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Held at Headquarters, New York on Thursday, 27 May 1971, at 10.30 a.m.

President: Mr. LANE (United Kingdom)

- Expression of welcome to the Representative of the Union of Soviet Socialist Republics
- Statement by the President
- Examination of annual reports of the Administering Authorities on the administration of Trust Territories for the year ended 30 June 1970 [74]
 - (a) Trust Territory of the Pacific Islands (T/1716; T/L.1160)
 - (continued)

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EXPRESSION OF WELCOME TO THE REPRESENTATIVE OF THE UNION OF SOVIET SOCIALIST REPUBLICS

The PRESIDENT: Before we begin our proceedings for today, I should like to welcome, on behalf of the Council, our old colleague Mr. Shakhov, the representative of the Soviet Union. He has been a representative of his country in the Council in the past and I am confident that, with the fresh look that he can take at it now and his past experience in the Council, he will be able to make a most useful contribution to our deliberations.

STATEMENT BY THE PRESIDENT

The PRESIDENT: Before the Council continues with its consideration of conditions in the Trust Territory of the Pacific Islands, I should like to draw the attention of members to two matters. First, I should like to recall that petition T/PET.10/44, from the Mariana Islands District Legislature, which is noted in document T/1714/Add.1, was circulated on 7 March 1969. This petition was signed by the President of the Legislature, Mr. Vincente N. Santos. Observations of the Administering Authority on this petition were circulated in document T/OBS.10/16. Subsequently, in a letter dated 3 June 1969, Mr. Santos requested the Council to defer consideration of this petition.

More recently, in a letter dated 11 March 1971, Mr. Santos requested the Council to examine the said petition at its thirty-eighth session and at the same time asked for an oral hearing. Pursuant to rule 80 of the rules of procedure of the Trusteeship Council, the then President, through the Secretary-General, informed Mr. Santos that the Council would grant the requested oral hearing at its thirty-eighth session.

I should also like to inform members that I have just received a letter, dated 26 May 1971, addressed to the President of the Council, from Mr. Mafans and Mr. Rabauliman, in which they request an oral hearing concerning the Trust Territory of the Pacific Islands.

If I hear no comments and if there is no objection, I shall take it that the Council agrees to the granting of this oral hearing.

It was so decided.

The PRESIDENT: Members will note that, according to our time-table, the consideration of petitions and oral hearings has been scheduled for the meeting to be held on Friday morning, 28 May 1971. I should like to propose that all the petitioners be heard at that meeting, following which the Council may take up consideration of communications and written petitions.

AGENDA ITEM 4

EXAMINATION OF ANNUAL REPORTS OF THE ADMINISTERING AUTHORITIES ON THE ADMINISTRATION OF TRUST TERRITORIES FOR THE YEAR ENDED 30 JUNE 1970:

(a) TRUST TERRITORY OF THE PACIFIC ISLANDS (T/1716; T/L.1160) (continued)

At the invitation of the President, Mr. Edward Johnston, High Commissioner of the Trust Territory of the Pacific Islands and the Special Representative of the Administering Authority, and Senator Petrus Tun and Representative Sasauo Haruo, Special Advisers to the Special Representative, took places at the Council table.

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

Mr. ASHWIN (Australia): Before asking my first question, I should like, on behalf of the Australian delegation, to welcome the Special Representative, the Special Advisers and the other visiting members of the United States delegation.

My first question is this. My delegation was very pleased to hear the announcement by the Special Representative that the Congress of Micronesia had passed and sent to him a Bill providing for the strict control of firearms throughout the Territory. I ask the Special Representative: one, does the Bill require the registration of all firearms, of whatever kind; and two, has the Bill been signed by him and when will it become law?

Mr. JOHNSTON (Special Representative): The Bill has not yet been officially transmitted to the High Commissioner for signature. It was passed on either 21 or 22 May and we have not yet had an opportunity to completely review it. The Administration submitted a Bill which certainly would have required the territory-wide registration of all firearms, of whatever kind. It is my understanding, from telephone calls and discussions with the Special Advisers, that the Bill as passed by the Congress was even more strict than the one proposed by the Executive branch.

Mr. ASHWIN (Australia): My second question is this. On the subject of the international and regional relations of the Trust Territory, which are covered in part III of the Administering Authority's report, I ask the United States representative whether he could inform the Council of any further developments in this field since July 1970, with particular reference to the South Pacific Commission. I ask further a somewhat general query: does the Administration consciously and deliberately encourage within the Trust Territory a sense of being a part of a Pacific Island complex and civilization?

Mr. JOHNSTON (Special Representative): The Administration very definitely consciously encourages the feeling of a Pacific Islands complex. We participate very actively in the South Pacific Commission. The Congress of Micronesia now appropriates a sum each year in support of the South Pacific Commission, and representatives of both the executive and the legislative branches attend each session of the South Pacific Conference. We also participated in the celebrations connected with the independence of Fiji during the past year. There is an organization known as the Pacific Islands Producers' Association. Although we are not members of it, we have sent an observer and have participated to that extent. We have planned exchange visits with our sister Territory of Papua and New Guinea, but due to typhoons and special sessions of the Congress the first series of exchange visits of officials of the two Governments has not yet taken place. However, it has been widely discussed, and I am sure it will become a reality.

We are fully cognizant of the need for all of the Pacific Islands communities to join with each other more closely, not only in conferences but also in physical connexions --- you might say --- by airline routes and shipping routes, and so on, and have given a great deal of attention to this aspect of our over-all existence in the Pacific.

Mr. ASHWIN (Australia): I thank the Special Representative for his answer.

My third question relates to the marine resources of the Territory, which are, as is noted in the administering Power's report, the Territory's greatest natural resource. Last year the Council noted with pleasure the steps taken by the Administering Authority to develop the potential of the sea for the economic advancement of the Territory. The report we have before us is informative on most matters relating to fisheries. I should be grateful, however, if the Special Representative could provide us with information on a number of related points.

1. Do any or all of the four Geneva Conventions on the law of the sea have application to the Trust Territory?
2. Bearing in mind that the extent to which there are underwater shelves around the islands is limited, what, if any, exploration has been made of the resources on and under these shelves and what, if any, moves does the Administration have in mind to protect Micronesian interests in such resources?

(Mr. Ashwin, Australia)

3. Approximately what percentage of the population of the Trust Territory depends on fishing and related occupations for all or a major part of its livelihood?

4. What role has the Congress of Micronesia and the District Legislatures played in the encouragement of local exportation of marine resources?

Mr. JOHNSTON (Special Representative): In answer to the question posed by the representative of Australia on the legalities of the first point, I should like to defer comment on that until we get a legal opinion. There have been discussions between the Congress of Micronesia and the Administering Authority concerning the three-mile/twelve-mile limit and related areas of concern, and this was under discussion in the special session of the Congress of Micronesia. I am not sure what action was taken. I do not believe that any specific action was taken on it at this stage.

As to the percentage of the population engaged in fishing and related occupations, I do not have the exact statistics. I shall try to include that in our closing remarks, but it is much smaller than it should be. We are now engaged in several different projects to increase the percentage of the population which is involved in exploiting our vast marine resources. In this connexion the Governors of Hawaii, American Samoa and Guam have joined with the High Commissioner in forming the Pacific Islands Development Commission. This organization was formed only in February 1970, but it has already taken some very positive steps to involve the commercial fishing industry, the Federal Government and the various territorial Governments in joint projects to develop the fishing resources further. We have participated in many international fisheries conferences and recently held two local conferences on marine resources, one in the Truk District and one in the Ponape District.

The Congress of Micronesia is most interested in this problem, as are most of the District Legislatures also. To give you one example of the interest of a District Legislature, the Truk District Legislature has appropriated during the past year the sum of \$57,000 to buy a fishing boat to be used for lagoon fishing within the Truk District.

Mr. ASHWIN (Australia): I should like now to address a question to Senator Tun. In the resolution contained in document T/COM.10/L.69, the Micronesian Senate invites the Special Committee of Twenty-Four to visit the Trust Territory

"... to examine and advise upon the present and future status of self-government for the Trust Territory...".

My delegation has noted that neither of the Special Advisers referred to this resolution yesterday. However, Senator Tun did suggest that the Trusteeship Council might consider monitoring the future status talks and giving advice to help resolve the status question.

My question is this: If the Council were able, with the agreement of those parties, to play some part in these talks, would this satisfy the need for examination and advice on the status of self-government for Micronesia to which the Senate resolution refers?

Mr. TUN (Special Adviser to the United States delegation): I should like to say, in reply to the question posed by the representative of Australia, that the participation of some representatives from this Council in the talks would, in my opinion, satisfy the intent of that resolution.

Mr. ASHWIN (Australia): The Special Representative referred in his statement to the organization of a territorial Office of Economic Opportunity with a Micronesian Director and Deputy Director and with six civic action directorates, which, I assume, come under the umbrella of the Office of Economic Opportunity, each headed by a Micronesian. I wish to ask two questions relating to this office. First, I ask the Special Representative to give the Council some idea of its role, its position in the Trust Territory government structure and the resources available to it. Second, referring to the Special Representative's subsequent comments about the work done by military civic action teams throughout the Territory, I ask: What is the responsibility of the civic action directorates of the Office of Economic Opportunity in regard to work undertaken by military civic action teams?

Mr. JOHNSTON (Special Representative): First of all, when the Office of Economic Opportunity first instituted its programmes in the Trust Territory it was executing in each one of our six administrative districts what was known as a third-party contract: a local organization would be formed in the district and incorporated as a non-profit organization. The OEO would then contract with that organization to carry out the civic action programme in that district. There was no Territory-wide co-ordination or supervision as there was in most of the states and territories of the United States. We therefore prevailed upon them to allow the creation of a Territorial Office to co-ordinate the programmes of the six sometimes disconnected programmes in the various districts. The office is very small -- I believe it consists now of the Director, the Deputy-Director and one secretary -- but it does serve to co-ordinate and keep the High Commissioner's Office advised concerning the various programmes.

As for the connexion between the civic action teams and the civic action programmes, I think it is merely a coincidence of terminology, you might say. The civic action programme of the OEO is involved in training programmes -- training people to be accountants, secretaries, and so on; it is involved in working with the youth of the community in juvenile delinquency prevention; it is involved in many forms of civic activity, supported by OEO grants. It does not get involved in the construction phase. The civic action teams -- which are, as far as we are concerned, under the Office of the Special Consultant to the High Commissioner, and not under the Territorial OEO office at all -- are involved, as I mentioned yesterday, in construction and in training people specifically in various phases of the construction industry. So there is no duplication in the two programmes, and they are under different direction at the Territorial level.

Mr. ASHWIN (Australia): My next question is on the subject of political education.

My delegation listened with great interest to what Senator Tun had to say on this subject. I might say, we listened with great interest to all of his remarks, but with particular interest to these, because many of them apply, mutatis mutandis, to Papua, New Guinea. Furthermore, we recall that in his

(Mr. Ashwin, Australia)

statement to the Council last year the Special Representative noted that \$200,000 had been appropriated in the fiscal year 1970 for a Trust Territory-wide political education programme, and he announced that that effort would be further expanded in 1971.

My question is this: recognizing the great importance of an effective programme of political education in order to make self-determination meaningful, and recognizing also that if such a programme is to be effective elected representatives and political party organizations must play a major part in it -- indeed, as self-determination approaches they must accept major responsibility for it -- I ask the Special Representative and, through him, the Special Adviser, Senator Tun: (1) What efforts are now being made by the Administration to acquaint the people of Micronesia with the issues regarding future status, form of government, etc., and (2) what role are elected representatives at central and district levels, and political organizations, playing in this process?

In that connexion I note the statement of the representative of the administering Power that in the recent general elections future status was in most cases not a major election issue. In that connexion also I note from document T/COM.10/L.58 that in appointing its Joint Committee on future status last year the Congress of Micronesia resolved that the Committee should have as one of its duties that of conducting political education in Micronesia.

Mr. JOHNSTON (Special Representative): If I may, I shall respond briefly and then call upon our Special Advisers to add their comments.

The Executive Branch of the Administration is well aware of the necessity for greatly upgrading and increasing our political education programme. One of the things done was to translate the report of the political status delegation into each of our various languages in each of our districts. We had hoped that a joint committee to provide guidance to the whole programme could be formed, and in my State of the Territory Message at the first session of the Fourth Congress in January 1971 the Congress of Micronesia was invited to enact legislation, or adopt a resolution, setting up a joint committee of members of the executive and legislative branches to set the guidelines and develop a dynamic programme for the whole Trust Territory in this respect.

(Mr. Johnston, Special Representative)

Unfortunately, in all the turmoil of the Congressional fire, the special session and many equally pressing issues, this has not yet been done, but we are highly hopeful that such a committee can be constituted in the relatively near future, and will continue to work with the leadership of the Congress on that.

I should be most happy to hear additional comments from either of our two Special Advisers.

Mr. TUN (Special Adviser): The Joint Committee of the Congress of Micronesia on Political Status is considering the possibility and desirability of including in its Committee members of the executive branch of the Trust Territory Government. We hope that that will be decided shortly.

My main concern is that, although much is being done in the way of political education, the great mass of the people of Micronesia still is not aware of the many fundamental matters concerning the political status question, and I think that there is much to be done to solve that problem.

Mr. ASHWIN (Australia): I have two more questions.

In his statement yesterday the Special Representative said that a continuing effort was being made to include the Trust Territory in various United States federal programmes which would be beneficial to the citizens of Micronesia; he cited as an example the proposed amendment to a federal statute which would make the Trust Territory eligible for assistance in the development of air field facilities.

Could the Special Representative say what other federal programmes the Trust Territory will be included in and what benefits the Territory and its inhabitants will derive from those programmes?

Mr. JOHNSTON (Special Representative): We have for two years now been exploring with the United States Department of Housing and Urban Development various means by which we could be included in some of their programmes, and what steps we must take legally to be included. Our legal advisers, our Attorney-General's Office and the legal staff of the HUD have conferred, both in person or by correspondence, and we have not yet arrived at a solution to include the Trust Territory in various low-cost housing programmes and other federally-aided programmes in that general area.

(Mr. Johnston, Special Representative)

We have attempted to be included in the Economic Development Act of 1965, which would enable us to work more closely with Guam, American Samoa and Hawaii in this joint fisheries project. So far we have been unsuccessful in that effort. The other three areas are included; we are not. That does create some difficulties in working together.

One of the duties assigned to the Special Consultant to the High Commissioner, the Hon. Dwight Heine, is to co-ordinate all our efforts to be included in federal programmes and all the benefits we do receive from them. We are at present preparing a listing of them and should have it ready in the very near future.

Mr. ASHWIN (Australia): My last question is on the subject of taxation. The Special Adviser, Congressman Haruo, referred yesterday to the discussion and debate in the Trust Territory lasting over two years on the type and rates of taxation most appropriate to the Micronesia economy. Congressman Haruo stated that the law as enacted imposes a 3 per cent tax on wages and salaries and a 1 per cent tax on the gross receipts of businesses. I asked the Special Representative whether the figures given by Congressman Haruo are flat rates applicable to all persons and businesses or whether a system of progressive rates, of which the figures given are averages, is to be applied. I asked further whether the head tax is retained for those who will in future pay income tax.

Mr. JOHNSTON (Special Representative): In answer to the question of the representative of Australia I might take just a moment to review the history of income tax legislation in the Trust Territory.

Some three years ago a gentleman by the name of Pollock made a study of taxation and recommended that the start should be a fairly simple, easy-to-administer Territory-wide income tax. The Administration that preceded ours started drawing up, and we submitted to the Congress of Micronesia, a rather complicated graduated income tax that specifically referred to certain sections of the extremely complicated United States Internal Revenue Code. After a great deal of debate the Congress rejected that as being far too complicated and far too costly to administer in an area such as ours, and by resolution instructed the Administration to prepare a

(Mr. Johnston, Special Representative)

simple income tax that would be easier and less expensive to administer. That we did. It was debated and at one point was passed in a form unacceptable to the Administration. It was vetoed and then resubmitted, with the Attorney-General and the Legislative Council of the Congress of Micronesia working together on it. It has now been passed in the first regular session of the current Congress and was a few days ago amended in the special session. It is our understanding, although we have not yet received the amendments as an official transmission, that there is now a \$1,000 deduction so that no one earning less than \$1,000 a year will pay the tax. As a direct answer to the question, it is a flat 3 per cent and 1 per cent on businesses with the exception that a business grossing less than \$10,000 a year will pay a \$40 flat fee. Businesses grossing more than \$10,000 will pay 1 per cent of the gross.

As far as the head tax is concerned, it is a municipal-level tax. There is nothing in our statutes that would prevent a municipality from levying a head tax along with dog taxes, bicycle taxes and so on at the municipal level even though the same person is paying the Territory-wide income tax.

Mr. ASHWIN (Australia): I thank the Special Representative and the Special Advisers for their answers.

Mr. HAINING (United Kingdom): Mr. President, the United Kingdom delegation would like to join you in welcoming to this Council the representative of the Soviet Union, Mr. Shakhov, who is an old friend and colleague. He has not been with us in this forum since 1967, and we are pleased to see him back in New York and in this Council.

We should also like to extend a very warm welcome to the Special Representative and the Special Advisers. We have listened with great interest to their stimulating statements, which have brought up a number of problems on which I should now like to seek clarification.

The stimulating statements to which I have referred have obviously also stimulated the representative of Australia in somewhat the same direction, and I trust my questions will not overlap his to too great an extent.

(Mr. Haining, United Kingdom)

The first question I should like to put to the Special Representative is the following. Last year the Council advocated the inclusion of popularly-elected Micronesians as soon as possible in the most senior Councils of the executive, and the Special Representative told us that he favoured the elections of officials in Micronesia at the earliest possible moment. Could the Special Representative indicate the prospects for this very important measure of constitutional advance?

Mr. JOHNSTON (Special Representative): The only positive measure taken in this regard is the introduction of a Bill in the Congress of Micronesia to elect the district administrators in each district. The first draft of that Bill merely called for their election and had no provisions as to who would pay their salaries or how they would in general relate to the rest of the governmental structure of the Trust Territory of the Pacific Islands. We advised the members of the Congress that we felt it needed a great deal more study so that it could start out on the right foot by, so to speak, rechartering the entire set-up of the district government. It is my understanding that this matter was studied by the Congress in the last few days of its special session and I would predict that in future sessions of the Congress it may be a very active issue.

Mr. HAINING (United Kingdom): My second question is directed firstly to the Special Representative, and I should also be grateful for any comments the Special Advisers might be able to make.

On a number of occasions in recent years the Council has expressed the hope that steps will be taken to enlarge the financial responsibility of the Congress of Micronesia by progressively extending its power to include appropriations of United States financial subsidies. May I inquire whether this has been done in the new budgetary process to which the Special Representative referred yesterday. Also, the Special Representative in his statement, commenting on the recommendations of the 1970 Visiting Mission to the Trust Territory, told us that this year's budget was truly a Micronesian product in every respect. On the other hand, Senator Tun in his statement remarked that the Congress of Micronesia and its committees had not been able to participate meaningfully in the formulation of the budget or to influence it in important respects. We should be grateful if the Special Representative or his advisers would clarify those points.

Mr. JOHNSTON (Special Representative): The budget which we submit -- and by "we" I mean the Government of the Trust Territory of the Pacific Islands -- to the United States Congress, is a joint effort with genuine Micronesian input. In answer to the specific question posed by the representative of the United Kingdom, we are well aware of the recommendation of the 1970 Visiting Mission that the Congress of Micronesia may well have reached the stage in its development when it could logically and properly appropriate the funds given to the Trust Territory of the Pacific Islands by the Administering Authority through the United States Congress.

This year, just a few months ago, when we testified before the Appropriations Committees of both the United States House and the United States Senate, I was accompanied by Senator Bailey Olter of the Ponape District and Congressman Raymond Setik of the Truk District. These two members of the Congress of Micronesia proposed in their opening remarks to those two Committees that the time may well have come when the grant funds could be appropriated to the Trust Territory in one lump sum and could then be appropriated by the Congress of Micronesia, saving all of us the duplicate effort of having to go through the entire budgetary procedure twice every fiscal year. This proposal received very favourable hearing from Senator Allen Bible of Nevada, the Chairman of the Senate Appropriations Sub-committee who promised to look into the matter and to see that it was given serious consideration. This is the extent of our efforts in that regard. May I inquire if that properly answers the question asked by the representative of the United Kingdom.

Mr. HAINING (United Kingdom): The answer is very full indeed. I should welcome any comments which his special advisers might care to make upon the subject.

Mr. TUN (Special Adviser): The Congress of Micronesia is allowed to use \$125,000 out of the annual Federal grant. I should like to add that the Congress of Micronesia participates in the decision-making. However, if I am not mistaken, for the fiscal year 1971, many if not most of the recommendations made by the Congress were not accepted by the Administering Authority.

Mr. JOHNSTON (Special Representative): If I might comment a little further to clarify that. This is a problem which did exist in the fiscal 1971 budget and had been ironed out in our submissions of the fiscal 1972 budget. The Congress of Micronesia made recommendations eliminating certain positions which were tied in with the United States Federal Civil Service Commission and on which commitments had been made. We pointed out that the Administering Authority would not allow us to make these revisions because of their relationship to the United States Civil Service. This was the main area of disagreement and has since been solved so that the same difficulty will not come up in future years.

The PRESIDENT: If the special advisers have no further comments on that point I would ask the United Kingdom representative to pose his next question.

I might say that I am sure the Council realizes that not every question can necessarily be answered at the moment of asking and the closing statements will, of course, give an opportunity for the Council to receive answers on points and questions to which the Special Representative, the Administering Authority and the special advisers may not immediately have an answer available.

Mr. HAINING (United Kingdom): It might be appropriate here to take one question which perhaps may touch on the last point raised by the Special Representative. I mention now the problems of job classification and pay plans. While I appreciate the difficulties that the Special Representative must face in giving the Council any details on these new classifications, because of the legislation having just been passed by the Congress of Micronesia, we would be extremely interested if he could give us at least some wider indication of its provisions and some idea if those provisions are in accordance with the recommendations made by the 1970 Visiting Mission. In particular, we would be interested to know if the basic rates apply equally to all civil servants, whether they be Micronesians or expatriates.

Mr. JOHNSTON (Special Representative): In answer to the question by the representative of the United Kingdom, we are still as much in the dark as we were yesterday. The Bill as it passed had been passed by the Senate, had been sent to the House, had been amended by the House and had gone into the Conference Committee, and I believe I am correct in saying that neither I nor either one of my special advisers was present in the Trust Territory when it was finally passed. We are trying to get the provisions by telephone. It is my understanding that as the Bill was finally passed the basic rates would apply equally to all civil servants. At one time there was a proposal that there should be two separate pay scales: one a permanent pay scale for Micronesians and the other one a temporary pay scale for expatriates until they could be phased out of the Government. But it is my understanding that the Bill as passed did contain one pay scale. I should like to assure the members of this Council that we will have some further information on this in our closing remarks.

Mr. HAINING (United Kingdom): Last year, as in previous years, this Council expressed the hope that more public land not required for Government use would be made available to the people of the Trust Territory for productive use. However, both the annual report of the Administering Authority on page 64 and the statement yesterday by Senator Tun tend to show that the Homestead Programme has not as yet been very effective. Does the Special Representative have any ideas, short of the completion of the cadaster, which as we all know will take a long time, on how the Homestead Programme might be made more successful.

Mr. JOHNSTON (Special Representative): This is very definitely a perplexing problem throughout Micronesia and is not a simple one to answer. The administration is making every effort to develop homestead programmes and is stated in our last report that we favoured homesteading several hundred town lots in planned subdivisions in Koror and in Ponape. However, there has not yet been implementing action by the district legislatures. I might say that in the Palau District one of the differences between the two political parties is that one party seems to favour homesteading and the other party does not.

(Mr. Johnston, Special Representative)

In the Marianas, where we already have an active homesteading programme, the Congress of Micronesia in the final session of the Third Congress passed two Bills pertaining to two different areas. On the advice of the District Administration the High Commissioner signed one of the Bills and vetoed the other because it would have been utterly physically impossible to develop both of those projects at the same time with the limited personnel and resources assigned to the District Land Office. We are proceeding in the one area on schedule and repeat our pledge that the Executive Branch is very much in favour of the homesteading programme and is proceeding as rapidly as possible, again keeping in mind that one of the features of our administration is decentralization and that we do not under any circumstances run roughshod over the district legislatures or the district administrations.

Mr. HAINING (United Kingdom): My next question pertains to tariffs. In 1969 the Special Representative informed the Council that the United States Government had pledged itself to urge early enactment of legislation by the United States Congress to grant Micronesian products duty-free entry into the United States States, thus eliminating, as the Special Representative then said, one long-standing bar to the economic progress of the Trust Territory. May I now ask the Special Representative whether this is among the proposals on which, as the representative of the United States told us yesterday, affirmative action has now been taken by the United States Congress?

Mr. JOHNSTON (Special Representative): In the early days of the present Congress of the United States a Bill was introduced as an omnibus Bill in the United States Senate containing some five titles. This Senate Bill 860 was passed by the United States Senate and forwarded to the United States House of Representatives. The United States House of Representatives returned the Bill to the Senate pointing out that it was the sole prerogative of the United States House of Representatives to initiate legislation relating to tariff regulations. The United States Senate, upon receipt of this information, proceeded to re-pass the Bill deleting, I believe, Title IV, pertaining to tariff provisions. The Bill was re-passed and again sent to the United States House of Representatives. So that as it now stands, the duty-free entry provisions -- the provisions of the omnibus Bill pertaining to tariff regulations, have not passed either House of the United States Congress. We are still continuing to push for the passage of this legislation.

Mr. HAINING (United Kingdom): Could the Special Representative say whether in the health field the Administration has accepted the view of the last visiting mission, and of the Council last year, that top priority should be given to improving dispensary services?

Mr. JOHNSTON (Special Representative): The answer to that question is yes, we certainly have. Not only have we increased the repair and construction of dispensary facilities with the assistance of the Military Civic Action Teams, but also we have instituted a programme of training additional health aides. A health aide in the Trust Territory health services system is a man or woman who basically mans one of our dispensaries on an outer island which cannot readily be reached by trained medical or paramedical personnel. The health aide is a kind of first-aid specialist similar to a medical aide in the armed forces.

We are doing two things in this respect; first, we are increasing the number of health aides and secondly we are up-grading the training of those persons who have previously been certified or qualified as health aides so that when we build the new dispensaries there will be increasingly better personnel to man them. With the opening of the new hospital in the Truk district we have better facilities to train the health aides and this programme will be stepped up in the near future. We have also funded some of these dispensaries through our grants-in-aid where the local communities have contributed a special amount of materials and labour and a grant-in-aid makes up the balance of the amount needed to construct the dispensary.

Mr. HAINING (United Kingdom): I should like to ask a question on education. Last year the Council quoted the view of the Visiting Mission on the need to ensure that all children attended elementary school. My delegation notes from the annual report that some 10 per cent of children of school age -- probably a higher percentage than this in the Truk, Yap and Marshall Islands Districts -- do not attend school. We recognize the great difficulties in providing education for a small number of children in a very large number of remote islands, but wonder whether the Administration has plans for dealing with this particular situation.

Mr. JOHNSTON (Special Representative): As far as the elementary school situation is concerned, we build our classrooms on the basis of 100 per cent attendance of children of elementary school age. However, we do not have compulsory school attendance laws in Micronesia and some of the children just do not attend school. At the elementary level the facilities are available, but a small percentage -- an ever decreasing percentage, I might add -- of the children do not avail themselves of the facilities that we have available. I might comment further that this is particularly true of the outer islands where sometimes the children are kept at home to care for their younger brothers and sisters while the senior family members are occupied in processing copra or fishing, and the family decides that they are better off learning crafts at home than attending school. But, as I say, this is a steadily decreasing percentage of the elementary school population.

Mr. HAINING (United Kingdom): Yesterday in his statement the Special Adviser, Congressman Haruo, outlined his ideas on the shape of agricultural programmes for the Territory. He said:

"What Micronesia needs in agriculture are projects that can serve as models or examples for a single individual or person, or a small group of people." (1372nd meeting, p. 62)

The Special Representative, for his part, gave examples of some specific gains which had been made in the field of agriculture. My question is: do the agricultural projects now being developed in the Trust Territory come into the category envisaged by Representative Haruo? Perhaps the Special Representative, in replying to this question, might like to comment generally on the Special Adviser's ideas on agricultural development. We would also welcome the Special Adviser's comments on this matter.

Mr. JOHNSTON (Special Representative): If I may first answer the question directed to me by the representative of the United Kingdom, I would say that I wholeheartedly and completely agree with the statement made by our Special Adviser, Representative Haruo, that we need projects where a person actually goes into production in agriculture and serves as a model for others to do the same thing.

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It was for this reason that I cited at some length yesterday the example of raising chickens and eggs where, rather than sending out an extension agent with rather generalized information or distributing pamphlets to the people, one man who has devoted his entire adult life to this field of activity goes right into the area, and before he leaves he has the man actually in production raising chickens and eggs. We hope to pursue this same line of endeavour because I feel -- and I think the Congressmen agree with me -- that this is the best way to get agriculture started in the Trust Territory. I would certainly welcome the Special Adviser's further comments on this subject.

Mr. HARUO (Special Adviser to the United States Delegation): Our interest in Micronesia is that we do not want a large-scale project in agriculture. We would like to start off with a rather small-scale project and then pass it on to the local people who have an interest in developing the islands in terms of agricultural products.

Mr. HAINING (United Kingdom): Can the Special Representative tell us something of the progress made in resettling the people of Bikini back on their atoll? Is there any indication that similar measures may be possible for other displaced communities in accordance with the hopes expressed by this Council last year?

Mr. JOHNSTON (Special Representative): In answer to the question of the representative of the United Kingdom, the Bikini project is proceeding on schedule. The seed planting to provide the necessary foods to sustain life on Bikini and the Enyeu islands is now 78 per cent complete. Construction is under way and a contract has been let for forty homes to be completed not later than 30 June 1972. The Bikini Council -- the Kili Council now, the people who are currently living on Kili and intend to return to Bikini -- has played a very active role in the rehabilitation process. A group representing the Kili Council recently visited Bikini with representatives of the Administration and actually staked out the site where each one of these

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homes should go. The project has been very closely co-ordinated with the Bikini people themselves.

As for the plight of other displaced persons, the United States Army recently negotiated an up-dated agreement, a new agreement, with the displaced persons in the Net Corridor. These people are now receiving a total of \$420,000 a year. The Trust Territory Government has provided them with a boat which they can use to go to the Islands on which they no longer live and harvest their copra. Other than this, I would say we have made progress in these two areas of displaced persons and can assure this Council that the Bikini project is continuing either on schedule or a little bit ahead of schedule.

Mr. HAINING (United Kingdom): I should like to address my last question to the representative of the United States. In his interesting statement yesterday, the representative of the United States said that his Government had studied the Micronesian four principles, which were described to us by Senator Tun and which are also contained in the joint resolution of the Congress of Micronesia, reproduced in document T/COM.10/L.53. Could the United States representative indicate generally whether an arrangement in which Micronesia became a self-governing State in free association with the United States would be broadly acceptable to the United States Government?

Mr. FINGER (United States of America): First, if I may, I should like to express my pleasure in returning to this Council after a couple of years absence. I should also like to inform the members that the Honourable Phillip Burton, who is Chairman of the Sub-Committee on Territorial and Insular Affairs of the United States House of Representatives is here, because of his deep interest in this question, as well as the Honourable Thomas Foley, a member of that Sub-Committee, and two of their staff members, Mr. William Thomas and Mr. Charles Leppert.

(Mr. Finger, United States)

With respect to the question whether the Government of the United States would consider a solution based on self-government in free association with the United States, I believe that the statement of the United States representative yesterday indicated that this would be so. We are still in process of negotiations, of course. It is difficult at this stage to spell out the precise terms. But we do consider ourselves to be bound by Article 76, and particularly paragraph b, of the Charter, which refers to progressive development towards self-government or independence as may be appropriate to the particular circumstances of each Territory and its peoples and the freely expressed wishes of the peoples concerned. Therefore, I believe we could give an affirmative answer to that question.

Mr. HAINING (United Kingdom): That concludes the British questioning. May I thank the Special Representative and the Special Advisers for the very full answers which they have given to us.

The PRESIDENT: Before I call on the next questioner, I should like to welcome, on behalf of the Council, the visitors from the United States Congress who are here in this Chamber with us today. It is also very nice to see Mr. Finger back with us.

Mr. WANG (China): My delegation would like to take this opportunity to extend its welcome to the Special Representative and the Special Advisers and other visiting members of the United States delegation. I wish also to thank them for their excellent opening remarks yesterday.

My delegation has very few questions to ask following the thorough questioning by the representatives of Australia and the United Kingdom. My first question concerns the political education programme. From the statements made by the two Special Advisers, my delegation gained the impression that the political education programme was considered very inadequate. The representative of Australia just asked some questions concerning political education. If I am not repeating his questions, I should like the Special Representative to tell us whether the Administration has any plan seriously to strengthen this important programme which is essential in the preparation for the exercise of the act of self-determination by the mass of the Micronesian people.

Mr. JOHNSTON (Special Representative): In answer to the question of the representative of China, we definitely plan to increase the programme. As I mentioned yesterday, our greatest means of reaching people; our citizens in the Trust Territory, is by means of our radio stations. We have been increasing the wattage of several of our stations, the power of the stations, so that they can even more clearly reach almost our entire population, and developing programmes of education by means of radio. I feel personally that the development of free and independent newspapers in each district which carry comments in the vernacular on various phases of the status question is also going to be very important.

As I mentioned before, we are still hoping for considerably more in-put into our programme for the Congress of Micronesia, so that it can truly be a joint effort of the entire Government of the Trust Territory of the Pacific Islands.

Mr. WANG (China): My next question concerns agricultural production. My delegation has the impression that the rice project in Ponape had been doing quite well. The annual report of the Administering Authority showed an increase of ten acres in planted area, from seventy acres in 1969 to eighty acres in 1970. It was also recorded that there was an output of 200,000 pounds of polished rice in 1970. My delegation was interested to note that no mention was made by the Special Representative of the rice production in Ponape when he cited the gains in agricultural products yesterday. My delegation wonders whether this omission means that the administration considers the rice project not to be successful and no longer attaches much importance to it.

Mr. JOHNSTON (Special Representative): In answer to the question of the representative of China, it certainly does not mean that we attach no importance to the rice production programme. I merely cited yesterday, in the interest of time, some of the examples of increased production. However, I might report to the members of the Council that at one point we had hoped that we could produce enough rice from Ponape for export, as well as for filling our domestic needs.

A rather extensive survey was made of this, charting the annual rainfall, the soil conditions, the topography of the area, and so on, and the conclusion of that report, which we have not yet necessarily completely accepted, was that because of the weather conditions in Ponape, rice production could never be mechanized to the point where it would be a profitable export industry.

Now this rather points up the remarks that Representative Haruo made earlier. In rice production we are proceeding toward developing small farmers who will produce rice for domestic consumption. In this phase of the programme we have certainly made considerable progress. I would not want anyone to think that the failure to include the statistics on rice production in any way indicated that we were abandoning the project, at least as far as concerns increasing the rice for domestic consumption.

Mr. WANG (China): In the field of transportation, my delegation was happy to note that the number of vessels providing inter-island services has increased significantly. The Honourable Sasauo Haruo, however, told us that shipping rates and charges have doubled or tripled over a short period of time, which naturally would have adverse effects. I should welcome the Special Representative's comment on this subject.

Mr. JOHNSTON (Special Representative): I would reply to the question of the representative of China by pointing out that we do have in the Trust Territory at the present time a ten-year monopolistic contract with the Micronesian Inter-Ocean Line Incorporated. This contract was very thoroughly investigated by a special committee of the Congress of Micronesia and certain recommendations were made by that committee. Some of those recommendations have been adopted by the shipping line upon the urging of the Administration, but it still continues to be a very difficult situation.

The reason, as I understand it, that this contract was put into effect was that it had been determined by a previous administration that there was not the potential for enough shipping requirements in Micronesia to develop genuine competition and to leave it up to other shipping lines throughout the world to make regular port calls in Micronesia. So a franchise of a monopolistic nature was granted. One of the provisions of this contract is that each year the shipping company will appoint a representative, and the

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Administration will appoint a representative. These two will appoint a third neutral party, and the three of them will hold public hearings. At the conclusion of these public hearings, the decision of any two of the three will be taken as the decision of the Board and will be recommended to the High Commissioner

It is true that upon the basis of the rate hearings held earlier in 1971 we did in some cases allow an increase of rates. But I might add that in other cases we decreased the rates, and in some kept them the same. The reason for the increases was that shipping rates all over the world have increased rather substantially due to increased costs of labour, increased costs of fuel, increased costs of port handling. It is unfortunate that these rates have been increased, but, frankly, we do not have any other answer to the problem at the present time.

Mr. WANG (China): My delegation listened with great interest to the account of the development of poultry farming mentioned by the Special Representative yesterday. I recall that last year, when the members of the Visiting Mission, accompanied by territorial and district officials and Peace Corps volunteers, left Majoro by boat for a two-day trip to the island of Mili, the collection of eggs for the party's consumption was said to have exhausted the egg supply in Majoro. It appears that that will not happen the next time. The question now in my mind is this. With such rapid growth as that cited by the High Commissioner, does the administration expect any marketing programme for the poultry farm products?

Mr. JOHNSTON (Special Representative): The answer to that question is no. We do not anticipate any serious marketing problem. Poultry is a very popular food in every one of our districts. If any district had an over-production, it could certainly be quickly shipped to one of the other districts, and I imagine that we would have a potential for export of these products to Guam, possibly to Nauru, and to other Pacific areas outside the Trust Territory. We are not gearing up to an export market, but trying merely to produce enough for domestic consumption. I might say that on a recent trip around the Trust Territory, which I mentioned in my opening remarks yesterday, we were entertained at a picnic on the island of Laura in the Majoro area. There were at least several hundred chickens, and every one of them had been imported from the United States --- from the State of Arkansas. Our desire, in a future similar situation, is to be using entirely locally produced poultry.

Mr. WANG (China): I have no further questions, and I should like to thank the Special Representative for his answers.

Mr. BLANC (France) (interpretation from French): Could the Special Representative tell us how the Japanese Government has settled its share of the \$5 million war claims? As we are on the subject of war claims, I should like to put a second question concerning this kind of problem and which relates to the different methods. I believe that the representative of the United States or the Special Representative said yesterday that the Senate and the House of Representatives of the United States have been led to use two different methods in approving legislation on war claims. Is it not to be feared that this difference in methods might result in holding up somewhat the adoption of United States laws relating to the application of the agreement concluded with Japan on war claims?

Mr. FINGER (United States of America): I can well understand the question and the concern of the representative of France with respect to the war claims. We do have, of course, a form of Government based on separation of powers, and when the Executive Branch negotiates an agreement in good faith it must submit that agreement to the Congress, which exercises its own best judgement in how to deal with a particular problem. The Congress has chosen to deal with

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both types of claims together as the Senate has, and we now feel that the best procedure would be to have the Senate and the House of Representatives deal with it as expeditiously as possible along the path chosen. I am sure that the Chairman of the House Committee concerned with the problem, who is sitting here today, will have taken careful note of the question from our colleague from France and of his concern with this problem.

Mr. BLANC (France) (interpretation from French): I did not hear a reply as to the way Japan applied the rules of the agreement concerning the \$5 million.

Mr. FINGER (United States of America): By the terms of our agreement with the Government of Japan, the Japanese contribution will become effective at such time as the United States contribution of \$5 million has been approved as an appropriation. Therefore, it has not yet become effective.

Mr. BLANC (France) (interpretation from French): Would it be possible to have some information on the reasons which motivated the person who set the fire that occurred at the beginning of this year?

Mr. JOHNSTON (Special Representative): In answer to the question just put by the representative of France, I presume he was referring to the fire which destroyed the Chambers of the Congress of Micronesia in February this year. We have officially made the statement that it was obviously a deliberately set fire. We have adequate evidence to support this. Although many people have been questioned, we have not been successful in determining who set the fire, and, therefore, we are not able to determine why the fire was set. Anything in that realm would be pure speculation and would be in the total absence of any reliable facts.

Mr. BLANC (France) (interpretation from French): We learned with interest that according to the new financial procedure the budget is presented and approved by the Micronesian Congress. Would it be possible to have some specific information on the manner in which this new procedure allows for a debate on the United States subvention? Is the budget first approved in its entirety and then is an attempt made to have the amount of the subvention equal to what is necessary to balance the budget; or is there still a preliminary procedure? Perhaps that question was already asked before I arrived and, if that is so, I apologize to the Special Representative. If not, I should be grateful for his reply. I apologize for having arrived late.

Mr. JOHNSTON (Special Representative): I might just comment, if I may, on one aspect. The representative of France mentioned the balancing of the budget. The budget, because it involves United States grant funds which are far in excess of the locally generated revenues, is not a true, complete budget where estimated revenues are calculated and estimated expenditures are then drawn up based on the revenue estimates. The budget that we are referring to is more a matter of receiving a specific grant of \$50 million or \$60 million and allocating those funds without any need to consider the revenue that produces those particular funds.

Mr. BLANC (France) (interpretation from French): The High Commissioner told us about the measures that have been taken to facilitate the access of Micronesians to the United States and to increase the resources of the Economic Development Loan Fund in order to have the Territory included in the federal aid programmes such as the one assisting in the construction of airports. These are undoubtedly beneficial measures in themselves; but are they not likely indirectly to exercise some influence on the political development of the Trust Territory at a time when it is the subject of a debate in both Chambers and on both sides of the Pacific?

Mr. JOHNSTON (Special Representative): It seems to me that today everything that happens in the Trust Territory is in some way related to the future political status of the Trust Territory. It seems to me that people in various areas of the world have tended to feel that there is something called a political status question and that it is totally removed from the every-day life of the Trust Territory of the Pacific Islands. I do not believe that that is necessarily true, and I would merely answer that everything that takes place in Micronesia can in some way be related to the grave decision that the people of Micronesia have to make as to what their political future will be. I do not believe it is possible to segregate or separate any facet of life in Micronesia from the over-all question of the future of the area.

Mr. BLANC (France) (interpretation from French): I should like to put two questions as regards electoral matters.

First, I do not know whether it is true that there are no political parties in the Territory, and I should like to have some information on that. Then -- and this is a question of detail -- why do the elected bodies set eighteen years as the age for eligibility for the Congress and twenty-five years for the district legislatures?

Mr. JOHNSTON (Special Representative): In answer to this question put by the representative of France, I believe that the figures are in the reverse of his impression. In Micronesia, Territory-wide, an individual citizen may vote at eighteen, and at the age of eighteen he may serve in a district legislature. But to be able to serve in the Congress of Micronesia as a representative of his district he must have attained the age of twenty-five.

Does that answer the question adequately?

Mr. BLANC (France) (interpretation from French): Yes. Perhaps I had read incorrectly.

Now, regarding the parties, there are no Territory-wide political parties; is that so?

Mr. JOHNSTON (Special Representative): The answer to that question is that there are no Territory-wide political parties. Four of our six districts do not have political parties; two of the districts -- Palau and the Marianas -- have two political parties each. There is no relation between the two districts in regard to political parties; there are two completely different political parties in the Marianas from those in Palau. There is not even a similarity of name or designation, nor any similarity in the issues or principles on which the various parties are established.

This is a purely local situation, and I should be very happy to hear any further comments that either of the Special Advisers -- both of whom are from districts without political parties -- might care to provide.

Mr. HARUO (Special Adviser): I believe the Special Representative has said everything about the political parties we have in the Trust Territory.

In the other four districts, as he mentioned earlier, we do not have political parties, except in two districts. In the Marianas we have the Popular Party and the Territorial Party. In the Palau district we have the Progressive Party and the Liberal Party.

Mr. BLANC (France) (interpretation from French): Could we have some information on the last stage of the problem of the relocation of the inhabitants of Bikini? Could we have some confirmation -- I think it is a matter of confirmation -- of the fact that the sums of money given to the inhabitants of Bikini a few years ago, during the first removal, will remain theirs definitively? May we know what is the very last stage of the problem of relocating the inhabitants of Bikini?

Mr. JOHNSTON (Special Representative): We had previously mentioned that the rehabilitation of the Bikini Islanders to their native island is proceeding on schedule and has reached the phase of construction of buildings, and that 73 per cent of the planning is completed.

As for the trust fund, I should like, if I may, to defer the answer to that question until I receive a completely up to date report on the present status of the trust fund for the people of Bikini, and to include that in our closing remarks.

Mr. BLANC (France)(interpretation from French): Would it be possible to have some details about the activities of the Community Action Agencies? I am speaking about concrete, practical activities.

Mr. JOHNSTON (Special Representative): One of the primary programmes of the civic action agencies is to conduct, in the Trust Territory of the Pacific Islands, the programme which is known as the Head-Start Programme, under which children of pre-school age are given a head-start before they enter the official public school system. This programme has been instituted in all six of our districts and has been tremendously successful. The programme varies from district to district, and in general the district programme is that which the particular community needs or wants.

I recall one programme in the Marshall Islands district, where there seemed to be a shortage of accountants and bookkeepers. A programme was instituted by the civic action agency to provide qualified instructors for evening adult-type courses in bookkeeping and accounting to fill that community need. The community action agency in the Palau district, which is a very active one, is currently seeking additional funding from the OEO to go into a programme of fish-raising in fresh water streams in the Palau district, and to get into various other phases of small agricultural projects which will be beneficial to the people of Palau. The programmes are, in each case, designed and drawn up by the local community action advisory boards. The only function of the Territorial office is, in general, to co-ordinate the programme.

Mr. BLANC (France) (interpretation from French): As regards the population, it seems there is a constant and geographically distributed imbalance between the two sexes; there is a male majority in all the districts. This is a phenomenon that is not widespread in the world. It is usually the opposite after a certain age. Is there some ethnic, historical, or even sociological reason for there being more males than females?

Mr. JOHNSTON (Special Representative): I would say that the representative of France has posed a very searching and far-reaching question. We should like to have the opportunity to do considerable research on it before we provide him with an answer.

Mr. BLANC (France) (interpretation from French): Still in the field of population, we were informed that there was a birth-control programme. It seems that in some archipelagos the population is extremely high. My delegation has noted that in Truk the average is 260 per square metre. In view of the urban density, that might be reduced to perhaps 200 in the rural areas, which is still a very high number. The report says there was some reluctance in this respect on the part of the population, but we should like to know if the Special Representative can give us some account of the results of governmental action on this matter -- particularly in those areas that are almost dangerous so far as population expansion is concerned.

Mr. JOHNSTON (Special Representative): I should like to inform the representative of France that we have continued our own territory-wide birth-control programme under the direction of Dr. Araboting Hicking, one of our Micronesian medical officers and a deputy director of health services. He files regular reports on the programme and does report some reluctance on the part of various districts really to adopt the programme. We have also had assistance in this regard from the South Pacific Commission -- from some of the birth-control experts provided by it -- and apparently it is not the problem we thought it might be so far as a population explosion is concerned in that when a census was conducted in 1970 the preliminary figures indicated we probably had less people than we had estimated in the statistical information compiled by our own Health Services Department.

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As far as any dangerous over-population is concerned, during the Japanese occupation, in the islands now constituting the Trust Territory of the Pacific Islands, there were certainly far more people living and being sustained in the islands than at present. We do have some problems of urban concentration, where people have tended to move into one area from the outer areas, and it is my understanding following a telephone conversation yesterday morning that the Congress of Micronesia in its closing days passed a resolution asking the Executive Branch to make a thorough study of this particular problem and particularly to adopt a policy dealing with out-migration from the outer islands.

Mr. BLANC (France) (interpretation from French): Still in the same field, the report gives the mortality rate -- one of the lowest in the world apparently -- which seems to indicate that health in the country is good. But we have no indication of the birth rate, which is rather high judging by the figures on the gross population growth. Would it be possible for us to have a figure -- even an approximate one? I do not want a precise figure but an approximate one that will permit us to measure the rate of growth per year, since we know the mortality rate.

Mr. JOHNSTON (Special Representative): I am sure such a figure could be provided. Although we do not have it with us at present, we shall obtain it from our headquarters in Saipan and include it in our closing statement.

Mr. BLANC (France) (interpretation from French): To return to land questions -- which were dealt with just now, I believe -- I would say that my delegation learned with interest of the latest information given by the High Commissioner on the cadaster in the Territory.

Last year there was a certain controversy about the date of the end of the technical and legal operations. Could the Special Representative tell us if he has any clearer idea of the ending of both those processes? I should also like to ask two related questions. The first concerns the inquiries on the delivery of titles, which were carried out by land teams composed entirely of Micronesians, I believe. If that is so, did those teams reconcile the

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contradictions and land disputes, or did they simply move as swiftly as possible and try to limit the problem and make sure they did not deal with controversial matters? Did they try to solve the problems before they proceeded or did they concentrate only on land over which there was no controversy?

Mr. JOHNSTON (Special Representative): The operation of our land cadaster programme is supplemented by the creation of land commissions in each district. They are quasi-judicial bodies before which hearings are held. Now the survey teams attempt to identify parcels of land by establishing survey points, monuments clearly defining the limits of a certain parcel of land. Then a hearing is held before the land commission as to the ownership of that parcel. Any party who feels he or she or -- in some cases, where there is group or communal ownership of the property -- they have some interest in that property can be heard before the land commission. The land commission may then make a decision and issue a preliminary title to the land. A certain number of days after the preliminary title is issued -- 120 days, I believe -- if there has been no appeal the title becomes final. If there is an appeal and the issue is still in dispute, then it goes from the land commission to the courts for eventual decision. It is, then, a joint programme of first attempting to identify the parcels of land and, secondly, eventually attempting to establish in clear title the true ownership of that parcel of land. Does that adequately answer the question of the representative of France?

Mr. BLANC (France) (interpretation from French): Generally speaking, how long will it take?

Mr. JOHNSTON (Special Representative): I believe that we originally estimated that the programme would take five years and the current estimate is that it will take seven to eight years.

Mr. BLANC (France) (interpretation from French): The most recent annual report says that these transactions are holding up the activities of the Land Commission and the team's work. Would this not mean that the indigenous owners tend to refuse to bow to the obligation of registering all transfers which might in its turn compromise the success of a very important reform -- the agrarian reform -- which is now being applied. I am asking this question because in other countries, in developing countries in particular, identical problems have arisen?

Mr. JOHNSTON (Special Representative): My answer to that question by the representative of France would be that we have tried to make it clear both in Micronesia and outside Micronesia that the land cadaster programme started by our Administration in early 1969 is not in any way a land reform movement, an agrarian reform movement; it is strictly a process of land identification. The land customs, the procedures of ownership vary widely from district to district. We are making no attempt whatsoever at land reform in the context such as has been done in other developing countries. This is a matter certainly for the Micronesian people themselves. Our goal is to properly identify and issue certificates of title to parcels of property.

Mr. BLANC (France) (interpretation from French): Leaving the question of land and now going to the economy, my delegation would like to know whether, over and above the local tourist bureaus which have already been created and opened, any territorial office has been set up which fulfils the same functions, as planned I believe, at the time when the Visiting Mission visited Micronesia last year.

Mr. JOHNSTON (Special Representative): The answer to that question is that our first effort is to establish a tourist commission in each of the six districts. We do now have a tourism specialist who has recently been added to our staff at Trust Territory headquarters. Any creation of a territory-wide tourist bureau would be up to the Congress of Micronesia, and to my knowledge no such action has been taken at this time.

Mr. BLANC (France) (interpretation from French): Concerning the Economic Development Loan Fund, are we to understand, in reading the report, that out of the sixty-seven direct loans, thirty-seven were not paid? Perhaps I misread it, but if this is true, the proportion is rather high.

Mr. JOHNSTON (Special Representative): Two years ago, when we first started really activating the Economic Development Loan Fund, its record of repayments was absolutely atrocious -- and this has been one of the concentrations of the current Administration to improve this record. We did find in some cases where a person was deceased and had left no estate that the loan was still being carried on the books as an active loan and he was still possibly being billed for it every month. We have brought our records up to date. I should like to include in my closing remarks a report as of the end of the previous month on the Economic Development Loan Fund. I can assure the Council that we have made great improvement in the number of loans which are current. In some cases where a man had fallen behind in payment of his loan, because of typhoon damage in Typhoon Jean or some other disaster, we have renegotiated the loan, making the payments more realistic, and are now bringing it up to date. But I should like to include a more complete report on that, if I may, in my closing remarks.

Mr. BLANC (France) (interpretation from French): The Copra Stabilization Fund has a little less than a million dollars. Could the special representative tell us, in general terms, how these monies are invested?

Mr. JOHNSTON (Special Representative): This subject has been under discussion. I am not sure of the exact and specific answer to the question, but it, too, will be included in our closing remarks.

Mr. BLANC (France) (interpretation from French): The Visiting Mission suggested last year, as you will doubtless recall, that small local markets be set up, comparable to the traditional markets that are in existence in other parts of the world. Has this suggestion been followed up in any way in some parts of the Territory?

Mr. JOHNSTON (Special Representative): I believe we have some sort of a farmers' market operation in each one of our districts at the present time. I know that within the past year one has been opened in the Marianas District and is proving quite successful. Other operations of this nature have been expanded --- the creation of a market in each district where the local farmers can bring their produce and sell it to the general public. One very successful example of this is at the Rota Airport. The island of Rota in the Marianas Islands District is probably the greatest producer of vegetables of any area in the Trust Territory; when our commercial planes land there the farmers' market-type operation is right at the airport, so the people can buy fresh vegetables to take with them to the destination area to which they are proceeding. We are very definitely interested in this type of programme. I can assure the representative of France that it is growing within the Trust Territory.

Mr. BLANC (France) (interpretation from French): An inquiry mission was sent to study the possibility of developing fishing on an industrial scale. I think that that mission was carried out by eight sloops at the same time. Were the results of that mission encouraging?

Mr. JOHNSTON (Special Representative): At the present time there is great interest shown by expatriates in the tremendous potential of a large-scale fishing industry in the Trust Territory of the Pacific Islands. We have had an expression of interest both from Japanese fishing companies and United States fishing companies. I think I would be correct in saying -- and I would welcome any further comments by either or both of our Special Advisers -- that the current thinking of the people of Micronesia is that they wish to be involved in any development of the fishing industry and, rather than take a minor part in a huge commercial development, would wait a few years to develop the industry more slowly, more with local resources, local capital and complete local participation. I mentioned previously a programme which we have proposed to the Office of Economic Opportunity (OEO) for the Palau District where funds from the OEO would be used to develop a local fishing industry. I believe I also mentioned the fact that the Truk District Legislature had appropriated \$57,000 for a local fishing boat. There is unquestionably the possibility of a tremendous large-scale fishing industry but the decision on this is strictly in the hands of the Foreign Investment Boards in each one of our six districts.

Mr. HARUO (Special Adviser to the United States Delegation): If I may comment further, it is true that the fishing industry is basically the same as the agricultural industry. The local people in the various districts are interested in developing the fisheries industries. We should like to start off with small-scale projects. Interest has been expressed by the local people through the district legislatures by providing funds, and making appropriations to allow for the purchase of boats and fishing equipment to permit the local people to engage in a fishing industry in the Trust Territory.

Mr. BLANC (Franc) (interpretation from French): Is the policy of distributing the Territorial resources deliberate in so far as in the present state of affairs -- that is, prior to the institution of an income announced yesterday -- the local resources were applied largely to the district budget of \$1.8 million rather than the Territorial Budget or \$1.4 million? Is this the result of a decentralization policy which we find reflected in other chapters of the accounts given in the report? If that is so, if this is consequently the application of a deliberate policy of decentralization because of the various features of the Territory, because of the fact that the Archipelagos are very much scattered, is the income tax which was recently set up also partially attributed to districts and not kept in the headquarters in order to maintain this policy of financial decentralization which reflects a policy of general decentralization?

Mr. JOHNSTON (Special Representative): The funds raised by the Trust Territory-wide income tax law which becomes effective 1 July 1971, will be appropriated by the Congress of Micronesia. Members will recall that one of our special advisers mentioned that there was a great debate on the Income Tax Bill through two special and two regular sessions of the Congress of Micronesia. A great deal of the debate centred around what percentage of the tax should be returned to the Districts for use by them. I am sure that when the revenues start to come in this matter will be decided by the Congress of Micronesia. As I recall it, no specific formula has as yet been adopted, but I believe I am safe in saying that it is contemplated that a certain percentage of the tax will be returned to the districts for appropriation by their district legislatures. Is that basically correct?

Mr. FARUO (Special Adviser to the United States Delegation): Yes.

Mr. BLANC (France) (interpretation from French): Yesterday, Mr. Haruo told us of the social consequences of the increases made in shipping tariffs. A comparison between the figures appearing in the reports of the last ten years shows that the cost of living remained remarkably stable between 1961 and 1971. This increase in shipping costs consequently would appear to be out of keeping with the relative stability of the cost of living. Is the cause of this to be found outside the Territory where, it seems, there is no inflation or is it simply that our information about prices is limited to a given field that the rest of the price increases are not visible to us and we have no knowledge of an inflation that is taking place in some area other than that described in the different reports made during the course of the last ten years?

Mr. JOHNSTON (Special Representative): I would reply to the representative of France that the recent increase in shipping tariffs was not an across-the-board increase, that it varied from area to area of origin and from commodity to commodity. It was a typical rather complicated ocean shipping tariff schedule, and at the time we released the information to the general public it was estimated -- and it has not been successfully contradicted, -- that the total effect of this particular shipping increase should not add more than a fraction of 1 per cent to the cost of any commodity being sold on the shelves of a grocery store. For example, if an item were selling for \$US1 it should not be increased in price as a result of the shipping increase to more than \$US1.01 so that this particular increase might not make an increase in the general cost of living that would appear on the surface.

Mr. BLANC (France) (interpretation from French): It seems that there still are no trade unions in the Territory. Is the population naturally reluctant about vocational or professional associations of this sort?

Mr. JOHNSTON (Special Representative): The question just put by the representative of France is a rather difficult one to answer. It seems to me that the first requisite for a trade union or the development of an association is a fairly large labour force which is capable of being organized, and which we do not yet have in the Trust Territory of the Pacific Islands. Within the past two years we have had one strike of school teachers, a very brief one, which was partially encouraged by a union from the neighbouring island of Guam. With respect to professional associations, there is the Bar Association of Micronesia, and several of the gentlemen in this room have been admitted to the Bar and are members of the Bar Association of Micronesia. That, to my knowledge, is the only organized professional association within the Trust Territory. Perhaps one or both of our Special Advisers would like to comment more fully on the trade union situation or the lack thereof in Micronesia.

Mr. HARUO (Special Adviser to the United States Delegation): We also have a medical association and a dental association in Micronesia at present.

Mr. BLANC (France) (interpretation from French): I regret the fact that I have asked so many questions and used up so much of the time of the Council. I shall ask one last question relating to the length of the study period for the occupational centre. How long does the study period last? Is it one year or two years?

Mr. JOHNSTON (Special Representative): In answer to the question of the representative of France concerning the Micronesian occupational centre, the courses are now being offered in fourteen different areas of training. They range all the way from turning out an air conditioning mechanic to teaching a person how to operate an automobile service station, a model of which is actually physically present right on the school grounds. The length of time required for the various courses varies with the difficulty of the trade specialty which is being taught. I might point out that the Micronesian occupational centre accepts both pre-high school graduates and post-high school graduates. In this case also the length of the course would vary. A course which is strictly a post-graduate course for specific vocational training might last only a few months, whereas a person who has not yet received a high school diploma would take perhaps a two

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year course which would also include instruction in English, mathematics, history and other basic subjects. The course could run from several months to even two or three years.

Mr. BLANC (France) (interpretation from French): I wish to thank the Special Representative and his advisers for the clarity of their answers to my questions.

The PRESIDENT: That terminates the questioning for this morning. I should now like to raise with the members of the Council a question of a further petition. The Council will recall that one of the petitioners whom it will hear is Mr. Vicente Santos, President of the Mariana Islands District Legislature. I have now received a letter dated 25 May addressed to the President of the Trusteeship Council signed by seven holders of various offices in the Mariana Islands District and authorizing Mr. Daniel Muna, Chairman of the Popular Party of the Mariana Islands, to speak on their behalf in conjunction with the testimony to be given by Mr. Santos, to which I have referred. I think that the Council can take this letter, which I have just received, as a request for an oral hearing concerning the Trust Territory of the Pacific Islands.

If I hear no comments and if there is no objection, I shall take it that the Council agrees to the granting of the oral hearing to Mr. Daniel Muna.

It was so decided.

The PRESIDENT: There are no speakers on the list for this afternoon, and I understand that none of the petitioners whom the Council will hear is able to speak this afternoon. I would therefore suggest that we should cancel our meeting for this afternoon and meet tomorrow morning, when we should be able to conclude the questioning of the Administering Authority, the Special Representative and the Special Advisers, and then hear the petitioners. There are in all four petitioners whom the Council had agreed to hear, though it is not clear whether all four will in fact speak. Our time-table may thus be a little tight for tomorrow morning, and I should like to consult the Council now about the possibility of advancing the time of our meeting then from 10.30 to 10 o'clock. If we met at

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10 o'clock we would be able to conclude the questioning, and I presume there would still be a sizable amount of time in which we could hear the petitioners who have come so far to address us. However, I would not want to suggest a meeting at 10 o'clock if any of the six members of the Council would not be able to be present. Might I ask whether there are any members of the Council for whom a 10 o'clock meeting tomorrow morning instead of a 10.30 meeting would be very difficult? Since there seem to be none, I think we can take it that the Council agrees to meet at 10 o'clock tomorrow morning in order to complete the work for this week set out in the time-table.

The meeting rose at 1 p.m.