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PROVISIONAL VERBATIM RECORD OF THE THIRTEEN HUNDRED AND  
NINETIETH MEETING

Held at Headquarters, New York,  
on Thursday, 25 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 June 1971: (continued)
  - (a) Trust Territory of the Pacific Islands

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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) (continued)

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; The Council will now begin questioning the representatives of the Administering Authority.

Mr. WEIR (United Kingdom): The United Kingdom delegation would like to extend a very warm welcome to the Special Representative and to the two Special Advisers and other representatives of the Trust Territory of the Pacific Islands. We listened with great interest to the statements they made yesterday, which have brought up a number of points on which my delegation would like now to seek some clarification. My delegation was also interested to hear the statement by the representative of the United States, and we should like to include him in our questioning, if we may.

My first question relates to the constitutional picture and is addressed to the representative of the United States. Yesterday the Council was informed of the very substantial progress made in the two series of negotiations between the United States Government and the Joint Committee on Future Status of the Congress of Micronesia in October 1971 and April 1972. Despite the broad measure of agreement which was reached and which has been recorded, at any rate in principle, it appears from the statement of the Special Adviser, Senator Amaraich, that several points of difficulty have yet to be resolved. I wonder whether the United States representative could give us perhaps a slightly more detailed indication of what those points of difference are, and perhaps the Special Advisers might also be able to comment on his reply.

Mr. SACKSTEDER (United States of America): As I said yesterday in my introductory statement when referring to the present status of the discussions between the representatives of my Government and representatives of Micronesia through their Congress and its Political Status Committee, as a result of four rounds of negotiations or discussions, the deliberations have reached a certain stage. At the conclusion of the talks most recently held in April in Palau, both sides concurred in and issued a joint communiqué, to which I referred at some length in my remarks and which was circulated to all the members of the Council for their information some weeks ago.

In that joint communiqué, the consensus of both delegations as to the stage reached in their discussions was carefully and very clearly set forth. That consensus does not pretend that a final agreement has been reached, but it does set forth an agreement in principle to form the basis for continued discussions of the details which we expect indeed to be undertaken as early as this coming summer. The communiqué concludes that both parties had reached agreement on a future Compact of Association between Micronesia and the United States, a Compact of Association which was indeed the desire of the Micronesian side in those discussions and which, as stated in the communiqué, recognizes the basic principles of the position of the Micronesian side set forth by it well before the last round of negotiations actually took place.

In the view of my delegation, it would be premature, indeed foolhardy, to try to speculate here in this Council on what the specific outcome of the next round of discussions will be. That remains for the discussions themselves to develop. But my Government, and we believe also the Micronesian negotiators in those discussions, are confident that those points which remain to be discussed and settled will be discussed and settled in the same harmonious spirit in which the basic principles that led to this agreement were discussed and arrived at.

We do expect the negotiations from here on to enter into problems of transition, financing and the timing of the entry into a new relationship. We do not believe that basic principles still remain to be discussed, because indeed the significance of the talks at Palau was that we reached a basic agreement of principle.

Mr. WEIR (United Kingdom): I should like to direct my questions to the constitutional side for the moment. I was not, of course, asking for or expecting to be given an indication of how the talks were likely to result, but rather hoping to get a clearer indication of what were the points at issue. I note from the statement of the United States representative yesterday that he remarked that one unresolved principal issue was the question of the method by which the future relationship between Micronesia and the United States might be modified or terminated. I wonder whether he could perhaps elaborate on that. I noticed, too, that later on in his statement he quoted Senator Saliu of the Joint Committee as having referred to the United States acceptance of Micronesia's right of unilateral termination. Is it correct to assume from the fact that he quoted that statement that the United States does indeed accept the right of unilateral termination, or is that an outstanding issue?

Mr. SACKSTEDER (United States of America): No, I would not say that the question of the right of unilateral termination remains at issue. It has been accepted. It was one of the basic principles set forth by the Micronesian side at the beginning of the discussions. It was recognized as such by the representatives of the United States. As we have indicated, what remains to be agreed upon is the exact formula which would implement this basic principle. With respect to this, with all due respect to my colleague from the United Kingdom, I fear that we would be foolhardy again to try to anticipate exactly what both sides will decide in discussions that are to begin in the near future.

Mr. WEIR (United Kingdom): Perhaps I could go on to the method whereby the Compact of Association which is the objective of the talks would be approved and implemented. I noted from the statement of the United States representative yesterday that any agreed Compact would have to be approved by the Congresses of Micronesia and the United States and by the people of Micronesia. I wonder whether the United States representative could elaborate on the implications of the latter point. Is the approval of the people of Micronesia to be sought, for example, by a general election on this particular issue, or by a referendum, or by a plebiscite, or by some other means, or has this question perhaps not been settled yet?

Mr. SACKSTEDER (United States of America): As the representative of the United Kingdom has pointed out, my delegation has made clear that the general manner in which we view the approval of this compact is through the approval of, respectively, the legislatures of both sides: the Congress of the United States for the United States, the Congress of Micronesia for the people of Micronesia. However, we do envisage that, upon the securing of approval for the compact of association by both legislatures, some form of public, general, open ratification by the people of Micronesia would take place. We are not in a position at this stage -- because the matter has not been decided -- to say whether this would be in the form of an election, referendum or plebiscite; it could be any one of them. But it will be carried out in such manner that the people will be directly asked to decide what their ultimate future status is to be.

Mr. WEIR (United Kingdom): Would the Special Representative or either of the Special Advisers care to tell us how they would envisage this process being carried out.

Mr. JOHNSTON (Special Representative): To clarify one matter right at the start of this line of questioning, I might advise the representative of the United Kingdom and the other members of the Council that the Executive Branch of Government of the Trust Territory of the Pacific Islands has not participated in the status discussions to any degree whatsoever. In fact, our request even to have an observer at the discussions has been rejected on two occasions. So I would defer any comment on the status discussions to either one of the Special Advisers, one of whom is a member of the Congress of Micronesia status delegation, or to the United States representative.

Mr. AMARAICH (Special Adviser): On the question of how the decision will be made, and it has been the position of the Congress of Micronesia and therefore of the Joint Committee on Political Status, that the question will be put to the people, and that the people will have to make the decision. The details of how that is going to take place has yet to be worked out.

Mr. WEIR (United Kingdom): Since it is not clear from what we heard yesterday, I should like to pass immediately to the Marianas and ask a question about their role in the status discussions.

We heard yesterday that the Marianas, with the agreement of the administering Power and the other five districts, are preparing to negotiate their own separate status. It will be recalled that in the report on its thirty-eighth session the Council shared the hope expressed by the Political Status Committee of the Congress of Micronesia that separation would not be considered until all possibilities for partnership between the Marianas and the rest of Micronesia had been explored.

I should like to ask the United States representative whether he is satisfied that all such possibilities have been carefully explored and that the course of separation is in accordance with the wishes of the majority of the people of the Marianas District. I have in mind the fact that in a district-wide plebiscite held in November 1969 over half of the votes were cast for a reintegration of the Marianas with the Territory of Guam, and my delegation would be interested to know whether that latter option is still regarded as open or whether it is now clear that the majority of the people of that district wish to have a special relationship with the United States.

Mr. SACKSTEDER (United States of America): It is probably somewhat presumptuous for me to try to speak for the people of the Marianas, inasmuch as we have been informed that we are to hear tomorrow four representatives of the people of the Marianas who have been asked to be heard as petitioners on this very question. I could, however, in partial response to the question of the representative of the United Kingdom, point out one or two things.

First, as I stated yesterday, the United States adheres to the position that the termination of the Trusteeship Agreement must be simultaneous for all districts -- which is to say that we are not prepared to see the dismemberment of Micronesia piece by piece and to request the dissolution of the Trusteeship Agreement district by district. We have, as the Council knows, repeatedly urged the people of the Marianas to give every chance to the Territory as a whole to work together. We have, however, been obliged to recognize an increasing fundamental and deep desire by the people of the Marianas to find a somewhat different solution to their future status from that which appears to be the wish of the people of the other five districts.

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It is therefore in recognition of this reality and with the assurance of the representatives of the other five districts that we recognize the right of the representatives of the Mariannas to discuss their wishes and their desires with the United States as the Administering Authority, that we agree to discuss, that we agree to talk with the representatives of the people of the Mariannas about some form of future status which might not be the one selected by the representatives and people of the other five districts.

I believe that we should limit our response to the question to this at this stage of our deliberations -- especially in view of the fact that we shall be hearing from authorized representatives of the people and the District Legislature of the Mariannas as early as tomorrow.

Mr. WEIR (United Kingdom): I shall be glad to postpone any further questions about the Mariannas until after the Council has heard the petitioners.

Perhaps I could now pass on from constitutional issues to more internal questions. First, on the question of localization, my delegation was interested to hear the Special Representative's statement in which gave examples of several cases in which Micronesians had been appointed to important positions formerly held by expatriates -- a development my delegation very much welcomes. At the same time the Special Adviser, Senator Andon Amaraich, made some comments which appeared to be at variance with the statement that localization was progressing, or which at any rate indicated that he did not feel the process was advancing fast enough. I also seem to remember that he referred to an annual 10 per cent increase in the recruitment of expatriate personnel. I wonder if the Special Representative could comment on the remarks made subsequent to his statement.

Mr. JOHNSTON (Special Representative): If I may comment on those remarks made yesterday by the various members of our delegation, this is one of the greatest goals of our Administration, and it is not without problems. However, I think there is one highly significant fact which has never been entered in the records of this Council, and that is that, at the same time we reduced the

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non-indigenous work force in the Trust Territory Government to some 9.3 per cent, the Congress of Micronesia, which is becoming an increasingly large employer, although nowhere near as large as the Executive Branch, itself employs 33-1/3 per cent Americans.

One of the other problems we have in trying to place persons we in the Executive Branch consider well-qualified Micronesians is resistance either from the Congress of Micronesia itself or, more particularly, from individual members of the Congress. If I may, I shall now read a couple of excerpts from recent letters pertaining to some of our appointments.

One representative, in commenting on an appointment we made in the Department of Agriculture, said:

"While I would be among the very first to endorse the appointment of Micronesians to posts of leadership and responsibility in the Trust Territory Administration, I must state again that the Division of Agriculture should be headed by a highly qualified non-citizen for the present time. Preferably the individual would have some background in import-substitution programmes and would have had experience in developing countries. At this critical stage of Micronesia's development I do not believe it is in the best interests of our people or of Micronesia to place a Micronesian citizen in such a highly important and critical position at this early date".

And now another quotation, from a letter dated 19 March 1972:

"While I generally support the appointment of Micronesians to key policy making positions, I firmly believe that expatriates must head division and department positions that affect economic development, at least for the present time."

So I can assure the representative of the United Kingdom that the Executive Branch of our Administration will continue to make every effort to elevate well qualified Micronesians to positions of genuine responsibility. I think the situation will be much improved by the passage of the Advise and Consent Bill, where rather than our informal arrangements of the past, under which the Executive and Legislative Branches merely discussed appointments informally, now the Executive Branch will officially under the law nominate Micronesians to important positions, and those nominations must be considered and either accepted or



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rejected by the Congress of Micronesia. I feel that we are entering a whole new era in this relationship, and I would hope that the Congress of Micronesia will join with us in moving indigenous Micronesians into key positions as rapidly as is the Executive Branch.

Mr. WEIR (United Kingdom): I appreciate that forthright statement by the Special Representative. I wonder whether the Special Advisers would care to comment further on the question of localization.

Mr. AMARAICH (Special Adviser): The Congress of Micronesia feels that the replacement of expatriates by Micronesians should not take place just to please people. By that I mean that we do not recommend that Micronesians be appointed just for the sake of reporting that we have so many Micronesians going into high positions. But at the same time we know and feel that there are Micronesians who are capable of handling some of the jobs at present held by non-Micronesians. That we have had some reservations on some individuals and that we probably do not have enough qualified people in our Government results from lack of training. It is a picture of what the Administration has been doing or has not been doing in the past. If we do not have any qualified Micronesians, it is evident that the programme of training Micronesians has in the past been lacking.

Now, with regard to the employment of non-Micronesians in the Congress of Micronesia, it should be remembered that we started only in 1965 and therefore, again because of the lack of training prior to that time, we have had to employ non-Micronesians because the Administration did not see fit to train people to take over the Legislative Branch of the Government when it came into effect.

Mr. WEIR (United Kingdom): One further point. Is it in fact true that there is a 10 per cent annual increase in expatriate recruitment? Could I ask the Special Representative that? I think the Special Adviser said something to that effect yesterday.

Mr. JOHNSTON (Special Representative): There has been a general increase in employment -- a greater increase in Micronesian employment than in expatriate employment. But when you increase the United States Grant Fund budget over a period of years from \$7.5 million to \$17.5 million to \$30 million and then to \$50 million and \$60 million and put a much greater infrastructure in place and spend much more on capital improvements, then there must of necessity be some increase in the work force. To give one example, when you build a 120- or 140-bed hospital you need people to staff and man that hospital. Because of the increased construction and the increased capital improvements programme, employment in the Trust Territory, both expatriate and Micronesian, has gone up. But as Senator Amaraich said yesterday, the percentage of expatriates has gone down by approximately 1 per cent, from about 10 per cent to about 9 per cent.

Mr. WEIR (United Kingdom): Turning to the budget I should like to recall the hope expressed in the Council's report on the thirty-seventh session that steps would be taken to broaden the financial responsibility of the Congress of Micronesia by extending its powers to include appropriation of the United States financial subsidies. Yesterday the Special Representative told us that this request was being given serious consideration by the Chairman of the United States Senate Appropriations Sub-Committee. Could the Special Representative tell us what the position is now?

Mr. JOHNSTON (Special Representative): I would not for one moment presume to speak for the United States Congress collectively or any individual member thereof. However, it is a matter of record that for two years in a row, when two representatives of the Congress of Micronesia and the High Commissioner have appeared before the United States Senate and the United States House of Representatives, the members of the Congress of Micronesia have asked the Congress of the United States to give them more local authority in appropriation of funds. In both cases, when I have been asked about this, I have endorsed their request with the statement that I feel that the Congress of Micronesia has definitely reached the stage of maturity where it can adequately act upon the appropriation of funds for expenditure within the Trust Territory regardless of the source of

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those funds. I think it is significant that in the past three fiscal years the Congress of the United States has made no substantial change in the proposed allocation of funds which we have presented to it as a joint product of the executive and legislative branches of the Trust Territory Government.

Mr. WEIR (United Kingdom): What legislative or other process would be involved in extending the powers of the Congress of Micronesia as has been suggested?

Mr. JOHNSTON (Special Representative): The action that would be necessary would be a decision by the Congress of the United States that the money would be appropriated to the Trust Territory in a lump sum rather than in a specific line item budget detailing exactly how each dollar of the appropriation was to be spent. It would merely mean eliminating one of the two processes that we must go through every fiscal year. The executive branch of our Government prepares a suggested budget. We then appear in hearings before the Congress of Micronesia, where the budget is thoroughly discussed, dissected and possibly amended. Then we go to Washington and go through exactly the same process before Committees of the House and Senate of the United States Congress. The plea by the members of the Congress of Micronesia has been to eliminate the second process. This would require action by the Congress of the United States; it would not require any amendment of the Secretarial Order.

Mr. WEIR (United Kingdom): I have a further question on financial matters, relating to tariff regulations, which were also mentioned yesterday. We were told earlier -- I think last year -- that a bill pertaining to tariff regulations was before the United States Congress and that this bill had the purpose of granting Micronesian products duty-free entry into the United States, thus eliminating what was described as a long-standing bar to the economic progress of the Trust Territory. According to what one of the Special Advisers said yesterday, this tariff barrier in fact remains. I wonder whether the Special Representative can confirm that this is so and if so, what plans there are for further legislation to reduce the remaining tariff barriers between Micronesia and the United States.

Mr. JOHNSTON (Special Representative): Legislation to eliminate the tariff barriers between Micronesia and the United States has been introduced into the United States Congress on several occasions. On the most recent occasion it was part of an omnibus bill containing five sections. Although three of the five sections of that bill have now passed, the tariff provision was one of the sections which was deleted from the bill in its process of going through the United States House of Representatives and the United States Senate. So unfortunately it is true that the tariff barrier between Micronesia and the United States still remains.

Mr. WEIR (United Kingdom): Is it the intention to reintroduce this provision at the next opportunity?

Mr. JOHNSTON (Special Representative): I would say that we would certainly continue to push for the elimination of the tariff barrier and I might add that, as is clear from reading the record of the last two rounds of the status talks, this subject has been discussed by the United States and Micronesian delegations at those talks.

Mr. WEIR (United Kingdom): May I turn now to the subject of political education, on which one of the Special Advisers had some harsh comments to make yesterday: in fact I think he described the programme as a total failure. There are some details in this year's report on the political education campaign now being pursued in the Territory, but I wonder whether the Special Representative could comment on the Special Adviser's remark and perhaps give us a little more detail as to what is being done in the field of political education.

Mr. JOHNSTON (Special Representative): In the field of political education our Department of Public Affairs has attempted to bring political education to the people in the various districts. Although reference was made to one announcement which may have been broadcast in English, I can assure you that, particularly in the districts other than the Mariana District, the majority of the broadcasting -- news broadcasts, announcements and so on -- is very definitely in the vernacular. To give one example of our political education programme: The status talks in the Palau District were concluded just a couple of months ago.

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When I met with our six district administrators in the Palau District just before I came to Washington for the meetings of the Trusteeship Council, I was assured by all six of them that the summary of the status talks prepared jointly by the United States and Micronesian delegations and a special edition of our Government publication Highlights, which summarized the status talks, had already been translated into the major languages of the Trust Territory and disseminated to the people. I then asked the question whether the citizens of Micronesia really were interested in reading fairly lengthy documents about the status talks. I was assured that they were and that there was genuine interest in every district in the results of those talks and that a maximum effort was being made to disseminate this information as quickly as possible.

I would add only one comment: In the dual capacity of head of the executive branch of the Trust Territory Government and representative of the Administering Authority, we have been very careful at all times to avoid any propagandizing in our political education programme and have made a maximum effort to provide political education, particularly on the sometimes delicate issues of the status question.

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In our state of the Territory message two years ago we asked the Congress of Micronesia to join us in creating a joint committee consisting half of members of the Congress and half of members of the executive branch to set up a very definite programme of political education and monitor it to make sure that it was properly carried out. Although the staffs of the Congress and the executive branch have continued to co-ordinate their efforts, such a committee has not so far been set up.

Mr. WEIR (United Kingdom): That was a very interesting and relatively encouraging reply, and it leads me to ask a further question on political activity in the Territory. I note from the annual report that it is only in the Marianas and Palau Districts that there are registered political parties. Could the Special Adviser comment on the lack of political parties except in those districts, despite the fact that there seems to be quite a degree of articulateness and political interest in all districts.

Mr. AMARAICH (Special Adviser): Right now there is no legislation requiring the registration of political parties in Micronesia and, therefore, the parties are not really registered as such. It is true that in the Marianas and Palau Districts there are political parties that are known as such. Perhaps there are also political parties in the other districts, but they are not identified as such. There are political activities going on in the districts but they are not formally organized. Each individual member of the Congress in the districts has some kind of activities related to political activities, but there are no political parties in the other districts.

Mr. WEIR (United Kingdom): Am I right, therefore, in assuming that registration is not an essential part of participating in the political and electoral process?

Mr. JOHNSTON (Special Representative): It is necessary for a citizen of Micronesia to register to vote in order to be a duly qualified elector, but he does not register along party lines. His or her name is merely entered on the voting rolls as a registered voter, and there is no registration along party lines as there is in some areas.

Mr. WEIR (United Kingdom): Further to that, might I ask the Special Representative what, therefore, is the significance, purpose and advantage of having a registration process for political parties, as, evidently, there is this provision which applies in the case of two districts?

Mr. JOHNSTON (Special Representative): As the Special Adviser pointed out, these parties are not officially recognized in any way in the laws of the Trust Territory and the Trust Territory code. They exist in two districts, and I might say that the parties are organized along different lines in each of the two districts and do not even have the same party labels or names in each of the two districts. It is a purely local situation based on local political lines and the parties are not officially recognized as political parties are officially recognized by other governments. Does that adequately answer the question?

Mr. WEIR (United Kingdom): It leaves an outstanding query in my mind as to what the purpose of registration of a political party is. It is referred to as "registration" in the annual report, I think.

Mr. JOHNSTON (Special Representative): I would have to check the annual report more closely. The political parties -- and I think perhaps one of the two gentlemen here who has served in the Attorney-General's Office can give me some advice on this -- are not actually registered in the terms normally

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thought of in the United States or the United Kingdom as registered parties. I am now being informed that our law merely provides that political parties will put up nominees or candidates to run for office and that there is no specific registration of the party as such.

Mr. WEIR (United Kingdom): For a couple of final questions I should like to turn to education. My delegation was interested in the remark of Congressman Basilius yesterday that in his view the educational system of the Territory is in effect too closely modeled on the system of the United States and does not take sufficient account of local conditions. Could the Special Representative comment on this thesis?

Mr. JOHNSTON (Special Representative): As I pointed out in my opening remarks yesterday, this situation undoubtedly was true but we have made what I regard as considerable progress in developing a curriculum designed for Micronesia, and I gave specific examples of that yesterday. The programme, admittedly, is only in its beginning stages, but in the past two years we have made progress in designing a curriculum in mathematics, science and social studies and we have even published specific texts related especially to Micronesia. We have also made a much greater effort in the field of vocational education in training Micronesian citizens in those occupations which will be particularly adaptable to life in Micronesia. This programme is very definitely under way and, I would say, is possibly the major thrust in our Department of Education at the present time.

Mr. WEIR (United Kingdom): Could the Special Representative develop this point further and comment on the suggestion of Congressman Basilius that it might be better if the educational system were in fact more selective, by which I took him to mean that it ought to give priority not to universality of education but to developing vocational training -- perhaps at the expense of the more classical, academic type of education?



Mr. JOHNSTON (Special Representative): I believe that the Congressman and I are more or less in agreement on the goals of education in Micronesia. I would, however, repeat one comment which I have made before in meetings of this Council, that I do not believe that our young generation of Micronesians, who are very intelligent and capable people, should be given a type of training which would leave them adrift in the modern world. I would certainly hope that the products of our Micronesian educational system would be able to come here and sit at this Council table and express themselves in one of the recognized languages of the world so that they could be as articulate as our two representatives here today. I would not propose to abolish totally the teaching of languages, mathematics, science and the basic fundamentals of education and to teach a man merely to use the hammer, without any other form of education. I think there has to be a balance between the so-called academic courses and vocational education, and that is what we are striving to bring about -- not to make every graduate of the Micronesian school system a Ph.D. or anything of that nature but to give him a sound basic education. At the present time more than 60 per cent of our efforts in high school level graduation are oriented towards vocational rather than purely academic education.

Mr. WEIR (United Kingdom): The special representative mentioned the question of youth and its upbringing. In that connexion my delegation was interested in and also a little disquieted by the views which Congressman Basilius expressed about the impact on his people's culture of the Western way of life. He implied that an increase in the crime rate, in violence, was one of the symptoms of the adverse impact of an alien culture on the islands. I wonder whether the special representative would have any comments on this thesis and in particular on the recommendations which I believe the Congressman quoted from a report by Mr. Fox, which to some extent addressed itself to this problem.

Mr. JOHNSTON (Special Representative): Mr. Fox, who is very definitely an extremely well-qualified person in his field, did make a very thorough report based not on a quick visit to the Trust Territory but on a considerable amount of time in all of our districts. In his report he said, among other things, that one of the greatest problems in the Trust Territory of the Pacific islands was teen-age drinking and the crime that resulted from that. In one of our districts, for several months now, all of the public bars have been closed and we have taken other measures to try to deal with juvenile delinquency. We have the usual discussions which I am sure are prevalent in any country or any area -- and I doubt if any of them are totally free of juvenile delinquency -- or whether one's maximum effort should be towards rehabilitation and providing recreational facilities and so on, or how much of one's efforts should be put into juvenile detention and correctional facilities. We do have in the Trust Territory at the present time a very active proposal which will be presented to the Congress of Micronesia either at its next special session or at its next regular session, concerning the separation of adult from juvenile prisoners in our penal system. We do not now have separate facilities for juvenile offenders. The problem of juvenile delinquency, as pointed out in Mr. Fox's excellent report, is one of the great problems that we have to face today. As I said, we will have some specific recommendations on this to present to the Congress of Micronesia at its next session.

Mr. WEIR (United Kingdom): I should like to thank the United States delegation very much for these illuminating replies. I have no further questions.

Mr. ASHWIN (Australia): Like the United Kingdom delegation, the Australian delegation extends its welcome to the special representative and to the special advisers and the other members of the United States delegation from Micronesia.

I should like to begin by addressing a few questions to Senator Amaraich.

The United Kingdom representative covered certain aspects of the joint status question which I was going to ask about, but I should like to ask him one particular question. The Micronesian Joint Status Committee issued a statement after the joint communiqué was published last month. That communiqué I thought, very frankly and sincerely summarized the agreements that had been reached and the difficulties which remained in the status talks. It concluded with a paragraph which read:

"But now at least we see the emergence of a new and unique political status, a self-governing Micronesia in free association with the United States. It is a status the Micronesian delegation believes can be recommended to the Congress of Micronesia and the United States and to the people of both nations, an honourable end to the trusteeship and the beginning of a new national life in Micronesia."

I thought yesterday that Senator Amaraich painted a rather gloomy sort of picture of his view of the talks. He said that he could not express much optimism about the chances of reaching an agreement fully protective of Micronesian interests. I presume the Senator subscribed to the passage which I have just read out, so I should like to ask him whether, if the remaining problems regarding the scope and nature of authority in foreign affairs, regarding finances and regarding the length of the interim period can be settled, he would not consider that an agreement fully protective of Micronesian interests had been reached.

Mr. AMARAICH (Special Adviser): First of all, I should like to say that a joint communiqué, as I have come to know after participating in these talks, has to be agreed upon by both sides. There was a great deal of disagreement on the wording of joint communiqués. We had many problems trying to iron out the manner in which things should be said. Because, if the two parties do not agree to the wording, then we do not issue a joint communiqué. I feel, as I pointed out, that the most important and serious problem in the status talks is the question of sovereignty. If agreement is reached by conceding to the United States proposal for direct delegation of authority in foreign affairs and defence from the people to the United States, I am afraid that I will have to say that it will not be protective of the Micronesian people.

Mr. ASHWIN (Australia): May I go from that to ask the Senator whether he would not consider that implicit in the United States recognition of the unilateral termination of the compact is, in fact a recognition of sovereignty?

Mr. AMARAICH (Special Adviser): It is true that the United States delegation has recognized or agreed to that type of termination after having insisted for several years that it has to be a mutual termination. However, the United States still feels that termination cannot take place without the consent of one party for 15 years -- and this is the area in which we still do not have any agreement.

Mr. ASHWIN (Australia): I turn now to the Marianas question. I appreciate the point made by the Special Representative, and what I am going to ask bears not on the Marianas position but, rather, on the position of the Joint Status Committee. Senator Amaraich yesterday said that he felt that the United States should not have agreed to negotiations without the prior consent of the Congress. In the statement which was issued by the leader of the United States delegation, it was made clear that the Marianas petition had been presented with the approval of the Joint Status Committee, and there were also several references in Ambassador Williams' statement to the fact that the statement had been distributed in advance to members of the Committee, and that the Chairman of the Joint Status Committee had informed Ambassador Williams, prior to the convening of the Palau talks, that the question would probably be raised. The United States statement also said: "We'll keep the Joint Committee fully informed of the progress of these talks".

I should like to ask the Senator three brief questions. First, did the Joint Committee approve the transmittal of the Marianas statement? Second, did the Joint Committee not expect this action to lead to United States agreement to talks with the Marianas? Third, did the Joint Committee as such decide that prior approval of the Congress should be obtained for separate talks, and, if so, did it inform the United States delegation of this?

Mr. AMARAICH (Special Adviser): I thank the representative of Australia for raising the question because it gives me a chance to correct the record, if I may. First of all, I think that certain statements made to the effect that the Joint Committee had approved a separate negotiation between the United States and the people and leaders of the Marianas are incorrect.

In the first place, the Joint Status Committee does not have that authority. It does not have a mandate from the Congress of Micronesia even to touch the question. As I recall it, the question has been raised on several occasions during our meetings, and it has been the position of this Joint Committee of the Congress on Future Political Status that we do not have that authority, and therefore it will

(Mr. Amaraich, Special Adviser)

be up to the Marianas delegation on the Joint Status Committee to raise the question --- just to raise the question and get an answer. We feel that it will probably be helpful, in the long run, to know what the United States is planning to do, even though we hope that at that time the policy of keeping the Trust Territory Islands together will continue.

Personally, it took me by surprise when the United States delegation came forward and said: We have agreed to negotiate with the Marianas people and we will keep you informed of the progress of the talk. The Joint Status Committee and the Congress of Micronesia are very much concerned about this issue, not only because it also involves part of the population, that of the Marianas, but because it can serve as a precedent for other districts. If the United States elects to negotiate separately with one district, then you can imagine what will happen if other districts come forward and ask, can we negotiate separately?

This is the thing that we are very much concerned about, and we had hoped at that time that the United States would at least refrain from taking any stand on the question until we had concluded the negotiations.

Mr. ASHWIN (Australia): I have one more question that I would like to address to Senator Amaraich. It refers to the question of the forthcoming International Conference on the Law of the Sea. He said yesterday, and I both quote and agree with him: "... our wealth and our sustenance, and our economic future, are in the sea" (1389th meeting, page 33-35). He said also:

"... 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". (Ibid.)

That is also surely true.

Referring to the representation of Micronesia interests at the Conference, he said that Micronesia hoped "that the United States position will reflect the views of the people of Micronesia on this important question..." (Ibid., page 36)

(Mr. Ashwin, Australia)

Now, the joint communique from the Palau talks stated that:

"While authority over and responsibility for foreign affairs will be vested in the Government of the United States, there will be consultations by both the United States and the Government of Micronesia on international matters directly in their counterpart's interest."

I should like to ask Senator Amaraich three questions. First, has the Congress of Micronesia already developed a position on the questions that are going to arise in the Law of the Sea Conference? Secondly, has the Congress sought consultations with the United States on this matter? Thirdly, does he think that from the wording in that joint communique it might seem probable that the United States Government would expect to consult with Micronesia on these questions?

Mr. AMARAICH (Special Adviser): As I pointed out in my remarks yesterday, the sea and the sea-bed are very important to Micronesians. With respect to the wording of the joint communique, which uses the word "consultation", as is known, in the past and up to this time, the word "consultation" has been used fairly often. It depends on how much consultation you have. We cannot but hope that since the sea and the sea-bed are very important to us we not only will be consulted but will be able to participate. There have been times in the past when asking one question has been regarded as consultation, and we do not think that this is satisfactory.

As far as the position of the Congress is concerned, the information about the Conference on the Sea has not, as far as I know, been transmitted to the Congress officially. I have received some documents from people in the State Department because of my interest in that particular area. The documents are being reviewed by our staff and we hope that very soon we will have developed a position on the question.

Mr. ASHWIN (Australia): I thank the Senator for his answers. I should now like to address a number of questions to the Special Representative. First, have there been any occasions in the period since the last session of the Council when the provisions of Secretariat Order 2918, relating to the submission of a bill to the High Commissioner by the Congress within less than 10 days of Congress adjournment, have been brought into operation; that is, when the High Commissioner has not approved or disapproved a bill within 30 days and it has become law?

Mr. JOHNSTON (Special Representative): During the recently concluded session of the Congress of Micronesia, which adjourned on 28 February of this year, as I reported yesterday, 78 pieces of legislation were passed, in what I considered a record, certainly for the Congress of Micronesia and indeed for most legislative bodies. Eighteen of those 78 were passed more than 10 days before the end of the session, which gave the High Commissioner only 10 days to consider them. Of these 18, 17 were signed into law, and one was disapproved. Although one set of remarks concerning the one that was disapproved was entered into the record, it was not reintroduced and has not again been reintroduced into the Congress. That left 60 measures which had to be considered by the High Commissioner within 30 days after they were received. Of these, four were disapproved, three were allowed to become law without the High Commissioner's signature, and the others were signed into law.



Mr. ASHWIN (Australia): My next question relates to two bills which the High Commissioner, according to the annual report, disapproved. I should like to ask him the general nature of the bills and the reason for disapproval. One was an act relating to the Office of Ombudsman, which is referred to on page 199 of the report, and the other an act relating to the establishment of the Office of the Public Defender.

Mr. JOHNSTON (Special Representative): I shall take those one at a time. The act which was disapproved pertaining to the creation of the Office of Ombudsman was, at that time, against the recommendation of the Legislative Section of the Council of State Governments, the American Bar Association and so on. We felt that it was not a good bill and that it would set up in some ways a barrier between the elected congressmen in the Congress of Micronesia and their own constituents. My feeling, having looked at it as an observer -- I have never been an elected legislator -- is that legislators by and large prefer to deal with their own constituents and in effect be their own Ombudsmen. That is why the Ombudsman principle has not been as widespread as some of its advocates a few years ago expected it would be.

In the most recent session of the Congress, a new Ombudsman bill was introduced and was reviewed by the executive branch. Although it was in our opinion a useless, or nearly useless, expenditure of funds, it could have become law but it was not passed by the Congress of Micronesia. Therefore it did not come up for consideration by the executive branch a second time.

With respect to the bill for the Office of the Public Defender, at a time when both the Congress and the executive branch were attempting to create a single classification plan and eventually a single pay plan, this bill would have set up practically a fourth branch of the Government, giving the Public Defender unlimited powers to set salaries, to pay any wages he wished to pay and so on. We felt that this was not acceptable legislation, and therefore it was disapproved.

In the recently concluded session of the Congress, the bill relating to a Public Defender was not reconsidered and certainly was not adopted by the Congress.

(Mr. Johnston, Special Representative)

In the meantime, the Public Defender's Office has been considerably strengthened and additional Public Defender personnel have been made available in the various districts, which I think has solved one of the problems on the minds of those who introduced the original bill. But our main objection to that bill was that it was not in line with the treatment of other people in the executive branch on the Government pay roll.

Mr. ASHWIN (Australia): In relation to the first point, I think it is of some interest that the Government of Fiji has recently appointed an Ombudsman. He has just made a round-the-world visit to various places where Ombudsmen already exist, including, I believe, a number of states of the United States which have Ombudsmen. Also, the Government of New Zealand has an Ombudsman and one of the states of Australia has one.

I should like to ask a question on another bill, namely, the bill connected with advise and consent by the legislative branch on major executive appointments. I note that it was disapproved when it first appeared, but subsequently, at the last session of the Congress, it was passed again in what Senator Amaraich described as a watered-down version and was approved. Senator Amaraich did, however, say that he regarded it as one of the most important accomplishments of any session of the Congress. I should like to ask the Special Representative if he could describe to the Council the essential differences between the two forms of the bill.

Mr. JOHNSTON (Special Representative): Senator Amaraich's Committee, in its report on the bill the second time around, described the final bill as a good law and indisputably in the best interests of the people of Micronesia, a description with which I thoroughly agree. Very definite compromises were made both by the Congress and by the executive branch. Our objections to the original bill were mainly in two areas. First, it said that no appointment covered under that bill could be made for a period of more than two years, that a person appointed would have to go through the same process of advise and consent every two years. Secondly, we felt that it went too far down

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into the structure of government. For example, it would have subjected the chief dentist, the chief nurse and the chief of the Land Division, who we felt should be career employees, to the political pressures of being responsible to the Congress of Micronesia every second year. Those were the basic points of disagreement.

The bill as presented the second time eliminated those basic objections that we had. The bill did not eliminate every objection of the executive branch, but it was certainly a bill that we felt could be signed into law. I feel it is a very progressive step forward in the government of the Trust Territory. We look forward to working with the Congress in presenting nominations for the key positions. The new bill covers approximately 35 of the real policy-making and decision-making positions in the Trust Territory government.

Mr. ASHWIN (Australia): I should like to ask the Special Representative precisely the same question in relation to the single-pay-plan bill. The first version was, I understand, disapproved and then a different version was subsequently approved by him.

Mr. JOHNSTON (Special Representative): One of the objections to the original bill -- the one which was disapproved -- was that a phrase or a paragraph or a section was inserted into it at the last minute, just before it was passed, which in effect forbade the Administering Authority to send any United States civil servant into the Trust Territory for any purpose. Although we do have a working agreement to phase out the United States Civil Service and although we have made very definite progress in that respect since this agreement went into effect in March 1971, we felt that this provision placed a limitation upon the Administering Authority and upon the President of the United States which was not within the prerogative of the Congress of Micronesia.

(Mr. Johnston, Special Representative)

There were other basic differences, which probably still exist, in the approach toward single-pay schedules -- the insistence of the Congress at one point on a single-pay schedule and the equal insistence of the executive branch on not having a single-pay schedule. Although we do have a single classification plan containing 31 grades, there are different pay schedules because Americans have to pay United States Federal income taxes, which Micronesians do not pay, and because of various other factors.

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But here again the Legislative Council of the Congress of Micronesia and the Attorney General of the Executive Branch started working together well ahead of the session and did come up with a product which was obviously acceptable to both branches and has now become law and which I feel, is a very progressive step by the Trust Territory Government.

In this case the Executive Branch gave in on some objections we had to a newly created Personnel Board, and the Congress of Micronesia gave up its insistence on a single pay scale for the present time.

I would certainly welcome any comment from either or both of our Special Advisers, who participated in the progress of the bill through the Congress, or any further questions concerning it.

Mr. AMARAICH (Special Adviser): I do have some comments on each of the bills about which questions have been raised.

On the Ombudsman bill, it is interesting to note that the Special Representative of the United States feels that it could have been approved in the form in which it was worked on during the recent session of the Congress. Secondly, the reason for disapproval of the original bill was the Administration's feeling that it was too early to have an office of Ombudsman in the Trust Territory. Now, the Administration added that it was also concerned about the role of an Ombudsman between the people and their elected representatives. It is obvious that the Congress has considered this problem of relationship and has elected to have such an office. We in the Congress maintain that the Trust Territory Government being, as it is, an extension of the United States Government Departments of the Interior, State and Defence, it is not too early to have such an office in Micronesia; in fact, we are confident and positive that it is needed. It might require some expenditure of funds, but we think the expenditure would be worthwhile.

(Mr. Amaraich, Special Adviser)

As for the Public Defender bill, the office of Public Defender is being maintained as part of the Executive Branch, even though the Executive Branch says that it will have to be an independent office in order to function properly. We agree to that arrangement, and therefore we feel that the Public Defender should have some leeway in employing the kind of people who have the qualifications and who are the kind of people with whom he can work. When it comes to salaries, it was not the intention of the Congress that the compensation of staff people in the Public Defender system should be a separate pay plan, as was suggested by the Special Representative. It was proposed that the employment of personnel in the Public Defender system would have to be reviewed by our Personnel Department so that the number of Public Defender personnel would not be out of proportion to the number of other people in the Executive and Legislative branches.

On the Advise and Consent bill, the difference between what was recently passed and the previous bill was the extension of the authority of the Legislative Branch down to the Division Chiefs. While it may be true that we will be involving many people if we include the Division Chiefs, it is the position of the Congress that the Division Chiefs are in fact making policies and decisions for the entire Government of Micronesia, and therefore they need to be checked, not only to make sure that they perform correctly but also to make sure that they get the kind of recognition that they deserve as public servants. But we feel that since the Division Chiefs are actually executing and making policy decisions in the Government, there is need for the Legislative Branch to look into how they formulate and carry out policies of the Trust Territory Government, since those policies ultimately affect the lives of the people of Micronesia.

Another point in our position on this question is that we should like to have something to say as to which Micronesian gets into the Division Chief position, because, as I said earlier, although we are for placing Micronesians in key positions, we do not support the placement of just any Micronesians; we should like to look into the qualifications of the Micronesians who are going to take over this Division Chief's position, because, after all, they are the people who will be living there and working in that system, and we should like to be able to work with them.

(Mr. Amaraich, Special Adviser)

Now, on the so-called merit system and pay plan, first of all, it was stated that the Congress had insisted on a single pay plan applicable equally to non-Micronesians and Micronesians. What prompted the Congress of Micronesia to go into that question was a promise of the United States Government, through a statement made by Secretary Hickle in Saipan, that a single pay plan would be instituted that would provide equal pay for Micronesians and non-Micronesians having the same qualifications and performing the same kind of job. It seems, however, that after Secretary Hickle left the Administration there was a change of thinking in Washington: they do not subscribe any more to the principle of an equal pay scale for equal qualifications. But we do feel that as long as two people having the same qualifications are performing the same kind of job they deserve the same amount of pay.

That, I think, is the main problem, and we hope it will be solved. But it can be solved only if the Administration recognizes the commitment it made previously.

The single pay plan was not included in the most recently enacted bill on Government services because the existing pay plan has three different pay scales for three different groups of people: one for Micronesians, one for expatriates from the United States, and one for third-country nationals. We do not think this is the kind of pay scale we want to include in the bill, and we do hope that between now and the next session of the Congress we will be able to work with the Administration and come up with a pay scale that will be equitable to everybody.

The PRESIDENT: Does the Special Representative wish to reply on this same question?

Mr. JOHNSTON (Special Representative): Yes, if I may make a few additional comments.

First of all, as regards the independent role of the Public Defender, I would call the attention of members of the Council to the chart of our governmental organization opposite page 22 of the annual report, which has a dotted line around the office of Public Defender and says "administrative only", and I would like to assure the members of this Council that that is entirely correct. Our Public Defender reserves the right to criticize the balance of the Administration and do anything he pleases; our role is merely an administrative one of paying the salaries and handling the paper work, and we have no control whatsoever over his recruiting or his methods of operation, in the true concept of a Public Defender's office.

One other point that I would like to make is that the Congress of Micronesia is certainly free to and certainly does check on the policy decisions of anyone in the Trust Territory Government.



(Mr. Johnston, Special Representative)

In a prior administration there was once a rule that each department head could decide whether he himself or one of his employees would attend a congressional hearing. Our Administration's policy has very definitely been that whenever the Congress requests a specific individual to appear and be interrogated by a congressional committee that person will appear, and we welcome their checking on policy at any level in our Government.

On the single-pay plan, there has been a difference -- and I would hasten to say that there has been no change in thinking in Washington or on the part of the Executive Branch. There is a difference in interpretation. Many of us feel that if two men are equally qualified and you pay one of them, say, \$10,000 and let him keep the whole amount and you pay the other \$10,000 and take back \$3,000, that is not equal pay for equal work. There are also differences of opinion -- and I think this is quite logical -- as to what the pay level in Micronesia should be. Should you continue a minimum wage of roughly 61 cents in the face of the fact that the minimum wage on nearby Guam on 1 July will become \$2.05 an hour? What level do you establish? In this respect we have tried to go along with the wishes and desires of the Micronesian people to gear the entire Government wage structure to their desires for the future and their economic aspirations. It is the level of the pay scale that has still to be resolved.

I agree with the Senator that by working together on it we are getting closer to the solution. I can assure the Council that Secretary Hickle's pledge is still uppermost in our minds, but this is not an easy problem to solve.

I would, if I may, make only one more point concerning the Bills we have been discussing here today and the questions asked by the representative of Australia. I would not want it to appear that these decisions are Administering Authority-versus-Micronesia decisions. I would remind the members of this Council that there are thirty-three members of the Congress of Micronesia and almost 7,000 Micronesians working in the Executive Branch and that many of the messages of disapproval we have been discussing today are prepared by and thoroughly subscribed to by Micronesian members of the Executive Branch. We frequently have differences of opinion. One of us has the job of making the

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laws; the other has the job of administering, enforcing and carrying out the laws. Within that framework we do have differences of opinion that sometimes must be resolved by compromise, but they are most usually differences of opinion in which the Micronesian members of the Executive Branch are not in accord with the Micronesian-elected representatives in the Congress rather than any opinions being forced upon anyone by the Administering Authority.

Mr. ASHWIN (Australia): I thank the Special Representative and the Special Adviser for their very comprehensive answers to those questions.

I should now like to ask a question about the use of radio time by political candidates for elections. I ask this question because it is of direct interest to Papua New Guinea, where at the recent elections the system of providing free radio time to the three parties considered to be nation-wide was introduced for the first time. But for a number of reasons, including the very large number of candidates, it was not possible to give radio time to each candidate.

I note from chapter VII of the report that candidates in Micronesia were given radio-broadcast time. What I want to know is whether this applies to all candidates and whether they are given free time only once or on a number of occasions.

Mr. JOHNSTON (Special Representative): Our broadcast stations are at present still operated on Government funds and by Government personnel, and the broadcast stations are made available to all candidates on an equal basis. In the two districts in which there are political party organizations of a sort the radio was probably used more extensively than in other districts. Since we do not have Territory-wide political parties, with the accompanying necessity of fielding candidates for political parties, we have a great many elections where the candidate for office is unopposed or virtually unopposed. But where there is vigorous competition the broadcast stations are made available to all parties equally, and as far as I know there have been no severe problems in that connexion. I think Congressman Basilius may have some comment on the subject, since he is from one of the two districts having political parties and is a successful candidate of one of those parties.

Mr. BASILIUS (Special Adviser): Since I come from the Palau District, where there are political parties, I should like to observe that in Palau candidates have equal time for campaigning from broadcasting stations.

Mr. ASHWIN (Australia): I should like to ask a brief question about localization in the Trust Territory's San Francisco office. I imagine that office could become of considerable importance in the future, depending on what new constitutional arrangements are made because of procurement duties and that kind of thing. I should like to ask the Special Representative what, if any, Micronesian employees work in that office?

Mr. JOHNSTON (Special Representative): Our San Francisco office serves only two purposes. One man and his secretary are concerned with recruitment of United States personnel and the processing of such personnel for employment within the Trust Territory. The balance of the office was formerly a contract operation in which the Trust Territory of the Pacific Islands and American Samoa contracted with a group of people to handle mainland procurement of supplies and equipment. Gradually American Samoa dropped out of the arrangement and the Trust Territory took over the operation and eventually added the few people in that office to our pay roll. The object is to get people who are familiar with the area -- that is, mainland United States and our experts in procurement and supply. The manager of that operation has the local higher authority of his own personnel and is responsible for doing a specific job for us.

Members of the Congress and the Executive Branch have at various times discussed the necessity of Micronesian representation in Washington, San Francisco, Hawaii or other places. We do sometimes have one problem. In many cases when we could utilize Micronesians studying in institutions of higher learning in the United States we are unable to get work visas for them from the United States Immigration Service. But we are still working on this problem, and I feel that offices such as those we have in Honolulu, San Francisco and so on could be excellent training grounds for our advanced students and provide them with additional income. That is something we hope to be able to do. Does that adequately answer the question of the representative of Australia?

Mr. ASHWIN (Australia): I should like to ask a question about taxation which I raised in the Council last year. Since we last met, has any further consideration been given to the possibility of introducing a graduated scale of income tax and also to the possibility of increasing the company tax in Micronesia?

Mr. JOHNSTON (Special Representative): I will probably have to refer that question to one of the Special Advisers. The executive branch has definitely not introduced any new tax legislation. We have had less than one full calendar year of administering the tax. So far things have gone very well in the collection of the tax and we have not had any unsolvable problems. I would have to leave it to some member of the Congress of Micronesia to state whether there is any consideration of additional taxation.

Mr. BASILIUS (Special Adviser): Right now we do not have the records and with the indulgence of this Council we shall provide the information at a later date.

Mr. ASHWIN (Australia): On the subject of trade unions the report says that there are no unions existing in the Territory although there is no prohibition against them. What I should like to ask is whether there have been either administration-sponsored or Congress-sponsored efforts to develop embryonic worker-association kinds of bodies, and particularly whether American trade union organizations such as the AFL-CIO itself take any interest in this question in Micronesia.

Mr. JOHNSTON (Special Representative): During the most recent session of the Congress of Micronesia a representative of the Hawaii Government Employees Association, which is affiliated with a major nation-wide American union, did make a trip to Palau at the request of a citizen of Palau to listen in on hearings on certain types of legislation and possibly to discuss with Government employees the possibilities of forming a branch of his Union. He stayed only a few days and did not come through Saipan on the way back to Hawaii,

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as he was scheduled to do, and I can give you no report on his findings or his decisions. But we have had a visit from a representative of a trade union.

Mr. ASHWIN (Australia): I should like to ask a question about marine resources, which I shall address to Congressman Basilius. He spoke of his disenchantment with marine resources developemnt and I must say that I felt some sympathy when he said that because I think that it is rather disappointing that there has not been further development in this area. He spoke, as I recall, primarily of the problems relating to finance and to some degree to administrative structure. But my understanding is that there are other major problems in regard to the development of marine resources in Micronesia, particularly in connexion with the provision of live bait and also to some degree with the question of labour turnover. I really have two questions. I think that there is a role in the development of marine resources to be played not only by the administration but also by the Congress and by the general run of educated people in Micronesia in spreading some interest in this as a career. I should like to ask Congressman Basilius if he thinks that Congress itself, not simply through legislative measures asking the Executive to do certain things, has a role to play in encouraging young people, for example, to develop a livelihood from the sea and so on. I should also like to ask the Special Representative whether any consideration has been given to the construction of canneries in Micronesia.

Mr. BASILIUS (Special Adviser): As I said in my speech yesterday there is very definitely no clear goal within the Trust Territory with respect to the marine resources programme. Yes, the Congress of Micronesia has taken steps to find ways of coming up with a definite goal in order that Micronesia will benefit from these programmes.

On the live bait question there is now a programme in Palau. They are trying to establish how to preserve the live bait because it has been indicated that there is not enough live bait --- if you are talking about tuna fishing --- and the Trust Territory Government is now providing a programme.

As to the role of the Congress of Micronesia a special committee has been established and it is supposed to present to the coming session a recommendation on how the marine resources should be exploited.

Mr. JOHNSTON (Special Representative): May I take up first the subject of canneries in Micronesia. As was pointed out very well by one of the Special Advisers yesterday and as was stated earlier today, one of the constraints on the construction of canneries in Micronesia is the tariff barrier between Micronesia and the United States. A cannery constructed in American Samoa which handles the fish which are caught in our Palau District can send its product, even processed, into the United States duty free. Since this problem has not been solved, it is a constraint on cannery construction. However, some major tuna companies have indicated an interest in having canneries in Micronesia and have met resistance from some of the District Economic Development Boards. This is under very active consideration in several of our districts.

As far as marine resources in general are concerned, the Division of Marine Resources has been the only major Government division located away from the territorial headquarters. It has been located in Congressman Basilius' home district of Palau. Various members of the Congress, particularly on the Committees on Economic Development on Resources and Development felt that the programme would be more effective if the Headquarters were moved back to Saipan where equal interest could be given to all six districts rather than being concentrated on research facilities in one district. This move was accomplished just during the past week. The Congress of Micronesia has strongly recommended to the Administration that much more adequate financing be devoted to marine resources development and we have been in the process in the last few weeks of increasing our budget for marine resources development by more than \$4.2 million over the next five years.

As far as the live bait resources are concerned, one of the reasons that the Pacific Islands Development Commission is trying to secure Federal funding for experimentation and other methods of fishing is that it is hoped that some method of purse-seine fishing which does not require live bait could be discovered which would be adaptable to the Pacific areas. This is a hope for the future. Nothing has been discovered along that line which will work in the Pacific as yet, but we are still hopeful that that might be one solution to the problem.

Also under the auspices of the Pacific Islands Development Commission a tuna boat recently constructed in Hawaii, has made an experimental survey of the Marshall Islands and discovered some excellent new sources of live bait in that area at no cost to the Trust Territory Government.

Mr. ASHWIN (Australia): I have taken up a lot of time but I shall just ask, if I may, a couple more questions and conclude. We were pleased to note from the report that a strict firearms control bill has now been signed into law in the period since the Council's thirty-eighth session. I should just like to know the general terms -- not the details -- of that bill and what controls are exercised on the importation of firearms into Micronesia.

Mr. JOHNSTON (Special Representative): In general, the firearms bill prohibits the ownership of any type of hand gun and limits the possession of other guns to 22-calibre rifles or 410 gauge shot-guns. All other weapons are to be turned in and the owners compensated for them. No firearms other than those legally authorized can be imported into the Trust Territory, and we are just in the initial phases of enforcing the law. We would hope to have a report on the enforcement phase by next year's session of the Council.

Mr. ASHWIN (Australia): In view of the time I shall confine myself to one more question which again is on a subject I raised last year. The report has a number of things to say on page 15 about the Territory's participation in the work of the South Pacific Commission. However, neither in this section nor elsewhere does it give any impression of the level of public interest in the South Pacific Commission or in other Pacific regional bodies, although it does note on page 143 that several magazines supplied to school libraries have to do with the South Pacific area. I note that Public Law 3C-36, which is referred to on page 135 of the annual report, states that:

"It is... the policy of the Trust Territory Government to provide for an educational system in Micronesia which shall enable the citizens of the Territory to participate fully in the progressive development of the islands as well as to become familiar with the Pacific community and the world."

Council members will be aware of the establishment last year of the Pacific Forum, which provides an arena in which leaders of independent Pacific Islands States and Australia and New Zealand meet together to discuss common problems of interest.

(Mr. Ashwin, Australia)

What I should really like to ask is a general question about what is done to interest the people of the Territory in the various Pacific organizations. Are reports on South Pacific Commission affairs presented to Congress, are students instructed in the work of the Commission, and what attention was given by Territory news media to the two meetings which have been held by the Pacific Forum?

Mr. JOHNSTON (Special Representative): May I answer the question of the representative of Australia by saying first that we consider our participation in the South Pacific Commission very important throughout the Trust Territory and many of its experts in the fields of health, agriculture, social work and education are regularly in the Trust Territory participating in surveys and have given us a great deal of very positive and beneficial advice in many areas. At the most recently concluded meeting of the South Pacific Commission the Trust Territory sent an all-Micronesian delegation which contained no expatriate members, and its reports are made available. The official representative of the Trust Territory is always a member of the Congress selected by the Congress of Micronesia. I know that Congressman Basilius has been a representative and that he filed a report with the Congress, and I presume that the other official representatives would always file a report of their visits with the Congress of Micronesia. The mere fact that South Pacific Commission representatives have been so active in so many fields in the Trust Territory makes me sure that there is local interest in it in all the districts.

Mr. ASHWIN: Mr. President, may I ask for your direction. I have taken up a great deal of the Council's time, but I presume that in view of the present hour the other members of the Council may not wish to begin their questioning until this afternoon.

The PRESIDENT: The representative of Australia may continue if he so wishes.



Mr. ASHWIN (Australia): Thank you very much, Mr. President. I should like to ask a question about the Territorial Planning Co-ordinating Committee. We are interested to hear of its establishment, and I should like to know whether the members of the Committee have been appointed and whether Micronesians are included?

Mr. JOHNSTON (Special Representative): The members of the Committee have been appointed. They held their first meeting on 5 April, and the membership includes both Micronesians and Americans. Mr. Michael White, who is here as one of the legal advisers to the Special Advisers, has served on the Committee and participated in its deliberations. They have so far been involved mainly in establishing the full scope of the Committee, and they have been meeting on a weekly basis until they can come up with a method of approach. Just recently they presented a very complete chart of what they consider to be the scope of the Committee's work, and this has been submitted to the executive branch at a cabinet meeting and I am sure will also be submitted to the Congress of Micronesia at its next session. I think the Committee will be extremely important to co-ordinating the over-all efforts in every field of activity in the Trust Territory. I would say that the members have certainly taken their positions very seriously, and in my opinion they have done an outstanding job so far in an area where we certainly needed to get better organized.

Mr. ASHWIN (Australia): My questions are now a little disorganized and not according to subject-matter. I should like to ask a question about the ownership of the Trans-Pacific Lines, Incorporated, to which Congressman Basilius referred to yesterday. From what he said ; I was not quite clear whether the original "MILI" had been taken over by the Administration or a percentage of the shareholdings purchased or what. So what I should like to ask is what is the division of ownership between Micronesian shareholders, if any, the Administration and others?

Mr. JOHNSTON (Special Representative): The Micronesian Interocean Lines, Inc. -- known as MILI -- was granted a ten-year monopolistic contract in 1968 to operate shipping from without into the Trust Territory and throughout the Trust Territory. The contract had been awarded to an organization known as Marine Chartering Company, which was a ships' brokerage organization in San Francisco. By October 1971 the organization was obviously in an extremely poor financial position -- more than \$2 million in debt -- and some very drastic action was necessary. On 19 October 1971 an agreement was executed between Marine Chartering Company and the Government of the Trust Territory that the stock owned by Marine Chartering Company would be placed in trusteeship with the Attorney-General of the Trust Territory to be eventually sold to Micronesian citizens. Some of the stock was already owned by Micronesian citizens. However, we felt that it was essential for the management of Marine Chartering Company to be retired from active participation in the organization.

(Mr. Johnston, Special Representative)

A new board of directors was elected. That board of directors of Transpac, as it is now known, is entirely Micronesian. That board chose a management committee. The management committee consists of two representatives from the Government and two from the private sector. The line was not taken over by the Government, but the Government stepped in to keep the shipping line solvent because many of the creditors, as well as many of the stockholders, were Micronesian citizens and we felt that we must protect them. I am pleased to report that since October, in the first six months of operation, the shipping line has built up an operating profit of about \$150,000 and has at the same time established and stayed on schedule with a debt retirement programme at the level of \$300,000 per year -- which would pay off the \$2 million in five, six or seven years, if we maintain the success we have had so far. We have acquired, as I reported yesterday, some new, modern vessels to take the place of some of the older ones which had been chartered by Marine Chatering. The service and the financial picture have very definitely improved.

Mr. ASHWIN (Australia): I will ask one more question on the subject of the Claims Commission. We were pleased to hear that the United States Congress had appropriated the funds for that purpose and that the Commission would soon begin work. What I should like to ask is whether the members of the Commission have yet been appointed. Do they include both Micronesians and non-indigenous persons? Is it intended that the Commission move around the Territory investigating claims and has any time-limit been set for claims to be filed and for the adjudication process to be completed?

Mr. JOHNSTON (Special Representative): I am pleased to inform the representative of Australia that the Commission is in the process of being formed at the present time. The Chairman, who is an American, has been appointed and he in turn has appointed his chief legal counsel. The other four members -- two Americans and two Micronesians -- have not, to my knowledge, been appointed so far. The two Micronesians will be chosen from a list of

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ll Micronesian citizens, nominated by the Congress of Micronesia in its last regular session. The representatives of the Claims Commission were in Micronesia when I left on this trip; they were making arrangements for housing and office space and they very definitely intend to operate in all six districts of the Trust Territory. I would say that in the very near future the Claims Commission will be in full operation. The time-limits for the receipt and payments of claims are all set forth very specifically in the legislation. The first time-limit starts to run from the time that the entire Commission is appointed -- which has not yet occurred.

Mr. ASHWIN (Australia): I should simply like to thank the Special Representative and the Special Advisers for their very comprehensive and interesting answers.

The PRESIDENT: We have one other representative inscribed for the questioning period now, and another representative who has indicated that he would prefer to wait until tomorrow morning to put his questions. I propose, therefore, that we recess for lunch, in view of the hour, and meet again at 3 p.m.

The Council will recall that it has received three requests for oral hearings at its current session. The requests are contained in documents T/PET.10/69, 70 and 71. In accordance with rule 30 (2) of the Council's rules of procedure the petitioners were informed that they would be granted hearings at this session, and the date appearing in our timetable, 26 May, was given to them as a likely date for the hearings. As far as the Secretariat has been able to ascertain, the following petitioners have already arrived in New York: Messrs. Edward DLG Pangelinan, Olympio T. Borja, Vicente N. Santos and Herman Q. Guerrero.

I understand that these petitioners are prepared to appear before the Council today, and, as I said earlier, I have been informed that one member of the Council would prefer to delay his questioning on the present item until tomorrow.

In the circumstances I would propose that when we meet at 3 p.m. we should begin with the questioning by the representative of France and then hear the petitioners who are present at this time. At our meeting tomorrow morning we would continue with the questioning on the Trust Territory of the Pacific Islands

(The President)

and also hear other petitioners who may be here then, after which we would consider communications and written petitions included in the annex to the provisional agenda (T/1731/Add.1) and contained in documents T/COM.10/L.74 to L.83, and T/PET.10/68 to 71.

As there is no objection to this proposed procedure for this afternoon and tomorrow morning we shall so proceed.

The meeting rose at 12.50 p.m.