

1979



REPORT OF THE TRUSTEESHIP COUNCIL TO THE SECURITY COUNCIL
ON THE TRUST TERRITORY OF THE PACIFIC ISLANDS
24 June 1977 - 8 June 1978

SECURITY COUNCIL OFFICIAL RECORDS

THIRTY-THIRD YEAR
SPECIAL SUPPLEMENT No. 1

UNITED NATIONS
New York, 1979

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INTRODUCTION

1. In accordance with Article 83 of the Charter of the United Nations, with resolution 70 (1949) adopted by the Security Council at its 415th meeting on 7 March 1949, and with its own resolution 46 (IV) of 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 the political, economic, social and educational advancement of the inhabitants of the Trust Territory of the Pacific Islands, designated as a strategic area.

PART I. ORGANIZATION AND ACTIVITIES OF THE TRUSTEESHIP COUNCIL

A. ORGANIZATION OF THE COUNCIL

Membership

2. The composition of the Trusteeship Council on 1 January 1978 was as follows:

Member administering a Trust Territory

United States of America

Members mentioned by name in Article 23 of the Charter of the United Nations and not administering Trust Territories

China

France

Union of Soviet Socialist Republics

United Kingdom of Great Britain and Northern Ireland

Officers

3. Pierre Garrigue-Guyonnaud (France) and Sheila Harden (United Kingdom) were elected President and Vice-President, respectively, at the beginning of the forty-fifth session on 15 May 1978.

Meetings

4. During the period covered by this report, the Council held 12 meetings as follows: 1470th to 1481st meetings, from 15 May to 8 June 1978.

5. All meetings took place at United Nations Headquarters, New York.

Procedure

6. No change affecting the procedure for the examination of conditions in the Trust Territory of the Pacific Islands was made by the Council during the period under review.

Relations with the specialized agencies

7. Representatives of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO) participated in the work of the Council.

8. The representative of WHO made a statement at the 1476th meeting of the Council on 23 May 1978 in regard to assistance provided by his organization to the Trust Territory.

B. EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING AUTHORITY FOR THE YEAR ENDED 1 SEPTEMBER 1977: TRUST TERRITORY OF THE PACIFIC ISLANDS

9. The report of the Government of the United States on the administration of the Trust Territory of the Pacific Islands for the year ending 1 September 1977 ^{1/} was transmitted to members of the Trusteeship Council on 24 March 1978 by a note by the Secretary-General (T/1786) and placed on the agenda of the Council at its forty-fifth session.

10. The Trusteeship Council began its examination of the annual report at its 1470th meeting, on 15 May 1978. At the same meeting, and at the 1471st meeting, on the same day, the representatives of the United States and the Special Representatives of the Administering Authority, Adrian P. Winkel, High Commissioner of the Trust Territory and Carlos S. Camacho, Governor of the Northern Mariana Islands, made opening statements. Senator Bailey Olter and Representative Raymond Setik, members of the Congress of Micronesia, and Senator Lorenzo Guerrero of the Northern Mariana Islands Legislature, who served as special advisers to the United States delegation, also made statements.

11. At the 1474th and 1475th meetings, on 19 May, questions were put to the representative of the United States, the Special Representatives, the special advisers and advisers by members of the Trusteeship Council. At its 1476th and 1477th meetings, on 23 May, the Council held a general debate on conditions in the Trust Territory.

^{1/} Trust Territory of the Pacific Islands, 1977, Thirtieth Annual Report to the United Nations on the Administration of the Trust Territory of the Pacific Islands, 1 July 1976 to 1 September 1977, transmitted by the United States of America to the United Nations pursuant to Article 88 of the Charter of the United Nations, Department of State Publication 8935 (Washington, D.C., Government Printing Office, 1978).

12. At its 1477th meeting, the Council appointed a Drafting Committee, composed of the representatives of France and the United Kingdom, to propose, on the basis of the discussion which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory and to make recommendations concerning the sections on conditions in that Territory to be included in the Council's report to the Security Council.

13. At its 1481st meeting, on 8 June, the Council considered the report of the Drafting Committee. 2/ At the same meeting, the representative of the United Kingdom, on behalf of the Drafting Committee, introduced the following revisions to the draft conclusions and recommendations annexed to the report:

(a) Paragraph 19, which read:

"19. The Trusteeship Council notes with satisfaction the approval by the High Commission of charters for the districts of Truk, Ponape, Kosrae and Yap and notes that elections will be held for district chief executives beginning in 1978. While there would be advantage in this transition to elected district governments taking place uniformly throughout the Trust Territory, the Council recognizes that the district legislatures of Palau and the Marshall Islands have decided not to exercise their prerogatives to enact district charters. They have chosen instead to draft district constitutions and to postpone organization of new district governments until after the constitutional referendum on 12 July. The Council regretfully accepts that this choice is one for the districts themselves to make."

was replaced by:

"19. The Trusteeship Council notes with satisfaction the approval by the High Commission of charters for the districts of Truk, Ponape, Kosrae and Yap and notes that elections will be held for district chief executives beginning in 1978. Since there would be an advantage in this transition to elected district governments taking place uniformly throughout the Trust Territory, the Council, while recognizing their right to do so, regrets that the district legislatures of Palau and the Marshall Islands have decided not to exercise their prerogatives to enact district charters. They have chosen instead to draft district constitutions and to postpone organization of new district governments until after the constitutional referendum on 12 July."

(b) In paragraph 27, the word "certain" was inserted before the word "food-stuffs";

(c) After paragraph 47, the subheading, "Industry", was amended to read "Light industry";

(d) At the beginning of paragraph 66, the following new sentence was added:

2/ Official Records of the Trusteeship Council, Forty-fifth Session, Sessional Fascicle, annexes, document T/L.1211.

"The Council notes with interest the reported progress, in terms of cultural relevance, in raising the level of instruction in both primary and secondary schools, through the introduction of bilingual materials based on orthographically consistent vernacular languages.";

(e) In paragraph 69, the words "language, culture and vocational activity" were replaced by the words "technical and vocational training";

(f) In the last sentence of paragraph 85, the words "formation of an electorate" were replaced by the words "creation of an informed electorate";

(g) In paragraph 90, the words "only after" were replaced by the word "upon";

(h) In paragraph 91, the words "takes note of" were replaced by the word "welcomes".

14. At the same meeting, the Council adopted the draft conclusions and recommendations annexed to the report of the Drafting Committee, as orally revised, and decided to include them in its report to the Security Council (see paras. 499-593 below).

15. At the same meeting, the Council, on the recommendation of the Drafting Committee, adopted the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1208 and Add.1 and 2) as the basic text for the relevant sections of its report to the Security Council (see part two below, sects. A-F).

16. In explanation of his vote on the individual sections of the draft conclusions and recommendations, the representative of the United States said that it was customary for the Administering Authority to abstain in the vote on the conclusions and recommendations inasmuch as they were addressed to the Administering Authority. He assured the Council, however, that as in the past, his Government would consider all the conclusions and recommendations very carefully. 3/

17. The Trusteeship Council adopted the report of the Drafting Committee as a whole, as orally revised, by 3 votes to 1.

18. In explanation of his vote, the representative of the United States said that although his delegation had voted in favour of the report as a whole, it had taken no position on the recommendations or conclusions of the report of the Trusteeship Council.

19. The Trusteeship Council considered its draft report to the Security Council (T/L.1212) at its 1481st meeting, in the course of which it agreed to include in the appropriate sections of the report the opinions expressed by delegations in the general debate. At the same meeting, the Council adopted the draft report to the Security Council by 3 votes to 1.

20. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that his delegation had voted against the report of the

3/ See T/PV.1481 for the results of the voting on the individual sections of the draft conclusions and recommendations.

Drafting Committee and the draft report of the Trusteeship Council to the Security Council since it did not agree with a number of the evaluations, conclusions and recommendations contained in those reports. He stated that the statements made by members of the Trusteeship Council and by representatives of the Congress of Micronesia as well as the communications and petitions received had not been reflected adequately in the report of the Drafting Committee. His delegation had grave doubts about the section of that report entitled "Constitutional developments and progress towards self-government or independence".

21. The delegation of the Soviet Union did not share the assessment made in the statement of agreed principles for free association for Micronesia. ^{4/} That statement predetermined the conclusion of such agreements in the future aimed at preserving and strengthening United States domination over the Territory and its further transformation into a strategic bridgehead in the Pacific region. Those actions were violating international peace and security and were in contravention of the basic goals of the trusteeship system, particularly in regard to the strengthening of international peace and security. The representative of the Soviet Union said that no matter what course was taken in Micronesia, it must be convincingly shown to be fully in accordance with the goals of the Charter of the United Nations regarding the question of trusteeship.

22. The representative of the Soviet Union said that the Drafting Committee in its report basically approved the unilateral actions of the Administering Authority to fragment and dismember the islands, which was clearly in contradiction to the vital interests of the people of Micronesia and with the numerous decisions and resolutions of the General Assembly and the Trusteeship Council on the need to retain the integrity of the islands. He stated that the Administering Authority's efforts were thus geared to introducing a new status for the islands. His delegation had repeatedly pointed out the illegal nature of the Administering Authority's actions in the islands and the position of the Soviet Union remained the same.

23. Furthermore, the Soviet Union delegation noted with regret that the recommendations in the report of the Drafting Committee did not reflect the urgent appeal of the members of the Congress of Micronesia, made during the forty-fifth session of the Trusteeship Council, for an intensification of monitoring of the political and socio-economic development of the Territory by the Security Council. The representative of the Soviet Union said that the people of Micronesia, like any other dependent people, had a right to self-determination up to the very creation of their own independent State. The main goal and task remained the creation of the necessary basis to enable the people of the Trust Territory to exercise that vital right. The Soviet Union was in favour of the Micronesian people's receiving those rights derived from the Charter and set forth in the Declaration on the Granting of Independence to Colonial Countries and Peoples (General Assembly resolution 1514 (XV)).

^{4/} See Official Records of the Trusteeship Council, Forty-fifth Session, Sessional Fascicle, annexes, document T/1789. See also para. 443 below.

C. EXAMINATION OF PETITIONS

24. During the examination of the annual report of the Administering Authority on the Trust Territory of the Pacific Islands (T/1786), the Trusteeship Council heard 10 petitioners. The petitioners' requests for oral petitions had been circulated in documents T/PET.10/125 and Add.1 and 2; T/PET.10/127 and Add.1 and 2; T/PET.10/128 and Add.1; and T/PET.10/129--T/PET.10/132 and Add.1.

25. At the same session, the Council had before it 27 communications which had been circulated in documents T/COM.10/L.208--T/COM.10/L.234 under rule 24 of the rules of procedure of the Trusteeship Council. The Council examined the communications contained in documents T/COM.10/L.208--T/COM.10/L.233 at its 1474th meeting on 19 May, and decided, without objection, to take note of them. At its 1479th meeting, on 30 May, the Council examined the communication contained in document T/COM.10/L.234 and decided, without objection, to take note of it.

26. The Council also examined the following written petitions circulated in accordance with rule 85, paragraph 1, of its rules of procedure:

(a) A petition (T/PET.10/122) from the Congress of Micronesia (Senate) inviting the Trusteeship Council or the Security Council of the United Nations to monitor and observe the referendum on the draft constitution for the Federated States of Micronesia scheduled to be held on 12 July 1978.

(b) A petition (T/PET.10/123) from Ronald G. Bakal on behalf of the people of Utirik Atoll, Marshall Islands District, indicating that the Medical Survey Team of the United States Energy Research and Development Administration (ERDA) had not visited the people of that Atoll and that they desperately needed medical surveys.

(c) A petition (T/PET.10/124) from Tosiwo Nakayama, President of the Senate, and Bethwel Henry, Speaker of the House of Representatives, Congress of Micronesia, formally requesting that representatives of the Security Council should supervise the referendum on the proposed constitution. The observations of the Administering Authority on the petition were circulated in document T/OBS.10/44.

(d) A petition (T/PET.10/126) from the Congress of Micronesia (Senate) transmitting Senate joint resolution No. 7-80, S.D. 1 and urging the Security Council to involve itself in the conduct of the referendum on the proposed constitution. The observations of the Administering Authority on the petition were circulated in document T/OBS.10/44.

(e) A petition (T/PET.10/133) from Joaquin P. Villanueva, Representative, Northern Marianas Commonwealth Legislature, requesting the termination of the Trusteeship Agreement with regard to the Northern Mariana Islands.

27. With regard to the petitions contained in documents T/PET.10/122-124 and 126, the Council, at its 1474th meeting, decided to draw the attention of the petitioners to the observations of the Administering Authority. Concerning the

petition contained in document T/PET.10/133, the Council, at its 1479th meeting, decided to draw the attention of the petitioner to the observation of the Administering Authority and to the fact that it would take account of the petition and of the observation in preparing its report.

D. UNITED NATIONS VISITING MISSION TO OBSERVE THE REFERENDUM
IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS, 1978

28. At its 1479th and 1480th meetings, on 30 and 31 May 1978, the Trusteeship Council considered a draft resolution (T/L.1209), introduced by the representative of the United Kingdom, concerning the dispatch of a visiting mission to observe the referendum in the Trust Territory of the Pacific Islands in July 1978.

29. At its 1480th meeting, on 31 May, the Trusteeship Council adopted the draft resolution by 3 votes to none, with 1 abstention (resolution 2165 (XLV)).

30. In the operative part of the resolution, the Trusteeship Council decided to send a Visiting Mission to observe the referendum in the Caroline and Marshall Islands, the Mission to begin on 13 June 1978 and to end as soon as practicable after the declaration of results. The Council further decided that the Visiting Mission should be composed of six members, three members nominated by the Government of France and three by the Government of the United Kingdom. 5/

31. In the same resolution, the Trusteeship Council directed the Visiting Mission to observe the referendum, including the campaign and polling arrangements, the casting of votes, the closure of voting, the counting of ballots and the declaration of results, and to obtain at the same time, to the extent that the primary purpose of the Mission permitted, first-hand information concerning political, economic and social developments in the Caroline and Marshall Islands.

32. The Council requested the Mission to submit to it as soon as practicable a report on its observations of the referendum, containing such conclusions and recommendations as it might wish to make.

33. Finally, the Council requested the Secretary-General to provide the necessary staff and facilities to assist the Visiting Mission in the performance of its functions.

34. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that his delegation had drawn attention to a number of provisions in the resolution, particularly to the preamble where it was stated that the referendum would take place in part of the Trust Territory and not the whole of Micronesia. The Soviet Union considered that to be unilateral action by the Administering Authority, giving commonwealth status to the Caroline and Marshall Islands. It regarded that as improper, since it was in violation of Article 83 of the Charter.

5/ China did not participate in the session. The Union of Soviet Socialist Republics informed the Council President earlier that it would not participate in the Mission.

35. The delegation of the Soviet Union considered that the referendum might be of great political importance for the future of the peoples of Micronesia. However, the dispatch of a mission by the Council to observe the referendum on some of the islands of the Trust Territory might be regarded by the Administering Authority as constituting approval of its unjust action in dismembering the Trust Territory. Moreover, the resolution did not take into account the views of the Micronesians on a wider observance of the referendum by the United Nations, particularly the desire of Micronesians that members of the Security Council should participate in such observations. At the same time, since the Congress of Micronesia had not objected to members of the Trusteeship Council observing the referendum, the Soviet Union delegation had abstained from voting on the draft resolution.

E. UNITED NATIONS VISITING MISSION TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS, 1979

36. At its 1479th and 1480th meetings, on 30 and 31 May 1978, the Trusteeship Council considered a draft resolution (T/L.1210), introduced by the representative of France, concerning the dispatch of a periodic visiting mission to the Trust Territory of the Pacific Islands in 1979.

37. At its 1480th meeting, the Council adopted the draft resolution without objection (resolution 2166 (XLV)). By the resolution, the Council decided to dispatch a periodic visiting mission to the Trust Territory of the Pacific Islands in 1979. The Council further decided that the Mission should be composed of members of the Council wishing to participate, except the Administering Authority, which would provide an escort officer.

38. In the same resolution, the Council set forth the terms of reference of the Visiting Mission, and directed the Mission (a) to investigate and report as fully as possible on the steps taken in the Trust Territory of the Pacific Islands towards the realization of the objectives set forth in Article 76 (b) of the Charter of the United Nations and to pay special attention to the question of the future of the Territory, in the light of the relevant Articles of the Charter and the Trusteeship Agreement; (b) to give attention, as appropriate, in the light of discussion in the Trusteeship Council and of resolutions adopted by it, to issues raised in connexion with the annual reports on the administration of the Territory, in the petitions received by the Council concerning the Territory, in the reports of the previous periodic visiting missions to the Territory and in the observations of the Administering Authority on those reports; and (c) to receive petitions, without prejudice to its action in accordance with the rules of procedure of the Council, and to investigate on the spot such of the petitions as, in its opinion, warranted special investigation. Finally, the Council requested the Mission to submit to the Council as soon as practicable a report on its visit to the Trust Territory of the Pacific Islands containing its findings, with such observations, conclusions and recommendations as it might wish to make.

39. Subsequently, at the Council's 1481st meeting, on 8 June, the representative of France, referring to the question of the composition of the visiting mission, stated that when introducing the draft resolution he had pointed out that the Mission would be composed of one member of each delegation in the Trusteeship Council. While holding to that point of view, however, his delegation understood that the Council could at any time decide to hold consultations to change the

composition of the Mission, and if, in the coming months, any one of the members should consider that the Mission should have more members, there would be nothing to prevent the Council from holding consultations and, possibly, another meeting at which it might decide to increase the number of members of the Mission.

F. ATTAINMENT OF SELF-GOVERNMENT OR INDEPENDENCE BY THE TRUST TERRITORY AND THE SITUATION IN THE TRUST TERRITORY WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES; CO-OPERATION WITH THE SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

40. At its 1479th meeting, on 30 May 1978, the Trusteeship Council decided, without objection, to consider items 12 and 13 of its agenda together.

41. At the same meeting, the Council considered those items. During the discussion, the representative of the United States said that in the light of Article 83, paragraph 1, of the Charter, which vested in the Security Council all functions of the United Nations relating to the strategic Trust Territory of the Pacific Islands, and in view of the fact that there no longer existed any Trust Territory with respect to which the General Assembly might exercise jurisdiction under Article 85 of the Charter, his delegation believed that the question of co-operation by the Trusteeship Council with the committees of the General Assembly did not arise.

42. The representative of the Union of Soviet Socialist Republics recalled the statements made by his delegation at the Council's preceding sessions citing evidence and factual data in favour of the Council's continuing its work in co-operation with the General Assembly and the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. The functions in question, as defined by General Assembly resolution 1810 (XVII) of 17 December 1962, were chiefly to continue to seek the most suitable ways and means for the speedy and total application of the Declaration to all Territories which had not yet attained independence.

43. The representative of the Soviet Union said that the great importance of the recommendation of the Special Committee on the need to maintain the unity of the Trust Territory must be stressed pending the exercise by the people of that Territory of their right to self-determination in accordance with General Assembly resolution 1514 (XV) of 14 December 1960 and the importance of the appropriate implementation by the Administering Authority of its obligations, fully and to the very end.

44. The representative of the Soviet Union recalled that paragraph 9 of General Assembly resolution 2621 (XXV) of 12 October 1970, on the Programme of action for the full implementation of the Declaration, stated that where resolution 1514 (XV) had not been fully implemented with regard to a given Territory, the Assembly should continue to bear responsibility for that Territory until such time as the people concerned had had an opportunity to exercise freely its right to self-determination and independence in accordance with the Declaration.

45. The Soviet Union delegation felt that the refusal of the Administering Authority to co-operate with the General Assembly and the Special Committee was not only regrettable but also improper and incorrect. Article 85, paragraph 2, of the Charter provided that the Trusteeship Council, operating under the authority of the General Assembly, should assist the Assembly in carrying out those functions. That Charter provision related to all Territories, including strategic ones. Nothing in paragraph 3 of Article 83 of the Charter prohibited other United Nations bodies, particularly the General Assembly and the Special Committee, from monitoring the situation in that Territory in accordance with the Charter and the mandate given to them.

46. The representative of the United Kingdom, referring to the legal question of the competence of the various organs of the United Nations concerning Micronesia, said that in the light of the terms of Article 83 of the Charter and of the previous decisions by the Security Council and the Trusteeship Council, his delegation tended to agree with the interpretation given by the representative of the United States.

47. The representative of France said that Article 85 of the Charter referred to in the discussion dealt only with Trust Territories outside strategic zones. It would appear to his delegation that Micronesia had always been considered to be a strategic zone. His delegation felt that the strategic zones were within the competence of the Security Council, as stipulated in Article 83, paragraph 1, of the Charter.

48. The representative of the Soviet Union said that the representative of France had expressed disagreement with his delegation's interpretation of Article 85 of the Charter but that he had quoted paragraphs 1 and 2 of that Article which specifically related to his statement, namely that the Trusteeship Council, operating under the authority of the General Assembly, should assist the Assembly in carrying out those functions. There were no reservations to the effect that such assistance should not relate to so-called strategic Trust Territories.

49. At the same meeting, the Trusteeship Council decided to draw the attention of the Security Council to the conclusions and recommendations which would be included in the Trusteeship Council's report concerning the attainment, under the Council's guidance, of self-government or independence by the Trust Territory and to the statements made during that meeting by the members of the Trusteeship Council on that question.

G. OTHER QUESTIONS CONSIDERED BY THE COUNCIL

Offers by Member States of study and training facilities for inhabitants of the Trust Territory of the Pacific Islands

50. The United Nations programme of scholarships for inhabitants of Trust Territories was initiated pursuant to General Assembly resolution 557 (VI) of 18 January 1952. Under the procedure approved by the Trusteeship Council for the administration of that programme, the Secretary-General was invited to submit to the Trusteeship Council at least once a year a report containing all appropriate details of the programme.

51. The report of the Secretary-General submitted to the Council at its forty-fifth session 6/ covered the period from 1 June 1977 to 24 May 1978. Up-to-date information concerning the scholarships made available under the programme, as well as the extent to which awards had been made to, and utilized by, students from the Trust Territory of the Pacific Islands, was requested by the Secretary-General in a note dated 10 April 1978 addressed to each of the 11 Member States that had offered scholarships under the programme. In a note dated 24 May 1978, the Permanent Mission of the Union of Soviet Socialist Republics informed the Secretary-General that, at present, no inhabitants from the Trust Territory were studying in the Soviet Union.

52. At its 1479th meeting, on 30 May, the Council considered the report of the Secretary-General on the scholarship programme for inhabitants of the Trust Territory of the Pacific Islands.

53. During the consideration of the report, the representative of the United States said that with the end of the trusteeship period in sight, his Government was continuing comprehensive efforts to assist Micronesians to become active and productive citizens of Micronesia and the world community. A broad range of educational opportunities was available under programmes offered by the United States for inhabitants of the Trust Territory. Micronesians were encouraged to take advantage of other offers of study and training facilities which might be made. Information on such offers was disseminated in Micronesia through the Office of Education of the Trust Territory Government.

54. He stated that the United States continued to urge other Members of the United Nations, particularly Micronesia's neighbours in the Pacific Ocean region, to consider making scholarships available to qualified Micronesians who wished to develop skills that would enable them to make a greater contribution to the economic development of their Territory.

55. The representative of the United States said that scholarships and fellowships offered every year by several States Members of the United Nations were publicized throughout the Trust Territory when the information was received. The Trust Territory Department of Education duplicated and distributed the materials to education facilities in all the districts of the Territory. Those offices, in turn, prepared written notices and radio announcements advising interested persons to submit applications for the scholarships and fellowships. Because the scholarships and fellowships made available required facility in the languages of the countries that offered them, it was understandable that to date potential Micronesian applicants had not shown much interest in them. In the past, however, Micronesians had accepted a number of fellowships, notably in Japan, the Philippines and Australia.

56. At the same meeting, the Trusteeship Council decided to take note of the report of the Secretary-General on the scholarship programme.

6/ Official Records of the Trusteeship Council, Forty-fifth Session, Sessional Fascicle, annexes, document T/1791.

Dissemination of information on the United Nations and the
International Trusteeship System in Trust Territories

57. The annual report of the Secretary-General 7/ on the arrangements undertaken in co-operation with the Administering Authority for distributing official records of the United Nations and disseminating information concerning the aims and activities of the United Nations and the International Trusteeship System in the Trust Territory was submitted to the Council at its forty-fifth session, in accordance with the provisions of Trusteeship Council resolution 36 (III) of 8 July 1948 and General Assembly resolution 754 (VIII) of 9 December 1953.

58. The report, covering the period from 1 May 1977 to 30 April 1978, set out the activities carried out by the Office of Public Information of the Secretariat through its information centre in Washington, D.C., in disseminating information on the United Nations.

59. The report indicated that the documentation of the forty-fourth session of the Trusteeship Council as well as press releases covering its deliberations were sent as they were issued to newspapers, magazines and radio stations in Micronesia. Documents and press releases were also sent to the libraries of the Congress of Micronesia, the district legislatures, the Office of the High Commissioner, including the district administrators, the Community College of Micronesia and other schools. The serial publications Decolonization and Objective: Justice were sent on a regular basis to approximately 60 addresses in Micronesia.

60. It was further indicated that pamphlets on such issues as decolonization, disarmament and human rights were sent directly to the Division of Public Affairs of the Office of the High Commissioner in Saipan. Posters and photographs were also forwarded to that Office for use in programmes designed to further the political education of the people of Micronesia. Films produced by the United Nations continue to be shown throughout the Territory in connexion with the same programme.

61. Furthermore, it was stated in the report that because of the special interest of the Trust Territory in issues concerned with the law of the sea, press releases covering the sixth session of the Third United Nations Conference on the Law of the Sea were made available to government officials, the media and schools.

62. It was also stated in the report that it had been agreed, in consultation with the Office of Territorial Affairs of the United States Department of the Interior, that the United Nations information centre at Tokyo would assist with the dissemination of the information in Micronesia. The Tokyo centre would assume responsibility for the actual dissemination of material in the Territory, while the centre in Washington, D.C., would devote more attention to informing the people in the United States about the work of the Trusteeship Council and about issues relating to the Trust Territory. In addition, the centre in Washington, D.C. would foster closer contacts with the United States Department of the Interior and the State Department, co-operate more closely with the representatives of the Congress in Micronesia in Washington, D.C. and continue to

7/ Ibid., document T/1790.

inform senior members of the United States Congress about the deliberations of the Council.

63. The Council considered the Secretary-General's report at its 1479th meeting.

64. During the consideration of the report, the representative of the United States said that there was a government radio station in each of the six districts and in the Northern Mariana Islands, and that each government radio station received and broadcast information about the activities of the United Nations and those of its specialized agencies. Printed materials were received from the United Nations regularly and distributed to departments of the Trust Territory Government concerned. Those included the report of the Trusteeship Council to the Security Council on the Trust Territory of the Pacific Islands, which was sent to all educational institutions, libraries, members of the Congress of Micronesia, the district legislatures and officials of the Trust Territory Government.

65. The representative of the United States said that United Nations publications in the field of human rights, the law of the sea and development programmes were distributed to libraries in the districts and the Northern Mariana Islands. In addition, the Education for Self-Government programme had produced considerable information concerning the United Nations, particularly the Trusteeship Council. The Education Department, in its school curriculum, also used materials on the United Nations in classroom work.

66. The representative of the United States further said that practically every Micronesian leader had, at one time or another, visited the United Nations. Since 1973, the daily proceedings of the annual sessions of the Trusteeship Council have been relayed via satellite to the Trust Territory, making information concerning the proceedings of the Council immediately available to the inhabitants of the Trust Territory.

67. At the same meeting, a representative of the Office of Public Information appeared before the Council and provided information on the dissemination of information on the United Nations in the Trust Territory. He stated that as reflected in the Secretary-General's report, during the period under review special efforts had been made to draw the attention of the students and authorities in the Trust Territory to the study and training scholarships and facilities offered by various Member States, and that those efforts would be continued and intensified.

68. Referring to the assumption by the information centre at Tokyo of the actual dissemination of information to the Trust Territory, the representative of the Office of Public Information pointed out that his office was still in the process of working out various aspects of that joint operation, including that of costs, and was confident that the result would be a substantial improvement in the effectiveness of public information activities in the Trust Territory.

69. At its 1479th meeting, the Trusteeship Council decided to take note of the report of the Secretary-General.

Co-operation with the Committee on the Elimination of Racial
Discrimination: Decade for Action to Combat Racism and
Racial Discrimination

70. At its 1479th meeting, the Trusteeship Council decided, without objection, to consider items 10 and 11 of its agenda together.

71. At the same meeting, the Council considered those two items. During the discussion, the representative of the United States said that unalterable and unequivocal opposition to racism and racial discrimination remained the cornerstone of his Government's policy and that his Government was justifiably proud of the absence of racial discrimination in the Trust Territory of the Pacific Islands. The United States had participated and would continue to participate in sincere efforts to eliminate racism and racial discrimination. Although the United States had supported General Assembly resolution 3057 (XXVIII) of 2 November 1973, which established the Decade for Action to Combat Racism and Racial Discrimination, it found it impossible to participate in the activities of the Decade, for reasons which were well known.

72. The representative of the Union of Soviet Socialist Republics said that his Government favoured compliance by all States with resolutions and decisions of the United Nations aimed at eliminating racism, apartheid and colonialism. Therefore the inclusion in the agenda of the Trusteeship Council of items concerning action to combat racial discrimination was a useful decision and his delegation felt that those questions deserved most careful consideration.

73. The representative of the Soviet Union said that all manifestations of racism and racial discrimination in the Trust Territory of the Pacific Islands must be suppressed by the Administering Authority. The Soviet delegation therefore felt bound to express its concern over the unwillingness of the Administering Authority to present to the Council genuine information on its implementation in the Trust Territory of the provisions of the Charter and international instruments outlawing racial discrimination and protecting human rights in dependent Territories.

74. The representative of the Soviet Union further said that the Administering Authority, which resorted to broad interference in the internal affairs of other States under cover of a so-called campaign for human rights, should inform the Council of the problems in the Territory and of the measures which it intended to take to ensure their rapid solution.

75. The representative of the Soviet Union referred to the problems that had arisen in the Territory owing to the testing over many years of atomic and hydrogen weapons in Micronesia. No provision of the Charter or of the Trusteeship Agreement could be regarded as permitting the Administering Authority to turn Micronesia into a ground for testing such weapons of mass destruction. Unfortunately, however, the Administering Authority had clearly violated those instruments. Nuclear tests carried out in the Bikini and Enewetak atolls had led not only to the pollution of the environment of the islands and the surrounding areas, but had also had very serious effects on the economic, social and health conditions of the population.

76. The inhabitants of those islands had been herded onto overpopulated atolls and abandoned to the mercy of fate without even the most elementary respect for their rights. Now, several decades later, the Administering Authority had embarked on a plan to return them to their former islands. The resettlement by the United States authorities of the numerous inhabitants of the Enewetak and Bikini atolls were known to the Council and gave rise to great concern. That had been done without properly taking into account contamination of the islands by radio-activity.

77. The representative of the Soviet Union asked how the return of the people to those contaminated islands could be seen as anything but an experiment with human lives. He further asked whether that was not in itself a form of racism; the inhabitants had been resettled from the islands and then brought back, and the decision had been made not on the basis of clear data with respect to radio-activity and pollution of the islands, but merely on the basis of the colour of their skin. That was a clear example, and it was but the latest and most convincing one, of how the Administering Authority implemented measures for racial equality in its Trust Territory and the Administering Authority's peculiar application of human rights to the Micronesians.

78. The delegation of the Soviet Union felt that the Council should urge the Administering Authority to take immediate steps to ensure that the provisions of the Charter, the Universal Declaration of Human Rights and the International Convention on the Elimination of All Forms of Racial Discrimination were truly implemented by deeds and not merely by words. The alarming signs received from the Territory required the Council to work together with the Committee on the Elimination of Racial Discrimination, as called for by the General Assembly. The appeal by the Assembly to all Governments and United Nations bodies to act in furtherance of the Programme for the Decade for Action to Combat Racism and Racial Discrimination should be heeded by the Trusteeship Council as well.

79. At its 1479th meeting, the Trusteeship Council decided, without objection, to take note of the statements which had been made at that meeting.

80. At the same meeting, the President of the Council recalled the note verbale dated 6 March 1978 from the Secretary-General, addressed to the Council's President. In that note verbale, the Secretary-General, in accordance with General Assembly resolution 32/129 of 16 December 1977, invited the Trusteeship Council to participate as an observer in the World Conference to Combat Racism and Racial Discrimination to be held at Geneva from 14 to 25 August 1978. The Council considered the invitation at its 1480th and 1481st meetings on 31 May and 8 June.

81. At its 1481st meeting, the Council decided, without objection, to authorize its President to transmit a message to the Secretary-General.

82. On 12 June, the President addressed a letter to the Secretary-General in which he stated that since its establishment, the Trusteeship Council had paid special attention to the protection of human rights and fundamental freedoms of all the inhabitants of the Trust Territories without distinction as to race, sex, language or religion.

83. With regard to Micronesia, the President stated that the Trusteeship Council had always stressed that human rights and fundamental freedoms should be respected in accordance with the Charter, the Trusteeship Agreement, the Universal

Declaration of Human Rights and the International Convention on the Elimination of All Forms of Racial Discrimination. He pointed out that the reports of the Council and those of its visiting missions had confirmed that those rights had been respected. The President further pointed out that the Council would do its utmost to ensure that human rights and fundamental freedoms continued to be strictly observed in the last remaining Trust Territory.

84. With regard to the invitation conveyed by the Secretary-General to the Trusteeship Council to participate as an observer at the World Conference, the President informed the Secretary-General that the heavy programme of activities relating to Micronesia prevented the Council from accepting the invitation.

PART II. CONDITIONS IN THE TRUST TERRITORY OF THE
PACIFIC ISLANDS

A. GENERAL

1. Outline of conditions

Land and people

35. The Trust Territory of the Pacific Islands consists of three archipelagos: the Marshalls, the Carolines and the Marianas. The island of Guam in the Marianas is not a part of the Trust Territory but is an unincorporated Territory of the United States. The three archipelagos include more than 2,100 islands and atolls scattered over an area of some 7.8 million square kilometres of the western Pacific, north of the Equator. The islands and atolls of the Trust Territory have a combined land area of approximately 1,854 square kilometres.

36. According to the 1977 estimates, the population of the Territory totalled 126,239. The distribution of the population in the Trust Territory was as follows: Truk, 35,220; Marshall Islands, 27,096; Ponape, 21,187; Northern Mariana Islands, 16,264; Palau, 13,519; Yap, 8,482; and Kosrae, 4,471.

37. For administrative purposes, the Territory is divided into six districts: Palau, Yap, Truk, Ponape and Kosrae (all within the Carolines) and the Marshall Islands. Pursuant to Secretarial Order No. 2989 of 24 March 1976, the former Mariana Islands District was separated administratively from the Government of the Trust Territory of the Pacific Islands on 1 April 1976.

38. At the forty-fourth session of the Trusteeship Council, Representative Raymond Setik, Special Adviser, stated that one of the important developments relating to reorganization of the Government was the signing into law on 15 September 1976 of Senate Bill No. 6-277 which represented the culmination of several years of study and deliberation by the Congress of Micronesia as to where the permanent capital of Micronesia should be. With the separate administration of the Northern Mariana Islands, it had now become increasingly important to make that decision. Therefore, Public Law No. 6-133 designated Ponape in the Eastern Caroline Islands as the new capital.

39. At the forty-fifth session of the Trusteeship Council, Senator Bailey Olter, Special Adviser, said that the transfer of the executive and judicial branches of the Trust Territory Government to Ponape need not await the resolution of the ultimate political status of Micronesia. The political configuration of Micronesia would become clear in the referendum in July 1978, and steps must be taken very shortly to make the transfer of the two branches of government to Ponape a reality. The Special Adviser further said that they had been informed in November 1977 by the Personal Representative of the President of the United States for Micronesian Status Negotiations of the renewed pledge by the United States to finance the construction of a new capital for Micronesia.

90. The Special Adviser further said that one major capital improvement programme was the relocation of the Micronesian capital. He urged that funds be made available as soon as possible after the July referendum for the relocation of the capital.

91. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups. Language differences exist in the Territory, although each island language has a common Malayo-Polynesian source. Nine major languages, with dialect variations, are spoken in the Trust Territory: two in Yap, three in Ponape and one in each of the other districts and the Northern Mariana Islands.

Population movements

92. At its forty-fourth session, the Trusteeship Council noted that funds for the Bikini aerial radiological survey had been approved by the Congress of the United States and had been made available in the supplemental appropriation in 1977/78. This measure had been approved by the President on 4 May 1977. The Council also noted that the Energy Research and Development Administration (ERDA) was committed to provide funds for the necessary research and analysis. It further noted the statement of the Administering Authority that planning was under way for the survey, which it was hoped would begin in September 1977.

93. The Council noted that the United States Department of the Interior had submitted a request for funds for the rehabilitation and resettlement of part of the Enewetak project to the Congress of the United States early in 1977. It noted with satisfaction that an initial increment of \$4 million ^{8/} had been approved in the supplemental budget for 1977/78, and that the balance of some \$8.4 million had been included in the 1978/79 budget. The Council noted the statement by the Special Representative of the Administering Authority, made at the Council's forty-fourth session that approval of, and final action by, the United States Congress on the 1978/79 budget was expected very shortly. It further noted that the Defense Nuclear Agency had started the first phases of the clean-up of Enewetak and that the Department of the Interior and the Government of the Trust Territory would soon begin the initial phases of the rehabilitation work.

94. The Council noted with satisfaction the progress made in regard to the question of compensation for Rongelap and Utirik. It noted the statement made by the Special Representative of the Administering Authority at the forty-fourth session that an ex gratia compensation bill had been presented to the Congress of the United States by the Department of the Interior as part of its 1977/78 budget proposal. The Council further noted that both the House and the Senate Appropriation Committees of the Congress of the United States had recommended approval of the ex gratia compensation and authorization. It also noted that the United States House of Representatives had passed authorization legislation which was scheduled to be presented in June 1977 to the Senate, whose approval was anticipated. The Council noted that, with final approval of the 1978/79 budget, the compensation bill could be implemented by the Department of the Interior.

^{8/} The local currency is the United States dollar (\$US 1.00).

he annual report under review covering the period from 1 July 1976 to
er 1977 (T/1786), the Administering Authority states that the Enewetak
ation programme for which the Defense Nuclear Agency is responsible is
nder way. The cleaning up of debris was begun in November 1977 and is
to be completed by about August 1978. The cleaning up of the soil is
to begin in August 1978 and to be completed by July 1979.

rding to the current annual report, the Government of the Trust Territory
in January 1978, a primary construction contract for the Enewetak site
on and rehabilitation project to American International Construction, Inc.
e (Washington). The project, which is expected to cost \$4.4 million,
the construction of family dwellings, schools, power plants, roads, sewers
facilities. The entire project is expected to be completed in April 1980
resettlement of the population will have taken place. The Congress of the
ates has provided \$20.0 million for the clean-up programme and
lion for the resettlement and rehabilitation project.

he forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High
ner and Special Representative of the Administering Authority, stated
recommendations of 1968/69 9/ which set forth that the island of Bikini
used for residential and agricultural purposes had had to be modified in
of a recent analysis of the recycling of radio-nuclides by agricultural
from the soil of the island. Although it would be possible for the people
n Bikini island if they followed rigorous stipulations, such as not
ood for consumption and not using ground water, it was considered that
mmunity life could not be possible under such stringent prohibitions.

Special Representative further stated that a proposal had been submitted
ngress of the United States embodying a rehabilitation and resettlement
for Bikinians which would cost \$15.0 million. The proposal set forth
alternatives for resettlement, excluding the island of Bikini. According
ecial Representative, the most feasible alternative currently under study
of the use of other islands in the Bikini atoll and the rehabilitation
sland for those who wished to remain there. The island of Enyu, some
tres from Bikini island, was being carefully considered as a possible
ve.

current annual report states that with regard to the question of
ion for the people of the Bikini, Rongelap and Utirik atolls, the United
ngress passed and the President of the United States signed into law
w 95-134 of 15 October 1977, which provides compensation for the people
atolls as follows: (a) \$25,000 to any exposed individual on Rongelap or
om whom the thyroid glands or neurofibroma in the neck has been
y removed, or who has developed hyperthyroidism or a radiation-related
y, such as leukaemia; (b) \$1,000 to each individual who, at the time of
, was a resident of Utirik atoll; (c) an amount not exceeding \$25,000 to
idual who has suffered physical injury or harm resulting from radiation
s not included in (a) above; and (d) \$100,000 each to be paid to the
Bikini, Rongelap and Utirik. The latter sum is to be used for community

Official Records of the Security Council, Twenty-fourth Year, Special
at No. 1 (S/9400), paras. 26-29.

purposes designated by the municipal councils of the island communities. The law further provides for continued medical care and for payments to heirs of deceased persons who would have been entitled to compensation. The annual report further states that the Government of the Trust Territory is actively engaged in implementing the provisions of the above law.

War and post-war damage claims

100. War damage claims by the inhabitants of the Trust Territory fall into two broad categories: claims against the Japanese Government, mainly for damages sustained by the indigenous inhabitants during the Second World War, and post-war claims against the Government of the United States.

101. On 18 April 1969, the Governments of the United States and Japan signed an agreement providing for the settlement of Micronesian war claims, under the terms of which the two Governments joined in an ex gratia arrangement to make a contribution towards the welfare of the inhabitants of the Territory. Japan agreed to make available in grants to the United States, in its capacity as Administering Authority, 1.8 billion yen, then computed at the equivalent of \$5 million. The United States, for its part, agreed to establish a fund in the amount of \$5 million.

102. The Micronesian Claims Act of 1971 (United States Law 92-39) established a Micronesian Claims Fund to consist of the contributions of the United States and Japan pursuant to the agreement referred to above. The Act also established a Micronesian Claims Commission with authority to receive, examine, adjudicate and render final decisions with respect to: (a) claims for damage directly resulting from the hostilities between the United States and Japan between 7 December 1941 and the dates of the securing of the various islands of Micronesia by the United States (Title I claims); and (b) claims arising as post-war claims between the dates of securing of the various islands by the United States and 1 July 1951 (Title II claims).

103. The Act authorized an appropriation of \$20 million for the settlement of post-war claims by Micronesian inhabitants against the United States or the Government of the Trust Territory because of personal injury or material damage, including claims for the acquisition, use or retention of property without adequate compensation, provided that the accident or incident out of which the claim arose occurred prior to 1 July 1951.

104. At the forty-fourth session of the Trusteeship Council, Senator Ambilos Iehsi, Special Adviser, said that the subject of war claims had caused considerable concern throughout Micronesia during the preceding year. The Micronesian Claims Commission had completed its work on 30 July 1976 and had recently issued its final report. In that report, the total amounts awarded and certified by the Commission were \$34,349,509 under Title I and \$32,634,403 under Title II, leaving unpaid balances of about \$24.3 million and \$12.6 million respectively.

105. The Special Adviser further said that, on 2 July 1975, the Congress of Micronesia had adopted House joint resolution No. 6-44, requesting the Governments of the United States and Japan to increase their respective contributions to the Micronesian claims programme so that there might be 100 per cent compensation of total awards.

106. At the same session, Senator Olympio T. Borja, Special Adviser, referred to a bill on war damage claims adopted by the United States House of Representatives and to the fact that the Government of Japan had yet to take a substantial step to meeting its obligations under Title I, and asked the Trusteeship Council to use its good offices to resolve both those matters.

107. At the same session, the Trusteeship Council reiterated its previous recommendations that the necessary steps for the final settlement of war damage claims should be taken quickly. It noted that all the authorizations for the payment of funds allocated by the 1971 Act had been granted and that the final payments had been made. It was gratified to note that the Congress of the United States was considering a bill authorizing full payment of the 50 per cent of the Title I awards and full payment of the Title II awards. The Council noted with satisfaction that the United States House of Representatives had already passed the bill and expressed the hope that the Senate would also act favourably on it.

108. The Council further noted that hope had been expressed by the special advisers and by petitioners in both oral and written statements that the Government of Japan would follow the example of the United States and consider supplementing its earlier ex gratia payment in respect of Title I awards. The Council hoped that a satisfactory solution to that matter could be found.

109. The current annual report of the Administering Authority states that United States Public Law 95-134 (see para. 99 above), authorizes the appropriation of funds required to satisfy all adjudicated claims and the final awards made by the Micronesian Claims Commission under Titles I and II of the 1971 Act. Although the law authorizes full payment of such awards, it provides that no further payments be made on Title I awards until the Government of Japan has contributed its share to the Trust Territory in goods and services and that payment of awards made under Title II are exclusive of interest from such awards.

110. Referring to war damage claims in respect of Title I awards, Representative Setik, Special Adviser, said at the forty-fifth session of the Council, that the position of the Congress of Micronesia had been indicated in House Joint resolution 7-92, adopted during the seventh session of the Congress in 1978 (see T/COM.10/L.229). The resolution urged the Government of Japan to pay its full share of Title I claims. The Special Adviser requested that in its report to the Security Council, the Trusteeship Council should give the matter appropriate emphasis and that the President and members of the Trusteeship Council should use their good offices in conveying the importance and the urgency of the request to the Government of Japan.

111. At the same session, Senator Lorenzo Guerrero, Special Adviser, urged the Trusteeship Council to remind the Government of Japan to be receptive to and willing to acknowledge the Micronesian request for war damage claims and to open negotiations on the full and final settlement of its moral obligations to the peoples of the Trust Territory. Final determinations on the method of payment could be made once negotiations were officially opened.

112. At the same session, the representative of the United States stated that Article III of the 1969 agreement between the United States and Japan concerning the settlement of war claims, provided that all claims against Japan had been fully and finally settled, and that in the accompanying exchange of notes the United States had confirmed that Japan and its nationals were fully and finally discharged

from all liability for Micronesian claims falling under Article III of the agreement, including claims arising out of the involvement of the Trust Territory in the Second World War. Accordingly, the United States did not consider that Japan was legally obliged to provide further payment.

113. The representative of the United States further stated that his Government was aware of the strongly held view of the Micronesians that full compensation should be paid for Title I claims in accordance with the awards of the Micronesian Claims Commission. The Government of the United States was also aware of the interest of the members of the Trusteeship Council in that question. The Congress of the United States, in enacting Public Law 95-134, had expressed the desire of the United States to participate in such payment. The representative assured the Council that his Government, as the Administering Authority of the Trust Territory, was mindful of its obligations in that respect.

2. Opinions expressed by delegations

Land and people

114. The representative of France said that it was regrettable that the transfer to Ponape of the main administrative departments had not followed the transfer of the Congress of Micronesia. He considered that the resulting separation would be a major handicap to the efficient functioning of the institutions concerned. His delegation hoped therefore that, following the referendum of 12 July 1978, the Administering Authority would take the necessary steps to make it possible for the capital to play its full role.

115. The representative of the Union of Soviet Socialist Republics stated that his delegation had repeatedly drawn attention to the fact that the activities of the Administering Authority in Micronesia had presented a danger for a long time not only to the people of the Trust Territory itself but also to those in the Pacific region. The United States had been continuing those activities, including the installation of bases, and had chosen the Bikini and Enewetak atolls for tests of atomic and hydrogen weapons. The threat resulting from those activities to Micronesia and to the health of its people was being ignored by the Administering Authority.

116. The representative of the Soviet Union said that according to The Washington Post, ERDA had determined from its investigations that a high level of radioactive contamination existed on Enewetak atoll. The most serious effects had been found on the island of Enyu where three nuclear test explosions had been carried out, and the effects were still to be found both on land and beneath the surface of the water. Similar tragic results had been found on the island of Bikini. Several decades after the conclusion of the nuclear tests the population had been allowed to return to the islands. It had recently become clear, however, that they would have to leave Bikini again, since even their food had been found to be contaminated. In accordance with the renewed strategy of the United States to strengthen its military power in Asia and in Pacific region, declared in February 1978, United States defence authorities were demanding a continuing expansion of their military bases in the area.

117. His delegation was convinced that the peoples of Micronesia, like other peace-loving peoples living in the Pacific area, were well aware of the threat posed to the Territory by those activities.

118. The representative of the United States said that, in the Trust Territory his Government maintained for military purposes only the missile testing range at Kwajalein atoll, which was operated by a civilian contractor. The only other military presence was one naval representative attached to the Trust Territory Government in Saipan. There were also small coast guard stations in Yap and Saipan, whose mission was to provide navigational assistance. The United States representative added that even though that was the only United States military presence in the Trust Territory, it was explicitly stated in Article 5 of the Trusteeship Agreement that the United States was entitled to establish military facilities and station armed forces in the Trust Territory. He said that that was a privilege of which the United States had not availed itself beyond what he had mentioned.

Population movements

119. The representative of the United Kingdom stated that his delegation was pleased to note from the report of the Administering Authority that the first phase of the Enewetak rehabilitation programme would be completed in August 1978 and that it would be followed by a clean-up of the soil. It was also interested in the rehabilitation project which would include the construction of houses, schools, roads and various other facilities for the inhabitants at a cost of some \$12 million. The United Kingdom representative also noted that legislation had been passed by the Congress of the United States in October 1977 providing for compensation to the exposed people of Bikini, Rongelap and Utirik.

War and post-war damage claims

120. While noting the replies given by the representative of the Administering Authority to questions addressed to him with regard to the problem of war damage claims, the representative of France said that his delegation felt that new diplomatic representations to the Government of Japan would make it possible to find a satisfactory solution to that problem.

121. The representative of France stated that the Trusteeship Council could perhaps take an initiative and if necessary support the approach of the United States Government to the Government of Japan, if one had been made, and could entrust the President of the Council to hold consultations with the Permanent Representative of Japan to the United Nations with a view to expressing the Council's concern to see that matter settled.

122. The representative of the United States said that since his delegation would endeavour to provide information in response to both questions, it would perhaps be premature in the absence of that information to take any decision. He proposed that the suggestion be deferred until his delegation had had an opportunity to provide the information requested.

123. The President of the Council suggested that when that information was at the disposal of the Council, members could hold private consultations to deal with the question.

124. The representative of the United Kingdom agreed with the suggestions made by the President of the Council and the representative of the United States. He also agreed with the representative of France that the Council should, in the light of the information which it would receive later and if it then thought it appropriate, consider taking a somewhat more precise position than it had done in previous years on that particular matter.

125. At a subsequent meeting, the representative of the United Kingdom said that the subject of unresolved war damage claims had been raised by a number of speakers during the current session, and it was one which had long concerned the Council and his delegation. The United Kingdom was therefore pleased to note the progress which had been made and hoped that a full solution could be found before the forty-sixth session of the Council.

B. POLITICAL ADVANCEMENT

1. Outline of conditions

General political structure

126. Executive and administrative authority for the Government of the Trust Territory and responsibility for carrying out international obligations undertaken by the United States with respect to the Territory are vested in a High Commissioner appointed by the President of the United States and confirmed by the United States Senate.

127. Legislative authority resides in a Congress of Micronesia, as specified by the United States Secretary of the Interior in Secretarial Order No. 2918 of 27 December 1968, as amended.

128. Judicial authority is independent of the executive and the legislature. The High Court is the highest judicial authority in the Territory. There are also district courts and community courts.

129. The authority and responsibilities of the territorial, district and municipal governments are determined by Public Law 1-6, enacted by the Congress of Micronesia in 1965.

130. At the forty-third session of the Trusteeship Council, the representative of the Administering Authority stated that, on 8 November 1975, representatives of all six districts had signed a draft constitution for the proposed Federated States of Micronesia. 10/ The draft constitution had been translated, reproduced and distributed in 10 local languages and would be put to a referendum in the Trust Territory.

131. The executive power of the Northern Mariana Islands is vested in a Governor who is responsible for the execution of the laws.

132. Legislative power is vested in a Northern Marianas Commonwealth Legislature composed of a Senate and a House of Representatives.

133. Judicial power is vested in a judiciary of the Northern Mariana Islands, which includes trial and appeals courts established by the Legislature.

Territorial Government

Legislature

134. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate has 12 members, 2 from each district elected at large for four-year terms. The House of Representatives has 22 members elected for two-year terms from single-member election districts. Each of the administrative districts is divided into election districts of approximately equal population.

135. Members of the Congress are elected by secret ballot of residents who are citizens of the Territory, 18 years of age or older and registered voters. Members

10/ For the text of the draft constitution, see document T/COM.10/L.174, annex I.

serve on a full-time basis and draw annual salaries from funds appropriated by the Congress of Micronesia from local revenues and supplemented, upon the request of the Congress of Micronesia, by funds appropriated by the United States Congress.

136. The first general election took place in January 1965, and subsequent general elections have been held biennially in each even-numbered year. The seventh general election took place in November 1976.

137. The legislative power of the Congress of Micronesia extends to all appropriate subjects of legislation, except that no legislation may be inconsistent with treaties or international agreements of the United States, United States laws applicable to the Territory, executive orders of the President of the United States and orders of the Secretary of the Interior, or sections 1 through 12 (the Bill of Rights) of the Trust Territory Code. Further, the Congress may not impose any tax upon property of the United States or of the Territory, nor may it tax the property of non-residents at a higher rate than that of residents.

138. The Congress of Micronesia has the power to appropriate funds available from revenues raised pursuant to territorial tax and revenue laws and to review and make programme priority recommendations on the High Commissioner's proposed annual requests for funds to be appropriated by the United States Congress. Secretarial Order No. 2918, as amended, provides that, before the High Commissioner finally submits the annual requests for United States funds on behalf of the Government of the Territory to the United States Secretary of the Interior, he must present a preliminary budget plan to the Congress of Micronesia for its review and for its recommendations on those portions of the plan which relate to expenditure of funds to be appropriated by the United States Congress. The High Commissioner must transmit to the Secretary of the Interior any recommendations of the Congress which he does not adopt. The Congress may take whatever action it deems advisable on the request of the High Commissioner for appropriations of locally derived revenue.

139. According to Secretarial Order No. 2918, as amended, the High Commissioner has the power to approve or disapprove any bill passed by the Congress of Micronesia. If the High Commissioner disapproves a bill, he must so indicate and return it with his objections to the Congress within 10 consecutive calendar days, unless the Congress, by adjournment, prevents its return. The High Commissioner has 30 days to consider bills presented to him less than 10 days before or after adjournment. If the High Commissioner takes no action and does not return the bill within the required period, it becomes law without his signature. The Congress may repass by a two-third majority vote a bill disapproved by the High Commissioner. If within 20 days the High Commissioner does not approve a bill so passed, he must send it with his comments to the United States Secretary of the Interior, who either approves or disapproves the bill within 60 days after its receipt.

140. The Congress of Micronesia holds a regular session each year beginning on the second Monday in January and continuing for a period not to exceed 50 consecutive calendar days. The High Commissioner may call a special session whenever he deems it in the public interest. The Seventh Congress held its first regular session at Saipan from 10 January to 28 February 1977 and its special session from 15 to 29 August. During those sessions, important legislation which became law included: provision for the creation of a new Title 52 of the Trust Territory Code entitled "Fishery Zones Jurisdiction"; the appropriation of funds for the operating expenses of the Micronesian Commission on Future Political Status and Transition; the

establishment of the College of Micronesia under a board of regents; the direction of the High Commissioner of the Trust Territory to designate a date for the referendum on the proposed constitution of the Federated States of Micronesia; the appropriation of funds for the programme of Education for Self-Government (ESG) in the Trust Territory; and the appropriation of funds for expenses in connexion with the transfer of the Congress of Micronesia to the new capital on Ponape.

141. The Northern Marianas Commonwealth Legislature is a bicameral body, consisting of a Senate and a House of Representatives. The Senate has nine members elected at large for four-year terms from each of the three senatorial districts. The House of Representatives has 14 members elected for two-year terms. Twelve members of the House are elected from Saipan and the islands north of it, one member is elected from Rota and one member from the combined electorates of Tinian and Aguiguan.

142. Members of the Legislature are elected by residents of the Commonwealth of the Northern Marianas, 18 years of age or older, who are registered voters. The first general election took place on 10 December 1977.

143. According to the current annual report of the Administering Authority, organized, registered political parties exist only in the Northern Mariana Islands and Palau District. In the Northern Mariana Islands, two parties have been active since the early 1960s, namely, the Popular Party and the Territorial Party. In Palau, the Liberal Party and the Progressive Party have been active since 1963. The Trust Territory Code provides for nomination of candidates for political office by political parties. There is no legislation governing procedures for the establishment or organization of such parties, which, in the Northern Mariana Islands and Palau where they exist, are strictly voluntary associations of community members with common interests.

144. At its forty-fourth session, the Trusteeship Council noted with concern that the Administering Authority had still not implemented its previous recommendation that necessary regulations should be adopted which would distinguish between the special interests of the Territory and the international obligations of the Administering Authority, with the ultimate objective of restricting as far as possible the occasions for the exercise of the power of veto by the High Commissioner. The Council noted the concern expressed by the Special Adviser at the veto by the Administering Authority of Micronesian Senate Bill No. 7-69, enacted by the Congress of Micronesia in February 1977. (The bill provided for reconfirmation of those members of the office of the High Commissioner whose appointments were subject to the "advice and consent" of the Congress of Micronesia upon the appointment of each new High Commissioner.)

145. The Council remained aware, however, that some of the difficulties associated with the use of the veto power, including the instance cited above, resulted from the separation of powers between the legislative and executive branches, and that those difficulties had been further exacerbated because that power was exercised by an appointed rather than an elected Chief Executive. Accordingly, the Council recommended that the Administering Authority should give serious consideration to preparing Micronesians for assuming the highest executive functions.

146. According to the current annual report, the Administering Authority holds the view that the veto powers of the High Commissioner should be exercised as sparingly as possible. In regard to Senate Bill No. 7-69, a veto was considered necessary to protect the integrity of the executive functions in the administration of the Trust Territory.

147. The annual report further states that Trust Territory citizens have been promoted to the highest possible positions since the assumption of office by the new High Commissioner in 1977. The Deputy High Commissioner and the Executive Officer in particular exercise executive powers of the High Commissioner and/or the Deputy High Commissioner when designated to do so in the absence of the latter two officials. The majority of other positions, such as departmental directors, district administrators and other offices, are held by citizens of the Trust Territory. The annual report further states that for the first time, a Micronesian has been appointed as Associate Justice of the Trust Territory's High Court (see para. 191 below).

Executive

148. Working under the High Commissioner is a headquarters staff and the district administrators. All officers function under the Trust Territory Code and the Trust Territory Manual of Administration.

149. The office of the High Commissioner consists of the Deputy High Commissioner, the Executive Officer, the Attorney-General, the Special Consultant, the Special Assistant for District Affairs, the Special Assistant for Legislative Affairs, the Program and Budget Officer, the Territorial Planner, and the directors for education, finance, health services, personnel, public affairs, public works, resources and development and transportation and communications. Under the directors are division chiefs and specialists responsible for the technical direction of programme operations throughout the Territory and for the provision of necessary staff and professional and technical services.

150. The executive authority of the Government of the Northern Mariana Islands is vested in a Governor elected for a four-year term who must be at least 30 years of age, qualified to vote and a resident and domiciliary of the Commonwealth for at least seven years immediately preceding the date on which he takes office. In the performance of his duties, the Governor is assisted by a jointly elected Lieutenant Governor and by heads of executive departments.

151. At its forty-fourth session, the Trusteeship Council noted with satisfaction the steady increase in the number of Micronesian citizens in senior executive posts and welcomed the fact that the percentage of expatriate and United States civil service personnel in government employment in the Trust Territory had decreased. The Council commended the report by the High Commissioner that, of the 35 positions in the Trust Territory Government subject to the advice and consent of the Congress of Micronesia, only 6 positions were now held by United States nationals; 21 were held by Micronesians; and 8 were vacant. The Council reiterated its earlier appeals that the trend towards "micronization" at the executive level should continue.

152. The Council continued to see value in promoting a Micronesian to the second most senior post in the executive branch, while noting the views expressed by the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1976, 11/ about the difficulties which the selection of an individual would pose in the context of interdistrict sensitivities.

11/ See Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 3 (T/1774).

153. The current annual report states that, in keeping with its policy of placing Micronesians in senior positions, the Administering Authority has, for the first time in the Territory's history, appointed a Micronesian as Deputy High Commissioner.

154. The annual report further states that the Government of the Trust Territory has begun preparations for the establishment of a governmental structure to become operational at the termination of the Trusteeship Agreement. It will attempt to meet the objectives of effectiveness, efficiency and reasonable size based on the available resources of the Territory. Towards that end, the High Commissioner of the Trust Territory submitted to the Congress of Micronesia at its 1978 session legislation calling for reorganization of the executive branch of the Government. The plan is not yet complete since the necessary structural study and review of the district governments had not been completed at the time the proposal was presented to the Congress. According to the annual report, it is anticipated that those studies will soon be completed and the second half of the reorganization plan submitted to the Congress of Micronesia in the near future.

155. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, Special Representative, said that House Bill 7-402 adopted by the Congress of Micronesia on the reorganization of the executive branch of the Trust Territory Government, had been enacted into law. According to the law, the eight departments of the executive branch would be reorganized and combined to form three major departments. It was his intention to nominate Micronesians to head two of the three newly created departments.

156. At the same session, Senator Olter, Special Adviser, referring to a report entitled "Organization and administration of the central executive branch in Micronesia during transition", stated that the purpose of the report was to outline an appropriate structure for the executive branch of the Central Government of Micronesia after the new draft constitution became effective, and to suggest organizational and administrative measures to be taken before that date to promote a smooth and orderly transition under the constitution. The report made important recommendations on the organization of each department of the executive branch with a view to the decentralizing and streamlining functions. To date, however, the Administration had shown little interest in the implementation of the recommendations, and he hoped that it would direct its energies to that end following the referendum in July 1978. The Special Adviser further stated that it was the responsibility of the Administering Authority and of the leaders of Micronesia to ensure that the Government serving Micronesians could be supported and controlled by the people themselves.

District government

157. At its forty-fourth session, the Trusteeship Council noted that in the new district of Kosrae, the District Administrator had been sworn into office on 9 January 1977, that a district legislature had been established and that it had convened its first session on 5 April 1977.

158. The Council noted with satisfaction that the High Commissioner had approved laws authorizing district legislatures to draft charters for district governments and that the Administering Authority hoped it would be possible to hold popular elections for district administrators in 1978, shortly after the various district charters had been approved.

159. The current annual report states that the district government of Kosrae is now fully operational.

160. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, said that the charters for the district governments of Truk, Kosrae, Yap and Ponape had become effective on 1 May 1978, and that the elections of the new legislators and governors would be held immediately following the referendum on the draft constitution in July 1978. An amendment to the legislation providing for the drafting of district charters had been adopted by the Congress of Micronesia which permitted the submission of charters for the district governments of Palau and the Marshall Islands.

161. The Special Adviser referred to a proposed district charter relations act which had been adopted by the Congress of Micronesia but vetoed by the High Commissioner on 1 May 1978. The Special Adviser pointed out that the act had initially been recommended by representatives of the High Commissioner to clarify questions concerning the role of the executive, legislative and judicial branches of the Government at the territorial and district level. It had been vetoed despite the fact that it would have facilitated the exercise of expanded governmental powers by the chartered district governments in accordance with the provisions of the draft constitution and without amending the Secretarial Order. The Special Adviser said that the result of that unilateral action could further disillusion district leaders about the commitment of the Trust Territory Administration to a genuine transition to self-government. The veto exercised by the High Commissioner in this respect represented an obstacle to the transfer of authority rather than a movement towards a decentralization of authority in keeping with the draft constitution.

162. According to the annual report, the Marshall Islands and Palau districts have decided not to prepare charters, preferring instead to rely on district constitutions or to await the resolution of the status question before taking action. The present administrative structure is to apply to those districts without charters until they reach a decision regarding the form of their local governments.

District administrators

163. General executive responsibility in each of the districts resides in the district administration headed by a district administrator. In his district, the district administrator is the High Commissioner's principal representative and exercises general supervision over all operations, programmes and functions of the Territory within the area of his jurisdiction. He is also responsible for the execution of all district laws. Each district administration consists of a number of officers and departments corresponding to those at headquarters.

164. In 1976, the Administering Authority informed the Trusteeship Council that, with the implementation of the decentralization policy, increased authority and responsibility had been delegated to the district administrators.

District legislatures

165. All district legislatures act under charters granted by the territorial Government. Members of all district legislatures are elected by popular vote

with the exception of Palau, which has a House of Elected Members and a House of Chiefs. In the Marshall Islands District Legislature, which consists of 24 members, eight elected seats are reserved for the Iroi (traditional chiefs).

166. There is no uniform plan for representation in the various district legislatures. Although allocation of representation is generally based on population, the ratio varies from district to district.

167. Bills passed by district legislatures are presented to the district administrator, who has the power to approve or disapprove them within 30 days. District legislatures may pass disapproved bills over the district administrator's veto by a two-thirds majority of their entire membership. If the district administrator does not then approve a bill so repassed, he must send it to the High Commissioner who must either approve or disapprove it within 30 days.

Municipal government

168. The municipality is the basic unit of local government in the Territory. Municipal boundaries to a large degree represent customary geographic-political divisions or entities which may comprise an island, group of islands or atolls, or a locally recognized area or division of a larger island. The Marshall Islands, however, are grouped into municipalities by islands and atolls, irrespective of the overlapping jurisdiction of the hereditary chieftains.

169. Some municipalities function under a charter. Those without a charter may elect only an executive officer or they may remain under a traditional form of government. There are 42 chartered municipalities. In general, the charter provides for a municipal council, a chief executive and other officials. The chief executive of a municipality is known as magistrate or mayor.

Civil service

170. The enactment of Public Law 40-49, on 12 April 1972, repealed the Trust Territory Merit System under Public Law 2-2 and provided the basic statutory authority for the Trust Territory Public Service System. Government personnel in Micronesia are divided into three categories: the United States Civil Service; contract; and the Trust Territory Public Service.

171. At its forty-second session, the Trusteeship Council noted that, despite a decline of 18.8 per cent among expatriate employees, the number of Micronesian employees had risen by 12.5 per cent. The Council reaffirmed its concern over the continuing increase in the number of government employees and reiterated its recommendation that measures be considered to avoid too large a number of civil servants which would place a heavy burden on the budget of Micronesia.

172. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, stated that the number of government employees totalled 5,487 in March 1978, compared with 5,813 for the preceding year. The Special Representative pointed out, however, that there were, in addition, 2,783 individuals classified as government employees, under the category entitled "special grants". The Special Representative said that those employees were trainees, not necessarily in preparation for government employment but rather to acquire various skills.

173. The Special Representative further stated that between March 1977 and March 1978, the number of regular-programme employees, as distinct from special-grant employees, had decreased by 326. The number of United States civil service employees had decreased by 20 and the number of other expatriate employees by 5.

174. The Special Representative stated that during 1977/78, the Government of the Trust Territory had continued to make progress in its efforts to increase government effectiveness and reduce overstaffing and overspending. In conjunction with its reorganization, the executive branch of the Government had been completely reviewed for structural streamlining and staffing consolidation. It was anticipated that the number of positions at headquarters could be reduced by 100 or more over a period of time. Under the new salary plan proposed by the Administration to the Congress of Micronesia, personnel costs would be more closely controlled and salary increases based on performance would replace automatic pay increases.

175. According to the current annual report, the number of staff in the Government of the Northern Mariana Islands in October 1977 totalled 1,270 (45 less than the preceding year), of whom 1,195 were Trust Territory citizens and 75 were expatriates. Of the latter number, 8 were United States civil service employees, compared with 10 for the previous period. In accordance with the decision taken by the Office of Territorial Affairs of the United States Department of the Interior, all federal civil service positions in the Northern Mariana Islands were to be abolished on 8 January 1978. The necessary process to accomplish that action has begun.

176. The Northern Mariana Islands is to continue to use the Trust Territory Public Service System. When the constitutional Government comes into existence, however, a civil service commission is to be established which will formulate and administer personnel policies for the Government of the Northern Mariana Islands.

177. With regard to training and employee development in the Northern Mariana Islands, the annual report under review states that two committees on training have been established. The Coordinating Committee on Training, which concentrates on upgrading the administrative section of the Government, provides guidelines for training programmes and establishes training priorities for government employees. The programme of the Middle Management Training Committee is conducted by the Professional Institute of the American Management Association. Courses in management and in the administrative duties related to the handling of federal grants are planned for the future.

178. At the forty-fifth session of the Trusteeship Council, the High Commissioner and Special Representative stated that an important seminar for top-level managers had been conducted in 1977.

Political education

179. The current annual report states that during the period under review, specific guidelines for conducting the ESG programme were established and approved by the Congress of Micronesia, the district legislatures, the parties to the status negotiations and the Government of the Trust Territory. The Administering Authority believes that those developments represent a step in the right direction and that that kind of co-operation will provide a foundation upon which future problems or differences may be resolved.

180. The annual report further states that in continuing its efforts in 1977, the ESG programme disseminated information on the proposed constitution for the Federated States of Micronesia (including 45,000 copies of the draft constitution distributed throughout the Trust Territory in 12 languages and dialects); the law of the sea; economic developments; the democratic process; the chartering of district governments; and constitutional developments. In addition, materials produced in the preceding year were given wide dissemination.

181. In November 1977, the ESG programme provided materials to the Micronesian Conference on the Law of the Sea, held on Truk, and later disseminated information concerning the results of that Conference. The programme covered the activities of the 1977 regular session of the Congress of Micronesia, after which the programme's staff travelled extensively in the districts and held workshops for local task forces entrusted with carrying out the programme at the district level.

182. The annual report states that, while the ESG programme at headquarters deals primarily with training and the dissemination of information, most of the actual education takes place at the district level under the leadership of local ESG staff.

183. Throughout the Territory, local ESG personnel carry out village education programmes, maintain regular and special radio broadcasts in local languages and translate and produce local ESG materials. In many cases, local leaders, members of the Congress of Micronesia and others take part in village meetings throughout the islands where issues are explained and debated.

Decentralization

184. At the forty-fourth session of the Trusteeship Council, the High Commissioner and Special Representative said that the major focus of decentralization would be the development of district charters which would lead to greater district autonomy and the election of district administrators. Greater financial responsibility was also a goal for the districts. Efforts to improve the quality of management and performance were not limited to the financial management system.

185. At the same session, the Trusteeship Council noted with satisfaction that the Administering Authority had undertaken a systematic programme of decentralization designed to increase local autonomy and streamline government bureaucracy. In addition to the steps already noted giving greater autonomy to the districts, the Council commended the training programme for middle management, conducted by the Professional Institute of the American Management Association, in which 112 management supervisory personnel had participated and which had been completed in April 1977.

186. The current annual report states that the United States Department of the Interior also conducted a senior executive course for departmental directors, district administrators, staff officers and their deputies. The aim of the course is to upgrade the quality of management in the Government of the Trust Territory as the degree of local autonomy increases.

Judiciary

187. The Trust Territory has three types of courts: the High Court, district courts and community courts. The highest judicial authority in the Territory is the High Court, which has appellate and trial divisions. The High Court consists of the Chief Justice, three associate justices and a panel of four temporary judges. The High Court judges are appointed by the United States Secretary of the Interior. The temporary judges are full-time judges on Guam and are residents of that island. Each district court consists of a presiding judge and may include one or more associate judges appointed for three-year terms by the High Commissioner with the advice and consent of the Congress of Micronesia. The High Commissioner may appoint a special judge of the High Court to serve as presiding or associate judge of a district court. Community courts have one or more judges, all appointed by the appropriate district administrator.

188. Although the Northern Mariana Islands are separated administratively from the rest of the Trust Territory, pursuant to Secretarial Order No. 2989, the district court in those islands remains under the administrative supervision of the Trust Territory High Court.

189. At its forty-fourth session, the Trusteeship Council continued to urge that qualified Micronesians should be given greater opportunities in the judiciary. While recognizing that Micronesians held a number of important posts in that branch of the Government, the Council considered that preference should be given to Micronesian citizens, all other things being equal, as senior posts became available.

190. The Council reaffirmed the need for the Congress of Micronesia to be consulted before the appointment or removal of judges of the High Court.

191. The current annual report states that a Micronesian who had previously served as Deputy Attorney-General of the Trust Territory was appointed Associate Justice of the Trust Territory's High Court on 27 October 1977.

2. Opinions expressed by delegations

Territorial Government

Legislature

192. The representative of the Union of Soviet Socialist Republics said that in the interests of the population of the Territory, an end should be put to the interference by the Administering Authority in the internal affairs of Micronesia and to the vetoing of legislative bills formulated by the Congress of Micronesia.

Executive

193. The representative of France, observing that the statement by the High Commissioner and Special Representative had provided his delegation with some grounds for satisfaction, stated that the various appointments of Micronesians to high-level posts in the administration of the Trust Territory had augured a harmonious transition and transfer of power. The participation of the Deputy High

Commissioner in the work of the Council was an event of the greatest importance. He felt, however, that many other posts, particularly in the judiciary branch, must still be filled by Micronesians.

194. The representative of France further stated that the administrative machinery of the Trust Territory should be adapted to the Territory's specific needs and resources. The reduction in the number of departments from eight to three was an important step in the reduction of administrative structures. His delegation hoped that that measure would help to reduce their cost substantially without reducing the efficiency of the services provided.

195. The representative of the United Kingdom expressed his delegation's satisfaction with the High Commissioner's report that an increasing number of Micronesians were being placed in positions of responsibility and that the expatriate staff was being correspondingly reduced. The United Kingdom delegation also noted a number of other impending senior appointments for Micronesians.

C. ECONOMIC ADVANCEMENT

1. Outline of conditions

General economy

196. In the annual report under review (T/1786), the Administering Authority states that the gross domestic product of the Territory is derived largely from United States expenditures for services and capital improvements from tourism, the production of copra, subsistence and commercial farming and fishing and the sale of handicrafts.

197. A large portion of the gross domestic product of the Northern Mariana Islands is also derived from expenditures for services and capital improvements by the United States. The tourist industry is an important source of revenue in the Northern Mariana Islands, and there are agricultural and fishing activities on a commercial scale. Although imports of food-stuffs and other commodities exceed exports in the Northern Mariana Islands, its development, unlike that of the rest of the Trust Territory, is geared to a money economy with a good infrastructural basis.

198. The value of commodities exported from the Territory (including the Northern Mariana Islands) from October 1976 to September 1977 totalled \$16.5 million. Copra exports were valued at \$1.8 million (\$1.6 million in the preceding year), and exports of fish totalled \$3.8 million (\$3.1 million in the preceding year). Tourism brought an estimated direct income of \$5.6 million into the Territory, including the Northern Mariana Islands. Imports during the same period (excluding the Northern Mariana Islands) totalled \$44.2 million.

199. With regard to foreign investments, the current annual report states that during 1976, the Territory received 78 applications from foreign companies for permits to do business in the Territory, and issued 60 foreign business permits. Over-all investments (aggregate assets) amounted to \$72.4 million in 1976.

200. At its forty-fourth session, the Trusteeship Council noted that it was still concerned about the imbalances in the Micronesian economy and its considerable dependence on outside support. It noted with satisfaction that the Administering Authority was aware of the need to promote the development of the productive sectors and of basic infrastructure, including transport and communications; programmes entailing unproductive expenditure, on the other hand, should be kept within reasonable limits.

201. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, stated that, to date, the Trust Territory Administration had not provided sufficient resources to ensure a long-term viable economy for Micronesia. Micronesia faced a situation in which it was nominally self-governing but remained dependent on the United States, since the latter had not attempted to promote the necessary physical and productive infrastructure, or to foster the type of development that required additional skills.

202. The current annual report states that the Administering Authority is continuously studying means of stimulating development of the productive sectors; examining ways of keeping unproductive expenditure within reasonable limits; and seeking means of infusing new capital into the economy.

203. The annual report states that in July 1976, the Congress of Micronesia approved the five-year indicative development plan which was later endorsed by the territorial Administration. As specified by the Congress of Micronesia, the major objectives of the plan are the following: (a) to foster an economy which will lead the Territory to self-sufficiency; (b) to develop an economic base to support a level of government which Micronesia needs and can afford; (c) to outline the development priorities and investment required for continued economic growth; and (d) to prepare a plan leading to decentralization of decision-making powers to the district and municipal levels of government.

204. The annual report also states that, as corollaries to the Trust Territory's indicative development plan, individual district development plans for Ponape, the Marshall Islands, Palau and Yap were adopted by the respective district legislatures in 1977; the plan for Truk District is awaiting approval by the District Legislature; and the plan for Kosrae is being prepared.

205. At its forty-fourth session, the Trusteeship Council welcomed the adoption by the Congress of Micronesia of the five-year indicative development plan and its approval by the Administering Authority. It hoped that the economic policy followed in the Trust Territory would be in keeping with the objectives of the plan and that the necessary means - especially financial means - for its implementation would be available.

206. The Council considered that it would be desirable to promote an increase in exports from the Trust Territory. It recommended that the Administering Authority examine carefully the possibility of extending to the Territory as a whole tariff advantages comparable to those envisaged for the Northern Mariana Islands under the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America. 12/

207. The current annual report states that while the Administering Authority generally supports the five-year indicative development plan as a basis for development policy, that support is dependent upon many factors, such as the formulation of new projects that are both feasible and sources of revenue. The annual report indicates that in order to stimulate development, difficult choices have to be made with a view to establishing priorities for projects that will have great impact on all aspects of the cultural, social and economic structure of the Territory.

208. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, said that the Trust Territory's indicative development plan and the individual district development plans continued to be the basic policy guidelines for economic development in Micronesia. In an attempt to develop a more comprehensive overview of the Territory's economic development opportunities, a survey of the six districts was now in progress under the supervision of the Bureau of Resources and Development of the Trust Territory Government. The survey, which was aimed at providing the executive branch of the Trust Territory Government with a comprehensive inventory of development opportunities in agriculture, fisheries, tourism and the service industries, was expected to be completed shortly.

12/ For the text of the Covenant, see Official Records of the Trusteeship Council, Forty-second Session, Sessional Fascicle, annexes, document T/1759.

209. The Special Representative, referring to the observations that implementation of the five-year indicative development plan might not have progressed as rapidly as many would have desired, said that the Trust Territory Government shared that concern and would continue to work with the Congress of Micronesia to develop policies and programmes to meet the objectives of the development plan.

210. With regard to the capital improvement programme, the Special Representative pointed out that it was the policy of the Trust Territory Government to establish a viable infrastructure for all of the districts prior to the termination of the Trusteeship Agreement. Attention had been given to requirements for the establishment of basic infrastructures in the outer islands of Micronesia. He had presented to the United States Department of the Interior a draft proposal for a second-level capital improvement programme for those islands. The aim of the programme was to utilize the remaining years of the Trusteeship Agreement to finance, initiate and develop construction of the basic amenities of life in the outer islands and to provide a greater opportunity for the economic development of the people of those islands. The Special Representative added that the programme would supplement rather than duplicate the regular capital improvement programme being administered by the United States Navy through its Officer in Charge of Construction.

211. The Special Representative further said that the work on the regular capital improvement programme had continued. The programme, which was started in the fiscal year 1976, was scheduled for completion before the termination of the Trusteeship Agreement. It was estimated that the balance of that programme would cost \$203.3 million, of which over \$41 million had been allocated for the fiscal years 1976 and 1977 and over \$22 million for the fiscal year 1979. Those figures also included federal assistance grants from the United States for sewer and airport projects.

212. The Special Representative also stated that, in addition, the Trust Territory had become eligible in the fiscal year 1977 for construction funds granted under the Local Public Works Capital Development and Investment Program of the Federal Government, and as a consequence had received over \$6.0 million from that programme. The projects financed by these funds were now under construction, and were scheduled for completion in the fiscal year 1979.

213. At the same session, Senator Olter, Special Adviser, supported the extension of all development-oriented federal programmes to Micronesia. He said that any programme which developed needed skills or contributed to the physical infrastructure of Micronesia was a positive addition to their well-being. However, programmes which contributed only to increased consumption were clearly detrimental to development. Micronesians needed assistance to produce, not to consume. The Congress of Micronesia had no effective control over what type of programme reached the islands, since the waiver of a matching-fund requirement had prevented the Congress from performing an important watchdog function with regard to those programmes.

214. The current annual report states that the Administering Authority extended the Generalized System of Preferences of the United States to the Trust Territory in 1975 and that it is assisting the Territory to become eligible for preferential tariff treatment by other countries. The Administering Authority considers it possible that the extension to the Territory of United States tariff advantages comparable to those enjoyed by other United States Territories could further

stimulate the development of industrial products for export, particularly those related to marine resources and copra. However, the type of tariff advantages to be extended to the Trust Territory by the United States will depend on the nature of the final political status of the Trust Territory.

215. At the forty-fifth session of the Trusteeship Council, the High Commissioner and Special Representative stated that as a continuation of the process of liberalizing foreign investment in Micronesia, begun in 1974, the Administering Authority had recently formalized its policy to make it possible for Governments of other countries to extend grant and technical assistance to the Trust Territory. Selected embassies of the United States had been instructed to approach their host Governments to help promote Micronesian economic development.

Public finance

216. The costs of Trust Territory operations are met by grants from the Administering Authority in the form of annual appropriations and federal programme grants, as well as by local reimbursable revenue collections. Appropriation requests are subject to limits fixed by the United States Congress.

217. The grant from the Administering Authority for 1976/77 was \$98.0 million compared with \$85.0 million for the preceding year. Programme grants from United States federal agencies for the same period totalled more than \$25.0 million. The revenue raised within the Trust Territory totalled \$9.8 million, excluding taxes collected by district legislatures and municipal councils, compared with \$7.9 million for the previous year.

218. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, stated that the emphasis in the budget report of the Congress of Micronesia for the fiscal year 1979 was consistent with the need for decentralization. The increased autonomy of the districts was in accordance with the five-year indicative development plan and the draft constitution, and consequently, the Congress had sought to reallocate funds from headquarters to the districts. For the fiscal year 1979, it had recommended that \$3.0 million be allocated for this purpose to enable the districts to assume greater responsibility for increasing the emphasis on education and health, as well as on projects oriented towards economic development.

219. The Special Adviser said that the Office of Management and Budget of the United States Government had, unfortunately, cut \$3.0 million from the over-all operations budget and the High Commissioner had directed an across-the-board cut of 5.8 per cent. This would result in a total reduction of \$1.9 million and \$1.1 million from district and headquarters appropriations respectively and was bound to have a negative impact on the districts.

220. The Special Adviser further said that, in addition, a \$70.0 million request for capital improvement projects for 1979, submitted by the United States Department of the Interior, following a review in Micronesia, had been reduced by \$20.0 million. Further, the Office of Management and Budget had deferred allocation of \$12.0 million originally appropriated for construction work at Kosrae airport.

221. The current annual report states that since the Government of the Northern Mariana Islands is administered separately from the rest of the Trust Territory, it is responsible for maintaining the account of its budget operations. The grant from the Administering Authority is provided to the Northern Mariana Islands Government through the High Commissioner of the Trust Territory, who subsequently incorporates its report into the report of the Trust Territory Government for submission to the Administering Authority.

222. According to the annual report, preparation of the annual budget begins well over a year in advance, when district administrators, district legislatures and various department heads submit estimates to the Program and Budget Officer. After review, the estimates are presented to the High Commissioner for approval. The Program and Budget Officer then draws up a preliminary budget plan for the coming fiscal year, which is presented to the Congress of Micronesia for its review of, and recommendations on, portions relating to funds to be appropriated by the United States Congress. Under the terms of Secretarial Order No. 2918, the High Commissioner then adopts those recommendations of the Congress which he deems appropriate; he must also transmit to the United States Secretary of the Interior all recommendations he does not adopt.

223. District governments administer and control budgetary operations at the district level. Each district administrator is required by law to submit to the district legislature estimates of his annual budget based on anticipated district and territorial revenues from taxes. Following consideration of those estimates, the legislature concerned adopts an annual budget which is transmitted to the district administrator for action. Control of fiscal operations at the municipal level rests with the municipal administration, but the district administrator concerned has certain powers of supervision and approval.

224. At its forty-fourth session, the Trusteeship Council reaffirmed its desire to see the Congress of Micronesia given greater influence with respect to the budget process. It noted with satisfaction that the Joint Committee on Program and Budget Planning of the Congress of Micronesia had been recognized as the primary review body for the request for the annual grant from the United States; moreover, representatives of the Congress of Micronesia were given a hearing by the budgetary committees of the Congress of the United States, on which occasion they were able to express their views on the budget of the Trust Territory.

225. The Council also noted that an automated accounting system was in the process of being implemented at Trust Territory headquarters and would be used to attain the goal of greater financial responsibility for the districts.

226. The current annual report states that the Congress of Micronesia has attained a great measure of influence with respect to the budget process of the Trust Territory Government as a result of the role it plays in reviewing the annual budget estimates and of its participation in the budget appropriation hearings held by the committees of the United States Congress. The report further states that that influence will be further expanded when the Congress of Micronesia increases its participation in financing the operational costs of the Trust Territory Government from the growing tax revenues available to it for appropriation.

227. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, stated that about three years ago, the Joint Committee on Program and Budget Planning of the Congress of Micronesia had initiated the practice of

submitting its own version of the Trust Territory Government budget to the appropriate committees of the United States Congress. Those submissions had been well received and had, in fact, provided greater informal input into the process. It should be pointed out, however, that the input of the Congress of Micronesia had remained informal and advisory in nature.

228. The Special Adviser further stated that the cuts in funds and the deferments in one budgetary year had had a domino effect on subsequent programmes and projects in succeeding years; they had also had a detrimental effect on the over-all commitment of the United States to install a basic infrastructure in Micronesia prior to the termination of the Trusteeship Agreement. It was strongly believed therefore that closer co-operation and co-ordination of budgetary priorities was needed, so that budgets formulated in Micronesia, where actual needs were known, would not be drastically revised elsewhere.

229. The current annual report points out that a basic automated accounting system was installed at Trust Territory headquarters in 1977, and in all districts, except Kosrae, in 1978. The system will provide the basis for the decentralization of authority from the Government of the Trust Territory to the districts in connexion with the administration of grants and local revenues. It will further provide the basis for a review of the budget process at the district level and for an automatic summary of data entered by the districts for reporting purposes. The measures being taken to standardize and thus expedite accounting methods have also provided the basis for training Micronesian accountants working at the district level in the procedures that will be required when government accounting responsibility eventually devolves on the district governments.

Assistance from international institutions and other countries

230. At its forty-fourth session, the Trusteeship Council again expressed the hope that the Trust Territory would continue to develop its contacts with, and involvement in, international and regional bodies for developmental assistance. It noted with satisfaction that a request for assistance from the World Food Programme (WFP) was being prepared.

231. It also noted with satisfaction that a country programme had been prepared and that three project requests had been approved and transmitted to the United Nations Development Programme (UNDP) (a feed-mill/livestock project, a survey of the skills required to carry out the development programme and a project relating to the provision of the services of United Nations experts to assist in development efforts).

232. The current annual report states that the Trust Territory has continued to develop its contacts with international and regional agencies, in particular with those agencies which offer training opportunities. Several officials from headquarters and from the districts participated in a number of conferences sponsored by United Nations agencies. Notable among those was the participation by representatives of the Trust Territory in the preparation of a plan of action for integrated rural development for Asia and the Pacific which will be undertaken in 1978 and 1979, under the sponsorship of the Economic and Social Commission for Asia and the Pacific (ESCAP).

233. With regard to the request for assistance from WFP intended to benefit the residents of some of the outer islands in Truk which were damaged by typhoon Pamela, the annual report states that inasmuch as those islands were already receiving food assistance from other sources they were not eligible for WFP assistance.

234. UNDP continues to provide technical and financial assistance to the Trust Territory under a country programme which has made available \$1 million over a five-year period ending in 1981. During 1976/77, UNDP made available to the Trust Territory the services of a senior economic planning adviser, 6 other planning advisers and 18 short-term consultants.

235. The current annual report states that in addition to the three projects being implemented under the UNDP country programme (see para. 231 above) UNDP has made available an expert in statistics to assist in the planning project, an expert from the Food and Agriculture Organization of the United Nations (FAO) to manage a feed-mill/livestock project in Palau and an expert from the International Labour Organisation (ILO) to assist with a manpower development project.

236. In addition to long-term assistance, UNDP has recruited a number of experts for shorter periods. Experts in youth development, handicraft and project development have been made available and another expert was expected in the Territory to study the prospects of citrus development in Yap and Kosrae districts.

237. At the forty-fifth session of the Trusteeship Council, J. Sablan, Deputy High Commissioner, stated that UNDP had referred a number of applications to him for the position of UNDP project manager for Micronesia. Those applications were being reviewed with great care since the project manager would play a key role in assisting the Congress of Micronesia and the Trust Territory Government in the implementation of the various development plans in Micronesia.

238. At the same session, the representative of the United States assured the Trusteeship Council of the importance his Government attached to the work of the United Nations in regard to the Trust Territory. The work of UNDP in Micronesia deserved special comment. His Government supported the efforts of that body. The United States, in its capacity as Administering Authority, the Government of the Trust Territory and the peoples of Micronesia had all benefited from the presence of UNDP in the Territory and looked to the continuation of its work under a new project manager, who, they were confident, would be as well qualified and as able as his predecessor.

239. The current annual report states that the Trust Territory has continued to participate as an observer in the work of the Third United Nations Conference on the Law of the Sea. In 1977, a Micronesian delegation attended the sixth session of the Conference held at New York. As an associate member of ESCAP, a Micronesian delegation attended the Commission's thirty-third session in April 1977. Micronesia also participated in numerous other meetings and training programmes sponsored by the Commission.

240. The annual report further states that the Trust Territory receives each year valuable assistance from the various programmes of the South Pacific Commission. The Commission advises participating Governments on ways of improving the well-being of the peoples of the region in the economic, health and social fields. The

Trust Territory has become a member of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (CCOP).

241. At the forty-fifth session of the Trusteeship Council, Senator Guerrero, Special Adviser, stated that, as a developing Territory, the Northern Mariana Islands lacked the required professional and technical manpower to help develop the islands and to exploit their natural resources. In that regard, he requested the Trusteeship Council to extend United Nations economic assistance, including technical knowledge, to the Northern Mariana Islands, and to offer them opportunities to participate in the various social and economic programmes of the United Nations.

Credit

242. The Economic Development Loan Fund makes direct loans and guarantees loans by commercial banks for development purposes. The Fund is administered by a nine-member Board of Directors. The current annual report states that, as from 13 November 1975, a moratorium was placed on granting new loans, to remain in effect until final agreement is reached on division of funds between the Government of the Northern Mariana Islands and the Trust Territory Government.

243. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, stated that the previous administrative organization of the Economic Development Loan Fund had not lent itself to sound business practices. A new operational plan for the Fund had therefore been designed to resolve those problems and was being reviewed by the United States Department of the Interior and the Federal Office of Management and Budget. The plan should provide for a more effective and viable lending programme than heretofore possible. The final approval of the plan would also permit the release of more than \$3.5 million by the United States Government for the new Economic Development Loan Fund.

244. The current annual report states that other sources of credit are provided by credit unions. By the end of 1976, 43 chartered credit unions were operating in the Territory (excluding the Northern Mariana Islands). Of this number, over half were serving residents of villages and communities; the others were credit unions of employees, representing 80 per cent of the financial activity of the credit unions. Credit unions had a total of 9,645 members with assets of \$5.7 million (\$4.9 million in the previous year). During 1976, loans granted by credit unions aggregated \$5.3 million (\$4.8 million in the previous year). About 10 per cent of the population participates in credit union and co-operative programmes in the Territory.

245. At its forty-fourth session, the Trusteeship Council considered that lack of capital constituted an important obstacle to the economic advancement of the Trust Territory and therefore considered it desirable to develop local credit facilities. The Council hoped that the Micronesian Development Bank, to which various loans made to the Trust Territory had been transferred, would be able to provide the necessary capital.

246. The current annual report states that the Trust Territory shares that desire and recognizes that the lack of capital constitutes an important obstacle to the economic advancement of the Territory. The report states that credit unions have

continued to build share capital at the rate of 16 per cent annually and have total assets of more than \$5.0 million. It also states that the Micronesian Development Bank is, unfortunately, not yet operational.

Land

247. According to the current annual report of the Administering Authority, the land area of the Trust Territory comprises 83,305 hectares classified as arable land and 99,479 hectares classified either as grazing land and forest or as swamps, rock and built-up land. Of the total area, 73,647 hectares are privately owned and 109,584 hectares are classified as public lands. Some 6,489 hectares of land are under cultivation in the Trust Territory. About 33,553 hectares are planted with tree crops - primarily coconut, bread-fruit, banana and pandanus.

248. On 26 December 1974, the United States Secretary of the Interior issued Secretarial Order No. 2969 transferring the Trust Territory public lands to district control. He stated that the Order was now part of the Trust Territory Code, and that it provided the legal framework for each district to request and receive title to appropriate public lands within its jurisdiction. The Secretary also noted that the Order, when implemented in every district, would provide for the transfer of the same amount of land as any other approved mechanism for implementing the policy statement.

249. The current annual report states that in 1976 and 1977, the district legislatures of Palau, Yap and Ponape adopted laws creating legal entities to hold and administer public lands to be transferred to district control in accordance with Secretarial Order No. 2969. The report further states that the Government of the Trust Territory has transferred to the Palau District Public Lands Authority title of most of the public lands located on Babelthuap and other outer islands and the greater portion of such lands in Koror municipality. In July 1977, the Ponape District Public Lands Authority requested the Government of the Trust Territory to transfer certain public lands to the district. Although no land has been transferred to date, substantial progress in that respect is anticipated during 1978. The Yap District Public Lands Authority has not yet filed such a request with the Government of the Trust Territory but is expected to do so in the near future. The Marshall Islands and Truk districts have yet to determine how they wish to proceed with the transfer of public lands. Kosrae District is drafting legislation to effect the transfer of its public lands.

250. At its forty-fourth session, the Trusteeship Council noted that land identification and survey work was now in progress and should be completed by the end of 1977. It hoped that that work would be completed within the envisaged time-limits so that, in accordance with the view of its 1976 Visiting Mission, complete and up-to-date records of land ownership might soon be made available. The Council hoped that the discussions begun between the members of the Congress of Micronesia and the Trust Territory Administration concerning indefinite land-use agreements would produce satisfactory solutions as soon as possible.

251. The current annual report states that the land identification programme, especially the public land survey project, has resulted in the determination of 777 square kilometres of public and about 180 square kilometres of private land parcels. Eighty per cent of the land area of the Trust Territory, covering 680 islands, was photographed and orthophoto maps of 1,437 square kilometres of

land area were compiled. Those maps and the aerial photographs are being used for the identification of land parcels required for the acquisition of rights for purposes of economic development and planning as well as capital improvements.

252. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, stated that, in August 1977, the Congress of Micronesia had enacted a bill to establish a study group to investigate the problem of indefinite land-use agreements. That bill, approved by the High Commissioner as Public Law No. 7-68, requested the study group to inquire into the circumstances of the negotiation and execution of the indefinite land-use agreements, including all aspects of compensation, and to recommend whether renegotiation of such agreements should be undertaken by the Trust Territory Government. The membership of the group had been carefully balanced to ensure that the final report would represent the views of the Congress, the Trust Territory Administration and the United States Department of the Interior.

253. The study group had completed and issued its report on 20 December 1977. It concluded that the lands held under the agreements had been private lands occupied by the armed forces of Japan and the United States during the Second World War. The group found that the landowners had not understood the terms of the agreements which they had been asked to sign; that the agreements had contained contradictory terms; and that the compensation paid to landowners had been inadequate. On the basis of those conclusions, the group had recommended that the Trust Territory Government should terminate the agreements as soon as possible, but not later than 1 January 1980, and that the Trust Territory Government should acquire any land it needed for public purposes prior to that date.

254. The Special Adviser said that those conclusions and recommendations had been unanimously endorsed by the group. The report had been submitted to the Congress of Micronesia, which, by joint resolution No. 7-91, 13/ had accepted it with the request that the Governments of the Trust Territory and of the United States act upon the recommendations. The High Commissioner had endorsed the report and recommended it to the United States Department of the Interior. It remained for the United States Congress to accept the report and to appropriate the necessary funds for the implementation of the group's recommendations.

255. At the same session, Adrian P. Winkel, High Commissioner and Special Representative, stated that, essentially, the indefinite land-use agreements had involved land in the Truk and the Marshall Islands districts which had been taken in the 1950s primarily for public facilities. The conclusions of the study group indicated that each of those individual agreements, of which there were approximately 200, should be reviewed and renegotiated with the landowners by staff designated for that purpose. Agreements should be arrived at concerning the continued use of land that might be needed. Agreements should also be reached with regard to the procedure for the return of land that might not be needed. The Special Representative reported that the first step in that process had been taken with arrangements for the appointment of experts to undertake appraisals of all the land involved. The procedure had been agreed upon and had been co-operatively processed by the Congress of Micronesia and the Trust Territory Government. The resolution of the entire matter by the end of 1979 or early in 1980 was the objective.

13/ For the text of the resolution, see T/COM.10/L.232.

Agriculture and livestock

256. Copra is the principal commercial agricultural product of the Territory. On Ponape, black pepper, rice and vegetables are being developed on a commercial scale. Taro, arrowroot, yams, sweet potatoes, cassava, bread-fruit, pandanus, bananas, citrus and a number of other crops, used mainly for local subsistence, comprise the remaining principal crops. The total area under production during 1977 was estimated at 39,000 hectares.

257. The current annual report states that the major economic developments in the Trust Territory during 1976/77 were the opening of two coconut oil plants, the Micronesian Industrial Corporation, a \$3.4 million privately financed facility located on Koror, Palau; and the Tobolar Copra Processing Plant, a \$1.8 million facility at Majuro, Marshall Islands, which is designed to crush 15,000 tons of copra into oil annually. At present, locally produced copra is inadequate to meet the needs of the two plants when they are in operation at maximum capacity. Each supplements its requirements by purchasing copra from outside the Trust Territory.

258. The current annual report indicates that in 1977, exports of coconut oil were valued at \$4.2 million and copra cake at \$786,000.

259. The principal livestock in the Territory are swine and poultry. Cattle, goats and carabao are found on the high islands. Cattle, the third most important type of livestock, are concentrated mainly in the Northern Mariana Islands, which in 1977 had 7,250 head out of a total of 7,450 head in the Territory. The carabao is used as a draft animal on Palau and Ponape.

260. At its forty-fourth session, the Trusteeship Council reiterated its recommendation that the Administering Authority should expand production of food-stuffs to enable the Territory to become more nearly self-sufficient. However, that priority should be without prejudice to current efforts to diversify crops, develop agriculture on a commercial scale and establish an agriculture-based industry. In that connexion, it was important to develop copra production so as to provide sufficient supplies for the two processing plants envisaged, when those become fully operational. In particular, the Council noted with interest that the Micronesian Industrial Corporation in Palau had exported oil valued at \$3.4 million and copra cake valued at \$445,000 in 1976.

261. The Council also recommended that careful consideration should be given to the possibilities of exploiting forestry resources and means of improving livestock production.

262. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, stated that a survey of the Territory's soil and forestry resources would be started in 1978 and a feasibility study of a pepper plantation on Ponape would soon be completed.

263. In its current annual report, the Administering Authority states that the 1978 budget for agricultural development was double that of the preceding year. The Trust Territory has, as a result, made progress in the improvement of the livestock programme. It acquired 38 head of swine-breeding stock from California and 28 Santa Gertrudis cattle as an initial breeding stock for the integrated feed-mill/livestock project located on Palau. During 1976/77, the Trust Territory Government recruited livestock specialists to assist in the implementation of livestock programmes in Truk and Ponape.

264. In 1977, the Northern Mariana Islands produced both for export and for domestic consumption 974,518 kilograms of vegetables, valued at \$402,527; 796,361 litres of fresh milk, valued at \$312,906; 138,910 kilograms of beef valued at \$195,151 and 161,539 kilograms of staple crops, valued at \$100,348. The value of those and other agricultural products in the Northern Mariana Islands totalled \$1.3 million.

Marine resources

265. The current annual report points out that while the major potential for economic development based on marine resources is dependent on tuna catches in the oceanic area, the required capital, skill and the necessary infrastructure to exploit those resources successfully are not yet available. Many of the districts have, therefore, given top priority to the development of small-scale fisheries operations by exploiting the marine resources of the reefs and lagoons, with a view to supplying fish to local markets and to introducing a commercial fisheries programme.

266. The annual report further states that seven 26-metric ton skipjack fishing vessels, obtained as part of the war claims agreement between Japan and the United States, have been leased to companies in the private sector. One of the vessels, leased to a fishing company in Ponape, has demonstrated that with proper management and adequate technical aid, the vessels could contribute significantly to the development of a Micronesian tuna industry. At present, three of the fishing vessels are operating out of Palau and one each out of Truk, Ponape and the Marshall Islands.

267. According to the annual report, the bêche-de-mer (sea cucumber) fishery processing programmes in Palau and Truk have stimulated interest in developing a cottage industry. A successful small processing operation which exported 1,770 kilograms of bêche-de-mer in 1977 led to the establishment of a camp on Helen's Reef in Palau which now cultivates that fishery.

268. During the period under review, the Micronesian Mariculture Demonstration Center on Palau continued its experimental and research work pertaining to the application of mariculture technology to conditions in the Trust Territory. The Center is currently working on a number of demonstration projects to ascertain the potential and economic viability of the various species of fish under observation.

269. The annual report states that as part of its over-all economic goal, the Government of the Northern Mariana Islands places emphasis on the conservation and careful use of marine resources. During 1977, the Northern Marianas Fishing Authority implemented development programmes to assist fishing co-operative associations and private organizations.

270. The annual report also indicates that it is the policy of the Government of the Northern Mariana Islands that reef fishery should be limited to local fishermen to prevent overfishing of marine reef resources. The Trust Territory Government has deployed one of its seven 26-metric ton skipjack fishing vessels to the Northern Mariana Islands.

271. At its forty-fourth session, the Trusteeship Council reaffirmed that marine resources were crucial to the economy of Micronesia and urged the Administering Authority to do everything possible to protect and develop those resources, while

continuing to improve equipment and training. It noted with satisfaction that the Administering Authority had reaffirmed that it did not contest the fact that all benefits derived from marine resources located off the coasts of Micronesia belonged to the people of the Trust Territory and not the United States. The Council also noted that the United States had indicated that it was prepared to work with the Micronesians in order that Micronesian jurisdiction over marine resources might be extended to 200 miles, and to establish institutions that would enable the Micronesians to administer those resources.

272. The current annual report states that the Administering Authority is giving priority to programmes which will facilitate the establishment of viable businesses aimed at the maximum exploitation of marine resources with a view to fostering the growth of local markets. To this end, essential support facilities have been established in all districts; new techniques have been introduced and equipment provided at preferential rates; and a number of training programmes have been initiated.

273. The annual report further states that the Micronesian Maritime Authority was established on 19 October 1977 under Public Law 7-71. The Authority is empowered to adopt regulations for the conservation, management and exploitation of marine resources within a 200-mile zone surrounding the Territory. The object of the regulations is to ensure the conservation of those marine resources for the economic development of the Trust Territory, by limiting their exploitation, inter alia, through the issuance of foreign fishing permits.

274. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, stated that the Micronesian Maritime Authority held its first organizational meeting in February 1978 on Ponape, and had scheduled a second meeting for June 1978. The main effort of the Authority to date had been to collect the necessary fisheries data to prepare for negotiations with foreign fishing interests in the area, and for taking over the management and conservation of the Territory's fisheries resources.

Third United Nations Conference on the Law of the Sea

275. At its forty-fourth session, the Trusteeship Council noted with satisfaction that representatives of the Congress of Micronesia were again participating as observers in the Third United Nations Conference on the Law of the Sea with the sponsorship of the Administering Authority, and that such participation was expected to continue. The Council noted the strong views expressed by representatives of the Congress of Micronesia about Micronesian participation, and the statement made at the forty-fourth session by one of the special advisers who had expressed concern at the veto by the Administering Authority of a bill passed by the Micronesian Senate which had provided for marine-space jurisdiction in Micronesia. The Council noted that the interests of Micronesia might not necessarily coincide with the interests of the Administering Authority.

276. The Council welcomed the offer made by the Micronesian delegation at the Honolulu round-table discussions in May 1977, to work out their differences with the Administering Authority through negotiations. The Council also welcomed the statement by the Administering Authority that it would continue to exercise vigilance in the protection of Micronesian waters from foreign illegal exploitation.

277. The current annual report states that during its special session in 1977, the Congress of Micronesia enacted legislation establishing a 200-mile fishing zone for Micronesia which will become effective on 1 July 1979. According to the annual report, the legislation was acceptable to the Administering Authority and has been signed into law. The law allows the districts of the Trust Territory to opt for the enactment of fishing-zone legislation of their own. The Marshall Islands and Palau districts have indicated that they plan to avail themselves of this provision of the law.

278. Referring to the establishment of the Micronesian Maritime Authority (see para. 273 above), the annual report states that the Administering Authority looks forward to co-operating with that Authority and with any separate agency that may be established by the Palau and Marshall Islands districts with a view to achieving appropriate management of marine resources within the 200-mile fishing zone.

279. The current annual report also states that at the invitation of the United States Government, representatives from the Trust Territory (including Palau and the Marshall Islands) and from the Northern Mariana Islands participated in a conference held at Suva in November 1977, as members of the United States delegation. The conference considered a proposal relating to the establishment of a South Pacific regional fisheries organization.

280. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, said that the coastal States of the Pacific Ocean area were in the process of establishing a South Pacific regional fisheries organization, composed of the States and Territories of Oceania. In accordance with the public law which had established the Micronesian Law of the Sea Delegation, that delegation was to represent Micronesian views on the establishment of such an organization. The Special Adviser pointed out that prior to the political status discussions held at Hilo, there had been a conflict of opinion between the Micronesian Law of the Sea Delegation and the Administering Authority concerning Micronesian representation at the Third United Nations Conference on the Law of the Sea and the signatory status of Micronesia in relation to any agreement reached at that Conference. Now that that question had been resolved in principle, he assumed that full recognition would be given to the delegation with respect to its participation in and signatory status in relation to the establishment of a South Pacific regional fisheries organization, as well as to its membership status in such an organization. He noted however, that the Micronesian Law of the Sea Delegation had not yet participated in or been consulted during the negotiations now in progress on the fisheries organization. He assumed that that matter could be resolved since the doctrinal problems relating to foreign affairs had been resolved in principle. In that connexion, he asked the Trusteeship Council to seek clarification of the matter from the Administering Authority.

281. At the same session, the representative of the United States said that his Government had supported and continued to support observer status for Micronesia at the Third United Nations Conference on the Law of the Sea. With regard to Micronesian participation in the South Pacific Regional Fisheries Organization, it seemed logical, in view of the statement of agreed principles signed at Hilo, Hawaii, on 9 April 1978, for the United States to support the Micronesian application for observer or other appropriate status in international bodies or in negotiating forums. In that regard, however, the representative of the United States expressed the view that it would be inappropriate to make final decision on that matter until the results of the referendum on the draft Micronesian

constitution were known. His Government was hopeful that at that time it would be possible to support such applications, and it intended to give the matter attention as soon as possible.

Industry and tourism

282. Manufacturing in the Territory consists primarily of cottage-type activities in the subsistence sector. According to the Administering Authority, the few activities directed towards production for the market economy are characterized by inadequate capital, poor management and an untrained labour force. Boat-building is widespread but, except for the Palau shipyard, it is usually carried on by individual craftsmen working in their own homes. The demand for Micronesian handicrafts is high, owing mainly to the growing number of visitors to the Territory. Although some small-scale handicrafts are available for export, production in the desired quantities and at reasonable prices needs stimulation.

283. At its forty-fourth session, the Trusteeship Council recommended that, in both the construction and operation of tourist facilities, local products should, whenever possible, be given preference over imports. Local products should be used more often in the restaurants of tourist hotels. In that connexion, the Council welcomed the report by the Special Representative that the tourist industry was largely in the hands of local entrepreneurs rather than outside investors and that Micronesians owned 26 out of the 29 hotels, 23 of which had Micronesian managers.

284. The Council noted with satisfaction the report by one of the special representatives that tourism was developing as a major territory-wide income producer, which during 1976 produced invisible export earnings of almost \$2 million and employed well over 500 Micronesians. The Council further noted that during the first quarter of 1977, the tourist industry had shown a 27 per cent increase compared with the same period in 1976.

285. The Council also noted with satisfaction that growth in that sector was steady and did not exceed the capacity of the districts to accommodate tourists. It recommended that tourism training and workshops should continue to be expanded.

286. The current annual report states that the recommendations of the Trusteeship Council closely parallel the objectives of the Territory's tourism programme, which emphasizes the need to utilize local products whenever possible, in the construction and operation of tourist facilities. The district of Ponape has already taken steps in that direction and other districts plan to follow suit.

287. The tourism programme of the Trust Territory calls for gradual growth consistent with the capacity of each district to expand its tourist industry. According to the programme, the task of raising the standard of tourism is primarily the responsibility of the Trust Territory Government. The private sector, on the other hand, is entrusted with the primary responsibility of attracting a larger number of tourists according to the capacity of each district. Districts are given the responsibility for maintaining the pace and direction of tourism development within their respective districts.

288. In 1976/77, of the existing 29 hotels in the Territory, 24 were owned by Micronesians and 25 had Micronesian managers. The annual report states that tourism has grown since its inception in 1968 to become the Territory's second

leading export earner after copra. There has been an average annual increase of 22 per cent in earnings from tourism in the past seven years and 15 per cent in 1976/77. Well over 500 Micronesians are employed by the tourist industry and another 500 Micronesians are benefiting indirectly from that industry.

289. In 1976/77, 22,260 visitors entered the Territory and spent an estimated \$2.3 million. These figures do not include the Northern Mariana Islands, which in 1976/77 had about 51,000 visitors who spent an estimated \$2.2 million.

290. The current annual report states that opportunities for training in the field of tourism are available through the Trust Territory's membership in the Pacific Area Travel Association (PATA) and the Pacific Islands Tourism Development Council (PITDC). Micronesia actively participates in the seminars, conferences and workshops organized by these two regional bodies.

Transport and communications

291. Road maintenance is difficult in the Trust Territory, especially on the high islands where heavy rainfall washes out road-beds, and limited budgets make upkeep difficult on roads outside district centres. As reported in previous years, a territorial road programme has been established, providing for the construction or repair of a number of kilometres of road each year.

292. Air Micronesia, which took over air service in the Trust Territory in 1968, is a corporation formed by Continental Airlines, Aloha Airlines and the United Micronesian Development Association. Regular air service links all district centres of the Territory. Outside the Territory, service is provided to Guam, Tokyo, Honolulu and Okinawa.

293. At its forty-fourth session, the Trusteeship Council noted with approval that since the promulgation by the Administering Authority of Executive Order No. 113 (April 1976), logistic shipping services, direct or indirect, to Micronesian ports from the United States, Asia and Australasia had greatly improved as a result of the semi-controlled and competitive shipping system established under the order. As a result, despite rising costs, Micronesians enjoyed imported commodities at more reasonable prices than hitherto. The Council further noted that two new multipurpose landing vessels, acquired in 1976, were in full service in the districts and that seven new interisland ships under contract with a Japanese firm should be completed by December 1978.

294. The Council noted that negotiations had taken place in both Washington, D.C., and Tokyo on instituting the Tokyo-Saipan air services. Representatives of the Congress of Micronesia and the Northern Mariana Islands had participated in the negotiations. The Council attached importance to a satisfactory resolution of that issue and welcomed the statement of the Administering Authority that that question must be dealt with ahead of other bilateral questions under discussion. The Council also noted with approval further developments reported by the High Commissioner in the general context of airport development.

295. The current annual report states that the transport system in the Trust Territory will be closely monitored in the next few years to ensure compliance with Executive Order No. 113, which governs logistic shipping in Micronesia and protects shipping interests owned and operated by Micronesians (see also para. 293 above).

296. The annual report further states that the number of field-trip vessels in the Trust Territory has been increased by two and that another five will be delivered in the near future.

297. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, stated that a contract had been awarded on 30 December 1977 for the construction of a new wharf on Majuro, Marshall Islands at a cost of \$4.5 million. A similar contract (for \$4.0 million) had been awarded on 28 January 1978 for the construction of a wharf in Yap District. In addition, designs had been completed for a new dock at Kosrae. Work had also started on designs for new wharf facilities on Truk and Palau.

298. The current annual report states that the new Koror-Babelthaup bridge, constructed at a cost of \$5.2 million, was opened to traffic in April 1977. The bridge will enable hundreds of workers to commute easily to work in Koror. It will also enable Babelthaup to develop its considerable agricultural potential, not only for Palau, but also for the benefit of other districts.

299. Referring to the question concerning air links between Saipan and Tokyo, the annual report states that the negotiations on Tokyo-Saipan air services have been successfully concluded. Accordingly, on 1 October 1977, Continental Airlines began air services between the two centres with continuing flights to the eastern and western districts of Micronesia.

300. The annual report points out that airport development is a major concern of the Trust Territory Government. A good portion of the capital improvement projects currently planned for the Trust Territory are concerned with airport development. In this respect, the Government of the Trust Territory has set the proposed date for the termination of the Trusteeship Agreement as a target for the completion of all the development projects relating to airport work programmes.

301. According to the annual report, maximum effort is being concentrated on improving the five existing airports at district centres and on constructing a new airport in Kosrae. The proposed changes are planned to meet the minimum safety requirements established for an air carrier airport, with design considerations based on the minimum length, paving and the installation of navigational aids required for a B-727 air carrier.

302. At the forty-fifth session of the Trusteeship Council, the High Commissioner and Special Representative stated that a \$19.0 million contract for an airport improvement project in Truk had been awarded on 31 March 1978. When completed, the airport would be equipped for all weather and night operations. The design of the new Kosrae airport had been completed and the \$21.0 million airport project on Palau which had undergone a 30 per cent design review, was to be advertised for bids by 15 October 1978.

303. At the same session, Senator Olter, Special Adviser, stated that the United States House Sub-Committee on Appropriations had allocated \$6.7 million for work on the Ponape airfield, and had restored the sum of \$1.9 million for operational costs.

Proposal for a super-port in Palau

304. At its forty-fourth session, the Trusteeship Council reiterated its belief that attention should be given to the environmental impact of such a port. It had

noted a number of critical statements by representatives and petitioners from Palau opposing the project, as well as the protests of international environmentalists. The Council wished to endorse once again the proposals made by the 1976 Visiting Mission that, following completion of the contractors' feasibility study, there should be a further study of the project by a body of experts having no vested interest in the matter before the proposal was put to the people of Palau. The Council further noted the statement of the Administering Authority that under United States law, a federal environmental impact study would also be necessary to assess the environmental implications prior to the adoption of the proposal.

305. The Council noted with satisfaction the commitment of the Administering Authority to consider the possible impact of the proposed super-port on the general welfare of the people, the security of the area and the physical and social environment, and the commitment of the Administering Authority not to approve development of the super-port if it were opposed by the people of Palau. The Council recommended that the Administering Authority should give careful consideration to the views of the Congress of Micronesia on that matter.

306. According to the current annual report, the Administering Authority has reaffirmed its position that an objective, non-profit-making institution should undertake a study of the impact of the proposed super-port on the environment of Palau. Such a study should address itself not only to the environmental issues but also to the social, human and economic factors. The annual report states that the Palau District Legislature has retained a private consulting firm to undertake a preliminary study of the project.

307. In its annual report under review, the Administering Authority reiterates its commitment to consider the possible impact of the proposed super-port on the general welfare of the people, the security of the area and the effects it might have on the physical and social environments of Palau. The Administering Authority reiterates its commitment not to approve development of the super-port project if it is opposed by the people of Palau.

Co-operatives

308. In 1976, 73 co-operatives and 43 credit unions were active in the Territory, excluding the Northern Mariana Islands, primarily in importing, retailing, copra, handicrafts and the marketing of fish. Sales and revenue of co-operatives aggregated \$11.6 million in 1976. Merchandise sales predominated, followed by sales of copra. At the end of 1976, co-operatives had 12,528 members, showed net savings of \$606,589 and had paid \$283,560 in dividends and patronage refunds.

309. At its forty-fourth session, the Trusteeship Council reiterated the hope that the Administration would continue to devote some of its educational and information efforts to persuading farmers in the Trust Territory of the benefits of farming co-operatives, in particular the shared use of machinery.

310. The current annual report states that although the Administration has continued its effort to explain to the people of the Trust Territory the advantages of co-operative development, ventures in co-operative farming and the shared use of machinery have not yet been fully accepted by the Micronesian farmers, possibly because of their land tenure system and traditionally independent way of life.

2. Opinions expressed by delegations

General economy

311. The representative of France felt that the implementation of the five-year indicative development plan was not proceeding at quite the rate envisaged. The importance and the number of work programmes which the High Commissioner hoped to carry out in the coming years clearly showed the concern of the Administering Authority to provide the Territory with the infrastructure necessary for its development. At the same time, however, the work programme underlined the short-comings from which the Territory was suffering. Hence it was to be hoped that the promises made to the Council would be rapidly translated into reality.

312. The representative of France observed that, although foreign investments had been authorized since 1974, no substantial inflow of capital was in evidence in the Trust Territory, which was probably demonstrative of the effect of over-restrictive legislation or some reluctance of potential investors to commit themselves in a Territory with an uncertain political future. However, the French delegation wondered whether everything possible had been done to draw attention abroad to the opportunities offered by Micronesia.

313. The representative of France said that the Trusteeship Council should direct its efforts not only to guaranteeing the full exercise of political rights to the people of Micronesia, but also to ensuring that the Administering Authority provided the Territory with the economic and social means necessary for its development and thereby made it possible in the future to put an end to excessive economic dependence.

314. The representative of the United Kingdom stated that the dramatic increase in appropriations to the Trust Territory would seem to indicate the determination of the Administering Authority to fulfil its undertaking, despite the short time available. Unfortunately, time was running out, much remained to be done, and his delegation was concerned to learn that the far-reaching five-year indicative development plan was still very much in the planning stage and that it would only begin to be put into effect at the beginning of 1979. He noted, however, that the High Commissioner had informed the Council of a number of significant steps which had already been taken to expand the economy, including a major project in the capital development programme directed towards the infrastructure requirements of the outer islands, to be completed within the life of the Trusteeship Agreement.

315. The representative of the United Kingdom further stated that while his delegation welcomed the progress which had been made or was expected in developing the economic infrastructure of the Trust Territory, he hoped that at least equal priority would be given to developing productive industries on a scale proportionate to the capacities of the islands. Only those industries could generate wealth and employment simultaneously. The Council and the Administering Authority were, he believed, agreed on the need for such development. His delegation's view was that the need remained urgent, since only such development could bring Micronesia nearer to real economic self-sufficiency.

316. The representative of the Union of Soviet Socialist Republics stated that the social and economic policies of the Administering Authority in Micronesia had not brought any appreciable good to the population but had only created new, serious and complicated problems.

7. The representative of the Soviet Union further stated that as had been noted in the introduction to the five-year development plan prepared in 1976 by the Congress of Micronesia with the help of UNDP, the Micronesian economy was and remained at a complete standstill. The development of the resources of Micronesia is given almost no attention. The growth of local production was not even keeping pace with the growth of the population, and the infrastructure necessary to satisfy the fundamental economic and social needs was far from being completed.

8. The representative of the Soviet Union pointed out that, as representative Setik, the Special Adviser, had noted, the measures to stimulate economic development which had been prepared by the Congress of Micronesia were not receiving sufficient and active support from the Administering Authority.

9. The representative of the Soviet Union said that Micronesia even had to import fish products in large quantities. The complete absence of economic development and the standstill in the economy had been attested to by the photographs that had been shown to the Council by petitioners, and even an inexperienced eye could see that those industrial projects that had at one time existed in the Territory had been abandoned and forgotten by the current leaders. It was his delegation's opinion that the Trusteeship Council should most decisively demand that the Administering Authority quickly and effectively eliminate all obstacles that were hindering the development of the economy, the increase of economic and social progress of the population and its progress towards self-determination and independence.

Public finance

20. The representative of France observed that a State could not function in full sovereignty unless it had sufficient revenue available. At present, the Trust Territory depended far too heavily on subsidies from the Administering Authority. In noting that the revenue from taxation for 1977 had amounted to only \$6.3 million, while the grants received from the Administering Authority had totalled over 100 million, the representative of France said that that was a problem which savings gained by the reduction of the administrative structures would not suffice to solve.

Agriculture and livestock

21. The representative of France expressed his delegation's concern about the dependency of the Trust Territory on the outside world for its supply of meat, milk, fruit and even canned fish. Local food production should be encouraged and protected particularly by means of taxes on imports. In that connexion, the French delegation considered the rice project on Ponape to be very promising. The project, which would enable Ponape to become the rice granary of the Trust Territory, should be implemented as rapidly as possible.

Marine resources

22. The representative of France said that the decision by the Congress of Micronesia to extend the Micronesian jurisdiction over marine resources to 100 miles, was a particularly important event in the development area, since it

gave Micronesians control over one of their most important resources. It appeared that it would now be possible, under such conditions, to organize the exploitation of fisheries and to envisage the vigorous growth of a promising industry.

Transport and communications

323. The representative of the United Kingdom, recalling that in its last report the Trusteeship Council had noted the negotiations which were then taking place to establish air services between Saipan and Tokyo and the fact that the establishment of such services still lacked the agreement of the Government of Japan, said that his delegation was pleased to note in the current report of the Administering Authority that on 1 October 1977 Continental Airlines had begun services between the two centres.

Proposal for a super-port in Palau

324. The representative of the Union of Soviet Socialist Republics stated that the Administering Authority, instead of instituting effective measures to develop the economy of Micronesia, was forcibly imposing on the people plans for the construction of a super-port in Palau. The super-port could no doubt bring huge profits to those who would build it and to the interests of the Administering Authority. With regard to the interests of the Micronesian people, the negative impact of such a super-port was already clear. The project would raise new, insurmountable barriers to the implementation of their legitimate right to freedom and would place them in a position of a new and greater dependence.

325. The representative of the Soviet Union, observing that the proposed super-port would essentially make the environment in the region worse, said that it was no accident that many Palauans were strongly protesting against the project. In the view of the Soviet Union, the Trusteeship Council should support the submission made by the inhabitants of Palau with regard to the inadmissibility of any exploitation of their land and environment which was contrary to their interests.

D. SOCIAL ADVANCEMENT

1. Outline of conditions

Human rights

326. The current report of the Administering Authority states that the inhabitants of the Trust Territory are, inter alia, guaranteed the following basic human rights and fundamental freedoms as set forth in the Trust Territory Code: freedom of religion, of speech and of the press; the right of assembly and the right to petition; protection against unreasonable search and seizure; no deprivation of life, liberty or property without due process of law; no discrimination on account of race, sex or language; the maintenance of free elementary education; no imprisonment for failure to discharge contractual obligations; writ of habeas corpus; protection of trade and property rights; and due recognition of local customs.

327. The right of petition is granted and inhabitants have petitioned the United Nations and the Administering Authority. Petitions have also been submitted to United Nations visiting missions verbally and in writing. The Universal Declaration of Human Rights has been translated into the Territory's nine major languages and copies have been distributed to local government institutions, schools and various community groups.

Medical and health services

328. The Department of Health Services has responsibility for planning, organizing and administering all medical and health programmes. The Trust Territory Health Co-ordinating Council, composed of members from all districts, reviews and co-ordinates health services and the implementation plans of each of the district departments; prepares, and revises if necessary, a territory-wide health plan; reviews the annual budgets of the Department of Health Services as well as those of the districts; and examines requests submitted by that Department for various federal grants.

329. The Office of Health Planning and Resources Development of the Department of Health Services is responsible for health planning and resources development. The Office also co-ordinates federal health programmes in the Trust Territory at various levels.

330. There are seven main hospitals in the Territory and two subdistrict hospitals, one at Rota (Northern Mariana Islands), and the other at Ebeye (Marshall Islands). The 116-bed hospital on Ponape, which was opened on 20 April 1978, will also serve as a teaching/referral hospital beginning in the fiscal year 1980. The construction of a new, 50-bed hospital on Yap is scheduled to be completed in September 1978. A new 20-bed hospital was completed on Ebeye in 1974 and a new 35-bed hospital was completed on Kosrae in April 1978. In Palau, the construction of a new out-patient hospital will be completed in June 1978. In addition, there are 170 dispensaries and medical aid posts scattered throughout the Territory.

331. At the forty-fourth session of the Trusteeship Council, the High Commissioner and Special Representative stated that the new 116-bed hospital at Kolonia had been designed to serve as a "referral and training centre" for the rest of the Trust

Territory; it was anticipated that after the hospital had been fully staffed with the appropriate specialists, it would become the nucleus of an in-service medical training programme.

332. The current annual report states that in June 1976, there were 1,295 persons on the staff of the Department of Health Services (including those employed in the Northern Mariana Islands), 1,238 in the districts and 57 at headquarters. Of this number, 52 were physicians, 53 were physicians' assistants (trained under the MEDEX programme), 24 were dentists, 10 were registered or university trained nurses, 179 were graduate nurses and 398 were health assistants and practical nurses.

333. The organization of the Department of Health Services of the Northern Mariana Islands still reflects the administrative pattern of the district health services throughout the Trust Territory of the Pacific Islands. Most of the in-patient service in the Northern Mariana Islands is provided at Dr. Torres Hospital on Saipan, which in 1977 had a staff of 8 physicians, 3 physicians' assistants, 54 nurses, of whom 2 were registered nurses, 32 graduate nurses and 20 practical nurses. Small subhospitals serve the islands of Rota and Tinian, each of which has a full-time physician. Rota has seven nurses, including one practical nurse and one physicians' assistant. The personnel on Tinian consists of two graduate nurses and three practical nurses. There are four dispensaries on Saipan and one each on the islands of Pagan and Agrihan. Dental care in Northern Mariana Islands is provided by three dentists and three dental nurses. The Division of Mental Health in the Northern Mariana Islands provides services through close co-operative efforts with the Trust Territory Division of Mental Health.

334. At its forty-fourth session, the Trusteeship Council noted with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory. The Council also noted with satisfaction that considerable progress had been made in modernizing the Ebye hospital and that the medical staff had been strengthened. It recommended that those efforts should be continued, primarily with a view to improving health facilities in the periphery of the Trust Territory. The Council noted with interest the results obtained in connexion with the programme for training Micronesian health assistants.

335. The current annual report states that there are 186 health assistants serving in various dispensaries in the districts of the Trust Territory, of whom 146 have been trained under the training programmes of the Department of Health Services. During the year under review, an evaluation made of the success of the training programme showed a significant improvement in the area of health care delivery in the outer islands. A territory-wide continuing education programme for nurses has been implemented.

336. The annual report further states that the Department of Health Services has become eligible for grants under the Clean Water Act for projects to improve clean water supplies and waste water disposal. The territorial immunization level has improved, and is equal to that of many developed countries.

337. According to the annual report, the services of a number of consultants are made available to the Trust Territory by the United States Public Health Services, the Energy Resources Development Agency, the World Health Organization (WHO), the South Pacific Commission, Tripler Army Medical Center (Guam) and several universities in the United States. These organizations also offer training opportunities through fellowships, in-service training and seminars.

338. At the forty-fifth session of the Trusteeship Council, Dr. Charles Ross-Smith, representative of WHO, stated that for many years, WHO had awarded fellowships to candidates for courses not available in the Trust Territory and to health workers for refresher training or to obtain higher qualifications abroad. Moreover, a substantial number of health workers had been given opportunities to participate in WHO's intercountry group educational meetings.

339. The representative of WHO informed the Council that the Trust Territory was now within the jurisdiction of the WHO area office on Fiji which had led to an improved working relationship with the Territory. He pointed out that in 1977, two WHO consultants had carried out a feasibility study on the new Ponape hospital with special reference to the hospital's capacity to function as a referral and training institution. In the same year, the WHO Regional Adviser on Oral Health had served in the Territory as a consultant in a national dental health training programme. Another team of WHO consultants in medical education were currently visiting Ponape to assist in a refresher training course for Micronesian medical officers. WHO had also assisted the Territory in the preparation of a medium-term programme covering the period up to 1983, with a view to establishing a guide for possible areas of co-operation between the Territory and WHO in the years ahead.

340. The representative of WHO stated that some \$66,000 had been granted to the Trust Territory in 1977 for consultants and fellowships. Approximately \$106,000 had been earmarked for 1978 for the same purpose, and a total of \$97,000 had been allocated for fellowships for 1979. Those funds did not include expenditures incurred in sending Trust Territory inhabitants to various WHO seminars and training courses, nor did it include the costs of visits to the Territory of regular WHO staff. Such expenses were financed by the intercountry projects of WHO.

341. The representative of WHO further stated that his organization was entering into an agreement with the University of the South Pacific at Suva to sponsor health management courses in which representatives from the Trust Territory would participate. Further, WHO had begun talks with the Government of the Trust Territory concerning the 1980/1981 biennium programme, for which WHO had allocated the sum of \$207,000 from its regular budget.

342. The current annual report states that recurrent expenditure on public health in the Trust Territory, excluding the Northern Mariana Islands, totalled \$8.2 million in 1976/77. Expenditure for construction purposes amounted to \$10.0 million for the same period.

Community development

343. The principal organizations involved in community development in the Trust Territory are the Community Development Division and the community action agencies. The Community Development Division co-ordinates the activities of various governmental programmes, provides technical advice for self-help activities and gives support to various community groups such as women's and youth organizations. The grant-in-aid programme represents one of its main activities.

344. Through the grant-in-aid programme, the Administration extends financial and technical assistance to local communities for public projects where local cash

resources are inadequate. These projects may involve the construction of facilities, such as roads, docks, dispensaries, buses, ferry-boats and electric power plants.

345. The current annual report states that since 1967, some 384 communities or organizations have received needed facilities valued at about \$2.9 million through grants-in-aid. Facilities provided in 1976/77 were estimated to be worth about \$146,000.

346. Four of the six districts have a community action agency. The agencies continue to play an important role in the communities, providing comprehensive social services rather than specialized services. The Community Services Administration provides over \$750,000 a year in grants to the community action agencies. An additional \$700,000 is made available by the United States Department of Health, Education and Welfare (HEW) for the operation of head start programmes designed for pre-school children.

347. The Division of Community Development of the Government of the Northern Mariana Islands is responsible, among others, for the family food distribution and the grant-in-aid programmes. It provides advice to community groups such as women's and youth organizations. The Division assists the elderly by identifying their basic needs and initiating appropriate programmes to meet such needs. During 1976/77, the Administration of the Northern Mariana Islands received \$17,600 through grants-in-aid from the legislature of those islands.

Labour

348. According to the current annual report, it is the policy of the Trust Territory Government to give employment preference to qualified Trust Territory citizens in employment at all levels. It is also the Government's policy to further its programme of "micronization" through more intensified training of executive, managerial and supervisory personnel. Alien workers are employed only when skilled Micronesians are not available to fill vacancies.

349. The number of Micronesian wage-earners employed during the year under review was 17,058. Of this number, 9,345 were employed by the Administration or by United States government agencies, and 7,713 were employed in the private sector.

350. The annual report under review states that the Government of the Northern Mariana Islands remains the largest employer in the Islands with a total of 1,217 employees, of whom 41 are non-Micronesians. Mariana residents still employed by the Government of the Trust Territory are given precedence for recruitment when vacancies exist in the government service of the Northern Mariana Islands. Efforts are being made, however, to place those employees in the private sector where employment opportunities will be increasingly realized.

351. At its forty-fourth session, the Trusteeship Council continued to be concerned at the imbalance between wage-earners employed in the public sector and those employed in the private sector. It noted that the Administering Authority had stated that it intended to continue reducing the number of officials employed by the Government of the Trust Territory. The Council hoped that further progress towards an improved employment situation would be made as a result of the two-year

survey projecting manpower needs which was being prepared, and of the training and advanced training activities provided under the Comprehensive Employment and Training Act (CETA), for which \$3.9 million had been made available.

352. The current annual report states that manpower needs will be greatly increased over the next two years as a result of construction work due to begin in all districts under contractual arrangements with the Officer in Charge of Construction of the United States Naval Facilities Engineering Command. Every effort is being made to reduce the number of alien workers in the Trust Territory and a 15 per cent reduction was achieved during the period under review. There were, during the same period, 2,136 alien workers in the Northern Mariana Islands and 883 in the rest of the Trust Territory. However, the lack of skilled Micronesian workers is still a difficult problem that can be solved only through apprenticeship training leading qualified Micronesians to journeymen status in all trades. In this regard, the Division of Labor of the territorial Department of Resources and Development is making every effort to introduce and implement a viable apprenticeship programme.

353. The annual report further states that in 1977, the Division of Labor, in co-operation with the Training Division and UNDP, conducted a comprehensive occupational and skills survey throughout the Trust Territory. It is believed that the results of such a survey will help identify the hitherto untapped Micronesian skilled workers, thus contributing to the efforts being made to reduce the number of alien workers in the Trust Territory.

354. According to the annual report, the programme originated under the United States Occupational Safety and Health Act (OSHA) which was cancelled in the Trust Territory in 1975, was re-established by the Division of Labor in 1977. As a result, significant progress is anticipated with regard to occupational safety and health standards during 1978/79.

355. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, stated that over the years they had noted the interest expressed by United Nations missions and the Trusteeship Council with regard to the possibility of creating labour unions in Micronesia. What might be the only labour union in Micronesia had been established by the hotel workers of the Continental Hotel in Palau District. The union had struck for higher wages and other benefits early in 1978. However, the management had closed the hotel and fired all the employees when negotiations between the parties reached an impasse. The facility had since been reopened but former employees were re-engaged only if they agreed to work for an earlier wage rate.

356. The Special Adviser believed that such drastic actions by the management were uncalled for and were detrimental not only to the development of unions and to community relations but also to the people and the economy of Micronesia which looked towards tourism as a source of growth and development. They therefore hoped that the officials concerned at the Continental Hotel would re-evaluate their position and negotiate a mutually satisfactory solution to that potentially disruptive problem.

357. At the same session, Senator Olter, Special Adviser, referring to the strike by the employees of the Continental Hotel, stated that, although the union had not been disbanded, the practical effect of the firing had been most demoralizing and presented a negative example to other workers in the Trust Territory who might

attempt to organize and negotiate with management for better working conditions. The workers at Koror were maintaining a vigil near the hotel and the Palau delegation to the Congress of Micronesia had included in its district appropriation bill the sum of \$4,000 to assist them.

358. At the same session, J. Sablan, Deputy High Commissioner, referring to the labour union in Palau, stated that, under the Trust Territory Code, the inhabitants of the Territory were guaranteed the right to assemble and to petition.

Housing

359. In 1973, the Congress of Micronesia passed the Community Housing Act, which established a Territorial Housing Commission with power to participate in major United States housing programmes. The Commission focuses on ways to provide low-cost housing for low-income families. The Commission and six district housing authorities were established in 1974.

360. At its forty-fourth session, the Trusteeship Council welcomed the assistance afforded in 1976 by UNDP and ESCAP to the Territorial Housing Commission. It expressed the hope that the efforts to construct or renovate housing would be actively continued and that the necessary resources, particularly financial resources, would be made available for the implementation of the long-term, low-cost building programme.

361. The current annual report states that in 1977 the Trust Territory received from the United States Department of Housing and Urban Development (HUD) grants totalling \$950,000 for housing development; \$250,000 for rent subsidies for lower income families; and a loan of \$160,000 for housing improvements by homeowners. HEW made an estimated \$300,000 available to the Trust Territory for housing renovation projects. In 1977, 131 housing units were completed and over 350 private houses were renovated with funds received from HEW.

362. The annual report further states that in 1977 the Territorial Housing Commission appointed an executive director and that it is expecting to obtain the services of a Micronesian who will oversee the financial management of all housing programmes.

363. The Mariana Islands Housing Authority (MIHA), a public corporate entity entrusted with housing development, has made available home-ownership loans to some 230 families and has assisted them in the construction of safe and sanitary homes. The annual report states that with the enactment of the Housing and Community Development Act of 1974, the Northern Mariana Islands became eligible for assistance under the United States Housing Assistance Program which provides housing subsidy payments on behalf of low-income families. Further, HUD makes housing assistance payments to the Government of the Northern Mariana Islands on behalf of eligible families.

Public safety

364. The current annual report states that although juvenile delinquency has not been a major problem in the Trust Territory, the number of offences committed by

young people is now increasing. This is most noticeable in district centres, where traditional and social sanctions are rapidly breaking down and, consequently, family controls are weakening.

365. According to the same report, an intensified effort is being made to prevent crimes involving juveniles. One police officer has been assigned to each district to deal with this particular problem. Local legislative bodies, citizens' organizations, Peace Corps volunteers and other groups are striving to meet the needs of youth and to draw up programmes aimed at utilizing the resources of youth. In several districts, community development offices have been active in organizing panels of citizens to discuss and analyse juvenile problems.

366. At its forty-fourth session, the Trusteeship Council again welcomed the efforts made to combat delinquency in general and juvenile delinquency in particular. It recommended that preventive efforts should be continued.

367. The current annual report states that in August 1977, public safety operations in the Territory took a step forward when four of the six districts agreed to participate in acquiring the services of two experienced expatriate police officers to administer the district departments. Moreover, nine police officers from Honolulu were recruited on two-year contracts. The presence of the officers in the four districts along with an adviser in the Division of Public Safety at headquarters is intended to help improve all aspects of public safety operations. In addition, departments have been reorganized; community-oriented programmes initiated; new operating standards and procedures prepared; and improved and sophisticated police techniques developed. Training programmes are also being given.

368. The annual report further states that with the help of the federal Law Enforcement Administration Assistance programme, the training programme and the administrative evolution of public safety in the Trust Territory will be greatly accelerated.

Peace Corps

369. Peace Corps volunteers have continued to serve in education as well as in a number of other areas. They provide architects, engineers, lawyers, health professionals, accountants, construction workers, etc.. According to the Administering Authority, the most significant contribution of the Peace Corps continues to be in the field of education.

370. In 1977, Peace Corps trainees and volunteers in Micronesia numbered 151, of whom 73 were serving in an educational capacity. The current annual report states that, as Micronesians continue to assume responsibility for their own affairs, the number of needed Peace Corps volunteers will be reduced. Micronesian programmes will be supported in the future by the Peace Corps as long as the volunteers and their Micronesian hosts benefit mutually from the association.

2. Opinions expressed by delegations

Medical and health services

371. The representative of France noted with satisfaction that the districts now had satisfactory hospital facilities, although further work needed to be done for the outer islands.

Labour

372. The representative of the United Kingdom, referring to the statement made by Senator Roman Tmetuchl during the forty-fifth session of the Trusteeship Council concerning youth unemployment in the Trust Territory, said that although that was unfortunately to some extent a world-wide phenomenon, it was particularly worrying in the context of a Territory such as Micronesia where there were so few career opportunities. That problem underlined the urgency of implementing the indicative development plan, which could provide new openings for young people.

373. He further stated that the problem of juvenile unemployment, which already appeared to have had tragic consequences in at least one Micronesian district, was one which merited urgent study. It was imperative that some form of worthwhile employment should be found for those young Micronesians, if they were not to develop into an embittered generation.

374. The representative of the Union of Soviet Socialist Republics said that it was no surprise that unemployment in the Trust Territory had reached almost one half of the labour population.

E. EDUCATIONAL ADVANCEMENT

1. Outline of conditions

General

375. The educational framework for the Trust Territory is defined in Public Law 3C-36 of 10 October 1969. According to this law, the purpose of education in the Territory is, inter alia, to develop the human resources of Micronesia in order to prepare the people for self-government and to provide them with skills which will be required in the development of the Territory.

376. Boards of education have been established at the territorial and district levels in accordance with the same law. The Micronesian Board of Education, appointed by the High Commissioner with the advice and consent of the Congress of Micronesia, is composed of one Micronesian member from each of the six districts, plus the Director of Education, who is a non-voting member.

377. Under the provisions of the United States Vocational Education Act and the Manpower Development and Training Act, as amended, a Trust Territory Manpower Advisory Council was established in 1969, consisting of 11 Micronesians and 1 expatriate. The Council advises the High Commissioner, through the Director of Education, on manpower training needs for all of Micronesia.

378. An advisory council established under provisions of the United States Elementary and Secondary Education Act sets priorities in education, reviews existing programmes and approves new ones. A student assistance committee, established by the Micronesian Board of Education in 1975, reviews applications for scholarships in higher education.

379. In accordance with Public Law 3C-36, non-public schools may be established in the Trust Territory. They are required to submit the same reports concerning attendance, enrolment and curricula as those submitted by public schools to the Director of Education.

380. Under the provisions of the law, attendance at public and non-public schools is required of all children between the ages of 6 and 14 years, or until graduation from elementary school. Free education is provided in elementary and secondary public schools.

381. The current annual report states that inasmuch as the 1976/77 school year has been a period of transition in the administration of the Northern Mariana Islands, those islands have continued to maintain ties with the Department of Education of the Trust Territory Government. The educational policies followed by the Government of the Trust Territory have therefore continued to serve, in most cases, as a framework for the administration of education in the Northern Mariana Islands.

382. According to the annual report under review, recurrent expenditure by the Trust Territory Government for education in 1976/77 totalled \$12.7 million, including \$1.2 million for construction.

383. At its forty-fourth session, the Trusteeship Council reaffirmed its satisfaction with the excellent record of the Administering Authority in the

general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the satisfactory number of post-graduate students in the Trust Territory. It welcomed the fact that students in the Trust Territory could obtain grants and loans from the Government of the United States for higher education.

384. The Council noted with interest the ideas expressed by the Administering Authority to the effect that the educational system in the Trust Territory did not need to be changed substantively but that it should develop greater emphasis on the disciplines that would best prepare students for life in Micronesian society, with special reference to language, culture and vocational activity. The Council shared that point of view, particularly with regard to the need to emphasize vocational training; it looked forward to receiving at its next session information on the measures envisaged for a better adaptation of education to the cultural realities and economic needs of the Trust Territory.

385. The current annual report points out that there is a continuing increase in the number of students going abroad for post-secondary education. The number is expected to exceed 3,000 in 1977/78. Recent follow-up studies indicate that two thirds of the students are following vocational studies which have direct relevance to the needs of the Trust Territory. The Government of the Trust Territory continues to make available grants and loans with the object of providing broader training programmes and opportunities to Micronesians prior to the termination of the Trusteeship Agreement.

386. The annual report states that in the area of elementary and secondary education, a group of curriculum specialists from all districts of the Trust Territory have begun a two-year project at the Pacific Area Language Materials Development Center at the University of Hawaii that will eventually produce classroom materials for all elementary and secondary grades in the local languages of the Territory. The Micronesian specialists will work with language experts and other specialists to develop structural materials for school use. Also in the area of language studies, a dictionary and a reference grammar textbook in the Ponapean language and in Trukese have been prepared. The annual report further states that with the publication of the three works, a total of 18 grammar books and dictionaries in Micronesian languages will be available for the Territory's educational programme.

387. The annual report states that the general level of instruction in both elementary and secondary schools is being substantially raised in terms of cultural relevance through the extensive use of bilingual materials. Those instructional materials are broadly based on orthographically consistent vernacular language texts which are now being tested at the University of Hawaii by Micronesian teachers affiliated with the Trust Territory's special bilingual programme. The social studies programme co-ordinator has, simultaneously, established a method for undertaking, in co-operation with the curriculum staff of each district, the translation into the vernacular languages of existing materials in the area of historical and social studies, with a view to integrating them into the present curricula. Furthermore, a major work of Micronesian history covering the period from the Territory's first contact with Western civilization up to 1960 should be completed in 1979 for secondary school use.

Primary and secondary education

. According to the annual report of the Administering Authority, there were 234 public and 18 non-public schools in the Territory in 1977. Pupils enrolled in public and non-public schools numbered 30,923, of whom 27,789 were attending public elementary schools.

. The teaching staff in public elementary schools consisted of 1,280 Micronesian teachers and 125 non-Micronesian teachers. The teaching staff in non-public elementary schools consisted of 101 Micronesian teachers and 51 non-Micronesian teachers.

. Secondary education was provided in 18 public and 12 non-public schools. There were four public schools in the Northern Mariana Islands, six in Truk, three in Yap, two in the Marshall Islands, and one each in Palau, Ponape and Kosrae. Of the non-public schools, there were five in Palau, four in the Marshall Islands and three each in the Northern Mariana Islands, Ponape and Truk.

. Secondary school enrolment in 1977 totalled 6,145 in public schools and 1,562 in non-public schools, compared with 6,276 and 1,675 respectively in the previous year. The secondary school staff consisted of 520 teachers (383 in public schools and 137 in non-public schools). Of the total number of secondary school teachers, 377 were Micronesians and 143 were non-Micronesians.

2. According to the current annual report, 933 new students were enrolled in public elementary schools in 1977. Private elementary schools enrolled 473 new students in the same period. Public secondary schools reported an increase of 84 students in 1977, while private secondary schools showed a decrease of 13 students.

3. The annual report states that a high school complex in Kosrae, to accommodate 100 students, is scheduled to be completed in 1978/79.

Higher education

4. According to the current annual report, Public Law 7-29, establishing the College of Micronesia under a Board of Regents, was enacted in 1977. That law integrated the educational institutions formerly known as the Community College of Micronesia (including the School of Nursing) and the Micronesian Occupational Center.

5. The law provides for the transfer of all properties currently used by the three institutions to the new College of Micronesia. It further provides for the appointment by the Board of Regents of a Chancellor of the College who, as chief administrative officer of the new institution, will carry out the goals, objectives and policies established by the Board. The College, under its Board of Regents, will operate as an entity independent of the executive, legislative and judicial branches of the Trust Territory Government. At the forty-fifth session of the Trusteeship Council, Adrian P. Winkel, High Commissioner and Special Representative, said that the Congress of the United States had authorized up to \$3.0 million for the eventual financing of such a college.

396. The annual report states that the various schools of the College of Micronesia will place strong emphasis on vocational studies. Sixteen of the major programmes to be offered by the College will prepare students for careers in trades, as well as in the social and business fields.

397. According to the annual report, the Community College of Micronesia and the Micronesian Occupational Center continued their respective educational programmes during the period under review. In 1977, the Micronesian Occupational Center was granted full accreditation by the Western Association of Schools and Colleges. Final review towards granting full accreditation to the Community College of Micronesia was made in March 1978 and full accreditation was expected in June 1978.

398. The Community College of Micronesia, located at Kolonia Town, Ponape, offers a two-year programme leading to an Associate of Science Degree in Elementary Education. In 1976/77, the College had a coeducational enrolment of 231 students, of whom 191 were studying at the campus at Kolonia, 31 were at the nursing school on Saipan (which is affiliated with the College) and 9 were following courses at the Ponape Agriculture and Trade School. There were also 193 students enrolled at the extension centres in the Marshall Islands, Palau, Ponape, Truk and Yap districts. The number of students who completed their studies at the College in 1976/77 was 130.

399. The Northern Mariana Islands Community College was established in 1976. The College, which is a two-year institution, is administered by the Department of Education of the Northern Mariana Islands. The Community College, through the Community Career College of the University of Guam, grants associate of arts degrees in elementary, secondary and special education.

400. Micronesian students attending institutions of higher learning abroad in 1976/77 numbered 1,468. Of this number, 322 were pursuing studies in business administration, 234 were following courses in the field of education, 184 were studying political and social sciences and 152 were pursuing studies in the field of medicine and health care.

Vocational education

401. The Micronesian Occupational Center, located on Koror in Palau District, is a boarding school offering vocational and technical training to students from all districts of the Territory. In all courses, students may be enrolled in secondary, post-secondary and adult classes, depending on previous education and individual programme objectives. The Center also provides each district in the Territory with a vocational education supervisor who co-ordinates pre-vocational, vocational and industrial arts programmes in the district.

402. In 1976/77, the Micronesian Occupational Center had an enrolment of 323 students. During the year, 143 students completed certificate or diploma courses which brought to 860 the number of graduates of the Center since its inception.

403. Vocational courses are also offered in all public secondary schools. Most secondary schools also offer an industrial arts programme.

404. The Community College, in co-operation with the Ponape Agriculture and Trade School, offers teachers a two-year programme leading to an Associate of Science Degree in Secondary Vocational Education.

405. The current annual report states that during 1977, 63 vocational education teachers took summer courses in the Trust Territory in masonry, business, engine repair and home economics. During the same period, four other courses were offered in the field of vocational studies.

406. According to the annual report, the Micronesian Board of Education has approved a proposal submitted by the Vocational Advisory Council on the integration of academic and vocational programmes in secondary schools. The Director of Education has requested all district directors of education, in co-operation with their district boards of education, to submit plans for such integration designed to meet the needs of each district.

407. The annual report states that vocational education programmes in the Northern Mariana Islands have been established and that they are steadily improving. An increasing number of students are being admitted to the programmes. In 1977, the number of students in vocational education totalled 902. Some 135 students graduate each year after completion of a three-year vocational education programme at the secondary-school level. In addition to the regular vocational education classes, co-operative education was integrated into the vocational studies programme which offers on-the-job training in several occupational areas such as hotel services, radio communication and nursing.

408. The annual report further states that as a result of the separation of the Northern Mariana Islands from the Government of the Trust Territory, the Vocational Education Act of 1963 has been amended to include the Northern Mariana Islands and to qualify it for federal funds in the order of \$200,000. Further, on 27 September 1977, a five-year state plan for vocational education for the Northern Mariana Islands was submitted to the Resident Commissioner of those islands for approval. The approval of the state plan will make it possible for the Northern Mariana Islands to receive funds which can be used to implement existing programmes and to improve and expand programmes in construction work, trades and agriculture.

Teacher training

409. According to the current annual report, in addition to the students enrolled at the Community College of Micronesia, 234 students attending institutions of higher learning abroad are reported to be pursuing studies in the field of education.

410. A one-year programme for persons with previous teaching experience is offered by the Community College of Micronesia extension centres in all districts except the Northern Mariana Islands. The latter has its own series of college-level courses. During the summer of 1977, college-level courses were also offered in all districts for in-service teachers.

411. According to the annual report, in-service teacher education in the Northern Mariana Islands is offered primarily by the Northern Marianas Community College in co-operation with the University of Guam. The Community College of Micronesia and the University of Guam also offer in-service teacher training in the Northern Mariana Islands. In 1977, several teachers and other personnel serving in the Department of Education of the Northern Mariana Islands attended institutions of higher studies in Guam, Hawaii and mainland United States.

412. At its forty-fourth session, the Trusteeship Council again noted with satisfaction the progress made by the Administering Authority in increasing the number of Micronesian teachers currently working in the Territory.

413. The annual report states that efforts are being made in a continuous and consistent pattern to replace expatriate teachers and administrators by Micronesian college graduates. The Trust Territory's elementary schools are now almost entirely staffed by Micronesians. Expatriates still hold teaching positions in secondary schools and continue to work in programme development. A serious effort is being made, however, to replace them with qualified Micronesians.

414. At the forty-fifth session of the Trusteeship Council, the High Commissioner and Special Representative said that all of the districts of the Territory had increased their efforts to raise the level of teacher education in accordance with the promulgation of teacher certification regulations adopted by the Micronesian Board of Education. Within five years, all teachers in the Territory must have acquired a two-year college degree.

Dissemination of information on the United Nations

415. The current annual report of the Administering Authority states that information on the activities of the United Nations is widely disseminated in the Trust Territory. As in the preceding years, the proceedings of the Trusteeship Council at its session in 1977 were broadcast on all Trust Territory radio stations. A summary of the statements made during the Trusteeship Council session by the High Commissioner of the Trust Territory and the special advisers from the Congress of Micronesia was reprinted and distributed throughout the Trust Territory. The UN Monthly Chronicle and the UNESCO Courier are among the publications supplied to all school libraries and to public libraries in the Trust Territory.

416. The annual report further states that United Nations radio programmes including "Scope" and "This Week at the United Nations" as well as United Nations Day messages are broadcast on all district radio stations. The Trust Territory film library is the depository of some 50 United Nations films which are made available to all districts through the Trust Territory's Department of Education.

2. Opinions expressed by delegations

General

417. The representative of France said that the effort made over the last few years by the Administering Authority in the field of education, as reflected in particular in the existence of some 1,500 students at university level, led his delegation to believe that in the coming three years the High Commissioner would have no difficulty in finding the necessary new cadres.

418. The representative of the United Kingdom stated that the High Commissioner of the Trust Territory had in his report described the various steps which were being taken to raise the level of education in Micronesia. While that was an admirable goal, the recent report by a United Nations official on the plight of Micronesian youths who could not find jobs commensurate with their newly acquired expectations when they left school raised a number of questions.

F. CONSTITUTIONAL DEVELOPMENTS AND PROGRESS
TOWARDS SELF-GOVERNMENT OR INDEPENDENCE

1. Outline of conditions

419. At its forty-fourth session, the Trusteeship Council reaffirmed the inalienable right of the people of Micronesia to self-determination, including the right to independence in accordance with the Charter of the United Nations and the Trusteeship Agreement.

420. The Council noted with satisfaction that the Administering Authority had affirmed its intention to help the peoples of Micronesia to move swiftly towards a new status based on self-determination, not excluding independence if that was their expressed wish.

421. While recognizing that it was ultimately for the Micronesians themselves to decide upon their future relations with each other, the Council recalled its earlier conviction that the political unity of the Caroline Islands and the Marshall Islands should if possible be maintained. It also noted the expressed desire of the Palau and Marshall Islands districts for separate political status negotiations with the United States. It noted with satisfaction the view of the Administering Authority that the interests of the peoples of Micronesia would best be served by the maintenance of some form of unity, and expressed the hope that the Administering Authority would continue its efforts to seek practical and mutually beneficial relationships among the districts.

422. The Council noted with satisfaction the convening by the Administering Authority of an informal meeting at Honolulu in May 1977 which had been attended by representatives of the Congress of Micronesia, the Executive Branch of the Trust Territory Government and representatives of the districts of the Caroline Islands and the Marshall Islands, at which subjects of common interest had been discussed, including the manner of proceeding with future status negotiations.

423. Like the 1976 Visiting Mission, the Council did not wish to make precise recommendations on the future status best suited to the Caroline Islands and the Marshall Islands, or to commit itself on the question of free association. It simply noted that the status of free association at present under consideration, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement.

424. The Council welcomed the invitation issued by the Administering Authority to observe the constitutional referendum in the Marshall Islands and the Caroline Islands scheduled for 12 July 1978. The Council noted, however, that negotiations on the future political status of the Marshall Islands and the Caroline Islands could affect issues to be decided by the referendum and also the precise timing. The Council continued to hope that the Congress of Micronesia would do its utmost to ensure that when the draft constitution was put to a popular referendum, it would be in a form likely to be acceptable to all the districts in the Caroline Islands and the Marshall Islands, and calculated to preserve a degree of unity among them.

425. The Council noted with satisfaction that delegates of the Northern Mariana Islands had signed a completed constitution on 5 December 1976, and that, following a campaign of political education, 58.2 per cent of the registered voters had approved the constitution by a margin of 93.2 per cent on 6 March 1977.

426. The Council noted the statement by the Special Adviser that the constitution established a governmental structure which would serve the people of the Northern Mariana Islands effectively, efficiently and economically and that the constitution reiterated traditional guarantees of civil liberties, recognized the vital importance of the scarce natural resources of the Northern Mariana Islands, respected the rights of the people of each island and protected the ethnic groups in the islands.

427. The Council noted the statement by the representative of the United States that the constitution was now under review in Washington, D.C., in accordance with section 202 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America and that, unless it was rejected as a result of that review, it would be deemed fully approved not later than 23 October 1977.

428. The Council noted that certain sections of the constitution would be held in abeyance until the termination of the Trusteeship Agreement, and welcomed the statement by the representative of the Administering Authority of its intention to terminate the Trusteeship Agreement simultaneously for the entire Trust Territory.

429. The Council urged that social, economic and cultural links be maintained between the Northern Mariana Islands and the other districts and, in that context, commended the statements made by the Administering Authority and by the Resident Commissioner of the Northern Mariana Islands in support of such future collaboration.

430. The Council welcomed the reaffirmation by the Administering Authority of its desire to find, in consultation with the Micronesians, a mutually satisfactory basis for the termination of the Trusteeship Agreement by 1981.

431. The current annual report of the Administering Authority states that based on the discussions with Micronesian leaders at Guam in July 1977, the delegation of the United States proposed, and the Micronesian parties agreed to, the resumption of negotiations on future political status on a "two-tier" basis under which multilateral negotiations would focus on those aspects of the relationship between Micronesia and the United States such as defence, foreign relations and the over-all question of the status of free association, which were common to all six districts. A bilateral tier would include negotiations between the delegation of the United States and Palau, the delegation of the United States and the Marshall Islands, and the delegation of the United States and the four central districts which are represented by the Congress of Micronesia.

432. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, referring to the negotiations on future political status on a "two-tier" basis, said that the procedure had been designed to facilitate rapid progress in the talks but that that goal had been thwarted by the accession of the United States to demands by separatist factions from the Marshall Islands and Palau which wished to negotiate separately, irrespective of the exclusive mandate of the Congress of Micronesia and the legally designated representative of the Congress. Such recognition of separate negotiating entities did not conform with well-established United Nations policy on the preservation of the territorial integrity of Trust and Non-Self-Governing Territories.

433. At the same session, the representative of the Administering Authority stated that for many years the United States had maintained the attitude that unity would be necessary among all the districts of the Trust Territory in the post-trusteeship period. In Palau and the Marshall Islands, however, the separatist movements had grown to positions of considerable prominence and authority and now dominated the respective legislatures. Those legislatures had insisted that they did not wish to be represented in status negotiations with the United States by the Commission on Future Political Status and Transition of the Congress of Micronesia.

434. The representative of the Administering Authority further stated that, in 1976, the negotiations on future political status between the United States and the previous commission designated by the Congress of Micronesia had come to a deadlock. Therefore, at the status negotiations held at Guam in July 1977, an understanding had been reached with representatives of all six districts and the Congress of Micronesia that each legislature would make its own decision about which commission it desired to represent it in the negotiations. It had been understood that the decisions taken by the respective legislatures would be made contingent on the outcome of the constitutional referendum to be held on 12 July 1978. The agreement of the United States Government to meet with separate commissions appointed by those two legislatures had therefore been designed to extricate the parties from an intractable impasse which had threatened to prevent the resumption of status negotiations. The United States awaited the outcome of the referendum, and would thereafter proceed with its negotiations in the manner indicated by the vote of the Micronesians.

435. At the same session, Senator Olter stated that the single critical area of concern lay with the potential further partition of Micronesia, which he recognized, should be left to the ultimate decision of the Micronesians. The concern of the Congress of Micronesia was that the decision in the referendum might not be made solely by the necessary majority but might be dependent on some undefined interpretation of the results of that referendum by the United States, other than a mere vote count administered by the Congress of Micronesia. The Congress also felt that the decision could be made through another unexpected change in United States policy similar to that which had led to the acceptance of the separatist factions as legitimate and equal negotiating entities, irrespective of the exclusive mandate given to the Congress of Micronesia and its legally designated representative, the Commission on Future Political Status and Transition.

436. Referring to the participation of the Congress of Micronesia in the status negotiations at Guam in 1977 (see para. 434 above), the Special Adviser pointed out that since only representatives of the Congress had been invited and not its legally designated status commission, the participants attended only to receive proposals from the United States and not to enter into any commitments or understandings. Thus, the statement of the representative of the United States that the negotiating format was mutually agreeable to all parties had in reality been imposed on the Congress by the inflexible position taken by the United States. The Special Adviser stated that the continued participation of the Commission in the multilateral talks which had occurred subsequent to the status negotiations on Guam should not be construed as an acceptance by the Congress of Micronesia of the participation of the separatists.

437. The current annual report states that a negotiating session took place at Molokai, Hawaii, in October 1977, followed by a meeting of heads of delegation in

San Diego, California, in January 1978. Those meetings provided the opportunity for a helpful exchange of views among the parties. At Molokai, the Micronesian parties had agreed that an all-Micronesian entity should exist following the termination of the Trusteeship Agreement, which should have those powers that the Micronesian parties agree to vest in it. The Government of the United States welcomed that progress toward agreement on the maintenance of a form of unity which had been recommended by the Trusteeship Council. It intended to encourage continued discussion on that subject leading towards full agreement among the representatives of the peoples of Micronesia.

438. According to the annual report, at the meeting in San Diego, the United States delegation submitted as a working paper a revised draft compact of free association. Although it became evident that the working paper was not acceptable to all parties, the Government of the United States looked forward to continued progress in the negotiations with a view to reaching an agreement during 1978 and to terminating the Trusteeship Agreement in 1981. Negotiations had proceeded on the basis of free association, while the Administering Authority had continued to make it clear that the peoples of Micronesia, in the exercise of their right of self-determination, would be free to choose other types of political status, including independence.

439. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, stated that the working paper on free association submitted by the United States delegation in San Diego had conflicted fundamentally with the concepts of free association described by all three negotiating commissions at Molokai, including the continuing right of Micronesians to alter their political status unilaterally. Moreover, in foreign affairs, financial assistance and the settlement of disputes, important rights and protections secured for Micronesia in the 1976 draft compact had inexplicably been withdrawn from the working paper.

440. The Special Adviser further stated that the Commission on Future Political Status and Transition of the Congress of Micronesia had subsequently rejected the working paper submitted by the United States and had instead offered a Micronesian draft compact of free association. The Commission's Committee on Future Political Status had prepared the draft compact and copies had been forwarded to Washington, D.C., for discussion among other Micronesian parties.

441. The current annual report states that the United States Government has repeatedly expressed its concern over aspects of the draft constitution of the Federated States of Micronesia which, if applied immediately following the termination of the Trusteeship Agreement, would be incompatible with the contemplated relationship of free association. According to the report, the United States Government regrets that the Congress of Micronesia has so far declined to set up procedures for the modification of the draft constitution which would be in a form likely to be acceptable to Palau and the Marshall Islands or to hold in abeyance the implementation of those portions of the draft constitution which would be inconsistent with the concept of free association that had formed the basis of the negotiations between representatives of the United States and Micronesia.

442. Concerning the Marshall Islands and Palau, the annual report states that in September 1976, the latter held a non-binding referendum on the question of whether or not the Palauans should seek a separate political status from the remaining districts of the Trust Territory. The results were in favour of separation. In

July 1977, the Marshall Islands Legislature sponsored a referendum on the question of separation from the rest of the Trust Territory. The results were in favour of separation. In August 1977, the Marshalls Constitutional Convention was convened and it drafted a constitution. According to the annual report, in its present form the draft constitution appears to be incompatible with the concept of free association towards which the parties have been negotiating. The Marshalls Constitutional Convention reconvened in February 1978, to consider possible modifications of the constitution and the question of a referendum.

443. In a letter dated 19 April 1978, the Permanent Representative of the United States to the United Nations transmitted to the President of the Trusteeship Council the text of the statement of agreed principles for free association for Micronesia, which had been signed on 9 April 1978 at Hilo, Hawaii, by representatives of the Commission on Future Political Status and Transition of the Congress of Micronesia, the Marshall Islands Political Status Commission, the Palau Political Status Commission and the United States. The text of the statement of agreed principles provided the following:

"1. An agreement of free association will be concluded on a government-to-government basis and executed prior to termination of the United Nations trusteeship. During the life of the agreement, the political status of the peoples of Micronesia shall remain that of free association as distinguished from independence. The agreement will be subject to the implementing authority of the Congress of the United States of America.

"2. The agreement of free association will be put to a United Nations observed plebiscite.

"3. Constitutional arrangements for the governance of Micronesia shall be in accord with the political status of free association as set forth in these principles.

"4. The peoples of Micronesia will enjoy full internal self-government.

"5. The United States will have full authority and responsibility for security and defence matters in or relating to Micronesia, including the establishment of necessary military facilities and the exercise of appropriate operating rights. The peoples of Micronesia will refrain from actions which the United States determines after appropriate consultations to be incompatible with its authority and responsibility for security and defence matters in or relating to Micronesia. This authority and responsibility will be assured for 15 years, and thereafter as mutually agreed. Specific land arrangements will remain in effect according to their terms which shall be negotiated prior to the end of the Trusteeship Agreement.

"6. The peoples of Micronesia will have authority and responsibility for their foreign affairs, including marine resources. They will consult with the United States in the exercise of this authority and will refrain from actions which the United States determines to be incompatible with its authority and responsibility for security and defence matters in or relating to Micronesia. The United States may act on behalf of the peoples of Micronesia in the area of foreign affairs as mutually agreed upon from time to time.

"7. The agreement will permit unilateral termination of the free association political status by the processes through which it was entered and set forth in the agreement and subject to the continuation of the United States defence authority and responsibility as set forth in principle (5) above, but any plebiscite terminating the free association political status will not require United Nations observation.

"8. Should the free association political status be mutually terminated, United States economic assistance shall continue as mutually agreed. Should the United States terminate the free association relationship, its economic assistance to Micronesia shall continue at the levels and for the term initially agreed. If the agreement is otherwise terminated, the United States shall no longer be obligated to provide the same amounts of economic assistance for the remainder of the term initially agreed upon. An early free association agreement, based on the foregoing eight principles shall be pursued by the parties." 14/

444. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, stated that the agreed principles for free association embodied recognition by the Government of the United States of the fact that the draft constitution of the Federated States of Micronesia, if duly ratified by the people, would be the foundation of a Micronesian Government so constituted that it could enter into and function within a relationship of free association with the United States.

445. The Special Adviser further stated that the constitutional arrangements set out in the agreed principles for the governance of Micronesia should be in accord with the political status of free association. Further, the United States had recognized the provisions of the draft constitution as being consistent with that standard. The United States had also agreed in that statement to the preservation of Micronesia's authority and responsibility for foreign affairs, including marine resources. The statement, and the agreement to be negotiated, would go a long way towards securing international recognition of Micronesia's competence to enter into international agreements for the exploitation of its marine resources.

446. The Special Adviser pointed out that while Micronesians were willing to accommodate certain United States defence interests in Micronesia, they were very much concerned with the position of the United States to the effect that its military interests and activities in Micronesia must not be subject to a procedure for settlement of disputes. In 1976, the United States had appeared to accept the principle that any question arising from the agreement would be settled by an attempt at resolution between the principal parties, and, failing that, through arbitration or adjudication, at the choice of either Government. That procedure appeared to be a fair and just means of settling a dispute between freely associated States. An agreement in which the sole mechanism for the settlement of disputes was the unilateral termination of the agreement by one party could prove unworkable.

447. The Special Adviser said that although one should not preclude the possibility of independence for Micronesia should status negotiations towards an agreement of

14/ See Official Records of the Trusteeship Council, Forty-fifth Session, Sessional Fascicle, annexes, document T/1789.

free association fail, the progress achieved at Hilo indicated that the prospects for an agreement had brightened.

448. With regard to the question of independence, the representative of the Administering Authority pointed out during the same session that the subject of the statement of agreed principles signed at Hilo was itself a status to be known as free association. However, the precise definition of that status and the subsequent distribution of powers based on that status was subject to agreement among the parties themselves. As was clear from an analysis of the Hilo statement itself, the parties had not looked beyond the creation of a status of free association. However, the ultimate ability of any Micronesian entity to opt for independence at any time was incorporated in the statement of principles. The ability to opt for independence was not subject to the consent of the United States, either in its present capacity as Administering Authority, or in its future capacity as the free association partner of one or more Micronesian entities.

449. The representative of the Administering Authority added that the agreement of free association spoke in terms of that status alone, and in that regard there was a clear statement, in principle 1, that the status was to be differentiated from the status of full independence.

450. The current annual report points out that the Administering Authority continues to attach importance to the ESG programme, which is intended to provide the people of Micronesia with the fullest possible information about political status and constitutional alternatives. Following the status negotiations which took place at Molokai, Hawaii, in October 1977, representatives of the Micronesian parties and of the United States met and agreed on new guidelines to ensure fairness and accuracy in the ESG programme.

451. The annual report states that political education is continuing throughout the Territory with the sponsorship of the Administering Authority. In addition, a greater independent effort is being made by the parties to present the issues to the people of Micronesia, especially on the political status questions and the draft constitution for the Federated States of Micronesia. The Administering Authority has made available to all recognized political groups, radio facilities and other news services operated by the Government of the Trust Territory. As a result of a policy planning meeting, held on Saipan in November 1977, the district ESG programmes have been given greater autonomy in the formulation of political education programmes to meet local needs.

452. At the forty-fifth session of the Trusteeship Council, Representative Setik, Special Adviser, said that at a meeting of district leaders, held in January 1978, the participants had agreed to support the draft constitution and had also asked that the Congress of Micronesia and the Commission on Future Political Status and Transition co-ordinate a programme of education in addition to the efforts of ESG and that the Congress should finance the programme.

453. The Special Adviser further said that under Public Law 7-74, a total of \$304,000 had been appropriated, of which \$110,000 represented the funds necessary for the actual conduct of the referendum on 12 July 1978. The balance amounting to \$194,000 had been earmarked for a programme of political education with respect to the referendum.

454. The Special Adviser stated that a Constitutional Referendum Board had been established to conduct the referendum. The Board consisted of six members, three of whom had been appointed by the High Commissioner and three by the presiding officers of the Congress of Micronesia. It had broad representation, including representatives from the Marshall Islands and Palau, to ensure that all political factions would participate in the formulation and execution of its policy. At the district level, there was a district referendum commissioner charged with the responsibility of carrying out the Board's policy, and a district board composed of members representing the various political factions within the district.

455. The Special Adviser pointed out that Public Law 7-75 included several innovations in election procedures in Micronesia. The procedures were designed to ensure maximum participation in the referendum by all eligible voters and to ensure a fair election which would be as free as possible of charges of irregularities. They believed that the new procedures had created a mechanism for a fair referendum, and that an unimpeachable referendum could and would occur if the mechanisms established were made to work effectively by the Administering Authority. They were pleased to note that the High Commissioner and his staff were giving full support to preparations for the referendum.

456. Recalling the resolution adopted by the Congress of Micronesia in 1978 requesting the Security Council to reassume its long dormant responsibilities regarding the Trust Territory by joining with the Trusteeship Council in the observation and supervision of the referendum and to review the political education programmes being conducted in Micronesia preceding the referendum, 15/ the Special Adviser said that the referendum would be the first step in the process of terminating the Trusteeship Agreement and that it was therefore appropriate for the Security Council to resume its role with respect to the Trust Territory. The Congress of Micronesia also felt that it would be useful to have the Security Council involved so that its representatives and staff could assist the Trusteeship Council and relieve it of some of the burden of review.

457. Referring to the schedule prepared for a United Nations mission to observe the referendum, the Special Adviser said that the leaders of the Congress of Micronesia had not been consulted by the Administering Authority on the question. He pointed out that the United Nations should provide the maximum degree of participation possible. It was their view that on the day of the referendum, United Nations observers should be present at all the major population centres accessible by air. The Special Adviser noted that although observers were scheduled to be present at all the district centres, there was currently no plan to have observers on Ebeye, an island easily reached by air and one on which nearly 8,000 Micronesians resided. He asked that the Trusteeship Council review the scheduling to see if adjustments could be made for direct observation of voting on that island.

458. At the same session, the representative of the Administering Authority stated that the votes in the referendum would constitute a free expression of will on the part of the peoples of Micronesia, both as to the specific terms of the draft constitution and on the issue of unity. His Government intended to preserve its absolute neutrality on the issues before the voters in the referendum and to respect the outcome. He said that the Micronesians had been informed that the draft constitution would be compatible with a status of free association with the United States if its provision allowing for a grant of the necessary powers to the United States was implemented.

15/ For the text of the resolution, see document T/PET.10/126; see also document T/PET.10/124.

459. The representative of the Administering Authority assured the Trusteeship Council that it would have the full co-operation of the United States in working out the details associated with the visit to observe the referendum. In that regard, the Administering Authority supported the proposal that observation of the voting on Ebye should be included in the itinerary of the visiting mission.

460. In a letter dated 10 May 1978 (T/OBS.10/44) the Permanent Representative of the United States to the United Nations submitted to the Trusteeship Council the following observations of his Government as Administering Authority with respect to the request addressed to the Security Council by the Congress of Micronesia to supervise the Micronesian referendum in July 1978 (T/PET.10/124 and 126).

461. The Permanent Representative pointed out that, in 1977, the United States had invited the Trusteeship Council to dispatch a visiting mission to Micronesia to observe the referendum and related activities (see T/PV.1460 and T/PV.1460-1469/Corrigendum). That invitation had been issued with the concurrence and active support of the Congress of Micronesia. His Government planned to reaffirm that invitation at the forty-fifth session of the Trusteeship Council.

462. The Permanent Representative stated that the Trusteeship Council was the appropriate United Nations body to observe the referendum. While noting that the Trust Territory of the Pacific Islands was a strategic area, he recalled that Article 83 (1) and (3) of the Charter of the United Nations provided for consideration of issues regarding strategic Trust Territories by the Security Council and the Trusteeship Council. By resolution 70 (1949) of 7 March 1949, the Security Council, in conformity with article 83 (3) of the Charter, had expressly requested the Trusteeship Council to perform United Nations functions under the Trusteeship System in the Trust Territory. In carrying out those functions, the Trusteeship Council had dispatched regular and special visiting missions and had reported annually to the Security Council. His Government therefore concluded that normal and established practice required that the Trusteeship Council observe the referendum in July 1978 and report its findings to the Security Council.

463. Referring to the date of the referendum, the Permanent Representative stated that it had been established by the Acting High Commissioner pursuant to Trust Territory law and that unless the Congress of Micronesia changed it, the referendum would take place as scheduled.

464. With regard to the draft constitution, the Permanent Representative said that representatives of his Government and of the Commission on Future Political Status and Transition of the Congress of Micronesia had discussed in detail the relationship of the draft constitution with the future political status of free association now under active negotiation between them. Several methods had been explored to ensure that the draft constitution, if approved, would not raise legal impediments to the full implementation of free association if the parties should ultimately agree to such future political status, as now seemed likely. At a session of the political status negotiations in April 1978, the Commission had agreed in principle that future Micronesian constitutional arrangements would conform to the political status of free association as defined in the agreed principles for free association. For its part, the United States had agreed that the Micronesians themselves should determine the method to be used to give effect to that formulation. With that agreement, the concerns of the Government of the United States with the draft constitution had been resolved.

465. The Permanent Representative further said that his Government saw advantages in the development and maintenance of common links among the Micronesian districts but believed that the issue of political unity must be decided by the Micronesians themselves. The United States noted the view of the Congress of Micronesia leadership in their letter dated 16 March 1978 addressed to the President of the Security Council (see T/PET.10/126) that rejection of the draft constitution of the Federated States of Micronesia by a district in a fair and impartial referendum would constitute a decision on the part of the people of that district to separate from Micronesia. If the draft constitution was approved by the necessary majority in at least four of the six districts, but was rejected in one or more districts, the United States would enter into consultations with the interested parties to effect the necessary administrative changes.

466. At the forty-fifth session of the Trusteeship Council, the representative of the Administering Authority said that the following procedure was at present under consideration. If the draft constitution for the Federated States of Micronesia should be rejected in one or more districts of the Trust Territory, it would become necessary for those districts to draft a constitution to take its place. It was assumed that if the constitution were rejected, at least in those districts whose elected legislatures had been dominated by separatist elements, in recent years, it would mean the rejection of the whole concept of unity as well as of the constitution in question. Those districts would then proceed, as the United States understood the intention of their present elected legislatures, to prepare constitutions which in due course would require ratification by the citizens of the districts concerned. Such other steps as might be necessary to ensure a proper ratification subject to all the necessary administrative arrangements would be undertaken at that time.

467. The annual report under review states that on 23 October 1977 the Government of the United States approved the Constitution of the Commonwealth of the Northern Mariana Islands. In accordance with that Constitution, a Governor, a Lieutenant-Governor, legislators and other officials were elected in December 1977 and were sworn into office on 9 January 1978. Certain sections of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States became effective when the Constitution came into force.

468. In its annual report, the Administering Authority states that it still intends to terminate the Trusteeship Agreement simultaneously for the Northern Mariana Islands and the rest of the Trust Territory, and that pending such termination certain sections of the Covenant will not come into effect. Thus, United States sovereignty will not extend to the Northern Mariana Islands and its people will not acquire United States citizenship or nationality until the termination of the Trusteeship Agreement. In the interim, however, the people of the Northern Mariana Islands will enjoy the privileges and immunities of United States citizenship.

469. The current annual report states that the United States Government looks forward to continued co-operation and the maintenance of social, economic and cultural links between the Northern Mariana Islands and the remainder of the Trust Territory, as well as between the Northern Mariana Islands and neighbouring Pacific areas. It believes that the elected Government and people of the Northern Mariana Islands share that objective, which the Administering Authority will continue to foster.

470. At the forty-fifth special session of the Trusteeship Council, Senator Guerrero, Special Adviser, stated that the people of the Northern Mariana

Islands looked forward to continuing co-operation with their Micronesian neighbours in many important areas - cultural, trade and commerce, educational and scientific - as well as a number of others of common interest in the Western Pacific.

471. The annual report states that the United States Government has reaffirmed its intention to complete agreements on future political status and on the transition process in time to permit the termination of the Trusteeship Agreement by 1981.

472. At the forty-fifth session of the Trusteeship Council, Senator Olter, Special Adviser, pointed out that while he felt that a fixed date for the termination of the Trusteeship Agreement in the near future could provide the incentive for the Administering Authority to turn over the reins of government to the Federated States of Micronesia, he reminded the Council that Micronesians had never agreed to such a fixed date for ending the Agreement. At the ninth round of status negotiations at Molokai, he had stated that the United States desired to end the Agreement by 1981 and that that was not a mutually agreed date. The position of Micronesia was and had been that the end of the Trusteeship period should mark the accomplishment of the purposes of trusteeship. The Special Adviser said that those purposes were the progressive development of the economic and political capabilities of the Trust Territory so that it could stand on its own feet in the post-Trusteeship period.

473. At the same session, Senator Guerrero, Special Adviser, assured the Trusteeship Council that their political relationship with the United States had been a result of the exercise by Micronesians of their right to self-determination in keeping with the spirit of the Trusteeship Agreement, and their historical expressions of a desire to become a part of the United States. Along that line, they recognized the necessity of waiting for action by the Security Council to terminate the Trusteeship Agreement. They asked that the reasons for the termination of the Trusteeship Agreement should be founded upon the principle of self-determination for all the peoples of the Trust Territory and not upon selfish international interests or differences in which the peoples of the area had no part. Full self-government for all peoples of the Trust Territory of the Pacific Islands could be attained only by the termination of the Trusteeship Agreement. The Special Adviser asked the Trusteeship Council to support their request for the eventual termination of that Agreement.

474. At the same session, the representative of the Administering Authority said that 1981 had been established by the United States as a target for the termination of the Trusteeship Agreement. His Government felt strongly that an early termination of the Agreement was necessary in order to achieve compatibility between the actual status of the Trust Territory and the ideals which had often been espoused by his Government with respect to the self-determination of peoples and human rights. The United States continued to believe that it would be possible and was in fact desirable to terminate the Trusteeship Agreement in 1981. It envisaged that the termination would take place on terms acceptable to both the peoples of the Trust Territory and of the United States.

475. The representative of the Administering Authority, in reaffirming previous statements made by representatives of his Government, said that it was the intention of the United States to take up the matter of termination with the Trusteeship Council and the Security Council at the appropriate time.

2. Opinions expressed by delegations

476. The representative of France stated that apart from similar climatic and geographical characteristics, the islands of Micronesia, having been jointly governed by three successive administering Powers, had acquired a common administrative tradition and had undergone a similar development. Moreover, their location in the heart of the Pacific Ocean was an additional cohesive factor. In those circumstances and consistent with the purposes which had guided the work of decolonization in recent years, it was to be hoped that the Territory would be able to face the future in unity.

477. The representative of France pointed out, however, that since the ocean separated as much as it united, the immense distances between the islands had had a strong influence in the development of individual and differing cultures. Today, therefore, despite a common life and considerable progress in communications, dialogue and understanding were sometimes difficult.

478. The representative of France said that his delegation had taken note with keen interest of the agreement reached between the Administering Authority and the various Micronesian representatives on 9 April 1978 at Hilo, Hawaii. It noted with satisfaction the new position of the Administering Authority that, in the final analysis, there would be no incompatibility between the draft Micronesian constitution and the status of free association which both parties would like to establish. At the current stage, however, France could not take a stand on principles which needed further elaboration in the negotiations which were to take place.

479. The representative of France said that the fact that the political decisions must be taken soon made it all the more imperative to prepare the inhabitants for the exercise of sovereignty. The Administering Authority must involve the local leaders in international negotiations of direct interest to the Territory. There should be systematic inclusion of Micronesians in United States delegations, as had been the case at the meeting of the South Pacific Bureau for Economic Co-operation held at Suva in November 1977.

480. The representative of France, observing that the Trust Territory had reached a decisive stage in its destiny, said that the vote on the draft constitution on 12 July would be a first step towards establishing the ways and means by which Micronesia would like to see itself administratively organized and politically governed. Subsequently, the Territory would have to decide its future status and its relationship with the United States in the new context envisaged by the agreement reached at Hilo.

481. The representative of France further said that it was the responsibility of the members of the Trusteeship Council to ensure that the population would be able, pursuant to Article 76 of the Charter, to express themselves freely, which implied that their political education and knowledge of the options open to them were sufficient. He also pointed out that the United Nations should ensure that the conditions in which the population pronounced themselves were fully democratic.

482. The representative of France stated that the Trusteeship Council was bound to respect the wishes of the inhabitants of the Territory. Without wishing to call into question their choice he nevertheless expressed the hope that the Micronesians would maintain among themselves the ties that would enable them to take advantage not only of their common heritage but also of their experiences in the future.

483. The representative of France said that his delegation had noted that, in the agreement signed at Hilo, the Administering Authority had expressed its desire to involve the United Nations in the process which would enable Micronesians to decide their future. When the status of free association had been clearly defined, and when the Micronesians had the constitution of their choice, it would then be for the Trusteeship Council and the Security Council to draw the appropriate conclusions in accordance with Article 83 of the Charter relating to strategic areas.

484. Finally, noting that it was the desire of the Administering Authority that the Trusteeship Agreement should be terminated in 1981, the representative of France said that his delegation had no reason to believe that such would not be the case. The proximity of the termination of the Trusteeship Agreement, far from reducing the significance of the work of the Trusteeship Council, on the contrary made it of particular importance.

485. Referring to the statement of agreed principles for free association for Micronesia signed by representatives of the United States and the Micronesian political status commissions at Hilo, the representative of the United Kingdom said that those principles provided a basis for a proposed agreement or agreements of free association. The details still had to be worked out and he did not wish to comment on the principles at that stage except to note that the agreements would not be implemented until the termination of the Trusteeship Agreement. Meanwhile, the Administering Authority had also confirmed that all options, including independence, remained open to the people of Micronesia.

486. The representative of the United Kingdom stated that the most important political development in 1978 was the proposed referendum on the draft constitution. Its outcome would determine not only the future political structure to be adopted in the Territory but also the controversial issue of political unity. He said that the United Kingdom delegation had always believed that continued unity would be in the best interests of Micronesians after the termination of the Trusteeship Agreement. It hoped, therefore, that on 12 July they would choose to remain united. He reiterated, however, that in his Government's view, it was not for the Trusteeship Council to impose a particular political solution on the people of the Trust Territory. The Micronesians themselves must be the arbiters of their future and must decide on the form of their government and relationship among the districts which was most appropriate to their political, economic, social and geographical circumstances; but he earnestly appealed to the people of Micronesia to consider the implications of the choice before them and to choose wisely.

487. The representative of the United Kingdom said that his delegation had been concerned at statements of anxiety from various sides during the current session lest there be corruption or intimidation of voters during the referendum campaign. It hoped that those responsible for the conduct of the referendum would take every possible precaution to avoid such events and that they would pay particularly close attention to the security of the voting and the ballot boxes in the interval between the polling and the counting of votes. He was sure that the visiting mission of the Trusteeship Council would take a close interest in that aspect of the referendum and would do its best to ensure that any such malpractices did not occur. He hoped that the mission's presence at the referendum would reassure apprehensive voters.

488. Noting the concern expressed that United Nations observers had not planned to be present on referendum day on the island of Ebeye in the Marshall Islands, the United Kingdom representative said that he was sure that the visiting mission would try to rearrange its proposed schedule to enable one of its members to be present in Ebeye on that day.

489. Referring to the talks on Micronesian future political status that had taken place in 1978, the representative of the United Kingdom said that he was pleased to learn that at Molokai, Hawaii, agreement had been reached between three status commissions to retain common links among all the districts in the post-Trusteeship period, even if some of the districts did not adopt the proposed federal constitution.

490. The representative of the Union of Soviet Socialist Republics said that negotiations concerning the future political status of the Trust Territory had been held in virtual secrecy under conditions of total inequality of the parties concerned without any participation by the United Nations, the Trusteeship Council or the Security Council.

491. Referring to the statement of agreed principles for free association for Micronesia which was signed by representatives of the Micronesian political status commissions and the United States on 9 April 1978 at Hilo, the representative of the Soviet Union said that according to that agreement, Micronesia should enter into free association with the United States. The Government of the United States had, in that regard, received full authority and responsibility for questions relating to the security and defence of Micronesia, including the creation of allegedly necessary military facilities. The representative of the Soviet Union further said that the United States also intended to reserve the right to speak and act on behalf of Micronesia in international forums.

492. The representative of the Soviet Union, referring to the comments of the Permanent Representative of the United States to the United Nations, stated that the United States continued to adhere to its position that the status of so-called free association was not in accordance with the draft constitution of Micronesia to be put to a referendum on 12 July 1978. Such admissions once again showed that with the aid of the so-called harmonized principles of free association, the Administering Authority was attempting to undermine the draft constitution and to ensure that it was not approved in individual districts. He pointed out that such an approach could scarcely reflect a faithful attitude on the part of the United States with regard to free elections in the referendum, and it was clear that the goal of the United States at the negotiations on the future political status of Micronesia was to impose upon the people a neo-colonialist status behind a smokescreen. Thus, the United States was trying to maintain its real power in the Territory and in particular to be able to use that Territory without hindrance and unreservedly for its global military strategic purposes.

493. The representative of the Soviet Union, observing that the Administering Authority was not correcting the earlier faults or inadequacies but was merely continuing and stepping up its action, said that in the period under review, it had taken a number of new illegal measures aimed at fragmenting the Territory. Its direct intervention in the affairs of Micronesia had continued and the Congress of Micronesia, as its resolution attested, had been placed under flagrant pressure designed to compel it to yield to demands by the Administering Authority in the negotiations on its future political status. In February 1978, the United States

had introduced a new status for the Mariana Islands, which was in violation of the Charter since it was leading to fragmentation, by wresting those islands from the remainder of the Territory. Similar measures had been taken by the United States with regard to the Caroline Islands and the Marshall Islands where referendums had been introduced in favour of separating them from Micronesia. The so-called commissions to hold separate negotiations with the Administering Authority on separate status had also been created. It appeared to the Soviet Union that those actions were not in keeping with the will of the overwhelming majority of Micronesians. The protests of the Congress of Micronesia in that regard did not in any way support the Administering Authority in its policy of pillaging Micronesia.

494. The representative of the Soviet Union stated that despite the assurances of United States officials, who had declared their desire to achieve the goals of trusteeship in the Territory by 1981, the United States continued to act in the Territory in contravention of the Charter and of the Trusteeship Agreement. The United States was continuing, in that regard, to refrain from and avoid applying to the Territory the terms of the historic Declaration on the Granting of Independence to Colonial Countries and Peoples.

495. The representative of the Soviet Union stated that throughout the lengthy period of trusteeship, the Administering Authority had been guided in its policy towards the Trust Territory not by the provisions of the Charter, the Trusteeship Agreement or the Declaration, but first and foremost by military-strategic interests.

496. He said that his delegation considered just and timely the appeal of the Congress of Micronesia to the Security Council to activate its role in Micronesia and to send a visiting mission to observe and monitor the referendum on the constitution of a unified country, as had been clearly and definitively stated by Representative Setik.

497. The Soviet Union could not agree with the interpretation of the role of the Security Council in the Trust Territory which had been given in the note by the Permanent Representative of the United States to the United Nations, since that interpretation contradicted the Charter. The Security Council was the only body to which the Charter had given all functions of the United Nations with respect to defining the fate of a strategic Trust Territory. The Soviet Union supported and had great sympathy for the request of the representatives of the Trust Territory demanding quick implementation of the tasks of trusteeship. It was convinced of the necessity of enabling Micronesians, as well as the peoples of other colonial Territories, to exercise in the immediate future their inalienable right to self-determination and independence. The Soviet Union was prepared to promote the development of such events most actively.

498. The representative of the Soviet Union said that the propaganda of the Western countries frequently asserted that there was contradiction between the policy of the Soviet Union of détente and peaceful co-operation and its policy of support for the just struggle of the colonial peoples for their liberation and also its relations with States which had liberated themselves from the colonial yoke. In that connexion, he quoted a statement made by Leonid Ilyich Brezhnev, Chairman of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics: "Peace, non-interference in internal affairs, respect for independence and territorial integrity, equality of rights, mutually profitable co-operation - all of this constitutes the necessary and most important element of détente and stable peace. This is our policy in Europe: it is the same in Africa, in Asia, in Latin America, in all parts of the world."

G. CONCLUSIONS AND RECOMMENDATIONS

499. At its 1481st meeting, on 8 June 1978, the Trusteeship Council adopted the following conclusions and recommendations.

GENERAL

Land and people

500. The Trusteeship Council notes the statements by Senator Olter, Special Adviser, regarding the lack of progress in transferring the executive and judicial branches of the Government to Ponape. It believes that, in the interests of efficiency and good management, all government bodies should be located in the same place. Accordingly, it recommends that, after the referendum to be held on 12 July 1978, the Administering Authority should take all appropriate steps to ensure that the legislative, executive and judicial branches of the Government are set up close to one another.

Population movements

501. The Trusteeship Council notes with satisfaction the progress made in 1977-1978 with regard to the long-standing problems created in the Marshall Islands District by the situation of the displaced population groups.

502. The Council regrets, however, that the earlier statements by the Administering Authority to the effect that Bikini Island was once again fit for habitation have been contradicted by the latest analyses, which have revealed the presence of radioactive elements in crops, thus rendering them unfit for consumption. The Council takes note of the Administering Authority's position that normal community life cannot be maintained on Bikini Island.

503. The Council notes with interest that the United States Congress has before it a request for \$15 million to permit the resettlement of the population concerned. It notes that the Administering Authority envisages the possibility of using other islands of the Bikini atoll for this purpose and, in particular, of improving existing facilities on Kili Island. The Council urges the Administering Authority to take all necessary steps to ensure that the health of the present inhabitants of Bikini is not otherwise endangered.

504. The Council takes note of the information that, under the direction of the Defense Nuclear Agency, the programme for the clean-up of Enewetak is proceeding according to schedule and that the rehabilitation and resettlement work being carried out under the direction of the United States Department of the Interior and the Government of the Trust Territory is progressing smoothly. It notes with satisfaction the statement by the Administering Authority that all such work will be completed in 1980.

505. The Council also notes with satisfaction the adoption of Public Law 95-134, which provides compensation for the inhabitants of the Bikini, Rongelap and Utirik atolls who have been exposed to radiation, as well as for the payment of such compensation to the heirs of those who have died, and for continued medical

care. The Council is pleased to learn that the departments under the direction of the High Commissioner are engaged in implementing this Law and hopes that all those concerned will soon receive compensation.

War and post-war damage claims

506. The Trusteeship Council reiterates its concern over the fact that war and post-war damage claims have not yet been settled as requested by the Micronesian Claims Commission. It notes with satisfaction, however, that the United States Congress has passed and the United States President has approved Public Law 95-134, which authorizes the United States Government to pay 50 per cent of the balance outstanding under Title I and 100 per cent of the balance outstanding under Title II.

507. The Council welcomes with satisfaction the statement by Representative Setik, Special Adviser, that the United States Senate recently allocated the sum of \$12 million for payment in full of claims under Title II. It hopes that the United States House of Representatives will approve this decision very soon.

508. With regard to claims under Title I, the Council notes with concern that the United States will pay the outstanding balance only when the Japanese Government has supplied the Government of the Trust Territory of the Pacific Islands with goods and services, the value of which is estimated by the Secretary of the United States Department of the Interior to be equivalent to half the balance outstanding under Title I. Similarly, it notes, in this connexion, that the United States does not regard Japan as legally bound to make these payments. Nevertheless, it hopes that the United States Government will pursue its efforts to resolve this problem satisfactorily.

509. Moreover, the Trusteeship Council, noting the serious concern expressed by the Special Advisers in this connexion, requests the President of the Trusteeship Council to contact the parties concerned in order to ensure that they settle this issue in one way or another, in the best interests of the population.

POLITICAL ADVANCEMENT

Territorial government

Legislature

510. The Trusteeship Council reaffirms its satisfaction that the Congress of Micronesia continues to play an active role in the affairs of the Trust Territory of the Pacific Islands. In particular, the Council notes the important role being played by the Commission on Future Political Status and Transition of the Congress of Micronesia and by its delegation to the Third United Nations Conference on the Law of the Sea. The Council commends the preparations being made by the Congress of Micronesia for the referendum on 12 July on the draft constitution for a Federated States of Micronesia, including the establishment of a Constitutional Referendum Board to oversee the arrangements.

511. The Council notes with continued concern that the Administering Authority has not acted on the Council's previous recommendation that regulations should be

adopted which have the effect of restricting as far as possible the use of the veto power by the High Commissioner. While the Council is aware that it is the stated policy of the Administering Authority that the High Commissioner's veto authority should be used as sparingly as possible, it also draws attention to the comments of the Special Adviser to the United States delegation to the present session of the Trusteeship Council session (T/PV.1471) which reported additional cases of its use.

512. The Council remains aware, however, that some of the difficulties associated with the use of the veto power result from the separation of powers between the legislative and executive branches and that these difficulties are further exacerbated because this power is exercised by an appointed rather than an elected Chief Executive. The Council notes that the draft constitution of the Federated States of Micronesia provides for an elected Chief Executive, which could help to reduce the use of the veto.

513. The Council notes with satisfaction that, pursuant to the Constitution of the Northern Mariana Islands, an elected legislature was installed on 9 January 1978.

Executive

514. The Council commends both the increase in the number of Micronesian citizens who hold senior posts in the executive branch of government and the over-all reduction in staff at Headquarters. It notes with satisfaction that the stated target of the High Commissioner is to reduce the staff of his Headquarters by at least 100 posts. The Council further notes the statements of both the High Commissioner and Senator Olter, Special Adviser, with regard to the approval of House Bill 7-402, which is designed to reorganize and streamline the executive branch of government at Headquarters by amalgamating and restructuring existing departments.

515. The Council is pleased to hear of the High Commissioner's intention to appoint Micronesian citizens to head two of the three newly created major government departments resulting from the reorganization. The Council notes that these developments should lead to a further reduction in the number of expatriate staff in the Government of the Trust Territory. In view of the approach of the termination of the Trusteeship Agreement, the Council reiterates its appeals that this trend towards "micronization" in the executive level should continue. The Council further notes the statement by Senator Olter, Special Adviser, urging implementation of the report entitled Organization and Administration of the Central Executive Branch in Micronesia during Transition, following the referendum in July 1978 (T/PV.1471).

516. The Council warmly welcomes the election and appointment of a Trust Territory citizen as Deputy High Commissioner, the second highest executive position in the Territory, and his participation in the work of the forty-fifth session of the Trusteeship Council.

517. The Council notes with satisfaction the installation of an elected Governor and Lieutenant Governor of the Northern Mariana Islands and welcomes the former's participation in the work of the forty-fifth session of the Council.

District government

518. The Trusteeship Council notes with satisfaction the approval by the High Commission of charters for the districts of Truk, Ponape, Kosrae and Yap and notes that elections will be held for district chief executives beginning in 1978. Since there would be an advantage in this transition to elected district governments taking place uniformly throughout the Trust Territory, the Council, while recognizing their right to do so, regrets that the district legislatures of Palau and the Marshall Islands have decided not to exercise their prerogatives to enact district charters. They have chosen instead to draft district constitutions and to postpone organization of new district governments until after the constitutional referendum on 12 July.

Decentralization

519. The Council notes with continued satisfaction the efforts of the Administering Authority to devolve progressively greater authority on the district governments, thereby increasing local autonomy, and urges continuation of this policy. Following the approval of four district charters and the continuation of management training courses, the Council hopes that the Administering Authority, in consultation with elected Micronesian representatives, will be able to achieve a reduction in the headquarters' governmental functions.

Judiciary

520. The Council notes with satisfaction that a Micronesian has been appointed to the position of Associate Justice of the High Court and that the intermediate and lower levels of the judicial branch are now fully staffed by Micronesian citizens. The Council urges the Administering Authority to continue to give preference to Micronesian candidates for senior posts in the judiciary, when other qualifications are equal.

ECONOMIC ADVANCEMENT

General economy

521. The Trusteeship Council reiterates its concern over the imbalances in the Micronesian economy and its considerable dependence on outside support. It notes with satisfaction that the Administering Authority is aware of the need to promote the development of the productive sectors and of basic infrastructure, including transport and communications, and to keep unproductive expenditure within reasonable limits. The Council therefore hopes that the Administering Authority will encourage both local and foreign capital investment.

522. The Council notes with concern the statement made by a special adviser to the effect that implementation of the five-year indicative development plan is behind schedule. It notes that the Administering Authority still considers the plan the basis for the Territory's development policy. While realizing that implementation of the plan depends on factors that cannot always be foreseen, the Council nevertheless requests the Administering Authority to do all in its power to achieve the objectives set within the established time-limit.

523. The Council still considers that it would be desirable to promote an increase in exports from the Territory. It therefore recommends that the Administering Authority extend to the Territory as a whole the tariff advantages accorded to the Northern Mariana Islands under the Covenant to establish a Commonwealth in Political Union with the United States of America. It urges the Administering Authority to try to secure preferential tariffs for the Territory from other countries.

Public finance

524. The Trusteeship Council reaffirms its earlier recommendations to the effect that the Congress of Micronesia should be allowed to participate to a greater extent in the preparation of the budget. While taking note with satisfaction of the fact that it is effectively consulted in the preparation of the budget estimates and that it can be given hearings by the budgetary committees of the Congress of the United States, the Council notes, however, that in this area the Congress of Micronesia only plays an advisory role.

525. The Council notes that a computerized accounting system has been instituted in the capital of the Territory and in all the districts except Kosrae. It notes that, according to a special adviser, the computer at present in operation is not proving satisfactory, and it also notes the statement made by a special representative to the effect that plans are being made to install computers better suited to the Territory's needs.

526. The Council recalls that, in order to facilitate the promotion of local products and increase the Territory's revenue, it suggested earlier that the Congress of Micronesia might consider increasing duties on non-essential imports (certain food-stuffs, beverages and tobacco).

Assistance from international institutions and other countries

527. The Trusteeship Council again expresses the hope that the Territory will continue to develop its contacts with regional and international bodies with a view to participating in their activities and receiving assistance for its development.

528. It notes with satisfaction that representatives of the Territory participated in the preparation of a plan of action for integrated rural development for Asia and the Pacific under the sponsorship of the Economic and Social Commission for Asia and the Pacific (ESCAP). It is pleased to note that the Territory has become a member of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (CCOP).

529. The Council notes with satisfaction that UNDP is continuing to provide technical and financial assistance to the Territory and that the three projects (a feed-mill/livestock project, the provision of expert services and a survey of the skills required to carry out the development programme) financed by the Programme are in the process of implementation. It hopes that UNDP will be able to proceed promptly with the appointment of a new representative in the Territory.

The Council notes with interest the statement made by a Special Representative to the effect that the Administering Authority recently devised a policy enabling other countries to provide loans and technical assistance to the Territory.

Credit

The Trusteeship Council considers that lack of capital continues to constitute an important obstacle to the economic advancement of the Territory. It therefore considers it desirable to develop local credit facilities. It notes that a new economic development loan fund has been planned and is currently under consideration in Washington, D.C. The Council notes with regret that, four years after the enactment by the Congress of Micronesia of the law establishing a development bank, the bank has not yet become operational.

The Council notes with satisfaction the increase in share capital in credit institutions in the Territory.

Land

The Trusteeship Council notes with satisfaction that land identification and survey work have resulted in the delimitation of large areas of public and private land.

The Council also notes with satisfaction that a procedure for the settlement of disputes between the landowners and the Government concerning indefinite land tenure was unanimously adopted by the members of the study group set up for the purpose of the Congress of Micronesia. It notes the statement by the Special Representative that the entire question could be settled towards the end of 1979.

Agriculture and livestock

The Trusteeship Council reiterates its recommendation that the Administering Authority should expand production of food-stuffs to enable the Territory to become nearly self-sufficient. However, this priority should be without prejudice to current efforts to diversify crops, develop agriculture on a commercial scale and establish an agriculture-based industry.

The Council notes with satisfaction that two copra processing plants began operating in 1976/77. It recommends that the Administering Authority encourage copra production so that supplies for these two plants can be provided entirely from the Territory. The Council notes with interest that in 1977, exports of copra oil were valued at \$4.2 million and copra cake at \$786,000.

The Council reiterates its recommendation that particular attention should be paid to the possibilities of exploiting forestry resources.

The Council notes with satisfaction that the Northern Mariana Islands produced vegetables, fresh milk and other agricultural products amounting, in 1977, to an estimated value of \$1.3 million, both for local consumption and for export.

Marine resources

539. The Trusteeship Council reaffirms that marine resources are crucial to the economy of Micronesia and urges the Administering Authority to do everything possible to protect and develop these resources, while continuing to improve equipment and training.

540. The Council notes with satisfaction that the Administering Authority has given high priority to programmes designed to promote a financially viable fishing industry in the Trust Territory and that basic support facilities have been established in all districts. It commends the various steps taken by the Administering Authority in this context, including the provision of new equipment and the organization of training programmes to develop the technical skills required for a modern fishing industry.

541. The Council notes with satisfaction the adoption by the Congress of Micronesia of Public Law 7-71, which establishes a fisheries management and conservation zone of 200 miles surrounding the Territory and a Micronesian Maritime Authority for the purpose of adopting regulations regarding the exploitation of Micronesian marine resources. The Council notes that the districts of Palau and the Marshall Islands have exercised their prerogatives to remove themselves from the jurisdiction of Public Law 7-71. The Council hopes that these two districts will nevertheless co-operate with the Micronesian Maritime Authority in their efforts.

542. The Council notes with satisfaction the participation, at the invitation of the Administering Authority, of representatives of the Trust Territory as members of the United States delegation to a November 1977 meeting at Suva to discuss the organization of a South Pacific regional fisheries association.

543. The Council further notes with interest the statement by Representative Setik favouring Micronesian membership of the projected South Pacific regional fisheries association and the statement by the representative of the Administering Authority that in view of the principles set out at the meeting at Hilo, it appeared to be logical for the United States to support the Micronesian applications for status as an observer, or other status, in appropriate international bodies and forums, but that it would be inappropriate to take a decision until the results of the referendum to be held on 12 July were known.

544. The Council notes with interest the steps taken by the Northern Mariana Islands to prevent overfishing of marine reef resources.

545. The Council recalls with satisfaction that the Administering Authority has reaffirmed that it does not contest the fact that all benefits derived from marine resources located off the coasts of Micronesia belong to the people of the Trust Territory and not the United States.

Third United Nations Conference on the Law of the Sea

546. The Trusteeship Council notes with satisfaction that representatives of the Congress of Micronesia are again participating as observers in the Third United Nations Conference on the Law of the Sea with the sponsorship of the Administering Authority. The Council notes that the interests of Micronesia at the Conference may not necessarily coincide with the interests of the Administering Authority.

Light industry

547. The Trusteeship Council notes with concern the almost complete absence of industries in the Trust Territory. It notes that, although boat-building by individual craftsmen working in their homes is widespread, there is only one shipyard. It further notes that the few existing cottage-type industries are for the most part short of capital, badly managed and dependent on untrained labour, and that, although handicrafts exist in the Trust Territory, they are not available for export in sufficient quantities to attract foreign markets. The Council recommends that further efforts should be made to establish light industries in the Territory.

Tourism

548. The Trusteeship Council reiterates its recommendation that, in both the construction and operation of tourist facilities, local products should, whenever possible, be given preference over imports. Local products should be used more often in the restaurants of tourist hotels. In this regard, the Council notes with satisfaction that the objectives of the Trust Territory tourism board closely parallel the Council's recommendations and that the district of Ponape has taken steps in this direction, and other districts are planning to follow.

549. The Council welcomes the fact that the tourist industry in Micronesia is largely in the hands of local entrepreneurs rather than outside investors: 24 of the 29 existing hotels are owned by Micronesians and 25 are managed by Micronesians.

550. The Council also notes with satisfaction the statement by one of the special representatives that tourism has become the second leading export industry in Micronesia, and that 22,260 persons visited the Territory in 1977 and spent approximately \$2.3 million. It notes that earnings from tourism increased by 15 per cent in 1977, and that well over 500 Micronesians are directly employed in the industry, with another 500 estimated to be benefiting indirectly from tourism.

551. The Council also notes with satisfaction that continuing steps are being taken to ensure that growth in this sector is steady and does not exceed the capacity of the districts to accommodate tourists. It notes with interest that each district is responsible for the pace and direction of its own tourism. It recommends that training and workshops in tourism should continue to be expanded. While favouring the expansion of the tourist industry, the Council expresses the hope that care will be taken to safeguard the interests of the population.

Transportation and communications

552. The Trusteeship Council commends the continuing efforts of the Administering Authority to improve further the transportation system in Micronesia pursuant to Executive Order No. 113. It notes that the Trust Territory has taken delivery of the first two of seven new ships and that the other five will be delivered in the near future. It notes with interest that part of the capital improvement programme is designed to provide cargo and passenger service to all islands and atolls with sufficient population or productive service to warrant service. The Council further notes that construction contracts have been awarded for new wharves on Majuro and Yap, that designs were completed for a new dock at Kosrae and that design work has begun on new wharf facilities in Truk and Palau.

553. The Council notes with satisfaction that negotiations on the Tokyo-Saipan air service were successfully concluded and that Continental Airlines began air service between Tokyo and Saipan, with continuous flights to the eastern and western districts of Micronesia beginning on 1 October 1977.

554. The Council further notes with approval the continuing attention of the Administering Authority to the question of airport development, in particular the establishment of a target date for the completion of all proposed projects.

Proposal for a super-port in Palau

555. The Trusteeship Council, recalling its recommendations that consideration should be given to the possible effect of the development of a super-port on Micronesian unity, notes the statement by one of the petitioners from Palau that the question of a super-port is not related to the quest for separation.

556. The Council continues to believe that attention should be given to the environmental impact of such a port. The Council welcomes the statement by the High Commissioner that a feasibility study would be a necessary preliminary step, that the approval of the people of Palau would be required and that the processing of any request for a super-port would have to be in full compliance with the applicable laws of the Palau District Legislature, the Trust Territory Code and applicable United States laws. The Council notes the continuing commitment of the Administering Authority to consider the impact of the proposed super-port on the general welfare of the people, the security of the area and the effects it might have on the physical and social environment of Palau.

Co-operatives

557. The Trusteeship Council reiterates the hope that the Administration will continue to devote some of its educational and information efforts to persuading farmers in the Trust Territory of the benefits of farming co-operatives, in particular the shared use of machinery.

SOCIAL ADVANCEMENT

Medical and health services

558. The Trusteeship Council notes with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory, including the opening of the new 35-bed Kosrae Hospital, the dedication of the new 116-bed hospital on Ponape (which is planned to be used as a teaching/referral institution), and the plans for completion of a new 50-bed hospital on Yap and a new out-patient building in Palau in 1978. The Council further welcomes the expansion of the system of health assistance which has contributed to a significant improvement in the health care delivery system in the outer islands. It notes with satisfaction that a programme of continuing education for nurses has been implemented throughout the Trust Territory and that the immunization level in the Territory is now equal to that of many developed countries. The Council recommends that the policy of expansion should be continued with a view to improving the health service facilities in the periphery of the Trust Territory.

Labour

559. The Trusteeship Council continues to be concerned at the imbalance between wage-earners employed in the public sector and those employed in the private sector. It notes the efforts of the Administering Authority to continue to reduce the number of officials employed by the Government of the Trust Territory. The Council notes with concern that the lack of skilled Micronesian workers is still a serious problem and hopes that the Trust Territory Government will continue in its efforts to address this problem through its apprenticeship programme. The Council welcomes the efforts by the Administering Authority to minimize the importation of alien labour and notes with pleasure the 15 per cent reduction which has resulted. The Council hopes that further reduction of unemployment will result from the CETA programmes and the increased employment opportunities as a consequence of the construction projects to be started throughout the districts over the next two years.

560. The Council notes with interest the statement by a special adviser that there is no unemployment problem in the Northern Mariana Islands.

Housing

561. The Trusteeship Council notes with satisfaction that in 1977 the Trust Territory received grants from HUD for housing development and rent subsidies for lower income families as well as a loan for housing improvements by homeowners. It further notes that HEW made funds available for house renovation projects in the Trust Territory. It notes with satisfaction that MIHA made home-ownership loans available and assisted families in the construction of safe and sanitary homes.

562. The Council reiterated its recommendation that efforts to construct or renovate housing should be actively continued and that the necessary resources should continue to be made available for low-income housing.

Public safety

563. The Trusteeship Council notes with concern the increase in the number of offences committed by young people, particularly in the district centres. The Council welcomes the efforts being made to combat delinquency in general and juvenile delinquency in particular, and recommends that preventive efforts should be continued.

EDUCATIONAL ADVANCEMENT

General

564. The Trusteeship Council reaffirms its satisfaction with the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the increasing number of post-graduate students in the Trust Territory. It welcomes the fact that students in the Trust Territory

can obtain grants and loans for higher education from the Government of the United States, as well as from other Governments and international institutions.

Primary and secondary education

565. The Council notes with interest the reported progress, in terms of cultural relevance, in raising the level of instruction in both primary and secondary schools, through the introduction of bilingual materials based on orthographically consistent vernacular languages. The Council welcomes the planned completion of a high school complex in Kosrae in 1978/79.

Higher education

566. The Council notes with interest that the College of Micronesia was established, integrating the institutions formerly known as the Community College of Micronesia (including the School of Nursing) and the Micronesian Occupation Center.

567. The Council notes with satisfaction that the Micronesian Occupational Center was granted full accreditation by the Western Association of Schools and Colleges of the United States and that the Community College of Micronesia hopes for full accreditation in June 1978. The Council notes that 1,468 Micronesian students were attending institutions of higher learning abroad in 1976/77.

Vocational education

568. Concerned at the failure of many young people to find work commensurate with their educational qualifications, the Council reiterates its view that the educational system of the Trust Territory should develop greater emphasis on the disciplines that will best prepare students for life in Micronesian society, with special reference to technical and vocational training.

Teacher training

569. The Trusteeship Council welcomes the statement by the High Commissioner concerning promulgation of regulations for the certification of teachers by the Micronesian Board of Education and the requirement that within five years all teachers in the Territory must have acquired a two-year college degree. The Council welcomes the consistent pattern of replacing expatriate teachers and administrators with returning Micronesian college graduates and the continuing efforts to replace those few expatriates still holding posts in secondary schools with qualified Micronesians.

Dissemination of information on the United Nations

570. The Trusteeship Council welcomes the wide dissemination of information on the activities of the United Nations and the international Trusteeship system in the Trust Territory.

CONSTITUTIONAL DEVELOPMENTS AND PROGRESS
TOWARDS SELF-GOVERNMENT OR INDEPENDENCE

571. The Trusteeship Council reaffirms the inalienable right of the people of Micronesia to self-determination, including the right to independence in accordance with the Charter and the Trusteeship Agreement.

572. The Council recalls its conviction that the political unity of the Caroline Islands and the Marshall Islands should if possible be maintained, but it recognizes that it is ultimately for the Micronesians themselves to decide upon their future political relations with each other. It notes with satisfaction that the Congress of Micronesia has decided in favour of unity within the framework of a constitution of the Federated States of Micronesia. It notes, however, that the districts of Palau and the Marshall Islands have expressed the wish that the question of their political status should be negotiated separately with the United States.

573. It notes with satisfaction that the Administering Authority considers that it would be in the interests of the people of Micronesia to maintain some form of unity. It notes that the Administering Authority nevertheless feels that it is for the Micronesians to decide upon the political unity and governmental structures of the Territory. The Council hopes that the Administering Authority will continue its efforts to establish mutually beneficial relations between the districts in all fields.

574. The Council expresses the hope that the Micronesians will co-operate with the Administering Authority in maintaining and developing mutually beneficial relations between the districts. In that connexion, the Council hopes that the Micronesians will take all necessary steps to establish, after the termination of the Trusteeship Agreement, the all-Micronesian entity which they agreed upon at Molokai, Hawaii, in October 1977.

575. With regard to the negotiations on the Territory's future political status held between the representatives of Micronesia and the United States Government, the Council notes with satisfaction that these negotiations were officially resumed in October 1977 at Molokai after an interruption of 17 months and that they were followed by two further meetings, at San Diego, California, in January 1978 and at Hilo in April 1978.

576. The Council notes that for the first time representatives of the Palau and Marshall Islands Political Status Commissions were officially invited to take part in these discussions.

577. The Council notes that, during the discussions at its forty-fifth session, the Administering Authority, the special advisers and various petitioners expressed their views on the nature of Micronesian representation in the negotiations on the future political status of the Territory.

578. It notes that the various parties seem to have recognized at Hilo that the solution to the problem of Micronesian representation in these negotiations will depend on the results of the constitutional referendum of 12 July 1978.

579. As in 1977, the Council does not wish to make precise recommendations on the future political status of the Territory. It reiterates its view that, among all

the options open to the inhabitants, including independence, the status of free association, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement.

580. It notes with interest the statement of principles for free association, which was approved on 9 April 1978 at Hilo by representatives of the United States, the Commission on Future Political Status and Transition of the Congress of Micronesia, the Marshall Islands Political Status Commission and the Palau Political Status Commission. The Council points out that at this stage what is involved is guidelines on the basis of which a final agreement is to be concluded. It expresses the hope that the Administering Authority will keep it informed of the progress made in the discussions held on the subject.

581. The Council notes that it will be possible for the status of free association established on the basis of these principles to be ended unilaterally.

582. The Council notes that any agreement reached on free association will be put to a plebiscite which, according to the principles agreed upon at Hilo, the United Nations will be invited to observe.

583. The Council reiterates its opinion that the people of Micronesia should be given the fullest opportunity, before the referendum, to inform themselves about the various political choices open to them, including independence.

584. The Trusteeship Council takes note of the statement by the High Commissioner to the effect that all parties to the negotiations on political status had agreed on the guidelines for ensuring that the ESG programme would be objective and accurate. It hopes that these guidelines will allow greater latitude in the elaboration of education programmes so as to suit them to local needs. It hopes that these programmes will be widely used in schools throughout the Territory. However, the Council, in view of the criticism expressed by a special adviser, concerning the programme, asks all the parties concerned to agree on the aims and methods of the education programme while recognizing its crucial importance to the creation of an informed electorate in the Territory.

585. The Council accepts with pleasure the invitation of the Administering Authority to observe the referendum on the draft constitution for the Federated States of Micronesia to be held on 12 July 1978. It notes with satisfaction the creation by the Congress of Micronesia of a constitutional Referendum Board. Although the Council has been informed regarding the detailed provisions already established by the authorities of the Territory with respect to the voting procedure, it hopes that all measures will be taken to ensure the fairness of the vote and the security of the ballot boxes. The Council hopes that the presence of the visiting mission will prevent irregularities and lead to broad participation by the voters.

586. In view of the existence of separatist tendencies in the districts of Palau and the Marshall Islands, the Council requests that the visiting mission give particular attention to ensuring that the political campaign and voting operations take place under normal conditions and in a completely free manner.

587. The Council notes with satisfaction the undertaking by the Administering Authority to respect the results of the referendum of 12 July, whatever the outcome,

and to co-operate with the appropriate Micronesian authorities, before the end of the mandate, in implementing all provisions of the constitution consistent with the Trusteeship Agreement.

588. The Council notes that the Administering Authority and the Congress of Micronesia have stated that they have overcome their differences with regard to the compatibility of the constitution with the projected status of free association.

589. The Council notes with satisfaction that if a status of free association is approved by the people of Micronesia, it will take effect upon the termination of the Trusteeship Agreement.

590. The Council welcomes the intention expressed by the Administering Authority to seek agreement with the parties concerned, in strict compliance with the relevant provisions of the Charter, on terminating the Trusteeship Agreement by 1981 at the latest.

591. The Council notes with satisfaction that on 23 October 1977 the Government of the United States approved the constitution of the Commonwealth of the Northern Mariana Islands and that the Governor, Lieutenant-Governor, legislators and other authorities elected in December 1977 took office on 9 January 1978. It also notes that some parts of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America took effect on 9 January 1978 when the constitution entered into force.

592. The Council notes with satisfaction that the Administering Authority still intends to terminate the Trusteeship Agreement simultaneously for the Northern Mariana Islands and for the rest of the Territory.

593. The Council notes with satisfaction that the Administering Authority hopes to maintain social, economic and cultural co-operation between the Northern Mariana Islands and the rest of the Territory. It urges the Administering Authority and the Government of the Northern Mariana Islands to pursue that objective.