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Thirty-ninth session

PROVISIONAL VERBATIM RECORD OF THE THIRTEEN HUNDRED AND
EIGHTY-NINTH MEETING

Held at Headquarters, New York,
on Wednesday, 24 May 1972, at 10.30 a.m.

President: Mr. BENNETT (United States of America)

- Examination of annual reports of the Administering Authorities on the Administration of Trust Territories, for the year ended 30 July 1971:

(a) Trust Territory of the Pacific Islands

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AS THIS RECORD WAS DISTRIBUTED ON 25 MAY 1972, THE TIME-LIMIT FOR CORRECTIONS WILL BE 31 MAY 1972.

The co-operation of delegations in strictly observing this time-limit would be greatly appreciated.

EXAMINATION OF ANNUAL REPORTS OF THE ADMINISTERING AUTHORITIES ON THE
ADMINISTRATION OF TRUST TERRITORIES, FOR THE YEAR ENDED 30 JULY 1971:

(a) TRUST TERRITORY OF THE PACIFIC ISLANDS (T/1735· T/L.1170)

Mr. SACKSTEDER (United States of America): The United States delegation is pleased to report once more on our administration of the Trust Territory of the Pacific Islands during the past year. We believe that this has been a particularly significant period in our administration of the Territory, a time in which meaningful progress has been achieved on several fronts toward the eventual termination of the trusteeship and in which the United States has continued major efforts in meeting its trusteeship and Charter obligations to bring about the political, economic and social advancement of the Territory.

When Ambassador Phillips appeared before the Council last year to present our report, he noted that President Nixon had shown his deep interest in the question of the future status of the Trust Territory by naming Ambassador Franklin Haydn Williams to act as his personal representative in carrying on discussions with members of the Joint Committee on Future Status of the Congress of Micronesia, in accordance with the stated desire of the Congress to "negotiate entry into free association with the United States". Ambassador Williams has now had the opportunity to lead United States delegations to two formal sessions of negotiations with the Joint Status Committee, one at Hana, on the island of Maui in Hawaii, in October 1971, and another at Koror in the Palau District of the Trust Territory in April of this year.

At the Hana talks broad agreement was reached between the United States and Micronesian representatives on several issues of principle that had previously divided the two sides. In the words of the final joint communique ending the session "both sides expressed appreciation for the spirit and atmosphere surrounding the Third Round of Talks on Micronesia Future Political Status," and both the Micronesian and the American sides "found the open exchange and the exploration of each other's point of view highly useful" and both agreed that "substantive progress was made in narrowing differences and in reaching preliminary understandings in some important areas."

(Mr. Sacksteder, United States)

In keeping with Ambassador Williams' instruction from the President, the United States delegation at Hana introduced a number of new proposals that reflected concern at the highest levels of the United States Government that agreement on a new status for Micronesia should serve the long-term welfare and needs of the Micronesian people. These proposals centred on those issues which the Micronesians had said were of the greatest importance to them and their future.

The United States delegation accordingly suggested at Hana that a Compact of Association would be freely entered into by the people of Micronesia through a sovereign act of self-determination at the time of termination of the trusteeship. This Compact would define the terms of the future association between the United States and Micronesia, including the rights and responsibilities of both parties.

In accordance with such a compact the rights of the people of Micronesia to govern their own internal affairs would be fully recognized and protected. This would include the right to adopt their own Constitution and their own laws. United States laws and programmes would apply to Micronesia only as agreed to by the Micronesians and as detailed in the compact or as subsequently agreed upon by mutual consent.

As for the conduct of foreign affairs and defense matters after the termination of the present Trusteeship, the United States position at Hana was similar to a proposal made in July 1970 by the Political Status Delegation of the Congress of Micronesia. This proposal was that:

"the responsibility for external affairs and defense would be handled by the United States and it would be therefore necessary for the United States to retain sufficient power in those areas to enable it to fulfil its responsibilities."

Perhaps one of the most important factors leading to the positive atmosphere at Hana, was the full recognition in the United States proposal of the vital significance of land to the Micronesians. Under the terms of the proposed Compact of association put forward by the United States side, all Micronesian land would be under the control of Micronesians and the United States would commit itself not to exercise the powers of eminent domain. The United States further proposed that private ownership of land by non-Micronesians should be determined by the Micronesians and that any future acquisition of land would only be in accordance with Micronesian law.

Despite the heartening progress noted by the Micronesian and United States delegations at Hana, both sides felt that there were certain remaining divergencies to be resolved prior to the conclusion of an agreement that could form the basis for the termination of the present Trusteeship. A principal issue that remained unresolved after the Hana talks was the question of the method by which the future relationship between Micronesia and the United States might be modified or terminated. Further United States flexibility on this issue at the next round of talks at Palau in April of this year undoubtedly contributed to the successful conclusion of this most recent session of the negotiations. The Micronesian delegation stated after the talks:

(Mr. Sacksteder, United States)

"We believe that we have laid the foundations of an agreement which may enable us to end the Trusteeship and create a new Micronesian state in free association with the United States. With the end of this round of talks, we find ourselves closer than we have ever been to self-government in Micronesia."

In particular, Senator Salii of the Joint Committee on Future Status stated that:

"The Micronesian Delegation believes that United States acceptance of Micronesia's right of unilateral termination, combined with previous acceptance of Micronesia's control over laws and lands, constitute the basis of an eventual agreement with the United States. Micronesia's four basic principles and legal rights have been recognized."

The final Joint Communique at Palau cited specific basic agreement on several important issues. In particular, both sides noted in the communiqué that:

"the future relationship between Micronesia and the United States will be determined by a Compact. That Compact will be based on the sovereign right of the people of Micronesia to choose their own future. The Compact will have to be approved by the Congress of Micronesia, the United States Congress, and by the people of Micronesia.

"The Compact will establish a mutually beneficial relationship of free association between Micronesia and the United States and constitute the basis of the respective rights of the parties. Under it the people of Micronesia will vest in the Government of Micronesia authority over their internal affairs while authority over and responsibility for foreign affairs and defense will be vested in the Government of the United States."

As Ambassador Williams noted in a statement issued 19 April after the talks at Palau:

"The agreements reached at Hana and the new agreements arrived at in Koror have provided a foundation on which the United States and Micronesia delegations can direct their future efforts. The agreements and understandings reached thus far are interdependent and provisional; and the ultimate task of drafting a compact will be a long and complex one."

Nevertheless, we agree with the Micronesian representatives that our negotiators have indeed built the framework of a new relationship.

(Mr. Sacksteder, United States)

As Ambassador Phillips pointed out to the Council last year in his opening statement, we have encouraged the leadership in the Marianas to work within the system and have urged them to participate in Territory-wide activities such as the Congress of Micronesia and its Joint Status Committee and to seek accommodation of their views within those forums. They have now done so for another year and two additional sessions of status talks, at Hana and Palau.

They have had ample opportunity to observe the kind of solution to the status question desired by the other five districts of the Territory. Their hopes for a different solution have been confirmed and noted by the representatives of the other districts, who have agreed to the approach made by the Marianas at the last session of the negotiations.

Thus, we believe not only that we have ample grounds to consider that the decision transmitted to us by the Marianas leaders represented the freely expressed wishes of the people concerned but also that they have done so with the full understanding of the people of the other districts. Had the United States responded other than positively to the Marianas initiative, that could have led ultimately to an imposition upon the people of that District of a political status they had made abundantly clear they did not want. Although we have made the decision to enter into talks with the new Marianas Status Committee we have reaffirmed our policy that the trusteeship is to be terminated simultaneously in all the Districts of the Territory.

I have discussed the outcome of the talks at Hana and at Palau and our recent response to the initiative taken by the Marianas leaders at some length, feeling that these events of the last year are of the greatest interest to the Council and of the most importance ultimately to the people of the Territory. In addition, the United States Special Representative, High Commissioner Johnston, will, of course, be in a far better position to describe other developments in our administration of the Territory during the past year and will discuss in some detail some of the plans for the future in key areas of our responsibility. He will describe our efforts since the last session of the Council to promote the economic welfare of the Territory and to advance the people of Micronesia toward self-government. As he will point out, we have achieved progress in several areas of long-standing interest to the Council: new efforts to improve the

(Mr. Sacksteder, United States)

economic infrastructure following on continued high levels of grant funds appropriated by the United States Congress; authorization by the United States Congress of \$5 million, to be matched by a similar amount to be provided in kind by the Government of Japan for the settlement of war claims; \$5 million in appropriations for the Micronesian Economic Development Loan Fund; and new developments in the fields of health and education.

In addition, we believe that significant gains have been made within the Territory toward increased self-government. During a long and productive legislative session at Palau the Congress of Micronesia passed several important Acts, including one granting the Congress the right of "advise and consent" on key appointments within the Administration. The Administration, for its part, has named an increasing number of Micronesians to important positions within the Executive Branch.

I should now like, with the President's permission, to introduce the members of the United States delegation here with me today.

Mr. Edward E. Johnston is well known to the Council, having come to New York the past three years and having been host to the 1970 Visiting Mission to the Territory. He has been a driving force behind the progress in Micronesia in the past few years, and we are honoured to have him with us again as Special Representative.

Accompanying Mr. Johnston are two experienced members of the United States delegation, Mr. Leo Falcom, the Executive Officer of the Trust Territory, and Mr. Strik Yoma, Deputy Director for Public Affairs. Both Mr. Falcom and Mr. Yoma have participated in previous Council sessions and are thus known to many Council members.

We are pleased to have attached to the delegation two Special Advisers selected by the Congress of Micronesia. The Honourable Andon Amaraich, Senator from Truk, was a member of the Council of Micronesia and became a Senator in 1965. Senator Amaraich has wide experience in the Congress. He is Chairman of the Senate's Committee on the Judiciary and Government Operations and is a member of the Future Status Committee of the Congress.

The Honourable Polycarp Basilius, a member of the Congress of Micronesia from the Palau District, has served the people of Palau and Micronesia in that position since 1966. He serves with distinction on the House Committee on

(Mr. Sacksteder, United States)

Resources and Development and on the Committee on Education and General Matters. Along with Congressman Basilius, we should like to welcome his lovely wife Natalia, and we hope that her visit with us will be a most enjoyable one for her.

We are also pleased to have with us as a member of the United States delegation for a fourth year Mr. Kaleb Udui, the Legislative Counsel of the Congress of Micronesia. Members of the Council will probably recall that Mr. Udui, who is from Palau, has held his current position since 1966, prior to which he served as Assistant Attorney General of the Trust Territory.

Mr. James Manke, Chief of the Public Information Division of the Trust Territory, is with the delegation as Press Liaison Officer. Mr. Michael White, formerly a Peace Corps volunteer in Micronesia, is at present legal counsel for the Congress of Micronesia. We are happy to have him also with the delegation.

At the invitation of the President, Mr. Edward E. Johnston, High Commissioner of the Trust Territory of the Pacific Islands and the Special Representative of the Administering Authority, and the Special Advisers, Senator Andon Amaraich and Representative Polycarp Basilius, took places at the Council table.

The PRESIDENT: I wish to welcome the Special Representative and the Special Advisers.

I now call upon the Special Representative, who wishes to make the opening statement on the Trust Territory of the Pacific Islands.

Mr. JOHNSTON (Special Representative): May I first of all acknowledge the presence in our delegation from Micronesia also of Mr. Mamoru Nakamura, an Assistant Legislative Counsel for the Congress of Micronesia who has been Acting Legislative Counsel during the year Mr. Udui has spent on the mainland and who is also a former Assistant Attorney General.

As the representative of the United States, Mr. Sacksteder, has mentioned, this is the fourth consecutive year I have had the pleasure and privilege of appearing before this distinguished body to report on progress in the Trust Territory of the Pacific Islands. It is certainly a pleasure to be with the Council again this year, and the membership of the Congress of Micronesia and I look forward to our discussions with the Council during the next few days.

(Mr. Sacksteder, United States)

Representatives of both delegations will probably meet later this summer to begin the difficult task of translating agreement in principle into a formal compact of free association.

These have not been easy negotiations for either side. The United States has unusual requirements and responsibilities in the Micronesian area that were recognized by the Security Council when the strategic trust was established and that are not easily reconciled with a new status for the Territory. The Micronesian side has had problems of a different sort stemming from the dissimilar views of peoples living on scores of islands scattered over thousands of miles of ocean. Their efforts to achieve a consensus in the status talks constitute ample evidence of the growing political maturity of the people of Micronesia and their freely elected leaders.

I should point out, however, that although five of the six districts of the Territory have reached some agreement on a common position in the negotiations, the sixth, the Mariana Islands, has chosen a different path. The Marianas representatives at the Palau talks, and subsequently at Saipan, approached the United States delegation and requested separate negotiations leading towards a close and permanent union with the United States. In their approach they had both a mandate from the Marianas District Legislature and the permission of the other members of the Micronesian Joint Status Committee. The United States delegation informed the Micronesian and Marianas representatives that it would respond affirmatively.

While it has been United States policy to develop all of Micronesia towards a common future status, events in the Marianas over the past ten years have plainly demonstrated that the full implementation of that policy is not feasible. As the Council is well aware, the people and leaders of the Marianas have shown through referenda, petitions to this Council and to my Government, and through repeated resolutions of their District legislature, that they preferred much closer bonds to the United States than did the other Districts.

The Council will, we understand, once again be hearing from representatives of the Mariana District during the current session. I am sure that they can explain more clearly than I the reasons why they desire a separate solution to the question of what future relationship with the United States best suits the peoples of the Marianas. However, I believe that the Council may find it useful if I describe the present United States position in regard to the opening of separate talks with the Status Committee that has recently been established by the Marianas District Legislature.

(Mr. Sacksteder, United States)

As Ambassador Phillips pointed out to the Council last year in his opening statement, we have encouraged the leadership in the Marianas to work within the system and have urged them to participate in Territory-wide activities such as the Congress of Micronesia and its Joint Status Committee and to seek accommodation of their views within those forums. They have now done so for another year and two additional sessions of status talks, at Hana and Palau.

They have had ample opportunity to observe the kind of solution to the status question desired by the other five districts of the Territory. Their hopes for a different solution have been confirmed and noted by the representatives of the other districts, who have agreed to the approach made by the Marianas at the last session of the negotiations.

Thus, we believe not only that we have ample grounds to consider that the decision transmitted to us by the Marianas leaders represented the freely expressed wishes of the people concerned but also that they have done so with the full understanding of the people of the other districts. Had the United States responded other than positively to the Marianas initiative, that could have led ultimately to an imposition upon the people of that District of a political status they had made abundantly clear they did not want. Although we have made the decision to enter into talks with the new Marianas Status Committee we have reaffirmed our policy that the trusteeship is to be terminated simultaneously in all the Districts of the Territory.

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(Mr. Johnston, Special Representative)

The United States representative has reported to the Council on the progress in negotiations between the United States and the Status Delegation of the Congress of Micronesia relative to the future political status of our area. I would merely add my personal expression of pleasure at the solid progress made in those talks and assure the members of this Council that the Executive Branch of the Trust Territory Government stands ready to assist in every way possible in an orderly transition when the exact future status of Micronesia has been determined.

No doubt members have noted that in the report for fiscal year 1971 recently furnished them we have supplied answers and comments on many of the questions and suggestions discussed at last year's session of the Trusteeship Council. We are therefore today confining ourselves to reporting briefly on progress made in various areas of activity since we last met with the Council, approximately one year ago.

(Mr. Johnston, Special Representative)

The annual grant funds supplied to the Trust Territory by the United States Congress reached a new high of \$60 million in fiscal year 1971, enabling us to make considerable additional progress in the installation of the much needed infrastructure, particularly in the fields of water supply, sewers and power in all six administrative districts. In addition to those funds, we have received much valuable assistance from other United States federal agencies. The Economic Development Loan Fund, which has been discussed with you in previous years, has been authorized an increase by the United States Congress to a total of \$5 million, as was firmly recommended by your 1970 Visiting Mission.

I am also pleased to report that the United States Congress has now appropriated \$5 million as the United States share of the joint United States-Japan ex gratia payment to the people of Micronesia for damages suffered during the Second World War, and the Claims Commission should be in operation very shortly.

Perhaps one of the most important factors of our increased funding has been the greatly increased participation of the Congress of Micronesia in determining the manner in which these funds should be spent. The Joint Budget Committee of the Congress, headed by Representative Raymond Setik of the Truk District and Senator Bailey Olter of the Ponape District, has done an outstanding job of assessing and allocating funds for the many projects and programmes included in our annual budget.

Certainly of equal importance has been the active participation of each of our six district legislatures, which have set the priorities for projects and programmes within their respective districts.

To give you but one of many examples, the people of the Palau District recently decided through their district legislature that absolutely top priority should be given to the rebuilding of their airport and the construction of a bridge between the islands of Babelthup and Koror to replace the present ferry operation which connects the island on which the airport is located with the population centre of the district. The Congress of Micronesia agreed with this priority, and the executive branch of the Government has requested a reprogramming of funds to meet the desires of the people in the district of Palau.

(Mr. Johnston, Special Representative)

Shortly before the end of 1971 we received the welcome news that President Nixon had signed into law an amendment to the Airways and Airports Improvement Act of 1970 which would make the Trust Territory eligible for much-needed federal funds to improve and update our system of airports throughout Micronesia. Already we have received great co-operation from the Federal Aviation Agency and will be able to finish our airport improvement programme much sooner than we had anticipated.

Meanwhile, Continental/Air Micronesia has continued to give excellent service in connecting our six districts with one another and with the outside world, and has made definite improvement in its scheduling, despite the lack of improvement of some of our airports. Just a few months ago, Pan American Airways landed a 707-type aircraft at Kobler Field on Saipan for the first time, bringing a planload of Japanese tourists. Upon the completion of Isley Field on Saipan -- nearby and much superior to Kobler -- we expect regular traffic of larger aircraft into the Trust Territory.

Although our sea transportation has been marked by its usual share of perplexing problems, we have made progress in this area also. The Trust Territory is now being supplied by more modern vessels from ports outside the Trust Territory, and we are in the process of ordering the first of several replacements for our over-aged fleet of inter-island field trip vessels.

Our voice communications system has shown marked improvement during the past year, and the High Commissioner is now able to hold a conference call with all of the six District Administrators each Wednesday morning -- an innovation which has proved tremendously helpful in co-ordinating activities between the Territorial headquarters and the various districts.

In my report to you last year I mentioned that we had great expectations for the Trust Territory Board of Education, which had just been established. I am happy to report that the Board has been extremely active in considering a broad range of educational matters, as specified by the public law under which it was constituted. It is also my pleasure to report that one more Micronesian has assumed the duties of District Director of Education, and a second will take over those duties in July of this year. This will bring to five out of six the number of Micronesians holding this key administrative position in the educational system in the Trust Territory.

(Mr. Johnston, Special Representative)

Our Curriculum Council, which I mentioned last year, has rendered valuable advice to the Director of Education during the past year. The Micronesian Occupational Center in Koror in the Palau District has enrolled 254 pupils in 14 vocational fields, with 18 of the 25 staff members being Micronesian.

The Micronesian Maritime Training Academy on Dublon in the Truk District, which we mentioned last year as having suffered severe typhoon damage, was quickly rebuilt and is continuing to turn out well-trained seamen for our inter-island fleet.

In the field of curriculum development especially suited to Micronesians, three programmes in particular are worthy of mention. On the elementary school level, "Mathematics for Micronesia" and "Science for Micronesia" are programmes developed by headquarters staff members. During the year, complete programmes in both subjects for grades one and two were developed and published, and work moved ahead on materials for grades three, four and five.

On the secondary school level, a one-year course in Micronesian studies was written by representatives from all of the districts; it was field-tested in all of the districts and revised for final publication at the end of last year. A Micronesia linguistics project is moving ahead in the Trust Territory, which I think will be of great interest to the members of this Council.

Through the co-operative efforts of the East-West Center in Hawaii, the University of Hawaii's Department of Linguistics and the Asian Linguistics Institute, the three-year programme will result in: (1) recommended orthographies based upon sound linguistic research for each of the languages of the Trust Territory; (2) reference grammars for each of the languages; (3) bilingual dictionaries for each of the languages; and (4) trained Micronesian linguists who will teach the grammar of their respective languages.

In the field of health services, for the first time in Trust Territory history we can report that there is a "Board-certified" surgeon in every district and that the majority of surgical operations can be performed just as skilfully in the district as in the referral hospitals in Guam or Honolulu.

(Mr. Johnston, Special Representative)

I am also happy to announce that there are specialists in internal medicine and paediatrics in the districts, and we anticipate the availability of specialists in psychiatry and pathology. These specialists are setting up new standards of medical care in the district centres. But our greatest challenge continues to be the improvement of health care for Micronesians who live on outer islands. The Council is assured that we are committed to the effective delivery of health care to all Micronesians.

The need for low-cost housing for the citizens of the Trust Territory has been discussed with this Council in previous years and was the subject of some positive recommendations by the 1970 Visiting Mission. In this connexion I am pleased to report that during the past year we have received very valuable assistance from the United States Department of Housing and Urban Development, including the loan to the Trust Territory of a highly qualified and well-experienced housing officer to get the programme under way in each district and to assist in the preparation of legislation which would open the door for possible federal funding of additional programmes in this field so vital to the well-being of our Territory.

In our previous reports to the Council economic development, admittedly, has been the area which needs the most attention and acceleration in Micronesia. Earlier in 1972 a very comprehensive document, entitled "A Micronesian's View of Economic Development in the Trust Territory of the Pacific Islands", was released by the Committee on Resources and Development of the House of Representatives, Congress of Micronesia. This 173-page report was extremely candid and honest in its evaluation of conditions and policies in Micronesia, and it addressed itself to the problems and aspirations of its people. The Committee, chaired by the Honourable Sasauo Haruo of Truk District, who appeared before you last year, compiled the report following hearings in all six district and sub-district centres and after visits to other islands accessible in the time available. It selected, through the Public Administration Service -- a non-profit organization with headquarters in Chicago -- a consultant with more than 30 years of experience as an economist with the United States Department of Agriculture.

(Mr. Johnston, Special Representative)

The Committee's report, which was made available to all members of the Congress, brought together for the first time a Territory-wide overview of Micronesia's needs and thinking, including conditions and potentials of the private sector. It indicated the realization by the Micronesians themselves that, for instance,

"Opportunities for development in Micronesia are guided by the location and amounts of natural and human resources. The priorities for development should be based on the needs of the economy in both the short and long run and on the wishes of our people in terms of our economic, social, cultural and political aspirations."

The report further states:

"The goal of development for Micronesia should be to attain a self-sustaining and acceptable rate of economic growth. A significant constraint upon this goal is the attempt to attain the fastest possible rate of growth with the maximum participation possible by the Micronesian people."

I found this report on economic development in Micronesia very satisfying in that the central philosophy of the study mirrored the terms of the Trusteeship Agreement under which the Territory is administered.

We still feel -- and the Committee's report confirms -- that our greatest areas for development are in the fields of marine resources, tourism and agriculture. In each of these three fields we have made significant progress during the past year. In discussing agricultural development with you last year I mentioned a programme for poultry raising being conducted by Mr. Harry Tsutsui on a contract basis. Mr. Tsutsui's efforts, as we predicted, were so successful that he has now been employed full time by the Trust Territory Government.

At this point I should like to quote from a recent article in the Pacific Daily News concerning this project:

"There is going to be a chicken population explosion in the Trust Territory this year. Fifteen new poultry projects have been started in the Marshalls and the Caroline Islands, according to Harry S. Tsutsui, the Agriculture Division's Poultry Management Specialist. Some 12,000 white leghorn layers have been ordered from Hawaii and California to stock the new Micronesian poultry farms now under construction.

'The approximate total chicken population in the Trust Territory, including the wild ones in the "boonies", number some 141,200', said Tsutsui.

(Mr. Johnston, Special Representative)

'The total egg production for the fiscal year 1970 was 111,800 dozen.' He said that some 462,160 dozen eggs are being imported today from Japan and the United States to meet local demands. The Trust Territory's need is over 718,000 per year. 'It is our hope that the 15 new poultry ventures will accommodate some of the 134,000 dozen a year deficit', said Tsutsui. Emphasis has been placed on poultry production rather than study by the Department of Resources and Development. Tsutsui joined the Trust Territory in November 1970. He has 20 years of experience in the poultry business, mostly in Hawaii, the Philippines and Thailand. When he first arrived the Territory was producing some 5,500 chickens per year. Tsutsui designed a special 'tropical-type' poultry building which meets the conditions in Micronesia and is capable of holding a minimum of 2,000 birds. 'When I first arrived, poultry raising was mostly a backyard operation with 100 birds here and 200 there', he said, 'but now the business is gaining the interest of Micronesians. Our aim is to increase the chicken population in Micronesia', he said, 'and we hope the 15 new poultry ventures will be producing 6,000 eggs a day'."

This most successful project will serve as a model for similar projects in other fields of agricultural development.

Tourism during the past year produced a respectable \$2.4 million of income for the Trust Territory, and our Tourism Specialist, Mr. Mike Ashman, has completed the establishment of Tourism Advisory Councils in each of our six districts. We now have some 431 hotel rooms throughout our 3 million square mile area, and we expect to have 600 rooms available by 1 July 1972. If the development in the Mariana Islands District continues at its present pace, we certainly should have well over 1,000 rooms by 1 July 1973. I am confident that throughout the years to come properly controlled tourism will be developed in accordance with the wishes of each individual district and, in many respects, will be of great economic benefit to Micronesia's citizens.

In the area of marine resources, although many apparently successful experimental projects have been carried on within the Trust Territory, we are also participating in a joint effort with other Pacific areas to augment further our economic progress in this field.

(Mr. Johnston, Special Representative)

The chief executives of the four areas in which the United States has a direct interest in the Pacific -- Hawaii, Guam, American Samoa and the Trust Territory of the Pacific Islands -- in February of 1971 founded the Pacific Islands Development Commission in order to promote jointly the economic welfare of the four areas. At the present, our major thrust is to secure United States Federal funding of approximately \$3 million for research pertaining to the development of fisheries for skipjack tuna. In a recent meeting in Honolulu, we sponsored the first meeting of our joint Tourism Development Committee to augment the previously excellent work of our Marine Resources Development Committee. All of us feel that these joint efforts will be most helpful to each of our areas and, particularly, to the Trust Territory.

On 28 February 1972, the Congress of Micronesia completed an extremely productive session which saw the passage of 78 pieces of legislation in 50 calendar days. The session was held in the Palau District -- the first regular session ever held away from the territorial headquarters on Saipan -- and drew tremendous galleries of interested citizens of the Palau District from the opening session through the closing.

Included in the legislation adopted at that second regular session of the Fourth Congress of Micronesia were three acts of far-reaching importance to the present and future of Micronesia. The first of these created a Committee to study and set up procedures for the establishment of a Bank of Micronesia. The second one granted to the Congress of Micronesia "advise and consent" on key appointments to the Executive Branch of the Government, including all cabinet officers and their deputies, and District Administrators and their deputies. The third measure created a new Trust Territory Public Service System, establishing a system of personnel administration to build career service in the Executive Branch of the Trust Territory Government, which should attract, select and retain the best available individuals on a merit basis and with incentives in the form of genuine opportunities for promotion in the public service.

Again, this year we have continued to make definite progress in the placing of Micronesians in key positions in our Executive Branch. New appointments include: Mr. Bermin Weilbacher to head the Division of Agriculture,

(Mr. Johnston, Special Representative)

Mr. Kozo Yamada to head the Division of Lands and Surveys, Mr. Daro Weital to the important post of Director of the Community College of Micronesia on Ponape, and Mr. Wilhelm R. Rengiil to the equally important post of Director of the Micronesian Occupational Center in Palau. Also, Mr. Koichi L. Wong, a licensed civil engineer, has been appointed Assistant to the Director of the Department of Public Works, and Mr. Elias Okamura as Assistant to the Director of Transportation and Communications.

Our over-all personnel training programme was bolstered by two grants from the United States Department of Labor, totalling more than half a million dollars for training employees under the Public Service Careers Program and under the Emergency Employment Act for the unemployed. These grants have provided jobs, as well as entry-level training, to a total of 246 policemen, firemen, trades' helpers and other employees, and will up-grade training for 80 administrative and professional people. Perhaps more important, however, is the fact that these grants provided a training base capability which can be expanded and made available to hundreds of other employees throughout the Government in areas of up-grading in language skills, mathematics and management.

With Micronesia so rapidly approaching a change in its future political status, it is now even more important than ever before that Micronesians, as quickly as possible, assume the direct management of their own affairs, and I can assure the members of this Council that our efforts toward this end will be continued toward even greater progress than we have made during the past three years.

The rehabilitation of Bikini Atoll has proceeded on schedule, with homes now under construction for the soon-to-return islanders. In April of 1972 -- last month -- the Administering Authority announced that it would also return Eniwetok Atoll to the Trust Territory Government at the end of 1973. We have already started, under the personal supervision of Deputy High Commissioner Coleman, the process of planning the rehabilitation and the return of Eniwetok to its Marshallese owners, which should benefit greatly from our experience with the project for the return of Bikini.

Shortly after last year's meeting of the Trusteeship Council, the United States Department of the Interior announced an administrative change of

(Mr. Johnstone, Special Representative)

considerable importance in the affairs of the Trust Territory. The Office of Territories was officially abolished and the position of Deputy Assistant Secretary for Territorial Affairs was established.

To fill the new post, Secretary of the Interior Rogers C.B. Morton chose Mr. Stanley S. Carpenter -- who is here with us this morning -- a veteran Foreign Service Officer and former Civil Administrator of the Ryukyu Islands. Shortly after his appointment, Mr. Carpenter visited all the districts of the Trust Territory and convinced us then, as he has many times since, that his wisdom and experience will be of very great benefit to the Trust Territory of the Pacific Islands. His small, but well-qualified, staff includes many persons with considerable personal knowledge of the Trust Territory, especially Mr. John DeYoung, former Trust Territory Public Affairs Director and, more recently, Acting Secretary-General of the South Pacific Commission. Secretary Morton has just recently reassured us of his great personal interest in Micronesia, and has further assured us that Mr. Carpenter and his staff will make regular visits to the Trust Territory to give us even greater assistance with our many problems and projects.

During each of my previous reports to the members of this Council, I have referred to my travels throughout the vast 3 million square-mile area of our Territory. In the slightly over three years which I have served as High Commissioner, I have been able to visit 28 of our 98 populated islands or atolls, including 22 of the 30 with populations exceeding 500. Let me assure the Council again that more areas will be visited during the coming year, both by me personally and by the members of my staff and cabinet. We still feel that this is a most essential part of our duties in fulfilling our role as the Executive Branch of the Trust Territory Government and in carrying out the objectives of the Trusteeship Agreement.

My associates from the Congress of Micronesia and I look forward, within the next few days, to answering whatever questions the members of this Council may have concerning the Trust Territory of the Pacific Islands.

The PRESIDENT: I now invite Senator Andon Amaraich, one of the Special Advisers to address the Council.

Mr. AMARAICH (Special Adviser to the United States delegation): It is indeed a pleasure for me to appear before this body as the representative of the Congress of Micronesia and as a Special Adviser. I bring greetings to this Council from the Congress of Micronesia and from the people of Micronesia. All of us are extremely gratified at the great interest that the members of this Council have shown in our country and at the enthusiasm with which you have attacked our problems.

I am pleased to advise the Council that the Fourth Congress of Micronesia, which recently concluded its second and final regular session, was the most productive Congress in the brief history of our supreme legislative body. The session, too, was historic in the fact that it was the first regular session ever to be held away from the provisional capital of the Trust Territory. The session, held in Koror, Palau, was visited by more than 2,500 people, and served an important function in bringing the Congress and the Government to the people. It was undoubtedly the most important step in their own process of political education in Micronesia.

More legislation was introduced into this Congress, and into the second regular session, more was adopted, and more became law than at any previous Congress. In summary, some 476 bills have been introduced to date in the Fourth Congress, not including those which may be introduced in the special session which is expected to take place in August of this year. Of these, over 90 were passed by both houses of the Congress and 81 have become public law. These totals are by far the largest in the history of the Congress of Micronesia. More importantly, a great deal of this legislation was of major importance, indicating not only the Congress's increased ability to deal with the problems of Micronesia, but also its growing sense of responsibility for the welfare of the people of Micronesia.

I am sure that my colleague Representative Polycarp Basilius will inform the Congress on the many matters relating to economic, social and educational development in Micronesia.

(Mr. Amaraich, Special Adviser)

With the indulgence of the Council, I shall make reference in my remarks today to several measures of a different nature which I hope will be of major interest to the Council. The unifying factor that draws all of these measures together is that each of them relates to self-government. All of these measures are aimed at the fulfilment of the inherent right of self-government of the Micronesian people, guaranteed to them by the United Nations Charter and by the Trusteeship Agreement. To say that the Administering Authority has allowed a major share of self-government to the Micronesian people even after 25 years of administration would be, I am afraid, a distortion of the state of affairs in Micronesia as we see them. But through the initiatives exercised by the Congress of Micronesia the door to self-government is beginning to open.

As all of the members of the Council know, the question of land is nearest and dearest to the hearts of my people. It has always been a cornerstone of our future political status negotiations with the United States that ownership and control of land in Micronesia must rest in Micronesian hands. During the years of the United States administration of Micronesia, this has unfortunately not been the case. While it is true that nominal control of land, use of land, is still in Micronesian hands, in fact it has rested, until this very year, in the hands of the American administration.

The Congress hopes that the enactment of the Land Planning Act at the recent second regular session will change this unfortunate situation. We hope that, following the establishment of local planning commissions and the enactment of comprehensive zoning laws pursuant to this Act, the frequent disregard of the wishes of the Micronesian people may be avoided. I am sure that had these powers been granted to the district legislatures but a year ago, today we might not be faced with the prospect of a resort hotel on Micro Beach in Saipan, a favourite swimming and recreation place for the people of that island, or of a sewage treatment plant in the middle of one of Koror's most beautiful lagoons. Thus, I am even more pleased to report to the Council that local planning commissions have already been established by an act of the Palau District Legislature. I am certain that the other districts will follow suit within the next year.

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But control of our own land cannot be complete unless and until the administration agrees to a change in the law of eminent domain. The present law, which antedates the Congress, provides that the High Commissioner alone has the right to determine what constitutes a "public use". Having found a "public use", he can then simply condemn the land to the Government. Several times the Congress has tried to amend this regressive law; each time, the administration has vetoed reasonable changes. The Congress, on one occasion, took the drastic step of repassing such a measure over the High Commissioner's veto, only to have the Secretary of the Interior --- who has absolute and final authority --- administer his veto power.

I am again sure that I do not have to stress to this Council the importance of the sea, as well as of the land, to Micronesia. If our security is in the land, our wealth and our sustenance, and our economic future, are in the sea. For this reason the Congress of Micronesia has been extremely concerned with developments in the area of international limitations of territorial waters, the seas and the sea-beds. The Congress of Micronesia has on numerous occasions in the past considered legislation which would have broadened the present three-mile territorial waters of the Trust Territory. On each occasion the Trust Territory Government, on instructions from Washington, has spoken out against such legislation, or has disapproved it. In effect, the Congress has been limited in its exercise of its jurisdiction to that which the United States Government would support, despite our own needs, requirements and traditions. Thus, our laws at present provide for a three-mile territorial waters zone, and the recently enacted Public Law 4C-43, also a product of the most recent session of the Congress, provides for a contiguous nine-mile fisheries zone.

Needless to say, as an island nation, our position on our territorial waters and fishing rights and rights to use our sea-bed is not the same as that which logically would be expressed by the United States. Within the near future, the United States will participate in the International Law of the Sea Conference. This Conference, sponsored by the United Nations, will attempt to agree upon a set of laws to govern territorial waters, fishing, mineral resources, ecology, and other matters related to the sea. The United States has indicated to us that it will be representing the Trust Territory of the Pacific Islands at this Conference, and it is therefore most important that Micronesia's unique problems and interests, as an island nation ultimately dependent upon the sea, be protected.

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Micronesia must never again be the victim of United States international diplomacy carried on without the knowledge and participation of the elected leaders of Micronesia, and we hope that this will not occur at the Law of the Sea Conference as it has so often in the past. We did not ask to be represented by the United States in this matter, but United States policy dictates that we must be. It has been suggested that the United States proposals for the conference do not take into account the views of island nations such as ours. Accordingly, we hope that the United States position will reflect the views of the people of Micronesia on this important question, or, in the alternative, that the Congress of Micronesia be permitted to participate in the conference and voice its views there.

Government employment in Micronesia has also been a concern of this Council in the past, with particular reference to employment of Micronesian citizens in key positions in the Government. In 1970, the Visiting Mission stated:

"The Mission assumes that as the flow of trained Micronesian personnel increases, the number of senior appointments going to Micronesians will be increased."

Sadly, this is not the case. I am sorry to have to report that, during the past year, the replacement of expatriate personnel by Micronesian personnel was minimal. Despite an increase in government employment by almost 20 per cent during the reporting year, the percentage of Micronesians employed by the government increased less than 1 per cent. Thus, while an already too-large government is still increasing in size, the level of Micronesian participation in that government is hardly increasing at all. About 9.36 per cent of our government employees are expatriates, as compared with 10.20 per cent just a year ago -- a reduction of less than 1 per cent. More importantly, no Micronesian has yet been elevated to the Directorship of a Program Department in the Trust Territory Government. Although several Departments have Micronesian Deputy Directors, at least three of our eight Program Departments remain which do not even have a Micronesian in the position of Division Chief or higher. Policy-making decisions thus rest almost exclusively in American hands, as they did a year ago. The only Micronesians in cabinet-level positions

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remain the executive officer and a special consultant. The administration has been promising this Council and the people of Micronesia for years that this situation would be changed, and yet, we can see no change. With rare exceptions, expatriate employees continue to be replaced by expatriates, not by Micronesians. We are certain that there are Micronesian citizens who are capable of handling many of these departments, and yet, they remain in subordinate positions.

The mere increase in the size of the bureaucracy is alarming, not only in its implications that size brings lowered efficiency, or that jobs are created simply to cover up the mistakes that the administration has made in training Micronesians solely for government jobs, largely behind desks. More important, the 20 per cent growth in the size of our government means that much less of the annual budget can be devoted to badly-needed capital improvement projects, and that much more must go towards salaries and administration. The nearly 10 per cent increase in expatriate personnel means that the share of the budget utilized for salaries will be increased even further, since expatriate salaries are so much higher than Micronesian salaries to begin with, and since expatriates occupy high-level, high-salaried offices far out of proportion to their numbers. The figures indicate that the average expatriate employee earns about three and one half times what the average Micronesian employee earns.

The budget figures for fiscal years 1972 and 1973 tell a more complete story than I can convey here. With the indulgence of the Council, I shall summarize them.

The fiscal year 1972 budget of \$60 million included \$20.7 million for capital improvement projects and \$39.3 million for operations. Of the latter figure, \$13.5 million went for administration and \$25.8 million for salaries and benefits. Of the amount devoted to salaries, some \$16 million was for salaries of Micronesian personnel, and \$9.1 million for salaries for expatriate personnel, despite the fact that expatriate personnel constituted only about 10 per cent of the work force.

The figures for fiscal year 1973 are even more alarming. Of the same \$60 million budget, some \$16.3 million went for capital improvements, a 21 per cent decrease from fiscal year 1972 figures. Of the \$43.7 million

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devoted to operations, or about 73 per cent of our annual budget, some \$14.1 million went for administration and \$29.6 million for salaries, an increase of 15 per cent over the fiscal year 1972 figure. And of the amount devoted to salaries, some \$19.2 million was for Micronesian salaries, while \$9.6 million, or fully one-third of all salary expenditure and 16 per cent of the entire Trust Territory budget, went for the payment of expatriate salaries, again far out of proportion to the number of expatriate personnel.

The figures indicate the sad story of the American administration of Micronesia: too much government, devoted to the wrong things; too many bureaucrats, and not enough capital improvement; and, even after a quarter of a century, too many expatriates and not enough Micronesians, and second-class status for Micronesians in our own land.

The highest levels of leadership in both the executive and the judicial branches of the Trust Territory Government remain under the sole and exclusive control of the Administering Authority. Under United States law, the President appoints the High Commissioner, subject only to the advice and consent of the United States Senate. The Secretary of the Interior appoints the Chief Justice and Associate Justices of the High Court of the Trust Territory. During its most recent session, the Congress of Micronesia adopted a resolution urging the Administering Authority to take action to ensure some participation by the Congress of Micronesia in the selection process of the High Commissioner, the Deputy High Commissioner, and the Justices of the High Court. We view this participation as essential toward the development of self-government in Micronesia, which is the obligation of the Administering Authority under the provisions of the Trusteeship Agreement. Undoubtedly, there are Micronesians who are capable of becoming Associate Justice of the High Court or Deputy High Commissioner immediately; yet self-government remains only a distant aspiration at the present snail-like pace of the Administering Authority.

The extent to which the Administering Authority has failed to implement self-government in Micronesia is further augmented by the fact that so many of the major decisions affecting the Trust Territory continue to be made not in Saipan, the provisional capital, by persons who live and work in Micronesia,

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but some nine thousand miles away, by persons who have been there seldom, if ever. This type of "absentee government" is not conducive to the best interests of the people of Micronesia; it is not consonant with the principle of self-government for Micronesians.

Another problem which has merited the Council's attention in past years concerns the gross inequities in pay schedules for Micronesians and expatriates. Last year the High Commissioner informed this body that legislation adopted by the Congress at its fourth special session had provided for a single pay plan, which was to have gone into effect this year. It would have covered all government employees, whether Micronesian or expatriate. I regret to have to inform the Council that, shortly after his return to Saipan, the High Commissioner returned that legislation to the Congress without his signature; thus, it did not become law. At its most recent session, the Congress did enact, and the High Commissioner did sign, a new measure concerning government services. The administration called it a compromise; but, how can there be compromise when the sole object of the original bill -- the recognition of the principle that people with equal qualifications performing the same job should receive equal pay -- was labelled unacceptable by the administration?

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Why should American salaries be as much as three times higher than Micronesian salaries for the same position? I do not think that this practice is consistent with articles 1 and 2 of the Universal Declaration on Human Rights; it is certainly violative of our own Trust Territory Bill of Rights. The Bill, therefore, while a major achievement, was somewhat less than the Congress desired. It is my hope that legislation will be introduced at the next regular session of the Congress which will require the administration to submit a truly equal pay plan to the Congress for its consideration, and possible future enactment.

During the Fourth Congress the High Commissioner also refused to sign a number of other measures. Some of these eventually became law in different forms; others were disapproved for technical reasons or because of administrative problems which would have arisen had they been allowed to become law. The remainder of these measures will never become law as long as the Administering Authority retains full and final power and absolute control over what can and cannot become law in the Trust Territory, despite the expressed wishes of the people of Micronesia through their representatives in the Congress. If the Congress of Micronesia is structured on the American model, then it would seem logical that the American system of checks and balances between the several branches of the Government should be an integral part of the system. And yet in Micronesia a very important part of this system of checks and balances is conspicuously absent: the power to override the veto of legislation by the Chief Executive. The experiences of the Congress in the past show that even the attempt to override a veto is but an exercise in futility; if the High Commissioner again refuses to sign the measure, the Secretary of the Interior has final, unchallengeable authority over whether it becomes law or not. Further, members of the Congress have been informed by the Administering Authority that as long as the United States remains Administering Authority in Micronesia, it will never relinquish this control, not even as to purely internal matters. This is hardly self-government; this is hardly taking into account the wishes of the people; this is not fulfilment of the obligations of the Trusteeship Agreement.

Self-government as a mere illusion is evident when one considers the Trust Territory's budgetary process. The 1970 United Nations Visiting Mission noted "Congress' lack of real authority in financial matters." (T/1707, para. 469). It

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indicated further that mere consultation on the Trust Territory's annual budget would be insufficient. The Mission quoted the report of the 1967 Visiting Mission, which noted that:

"... in summary, power lay to a much greater extent within the executive which controls the budget and to a much lesser extent with the Congress than seemed healthy for sound political development" (Ibid., para. 470)

Most significantly, the 1970 Visiting Mission added;

"Responsibility for the budget lies at the heart of any system of democratic government... the major decisions concerning the size of the budget and the priorities towards which major sections are to be devoted rest firmly with the Administering Authority... the powers of the Congress [of Micronesia] to alter significantly the major budget strategy are limited." (Ibid., para. 471)

The Mission further noted:

"Of course, even at its best a system of continuous and effective consultation between the High Commissioner and the Congress of Micronesia, and between the district administrators and the district legislatures, would fall (far) short of a situation in which the Congress of Micronesia itself held decisive financial power... Extension of the process of consultation will not meet the need for the exercise of more actual authority by elected representatives." (Ibid., para. 472)

Yet the Administering Authority has so far refused to take any action at all regarding this most strongly worded recommendation, even though the Congress of Micronesia has for the past two years been urging the United States Congress to enact the necessary enabling legislation.

Perhaps the most important accomplishment of the Fourth Congress, or in fact of any Congress to date, was the passage of legislation requiring the advice and consent of the Congress on all major administrative appointments made by the High Commissioner. Once again, this was a measure that was originally vetoed by the High Commissioner shortly after last year's meeting of this Council. Once again, the Congress was forced to compromise; it got not what it wanted and what would have provided a truly significant control over the operations of the executive branch, but had to accept a watered-down version or nothing at all. The

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new law is a significant step toward self-government only because it is the first real step. In reality, it may well illustrate the old maxim, "too little too late." Certainly, it is something which should have been done years ago. Equally certain is that the Administering Authority has virtually ignored the recommendations of the 1970 Visiting Mission concerning the election of the High Commissioner, his Deputy, and the District Administrators, and the:

"desirability of... including popularly elected Micronesians as soon as possible in the most senior councils of the Executive." (Ibid. para. 480) At the most recent session of the Congress, the administration spoke out against legislation which would have provided for elected district administrators, saying that it was not prepared to implement such legislation. Perhaps the failure to restore the lawful right of self-government to the people of Micronesia has been the greatest failing of the Administering Authority.

I am constantly reminded of the inspirational words of the Universal Declaration on Human Rights; article 21 (3) states: "The will of the people shall be the basis of the authority of government." In Micronesia, this is not the case; the will of the Administering Authority, not the people, is the basis of the authority of the Government of the Trust Territory. The Administering Authority, in addition to its sole and exclusive power over two of the branches of the Government, has life and death power over the third branch, the Congress of Micronesia; a simple act of the Secretary of the Interior can dissolve the Congress now and for all time.

Apparently, also, the Administering Authority has not taken note of the Declaration on the Granting of Independence to Colonial Countries and Peoples, particularly paragraph 5, which declares that:

"Immediate steps shall be taken, in Trust and Non-Self-Governing Territories or all other territories which have not yet attained independence, to transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire... in order to enable them to enjoy complete independence and freedom."

About the best that I am able to report about the administration's political education programme is that it, too, has been a total failure. One indication

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of exactly how far the programme has come in 25 years of United States administration is that just recently, for the first time, spot radio announcements have been made to inform the people that the Trust Territory Government is divided into three branches, executive, legislative and judicial. These announcements are, paradoxically, made almost exclusively in English, so that those who really need to understand them -- those without schooling -- cannot do so. Little has been done to prepare the people of Micronesia for the awesome responsibilities of self-government; as a result, beyond a handful of political leaders, higher government employees and the educated elite, very few people even know the rudiments of the political system in the Trust Territory.

It is said that he who sows the wind shall reap the whirlwind, and perhaps this old saying has come true with relation to the negotiations regarding the future political status of Micronesia.

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It has been suggested that the third round of negotiations at Hana, Maui and Hawaii in late 1971 and the recently concluded fourth round of negotiations held at Koror, Palau, in April of this year between the United States and Micronesia were the most productive rounds held to date, and perhaps that is so. But, as the reports of the Joint Committee on Future Status indicate, there are many troublesome areas which may hamper the reaching of an agreement between Micronesia and the United States on Micronesia's political future. In addition, many of us wonder why we should have to negotiate at all. We find it very difficult, as one of the world's smallest and least powerful countries, to negotiate with one of the world's largest and most powerful. The difficulty is compounded by the fact that legally the United States and Micronesia occupy a relationship of trustee and ward. This implies certain duties on the part of the trustee to the ward. We are sure that those duties do not include attempting to bargain with it as an equal. It does seem to suggest that the United States should be a lot more willing to allow Micronesia what it wants rather than requiring it to bargain for it.

The report on the fourth round, which will be released shortly and transmitted to the Council as soon as it is published, details the areas of agreement as well as those of disagreement.

The agreements in principle which were reached at the third and fourth rounds of negotiations recognize to a limited extent the sovereignty of the people of Micronesia and its right to determine its own political future. Those agreements do not, however, give similar recognition to the sovereignty of the future government of Micronesia. To us, the concept of a sovereign government implies, in addition to full control over internal affairs, the ability to control a country's external affairs also. A sovereign government certainly can delegate that power to another country, as the Joint Committee has proposed. That is not inconsistent with sovereignty, since the power to revoke the delegation is implied. But the United States does not allow for such a position. It has insisted upon the vesting of power over foreign affairs and defence directly from the Micronesian people to the Government of the United States. That is not consistent with sovereignty. The two sides are talking on different levels, and that may prove a hindrance to the rapid conclusion of an agreement between Micronesia and the United States.

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It was obvious from the fourth round how much a role United States defence interests play in its foreign policy and therefore how much they are being made to affect Micronesia's political future. The vast majority of the people of Micronesia does not want and has no use for the United States military. Yet the United States has disregarded the wishes of the people in proposing its demands for military lands in Micronesia after the end of the Trusteeship. That the people of Micronesia hold this attitude should not come as a surprise. We are and have always been a peaceful people. Within memory, our islands have been devastated by the horrors of war, our people dislocated, our islands turned into radioactive infernos, blown up completely or altered by the awesome force of the hydrogen bomb so that they are unrecognizable if they are still there at all. Only recently, the United States announced its intention of conducting a series of tests at Eniwetok Atoll in the Marshall Islands for the purpose of seeing how big a hole in the ground its bombs can make.

We welcome the recent United States offer to return Bikini and Eniwetok, even though in a real sense they do not belong to the United States to return. Of course, those islands which have been blown off the face of the earth by bombs cannot be returned. Twenty-five or thirty years of life away from one's home cannot be returned either. At the fourth round the United States made it very clear that the future support of Micronesia would be closely linked to the control the United States would have in our country. I would think it much more appropriate that our people, who have paid with their lands, their homes, their health and their lives, deserve compensation without the imposition of any additional hardship. I do not think it is right, either legally or morally, that the United States should have to put us in the position of selling our souls for a few pieces of silver.

Because of its sad experience with the military -- not only under the United States Administration but also under our past rulers -- our only hope is that we be left alone in peace. We hope that we do not have any enemies, and we do not want them -- ours or anyone else's. It is therefore our hope that Micronesia and eventually the entire Pacific Ocean can be neutralized, closed to the warmakers of all nations -- truly an ocean of peace in a world of strife and conflict. Is it beyond the capability of the United States and the other great nations of the world to do that? Or will Micronesia again be used as a battleground.

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again suffer the horrors of war and destruction? If we could honestly believe that all nations truly wanted peace in the Pacific we should be unable to believe that they could not accomplish it.

Nor has the United States recognized the fundamental right of the people of Micronesia to control its own destiny. It has not completely recognized its sovereignty. Very simply, it has refused to honour its obligations under the United Nations Charter, the Trusteeship Agreement and the Declaration on the Granting of Independence to Colonial Countries and Peoples by refusing even to discuss the proposition of independence for Micronesia. The continued refusal of the United States to talk about independence -- and, indeed, the continuation of its overt attempts to discourage such talk among Micronesians -- will only spur the growth of sentiment for independence. We are on the brink, and the United States can push us over at any time.

The United States has stated its willingness to recognize the complete responsibility of the Government of Micronesia to control its constitution and laws. It has recognized that ownership of land in Micronesia rests with the Micronesian people. It has even recognized, conditionally upon agreement to its present position requesting complete authority in the fields of foreign affairs and defence, that an association between the United States and Micronesia, to be truly a free association, requires that either party be able to terminate the association unilaterally at any time. But it appears our difficulty in reaching agreement -- that is, conceding to the United States position -- on foreign affairs and defence may prevent us from ever arriving at a final, firm agreement. I am today unable to express much optimism that we can reach an agreement that will be fully protective of Micronesian interests.

Yet we take very seriously the oft-quoted portion of the 1970 Visiting Mission's report, repeated by this Council on many occasions since then, that the resolution of the issue of future political status must come sooner rather than later. There is no future in the status quo; there is only the promise of a continuation of the present almost entirely unsatisfactory order. Obviously, there must be change. The United States has demanded the continuation of the status quo in more than a few critical areas.

(Mr. Amaraich, Special Adviser)

It is also obvious to us on the Congress of Micronesia's Joint Committee on Future Status that, contrary to its stated policy, and contrary to the policy of the United Nations regarding the Trust Territory, the United States has been and is in fact continuing to follow a policy which encourages the political fragmentation of Micronesia. At Koror, the representatives of the Marianas delegation on the Joint Committee transmitted a document to the United States delegation exploring the possibility of separate negotiations with the United States.

(Mr. Amaraich, Special Adviser)

We of course recognize the desire of the people of the Marianas; the provisions in the United Nations Charter regarding the right of self-determination apply equally to all. We do, however, think it extremely presumptuous of the United States to have expressed a willingness to negotiate with the representatives of the people of any single district while bypassing completely the Congress of Micronesia, whose Joint Committee on Future Status is charged with the responsibility of negotiating a political future for all the people of Micronesia. If the people of a single district are to enter separate negotiations, only the Congress of Micronesia has the authority to permit them to do so; any other interpretation would be a violation of the doctrine that the powers of the Congress in the legislative area are superior to those of the District Legislatures. The United States, which certainly was not surprised by this request, could and should have taken the position that, until the Congress of Micronesia specified otherwise, the people of Micronesia would have to be dealt with as a whole. It did not do so. The only logical conclusion is that the United States is attempting to foster disunity in the Trust Territory and to fragmentize Micronesia.

In preparing my remarks for this Council this year, I chanced to glance back at the statement which I had made before the Council almost exactly 10 years ago today, when I was privileged to be a member of the Trust Territory delegation. I said then:

"I should like, if I may, to express my personal opinion with respect to the granting of independence to the Trust Territory. It is my conviction that the people of the Trust Territory ought not to behave like a child who asks his father to give him something merely because he knows that his elder brother was given the same thing. Likewise, the United Nations ought not to act like the father who, after having given something to his older child, feels he must also give the same thing to his younger child at the same time, merely to please both of them."

Times have certainly changed in the past 10 years. During those 10 years, Micronesian goals and aspirations have changed; I, too, have changed. If the Trust Territory was a 15-year-old child then, it is a young man of 25 today fully ready and able to take its place in the world.

(Mr. Amaraich, Special Adviser)

Although I am greatly honoured to appear again before this Council, I am more than a little disappointed that I have had to do so, for it shows that, despite our change in attitude and aspiration, our political status has not yet changed at all. The development of Micronesia toward self-government has been painfully slow under United States administration of Micronesia. If developments continue at their present pace, I am afraid that this year will be far from the last in which Micronesians appear before this Council in a political vacuum, as representatives of a nation which is but a dream in their mind's eye. Nevertheless, I continue to look forward with great expectation to the day when a Micronesian will appear before this Council, not as an adviser, but as a representative of the Micronesian nation.

Where have we gone during these past 25 years? A few roads, some hospitals and schools, some bad experiences and some good ones. A quarter-century -- half a lifetime --- under American administration has brought little that will remain long after the Administration has gone. Yet, if it has left us anything, America's 25-year legacy to Micronesia is that the Micronesian people now know how important it is to control their own lands, to run their own Government, and to be a free people.

We are extremely grateful for the considerable assistance which the United Nations has given us in the past, particularly with relation to our future political status. We know that our only hope for a meaningful expression of our views and our concerns lies here in this chamber; over the years, we have come to know and to trust this Council as a fair and objective observer of events in Micronesia. It is only through the assistance of this Council that our continuing struggle for self-government, in accordance with the freely expressed wishes of the Micronesian people, can be won. If events continue in their present direction, we may come to depend more and more upon the United Nations for such assistance.

We are even more grateful that the continued advice and guidance of the Council and of other organs of the United Nations, such as the Special Committee of Twenty-Four, remains available to us now, when our need is greatest.

(Mr. Amaraich, Special Adviser)

With the continuing support of the United Nations, and with the acceptance by the United States of the full spirit of its Trust obligation to promote the Micronesian people to self-government or independence, I am confident that Micronesia will one day soon see the fulfilment of a century of dreams, the satisfaction of our fundamental right to be free and to live as free men in a sovereign nation we can call our own.

The PRESIDENT: I call on the other Special Adviser, Congressman Basilius.

Mr. BASILIUS (Special Adviser to the United States delegation):

Mr. President and members of the Trusteeship Council, it is indeed a great honour and privilege to have this opportunity to appear before you today. I hope that my presentation will, in some small measure, contribute to the deliberations of this august body as it undertakes the review of the administration of our islands, the Trust Territory of the Pacific Islands. We continue to be encouraged by the real interest and close attention that this Council is giving to the development and progress of Micronesia, and we hope the time will soon come for Micronesia to attain its goal of self-determination and self-government.

The prospect of eventual self-determination, however, must, of necessity, take into consideration the progress that has been made in both the economic and the social development of Micronesia, and for this reason I would like to review for this Council the areas of concern on which I feel our efforts and attention should now be focused.

It is my view that development should be based on a broad perspective. Changes and developments in one area, such as education, most certainly will affect other areas, such as social and economic development. All of these, in turn, are affected by other events and processes which may appear unrelated but are actually closely related.

At present, Micronesia suffers from a fate common to small, non-industrial countries under the influence of large, industrial and metropolitan Powers. Micronesia is in a state of social transition. That the mores and values of traditional societies disintegrate and crumble at the onslaught of modern Western influence is certainly not a revelation to us today. Western colonialism's

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irrevocable influence on less-developed countries in the Americas, Africa and Asia is well known. What greatly disturbs me regarding the Westernization of Micronesia, however, is that despite the knowledge of past difficulties experienced by underdeveloped nations, we see the Administering Authority today repeating the mistakes of other metropolitan Powers, while ignoring some of their previous triumphs and successes.

The vast and expensive capital improvement programmes, as well as departmental programmes and related services, carried out today stand in vivid contrast to the period from 1947 to 1962, when Micronesia's development was allowed to lie dormant.

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In the early 1960s Micronesia's progress might be characterized by the phrase "change without progress". But since the late 1960s, and now into this decade, we have experiences much "change" and much "progress". This recent progress is an aspect which deserves great concern and attention because of its social and cultural effects. Indeed, we must seriously consider if recent social, educational and economic developments in the Trust Territory have been beneficial or "progressive" for those who are its recipients.

It was with great interest that I considered the report of the United Nations Social Welfare Adviser for the Pacific, Mr. Morris G. Fox, which confirmed for me the presence of conditions which many people in the Trust Territory have suspected for some time. Our traditional cultural values and modes of behaviour are dying at the hands of Westernization, leaving behind cultural dissonance. Today in Micronesia, despite the huge sums of money spent by the Administering Authority, we find juvenile and adult crime on the rise; we see the disintegration of families and the neglect of kin and clan relationships; we see a growing educated young population searching for direction; and we see our elderly citizens unhonoured and unrespected in their own culture, victims of Micronesia's stampede into the twentieth century.

We can only hope that the Administering Authority, which commissioned the report, will heed all the 14 valuable recommendations embodied in that report.

In the area of social advancement there have been great strides taking place in the area of health services, as evidenced by the building and planning of multi-million-dollar hospital complexes and an increased emphasis on the construction of dispensary facilities and the training of personnel for health and first aid facilities in the outlying areas of Micronesia. However, at present the dispensary facilities are still substandard in most districts. This fact was underscored by the report of the special task force of the Trust Territory Health Planning Council, which investigated health services and facilities in the outlying islands of the Marshall Islands District.

The task force stated in its report that it was appalled by the conditions of all dispensaries which it visited. In its conclusions the task force stressed

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"more planning on field trips, sanitation programmes, inventory of the medical supplies in the dispensaries, house calls by the Field Trip Medical Officer, immediate construction of new dispensaries, furnishing of refrigerators, beds, desks, medicine cabinets, chairs, boats, bicycles, and the construction of health assistant quarters. Also, the Committee strongly recommends bringing the health assistants in for refresher courses."

Additionally, while such facilities as the new hospital in Truk and those planned in Ponape, Yap and the Marshalls will undoubtedly increase the quality of facilities, their existence will also demand highly trained professional and technical staffs, as yet unavailable, and operational budgets which, because of the sophistication of the facilities, may prove an unwarranted financial burden to the future government of Micronesia.

With regard to the problems of youth in the Trust Territory, it would seem that the present programmes offered by the Division of Community Development and the local community action agencies are attempting to treat the symptoms rather than cure the causes of the social and economic ills that beset this age group. Outstanding among the problems in this area are those of under-age drinking and crime related to drinking.

In the area of public safety, we note with regret -- despite increased efforts to expand the scope and improve the quality of law enforcement -- the unwarranted and senseless burning of the Congress's meeting chambers and the High Commissioner's official residence. The Executive Branch has vigorously sought convictions in recent cases of wanton property destruction and personal violence. Yet, while the judiciary and attorneys for the defence and prosecution are highly qualified by United States standards, police investigation and documentation have proven to be greatly inadequate. This has resulted in acquittal, or extremely light sentences, in several instances.

While improvement of enforcement capabilities may be a necessity, there is also the very real possibility that these and other recent violent anti-social acts have roots which are deeply imbedded in the current crises of social and cultural identity which Micronesia is now experiencing. These crises are partly the results of the "multiple and sometimes conflicting directives" of the Trusteeship Agreement and also the fact that the people of Micronesia are

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expected "to function under two systems of law, not always compatible", as outlined in the United Nations Social Welfare Adviser's report.

In the area of social services and the welfare of the people of Micronesia, the Congress of Micronesia during its most recent session appropriated more than \$120,000 for the operation and continuance of its social security programme. It also passed measures appropriating nearly \$3 million for public works and social programmes for each district and for Territory-wide channel and road improvement programmes.

The Congress has also enacted a law creating a Special Joint Committee concerning Rongelap and Utirik Atolls and appropriating money for its work. This Special Committee will study the adequacy of medical treatment and compensation for injuries suffered by the 239 Marshallese who were irradiated during the 1 March 1954 H-bomb test on Bikini Atoll. We hope that the 1973 Visiting Mission will pay special attention to the Special Committee's report, which is scheduled to be submitted to the Congress in January 1973.

Lastly, the Congress passed another measure vital to the improvement and maintenance of the quality of life for Micronesian citizens. Public Law No. 4C-78 provides for protection of Micronesia's valuable environmental assets of land, water and air.

Quality and quantity of education continue to be primary concerns of the Trust Territory Administration and the Congress of Micronesia. During the past two years, great strides have been taken to provide elementary education for all Micronesian children, although at present 25 per cent of all elementary school facilities are still substandard and 25 per cent of elementary school teachers do not possess a high school level education. It will still be several years before the secondary school system can accommodate all elementary graduates due to inadequate school facilities, dormitories and personnel.

Education today in Micronesia still parrots the United States educational system, designed primarily to advance students through such a system, rather than to prepare them for the realities of life in Micronesia. An education which by its very nature tends to separate young people from the land, sea and traditional co-operative work patterns would somehow seem to be inappropriate in a part of the world where people have been and will continue to be dependent upon fishing,

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farming and community effort in order to resolve their daily and long-range needs and problems. While it is not perhaps a popular concept in the United States to make the education of children more selective, as it is in other countries, it is a realistic concept in the face of Micronesia's present and future developmental needs and lack of facilities for many elementary school graduates.

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The Visiting Mission's 1970 report strongly emphasized vocational training, especially before the seventh grade. Yet the only vocational school in the Trust Territory -- the Micronesian Occupational Center -- is turning out auto mechanics and appliance and air-conditioner repairmen, and the only agricultural training school in Micronesia is operated by a religious mission. While the Congress of Micronesia does not possess direct control over the curriculum or the Federal grant appropriations, it does recognize the importance of the role of education in fulfilling our high-level manpower requirements. To that end the Congress appropriated \$350,000 for college and secondary scholarships for Micronesian students -- an increase of \$100,000 over the previous year. The Congress also funded or provided supplemental funds for school construction and improvements throughout the Trust Territory. Furthermore, it passed a measure which by statute provided for a teacher-training programme in the Department of Education.

In the past few years we have seen that graduate schools in America have actually produced a surplus of Ph.D's and M.A's. Similarly, in Micronesia we find that even though secondary schools cannot yet accommodate all elementary school graduates, only a small portion of secondary school graduates can find employment -- most of them with the Trust Territory Government. Thus, those jobless graduates are unable to participate in the new materialistic world they have learned about, and are no longer content with traditional values. This was foreseen in the Solomon Mission Report, which noted that:

"Modern education, particularly secondary education will create a demoralizing unemployment problem..."

in Micronesia.

Here, we can see the folly of creating educational programmes without correlative programmes for economic development; here, we can see the folly of planning without purpose, of development without goals.

Both the social and the educational programmes offered in the Trust Territory reflect an attitude of adopting rather than adapting programmes for Micronesia, thus indicating that development is following the Administering Authority's intent rather than the wishes of the people of Micronesia. Superficially, the whole thrust of the Administering Authority's programmes would appear to satisfy the letter of the Trusteeship Agreement. Their actual effect has been and continues to be to make our small country more, not less, dependent upon outside assistance.

In the area of increasing dependence on outside aid, economic indicators cited in the annual report to the United Nations clearly indicate that there is an appalling trade imbalance which is increasing yearly.

One constraint which continues severely to hamper any favourable balance of trade is the United States tariff restrictions against Micronesian exports. For several years now, the Congress of Micronesia has asked for an end to these barriers -- which are not imposed upon other United States possessions and territories. Yet the Administering Authority has shown by its action that it is unwilling to remove them. The motive behind this kind of treatment can only be to hinder Micronesia's economic development and make it more dependent upon grant funds -- in direct conflict with section 2 of article 6 of the Trusteeship Agreement.

In fiscal year 1971 imports increased by 25 per cent to over \$26 million, while exports decreased by 25 per cent to \$3 million -- and if the \$878,000 worth of tuna exported by a foreign fishing venture is subtracted, this unhealthy balance of trade ratio approaches 13 to 1. The "invisible export" of tourism has been pointed out as a bright spot in this rather dismal picture. However, it should be remembered that this income is indeed invisible, based only on estimates of money spent by tourists in Micronesia, and gives no indication of how much money is funneled out through foreign corporations which control tourism in Micronesia.

In the area of agriculture, the only results we have witnessed in the reporting year are a decrease in rice production of 130,000 pounds and an over-all drop in agricultural production of 19,000 pounds. We also note that, according to the annual report acreages planted with tree and garden crops have remained unchanged, even though it is reported that acreages devoted to crops have increased from 99,000 to 129,000 during the same period. Whether this sharp increase is a statistical error or not is unclear. Perhaps the most important development affecting agriculture in the Trust Territory was the drastic drop of \$30 a ton in the price of copra, due to falling world market prices. Despite the claim that the Trust Territory possesses an annual potential for agricultural production of \$26 million, we must call attention to the fact that the Division of Agriculture's share of the total grant fund budget is only 2.5 per cent.

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It is evident that the entire agricultural programme needs to be reviewed. Less emphasis should be devoted to experimentation and more effort assigned to getting extension agents into the field to initiate local agricultural programmes in each district. Additionally, greater information regarding the availability of Economic Development Loan Funds for agriculture should be made available and, at the same time, more public lands should be made available for agricultural purposes. The Congress is aware of the latter need, and I am pleased to report that Public Law No. 4C-50 will eventually open up vast portions of the more than 37,000 acres of public domain land on Saipan for agricultural and village homsteading.

I do not think I can emphasize too strongly our disenchantment with marine resources development in the Trust Territory. Aside from the work of the Division of Marine Resources related to the elimination of the Crown of Thorns Starfish, fisheries development in the Trust Territory has been a failure in practically every respect.

In 1964 the High Commissioner reported to the United States Congress that: "With over 3,000,000 square miles of surrounding ocean, abounding in tuna and other food fishes, development of fisheries and other related industries of the sea... stands as probably the paramount source of economic betterment for the people of Micronesia."

The Trust Territory's budget request for marine resources development that year, however, amounted to only \$52,000 for "fisheries development, Territory-wide."

Currently, foreign fishing vessels reportedly reap 35,000 tons of skipjack and 50,000 tons of yellowfin tuna annually in Micronesian waters. The Administering Authority estimates that this skipjack resource is worth \$10 million annually. The Marine Resources Division, in its report, repeats the litany that this area is the "Territory's greatest natural resource." It also includes among its major programme efforts inshore and offshore fisheries' development and boatbuilding.

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Yet, during the reporting year, exports from off-shore fisheries, operated in the Trust Territory exclusively by a wholly foreign-owned company, dropped by over \$100,000. As far as inshore fisheries are concerned, the annual report points to the success of two small programmes in two districts. However, the report indicates that inshore catches increased by a negligible 1 per cent last year. The boat-building programme produced no income at all. It is also interesting to note that the Administering Authority allocates less than 1 per cent of the Grant Fund budget to marine resources development. The Congress has been cognizant of the need for elevating this area to its appropriate priority. The House Committee on Resources and Development's report on Economic Development in the Trust Territory recommended essential changes in the structure of this Division of Marine Resources. The Committee hopes that the Trust Territory Government will heed this recommendation.

Additionally, the Congress enacted a measure appropriating \$500,000 --- equivalent to the total Marine Resources Division budget --- as a part of the Economic Development Loan Fund to be used exclusively for loans for commercial marine resources projects. Lastly, the Congress enacted legislation which will create a much-needed small boat-building facility in Truk District.

Clearly, there is a need for reorientation of budgetary priorities and a necessity for the translation of the expressions of best intentions, desires and plans of our Administering Authority into actions and viable ongoing programmes, both for Micronesian fishing industries and practical agricultural programmes, in concert with increased availability of public domain lands for agricultural purposes.

Although the Congress of Micronesia's limited revenues are less than one-tenth those of the United States Grant Funds, it has, through appropriations and legislation, attempted to spur our economic growth.

In the essential area of development of our manpower resources, the Congress enacted during the second regular session of the Fourth Congress, Public Laws Nos. 4C-29, 30, 42, 57 and 77, which strengthen laws protecting resident workers. The Congress also adopted House Joint Resolution No. 9, which asks that all Micronesian Trust Territory Government employees be able to participate in in-service training programmes while receiving their regular salaries.

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Prominent among accomplishments dealing with economic development of the entire Territory was Public Law No. 4C-31, which creates a Bank of Micronesia and appropriates monies for its Board of Directors to study the formation of the Bank. The Bank is to begin operation in 1973. We consider this legislation a major step forward in providing financial services commensurate with the needs of Micronesians, and we hope it will be the beginning of real development of Micronesia by and for Micronesians.

The present and future state of the Trust Territory's only shipping line has been, and continues to be, of great concern to the Congress. Formerly called Micronesian Inter-Ocean Lines, Incorporated, this venture was taken over by the Trust Territory Government last year because of financial difficulties. It has since been renamed Trans-Pacific Lines, Incorporated, and is operated by a management committee composed mostly of members of the Executive Branch of the Trust Territory Government. Unfortunately, the Administering Authority failed to heed the recommendations of the 1970 report of the Congress of Micronesia's Joint Committee on Shipping. This Committee pointed to MILI's weak financial base and recommended that the Government purchase \$2 million worth of stock in behalf of Micronesian investors, and that it increase supervision and exercise more carefully its regulatory powers. I am not able to report on Transpac's present operations, since past negotiations and present conduct of the company are matters in which the Executive Branch was exclusively involved.

Foreign investment in Micronesia, while still restricted by the "most favoured nation" clause of article 8 of the Trusteeship Agreement, has increased both by direct application and covert investment. The Congress, mindful of the need for investment yet maintaining that such investment must involve Micronesians and be beneficial to them, recently passed laws which set additional requirements for foreign investors permits, and also gave additional investigatory powers to the District Foreign Investment Boards. Ironically, article 8 is responsible for rendering useless the mandates of article 6 of the Trust Territory Agreement. Time and time again we have requested the Administering Authority to relax the restrictions of this article in order to aid our economic development through outside investment by nationals of other nations. Time and time again the Administering Authority has turned a deaf ear to our pleas. The net result is that

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only American concerns can operate in Micronesia, despite the eagerness of citizens and corporations of other nations to do so.

Hopefully, actions by the Congress, together with increased concern, awareness and action by the Administering Authority, will begin to have a positive cumulative effect upon the social, educational and economic advancement of our country. By now it should be vividly clear to us that all of these areas are inter-related and deserve graduated and co-ordinated attention; a deficiency in our social services and advancement will, undoubtedly, affect the viability of our human resources; shortcomings in approach and quality of education will affect our social development; and inappropriate economic development must surely have an adverse effect upon our social and educational advancement.

With regard to co-ordinated development, I would like to expand slightly upon a theme expressed by Senator Ambilos Iehsi to this Council in 1970, and by Representative Sasauo Haruo who appeared before the Council last year.

Senator Iehsi concluded his opening remarks to this distinguished body by noting that "... a concerted Micronesian programme should be prepared for the promotion of economic and social development during the decade of the nineteen seventies". (1362nd meeting, page 46).

Representative Haruo, who is Chairman of the House of Representatives Committee on Resources and Development, made the following remarks to the House last January during presentation of his Committee's Report on Economic Development in the Trust Territory. He noted that there was a need

"... for the establishment of a concrete and long-range plan for the total development of Micronesia. A plan... that co-ordinates all parts of Micronesia's economy toward a single goal of development and self-reliance."

I believe there is much merit in the potential benefits of such planned development. Unfortunately, in the past, the Administering Authority has indicated that economic development is a goal in itself. As recently as this month, the Deputy Assistant Secretary for Territorial Affairs in the Department of the Interior noted in a speech in Hawaii that "... until 1969 there was little effort for direct Trust Territory programmes towards the objective of economic development". Yet, as I interpret the Trusteeship Agreement, economic development is not merely a goal in itself, but rather a means to the objective of "self-sufficiency of the inhabitants".

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At present the Administering Authority is attempting, as in the past, to describe economic development by huge grant fund appropriations. Yet the decade of the 1960s clearly shows us that a high -- and in the case of the Trust Territory artificial -- gross domestic product and even high growth rates do not necessarily raise income levels or eliminate underemployment, poverty and disease. I think it has become apparent that a high growth rate, in and of itself, is not sufficient. What is needed is to formulate a plan which places social, economic and educational priorities as goals, and then determines how they must be achieved.

Until very recently the Administering Authority had attacked planning and development in a piecemeal manner through health, manpower and curriculum councils. It has only been since January of this year, after presentation of the United Nations Social Welfare Adviser's report, which recommended formation of a Territorial Development Policy, that the Office of the High Commissioner has announced the appointment of a Territorial Planning Coordinating Committee. We look forward with great expectations to the future recommendations and work of this body, which will be responsible for coordinating development at the district and Territory-wide levels. It is unfortunate that such a step was not taken somewhat earlier in the Administering Authority's 25-year stewardship.

The formulation of this Planning Coordinating Committee augurs well for our development. It can only mean that the Administering Authority will now take into consideration all aspects of development, including social and cultural consequences, and also the contributions, budgets and roles of the areas of management, statistics, development planning and training for planning, formal and non-formal education, manpower and manpower training, finance, budgeting, capital improvement projects, the private sector, health services, personnel, teacher education and scholarships, public information, design and engineering, agriculture, land, marine resources, transportation and communications, and economics, to name a few.

We must express the hope that in the implementation of its economic development goals the Administering Authority will also make the fullest use possible of the extensive resources and singularly vast experiences of the various

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developmental agencies and programmes of the United Nations. The Congress of Micronesia is aware of the many helpful recommendations this Council and its Visiting Missions have made. It is in appreciation of this fact that the Congress adopted last session three resolutions requesting the Administering Authority to solicit the assistance of the United Nations in developing food processing and canning industries, inviting the United Nations Volunteer Corps to Micronesia, and seeking associate membership for the Trust Territory in the Economic Commission for Asia and the Far East.

It is my sincere wish that, through the efforts of the United Nations and other international agencies, the Administering Authority and the Trust Territory Administration, the Congress and the people of Micronesia, there will be mounted an over-all concerted attack upon the problems that beset us and that we may soon see fulfilment of the social, educational, and economic goals and objectives as contained in the Trusteeship Agreement.

The PRESIDENT: As members will note from the work schedule, two meetings are scheduled for tomorrow. At that time the Council will begin its questioning on the Trust Territory of the Pacific Islands.

The next meeting of the Council will be held tomorrow at 10.30 a.m.

The meeting rose at 1.15 p.m.