristic, suggested that administrative discretion in this matter be replaced by legislation prescribing conditions under which recruitment might or might not take place.

The representative of China, regretting that to date no legislation had been adopted regarding social welfare and no study had been made in the field of social security, suggested that the Council urge on the administration the early consideration of these questions.

The representative of the United States of America stated that his Government was fully aware of the genuine importance of social security and social welfare. He noted that it would be premature to frame formal legal regulations or laws covering these matters in view of the very elementary stage of such industry as existed in the Territory.

### Use of anthropologists

The representative of Australia commended the Administering Authority on the work and the increase in the number of full-time anthropologists in the Territory.

## 4. EDUCATIONAL ADVANCEMENT

### Secondary schools

The representative of the Philippines suggested that the Council should recommend to the Administering Authority that it consider the possibility of establishing secondary schools within the Territory itself, with the ultimate

/objective

objective of preparing students for professional education or university training. He suggested that it might be possible to expand the schools for medical assistants and others to include courses in secondary education, as had been done in the case of the Pacific Islands Teacher Training School on Truk.

The representative of the United States of America reminded the Council of the broadened programme being inaugurated in the autumn of 1950 at the Pacific Islands Teacher Training School on Truk, embracing courses leading to diplomas in government, agriculture, business, and the liberal arts in addition to the courses now being offered. He expressed the belief that this would meet the present need for general secondary education.

The representative of Belgium expressed satisfaction with the fact that the Pacific Islands Teaching Training School had been transferred from Guam to Truk.

School attendance

The representative of Belgium noted that the total number of students represented approximately 16 per cent of the total population, thus indicating that almost all the children were receiving proper education. He suggested that the Council should note with satisfaction that there was an almost perfect balance between boys and girls in school attendance.

Literacy

The representative of the Dominican Republic noted that there was no information on the extent of illiteracy in the Territory.

5. MISCELLANEOUS

Form of the report

The representative of the Philippines expressed his appreciation of the clarity and comprehensiveness of the annual report.

The representatives of the United Kingdom and of Argentina requested the Administering Authority to consider the possibility of printing future reports in larger type.

The representative of New Zealand felt that the rigid adherence to the questions contained in the Provisional Questionnaire in the drafting of the annual report had created some difficulty in finding information on a particular problem, which was not always to be found in one part of the report.

/He hoped

He hoped that the Administering Authority might be able to give some attention to the possibility of a revision of the method of presentation.

### III. PETITIONS

No petitions concerning the Trust Territory were considered by the Trusteeship Council during its sixth and seventh sessions.

### IV. VISITING MISSION

At its fifth session, the Council appointed a Visiting Mission composed of Sir Alan Burns (United Kingdom of Great Britain and Northern Ireland) as Chairman, Mr. T.M. Chang (China), Mr. Jacques Tallac (France), and Mr. Victorio D. Carpio (Philippines) to visit the Territory.

By resolution of 31 January 1950<sup>5/</sup> adopted during its sixth session in Geneva, the Council decided that the Visiting Mission should visit the Territory in accordance with rules 84, 89, 94, 96 and 98 of the rules of procedure for the Trusteeship Council. The Visiting Mission was directed to investigate and report as fully as possible on the steps taken in the Territory towards the realization of the objectives set forth in Article 76 b of the Charter taking into account the terms of resolution 321 (IV) of the General Assembly of 15 November 1949; to give attention, as might be appropriate in the light of discussions in the Trusteeship Council and in the General Assembly and of resolutions adopted by them to issues raised in connexion with the annual reports on the administration of the Territory; to accept or receive petitions and, without prejudice to its acting in accordance with rules 84 and 89 of the rules of procedure to investigate on the spot, after consultation with the local representative of the Administering Authority, such petitions dealing with the conditions as were, in its opinion, sufficiently important to warrant special investigation. The Council requested the Visiting Mission to submit to it a report on its findings with such observations and conclusions as the mission might wish to make as soon as possible.

The report of the Visiting Mission was not received by the Council during the seventh session.