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SPECIAL COMMITTEE ON THE SITUATION WITH
REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

REPORT OF THE UNITED NATIONS VISITING MISSION
TO AMERICAN SAMOA, 1981

Addendum

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INFORMATION ON THE TERRITORY

A. General Description

14. American Samoa, an unincorporated Territory administered by the United States, consists of seven islands of the Samoan group, east of the 171st meridian of west longitude. It is situated about 3,700 kilometres southwest of Hawaii and about 2,580 kilometres northeast of New Zealand, making it the only United States territory south of the equator. The total land area is 197 square kilometres. Tutuila, the largest of the seven islands, is bisected by the harbour of Pago Pago. Aunu'u is a small island off the south-eastern tip of Tutuila. There are three islands in the Manu'a group, about 100 kilometres east of Tutuila: Ta'u, Olosega and Ofu. Swains Island, 450 kilometres north of Tutuila, is a small privately owned coral atoll approximately 2 kilometres in diameter. Rose Island, 400 kilometres east of Tutuila, is a tiny uninhabited atoll.

15. Topographically, the Territory is composed of mountainous volcanic islands (Tutuila, Aunu'u and the Manu'a group) and low-lying coral atolls (Rose and Swains Islands). There are no navigable rivers on the islands or known mineral resources. Dense forests cover 70 per cent of the Territory, and only 12,000 acres of the remaining land surface are suitable for agricultural production. The surrounding waters are inhabited by various forms of marine life, including game and food fish.

16. The climate is tropical, with a temperature varying from 75°F in June and July to 90°F in December and January. Humidity remains at a constant 80 per cent, and the annual rainfall is about 200 inches.

17. In 1980,, American Samoa had an estimated population of 32,000 compared with 30,600 (15,250 men and 15,350 women) in 1978, of whom 16,710 (55 per cent) were 18 years of age or younger. It is estimated that between 30,000 and 60,000 American Samoans live in the United States, principally in the states of Hawaii, California, and Washington. They migrate seeking better employment opportunities, education for their children and an improved standard of living, but most are reported to have expressed their hope that someday they will return to the islands. In 1900, just after the United States took over the Territory of Samoa, it was inhabited by 5,698 Samoans. It took 70-odd years for the population to rise to the September 1974 census figure of 29,191, of whom the great majority were Samoan or part-Samoan. The birth rate has been falling steadily since 1968. In that year it was 41.3 per thousand, but it was only 34.1 per thousand in 1973. Recent population growth is reflected in the following census figures of total population:

April 1950 : 18,937	September 1974 : 29,191
April 1960 : 20,051	September 1978 : 30,600
April 1970 : 27,159	September 1980 : 32,000

18. It is estimated that Western Samoans living permanently or temporarily in the Territory comprise about one third of the population. There are also several

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hundred non-Samoans, including Tongans, Americans from continental United States, and a few New Zealanders, Australians and Europeans.

19. The people of American Samoa share a common ethnic heritage with the people of Western Samoa, being of Polynesian ancestry and as such closely related to the Hawaiians, Tahitians, Tongans and New Zealand Maoris. The Samoan language is closely related to Hawaiian and other Polynesian languages. However, most of the American Samoans speak English, as bilingual education has been in effect for the greater part of this century. Most of the Samoans are members of the Christian Congregational Church, a result of the work of the London Missionary Society. There are about 19 per cent Roman Catholics, about 9 per cent Mormons and about 5 per cent Methodists.

20. The Samoan way of life is structured around a social system of clans, or extended families (aiga) and their chiefs (matai). A village may have any number of related families in the village. The matai is chosen by the family members and is responsible for the well-being of the aiga, for the maintenance of family lands and the communal economy which still prevails in village life.

B. History of the Territory

21. The Samoan archipelago's first contact with the West occurred when an expedition of the Dutch West India Company, led by Commodore Jacob Roggeveen, sailed past the Islands in 1722 en route to Java. Other contacts with Europeans for the next 10 years were accidental. In 1787, the French explorer Jean Francois de Galaup de la Perouse and his crew landed on Tutuila Island and became the first Europeans to set foot on Samoan soil, effectively ending Samoan isolation from European influence.

22. In the early nineteenth century, foreign traders, whalers and scientists, plying the South Seas, came into increasing contact with the Samoan people, often landing on the islands for food-stuffs and fresh water. In addition, foreign Governments seeing an opportunity for economic exploitation as well as excellent harbour and port facilities, were quick to establish contact with the islands. The British arrived in 1791 with the warship Pandora; the Germans in 1824 under the leadership of Otto von Kotzebue; and the Americans in 1839 when a United States exploration ship under the command of Lieutenant John Wilkes sailed into Pago Pago Bay while on a scientific expedition to the South Pacific.

23. Shortly after their arrival, these three Powers came to dominate the economic life of the islands, as they entered into agreements with the local chiefs in order to benefit their own commercial objectives. Consuls were appointed to Apia by the British in 1847, the Americans in 1853 and the Germans in 1861.

24. No formal relationship was sought until 1872 when the need for a coaling station in the South Pacific brought the USS Narragansett under the command of Commander Richard Meade to Tutuila. Commander Meade negotiated with High Chief Mauga of Pago Pago an agreement affording the United States exclusive rights in Pago Pago harbour in return for a promise of protection by the United States. The

treaty, however, was never ratified by the United States Senate. None the less, this unsuccessful venture was not without positive result: it prevented both Germany and the United Kingdom from laying claim to the harbour.

25. Subsequently, United States President Ulysses S. Grant sent an agent, Colonel A. B. Steinberger, to Samoa on an investigative mission. The Samoans took so kindly to Steinberger that they soon made him their "prime minister". He was not popular with the American and British consular agents, who arranged to have him leave the island on a British cruiser in 1876. Two years later, a Samoan delegation went to Washington, D.C. asking for a treaty either of protection or annexation. Informed by the administration of United States President Rutherford B. Hayes that the United States Senate would not accept such a treaty, the Samoans agreed to a treaty of friendship and commerce, which was approved by the Senate on 30 January 1878. In return for the promise to use its "good offices" to resolve "any differences" that might arise between the Government of Samoa and that of any other nation on friendly terms with the United States, the United States was awarded the privilege of establishing a coaling station in and on the shores of Pago Pago Harbour.

26. At the same time, British, and particularly German, commercial interests were acquiring economic ascendancy in the islands. By 1887, the Germans were threatening to squeeze the British and Americans entirely out of the Samoan Islands, and on 14 June 1899, a treaty was concluded in Berlin establishing a tripartite protectorate over all of Samoa. Government under this arrangement was complicated, with a German "president" of the Apia municipality empowered to advise High Chief Malietoa and an American Chief Justice serving as the "final legislator" in Apia, authorized to recommend legislation to the Samoan Government.

27. The convention signed in Washington on 2 December 1899 between Germany, the United Kingdom and the United States reserved "all rights and claims over and in respect to the Island of Tutuila and all other islands of the Samoan group east of longitude 171° west of Greenwich", to the United States. United States President William McKinley, by executive order of 19 February 1900 directed that "the island of Tutuila of the Samoan group and all other islands of the group east of longitude 171° west of Greenwich, are hereby placed under the control of the Department of the Navy for a naval station".

28. In April 1900, the Samoan High Chiefs formally ceded the islands of Tutuila and Aunu'u to the United States, and in July 1904 the cession was expanded to include the islands of Ta'u, Olosega, Ofu and Rose. Swains Island was made part of American Samoa by a joint resolution of the United States Congress approved on 4 March 1925.

29. From 1900 to 1951 the President of the United States was the final authority with regard to American Samoa. As such, he delegated his authority to the Secretary of the Navy who subdelegated it to Naval Governors. Since 1951, the delegated power has reposed in the Secretary of the Interior and his civilian appointees.

30. Beginning in 1905, a Fono, or assembly of chiefs, was convened annually. It

had no real power. Although it passed resolutions and petitions from time to time, the Governor was under no compulsion to accept its proposals. In 1948, the Fono became a bicameral legislature, but it remained an advisory body. The judiciary comprised a High Court, consisting of a Chief Justice and an Associate Justice appointed from Washington, D.C. and assisted by two to four associate judges selected from the district judges by the Chief Justice; six district courts (designated village courts since the reorganization of the court system), each presided over by a Samoan judge.

31. By executive order of 29 June 1951, United States President Harry S. Truman transferred the administration of American Samoa from the Secretary of the Navy to the Secretary of the Interior. In 1953, the Legislature and the judiciary underwent extensive reorganization. In June 1954, a Constitutional Committee was created. Its work was completed in 1960, and a Constitution of American Samoa went into effect on 17 October 1960. In 1966, a new Constitutional Convention of the Samoan people drafted a revision of the 1960 Constitution. It was ratified in the general elections of that year, and went into effect on 1 July 1967.

C. Constitutional and political developments

Status of the Territory and its inhabitants

32. American Samoa is an unincorporated and unorganized Territory of the United States. 1/ Its people are nationals of the United States, and thus entitled to the free protection of the United States Government. As United States nationals, they may reside freely in the United States, the only practical difference between the status of "national" and "citizen" being that the former may not vote in federal elections or occupy certain public offices. However, American Samoans can, and often do, acquire United States citizenship without difficulty.

33. American Samoa, unlike other United States Territories such as Guam or the United States Virgin Islands, has not been the subject of an organic act and is therefore considered "unorganized". The Territory is in fact governed pursuant to a joint resolution approved by Congress on 20 February 1929 which provided that "until Congress shall provide for the government of such islands all civil, judicial and military powers shall be vested in such person or persons and shall be exercised in such manner as the President of the United States may direct". As stated above, by an executive order issued in 1951, the President placed the administration of the Territory under the Secretary of the Interior who, inter alia, oversees the government of the Territory, and ratifies any constitutional changes approved by the Samoans in accordance with law and has the ultimate power to approve or disapprove any bill passed over the Governor's veto.

1/ An unincorporated Territory is one which has not been incorporated into the body politic of the United States by an act of Congress making the Constitution of the United States expressly applicable to it. The term "unorganized" means that Congress has not enacted legislation (an organic act) conferring on the Territory a formal system of government with specified powers.

Most importantly, the Department of the Interior is the link between the Government of American Samoa and the Congress of the United States on all legislative matters including appropriations. This has, in practice, enabled the Government of American Samoa to achieve a significant measure of local autonomy.

34. The present structure of government in American Samoa was created by the Constitution of 1960, which was revised in 1967. This revised Constitution, amended in 1971 and 1977, serves as the legal basis of government in the Territory today. There are three separate branches of government: executive, legislative and judiciary.

35. Article I of the Constitution contains a bill of rights which guarantees the basic freedoms of religion, speech, press and rights of assembly and petition. It makes the Government of American Samoa responsible for the protection of the Samoans against alienation of their lands and the destruction of the Samoan way of life and language. The Bill of Rights also provides for legislation to protect the lands, customs, culture and traditional Samoan family organization of persons of Samoan ancestry, and to encourage business enterprises by such persons. No change in the law respecting the alienation or transfer of land can be effective unless approved by two successive legislatures by a two-thirds vote of the membership of each house and by the Governor.

Executive and legislative branches

36. The executive branch consists of the Governor, Lieutenant Governor and department heads. Until 1977, the Governor and Lieutenant Governor, as the chief executives, were appointed by the United States Secretary of the Interior and exercised their authority under the direction of the Department of the Interior. The Governor is given the power to veto bills passed by the Legislature and any bills passed over his veto are subject to approval or disapproval by the Secretary of the Interior. The Governor, with the approval of the Secretary of the Interior, can also declare a bill passed if he designates it as urgent and the Legislature fails to pass it.

37. In a plebiscite held in August 1976, a proposal to make the positions of Governor and Lieutenant Governor elective posts was approved by approximately 70 per cent of the voters, after having been rejected three times in previous votes. Subsequently, in November 1977, Mr. Peter Tali Coleman, a native-born Samoan, became the first elected Governor, and Mr. Tufele Li'a, also a Samoan, the first elected Lieutenant Governor. Both were re-elected in November 1980.

38. The Legislature, or Fono, of American Samoa is bicameral, consisting of a Senate and a House of Representatives. The Senate is composed of 18 matai who are chosen in accordance with Samoan custom by the councils or fonos in the 15 counties, or groups of villages, in the Territory. The members of the Senate serve four year terms. The House of Representatives is composed of 20 voting members whose terms of office is two years. These voting members are elected by universal adult suffrage with secret ballot from 17 representative districts (larger districts having 2 representatives). There is also one non-voting delegate from Swains Island who is elected at an open meeting by the island's adult permanent

population. Under the Constitution, the Legislature holds two regular sessions, of 45 days duration, each year. It may also hold special sessions at the request of the Governor. The revised Constitution gives its sole authority to enact laws of local application, subject to the Governor's approval. Such legislation may not be inconsistent with the Constitution of American Samoa, the laws of the United States applicable to the Territory or with treaties or agreements entered into by the United States. Further, the Legislature may enact more bills but only if the funds appropriated do not exceed the revenues raised in the Territory. Business in the two Houses is conducted in Samoan and later translated into English.

39. In October 1978, the United States Congress passed a bill which was signed into law by the President of the United States by which the Territory would have the right to representation by a non-voting delegate in its House of Representatives. The first delegate to the United States House of Representatives, Mr. Fofu I. F. Sunia, was elected in November 1980, and took office in January 1981. The delegate is constitutionally able to introduce bills and to vote in committee, as do the non-voting delegates of Guam and the United States Virgin Islands, but he may not vote in the House itself.

40. Elections to the Seventeenth Legislature were held in November 1980, and the Legislature opened its regular session in January 1981. Mr. Galea'i P. Poumele was re-elected for a second term to service as President of the Senate. Mr. Tuana'itau Tuia was re-elected for the fifth time as Speaker of the House.

Judiciary

41. Under the terms of the revised Constitution, the judiciary is independent of both the legislative and executive branches of the Government of American Samoa, the Chief Justice and the Associate Justice of the High Court being appointed by the United States Secretary of the Interior. The judiciary consists of a High Court having territorial jurisdiction throughout the islands, and several village courts, formerly known as district courts. There are three divisions of the High Court: Appellate, Trial and Land and Title. The Appellate Division, which was reorganized in 1978 to include off-island federal judges appointed by the Secretary of the Interior, has five judges, including two associate judges who fully participate in the decision-making process. It has original jurisdiction in election contests and in appeals from rulings by administrative boards. The Trial Division has original jurisdiction over all felonies and all court suits over \$3,000. The Land and Title Division has jurisdiction over cases involving land disputes and selection of family titles.

42. The High Court proceedings on the trial level are generally conducted in both English and Samoan before a panel composed of the Chief Justice or the Associate Justice and two associate judges. Family title cases are heard by a panel of four associate judge and one justice. Appellate cases are heard by a panel consisting of either the Chief Justice or the Associate Justice (whichever justice did not sit on the trial from which appeal is taken). Two visiting federal judges, who have been designated as acting associate justices, ensure neutrality in the review of trial court decisions as well as testing High Court decisions against the legal standards of the Ninth Circuit.

43. A major innovation was the creation of a new District Court in 1979 by the Fono. It is a court of first instance in misdemeanour criminal cases, civil suits in which less than \$3,000 is at stake (including small claims), traffic offences and public health offences. The District Court also conducts initial appearances and preliminary examinations in felonies. A single district court judge presides over all sessions of the District Court. The district court judge is appointed in the same manner as an associate judge of the High Court: by the Governor, upon recommendation of the Chief Justice and subject to confirmation by the Senate.

44. Also in 1979, the Fono passed the Village Court Act which made it possible to revive a long-dormant but constitutionally mandated institution of village courts. Under this act, the village courts try defendants accused of violating village regulations. Associate judges of the High Court try village offenders in the village where the offence occurred. Conviction may be appealed to the District Court. An associate judge has been named administrator of the village court system.

45. The Office of Public Defender, re-established in January 1978, provides effective legal representation to all those unable to afford counsel in criminal, juvenile, traffic, immigration and mental health commitment proceedings. It also handles a variety of other cases, including adoptions, divorces and the preparation of various legal documents such as powers of attorney. The Office consists of two attorneys, an investigator, a secretary and a file clerk.

Local government

46. The revised Constitution provides that the Governor shall appoint a Secretary of Samoan Affairs from among the leading matais, or traditional chiefs, who shall hold office during the Governor's pleasure.

47. This official heads the Office of Samoan Affairs, also known as the Department of Local Government, which, in conjunction with the district governors, also leading matais, co-ordinates the administration at the district, county and village levels. Also in conjunction with the district governors, the Secretary of Samoan Affairs is responsible for supervising all ceremonial functions provided by law. The Secretary and his office constitute a link between the people of American Samoa and government officials at the territorial level.

48. Within the American Samoan administration there are 3 district governors, 14 county chiefs and 53 pulenu'us (village mayors), 6 village police officers and 3 district clerks. The Office of Samoan Affairs conducts elections and is also responsible for village problems such as water systems, roads, sanitation, agriculture, schools and land disputes.

Future status of the Territory

49. The Legislature of American Samoa has on two occasions, in 1969 and in 1978, established commissions from among its members to study alternative forms of future political status open to American Samoa, to assess the advantages and disadvantages of each and to report their findings and recommendations to the Legislature. Both of the commissions carried out extensive studies, visiting many island nations and Territories in the South Pacific, including the neighbouring State of Samoa, and in

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other regions, including the Caribbean. Both commissions reached the same conclusions, namely that it was in the best interests of American Samoa at the time to continue as an unincorporated and unorganized Territory of the United States. The first Political Status Commission had also recommended certain changes, among them that the Governor be elected and that American Samoa be represented by an official delegate in the United States Congress. These two recommendations were subsequently implemented.

50. In their reports, both commissions rejected the options of independence, union with the State of Samoa or with Hawaii, or commonwealth status, as well as the option of becoming an incorporated Territory of the United States under an organic act. The second Political Status Commission, like its predecessor, emphasized that several of the options, (statehood, commonwealth, incorporation with the State of Hawaii) posed a threat to the traditional Samoan social structure, in particular, communal land tenure and the matai systems, which the Samoans see as essential for the perpetuation of their culture and way of life. An organic act, with the accompanying obligation to accept the United States system of individual enterprise and property rights, would likewise lead ultimately to the destruction of Samoan customs. Independence, it was felt, would pose serious and unacceptable hardships in view of the Territory's lack of resources and heavy financial dependence on the United States, while union with the State of Samoa was not at present favoured by the leaders of either of the Samoas.

51. Noting that conditions were subject to change, the Commission recommended that "the most suitable status for American Samoa at this time, is to continue as an unincorporated and unorganized territory of the United States, but with some modifications".

52. The "modifications" which the Commission recommended were, it said, intended to give American Samoa a framework of political institutions most suitable both for present conditions and likely changes in the future. It recommended, firstly, that the present bicameral Legislature be replaced by a unicameral legislative body of approximately 28 members, a majority of whom would be elected representatives and a minority (2 to 5) being high-ranking matais selected in accordance with Samoan custom. Secondly, the Commission highly recommended that the Chief Justice and associate justices of the High Court of American Samoa be appointed by the Governor and confirmed by the Fono. Thirdly, it recommended that the American Samoa Government be empowered to negotiate directly with neighbouring island nations or Territories in the Pacific on economic matters of special interest to it. The fourth recommendation was that, to be eligible to run for the offices of Governor or Lieutenant Governor, a candidate must be of American Samoan ancestry and be either a United States citizen or a Samoan national.

53. The Commission further recommended that a third future political status study commission be created within 10 to 15 years to reassess and reappraise the Territory's political status and to make appropriate recommendations for any possible changes.

54. Governor's statement on the future of the Territory: In August 1979, following a visit to American Samoa by a "White House Task Force", Governor Coleman considered it in the public interest to apprise the people of American Samoa of his

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position concerning the question of the Territory's future status. In a text published by the Office of Samoan Information, the Governor expressed the view that American Samoa, like many developing areas, was striving for balanced development in the social, educational, economic, cultural, technological and environmental fields. He said that the Territory's aspirations included: attainment of self-sufficiency; greater autonomy in domestic matters with increased community involvement through the village councils; improvement of the quality of life; increased participation in the international decision-making processes in matters affecting the Territory's growth; economic diversification; and reduction of Government dominance of the economy. The Governor remarked that American Samoa was greatly dependent upon the United States for assistance in attaining those goals. Although he appreciated the efforts which the administering Power had made to develop the Territory and the assistance which it had willingly given, he nevertheless felt that, in the past the Federal Government had not devoted enough time or attention to studying the complexities of the Territory's developmental needs. This had resulted in imbalances and dislocations within the Territory's society, culture and economy. Social development had far outstripped economic and political growth. The existing economy had been built upon public service, unskilled industries and retail operations, all of which offered limited employment opportunities. In that context, he welcomed the current review by the Federal Government of its policies relating to the insular Territories and their development.

55. The Governor said that, in his opinion, the United States had fulfilled its legal obligations to the Territory. He was particularly pleased that the United States had steadfastly adhered to its pledge to preserve the traditional land tenure system of American Samoa and that accommodations had been made enabling institutions to assimilate the cultural systems and values of Samoan tradition. In that respect, the Territory's relationship with the United States demonstrated to the developing world that the United States could assist in development with the understanding necessary to prevent the destruction of important cultural values.

56. The Governor devoted a large part of his statement to describing the Territory's economic goals and its need for financial assistance in order to meet those goals. In his opinion, American Samoa's greatest economic asset was its geographical location. As the only United States possession in the South Pacific, it had potential value to the United States both as a base for participating in the development of the vast resources of the region, many of which were as yet undiscovered, and as an outpost, through which new island markets could be developed and existing ones expanded.

57. He also noted that, because of its location, in the heart of the Pacific islands and abreast the main international trade route linking Australia and New Zealand with the United States and Canada, American Samoa was in a position to benefit from various types of trade industry. The Territory could not, however, attain its economic goals without continuing financial assistance, including venture capital. The Governor said that his administration favoured the use of block grants by the Federal Government because that would enable the Government of American Samoa to set its own priorities, taking into account the Territory's culture, environment, economy and development goals.

58. Comments by the Legislature: Shortly after publication of the Governor's views, the territorial Legislature issued a statement on the same subject, which was endorsed by the President of the Senate and the Speaker of the House.

59. The Legislature expressed the view that the United States should seek to create an atmosphere that would facilitate further steps towards political self-determination for American Samoa. The role of the Territory in United States national security objectives and international policy should be clarified as one means of aiding the people in establishing an identity. In that context, American Samoa's unique position (among United States Territories) in the South Pacific should be given recognition.

60. The Legislature stated that the absence of a clearly defined federal jurisdiction for the resolution of constitutional and other major issues created an aura of uncertainty. The United States should therefore begin discussions on the issue of federal court jurisdiction immediately. In addition, the justices of the High Court should no longer be appointed by the Department of the Interior.

61. The Legislature also felt that the United States should assist in locating and bringing together persons knowledgeable in social and economic development to analyse and to give their views on the five-year economic development plan for the purpose of ensuring that realistic goals had been clearly established and of identifying the obstacles to the attainment of those goals. It was suggested that a method be devised to measure in quantitative terms the Territory's progress, over a given period of time, towards its goal of fiscal self-reliance.

62. The Legislature noted that, once the development plan had been studied and adopted in principle, funds would have to be obtained for its implementation. To the extent that ad hoc grants were made available for the essential programmes of the development plan, no change in the usual procedures for extending financial aid would be necessary. However, the Legislature suggested that a block grant be provided for each year of the five-year plan for those development programmes not covered by current funding. Generally speaking, the Legislature believed that block grants were necessary if American Samoa were to have an economic development plan suited to its needs. Moreover, the extent to which regularized block grants encouraged wiser planning and greater fiscal self-reliance could be measured against previously established goals. In that way, any federal grant programme that did not clearly assist in attaining goals established in the economic plan would be deemed to be without substantial value and thus eliminated. Such a process was particularly important at a time when federal resources were limited. The Legislature concluded that ad hoc financing should therefore be curtailed and replaced with block grants.

63. On the question of political status, the Legislature felt that, until such time as the Territory decided on its next steps towards political self-determination, no change should be made in the organizational arrangement that placed the principal responsibility for federal assistance and liaison with the Department of the Interior. Such a measure would create new uncertainties in a time of decision that would not necessarily contribute to the process. However, the Legislature did echo the Governor's remarks concerning federal court jurisdiction and the appointment of High Court justices.

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64. Finally, the Legislature remarked that in the context of the federal presence, recruiting by all military services as well as public health services, Vista and the Peace Corps would provide a more balanced choice of opportunities to graduating high school students. In the long run, the skills developed would cover a broader spectrum, a necessary condition to development. A joint recruiting office of the various United States services should be established in the Territory. Moreover, since aliens made up a large portion of the American Samoan community, access to the service corps by aliens residing in the Territory should also be considered.

Amerika Samoa Office - Hawaii

65. The Amerika Samoa Office - Hawaii, which was created in 1978, acts in the capacity of a liaison office for the American Samoa Government and the Samoans residing in Hawaii. The office assists various agencies in obtaining material needed in emergency situations. Visitors and government personnel use the office as a transit station between the Territory and the mainland. The office performs liaison between patients transferred from Lyndon B. Johnson Medical Center (Pago Pago) to Tripler Army Medical Center in Honolulu and their relations in American Samoa. The office consists of a director on contract, an administrative assistant/secretary who is hired locally by the American Samoa Government, and a field co-ordinator who is employed part-time. The Amerika Samoa Office - Hawaii also assists American Samoan nationals and Western Samoans with their immigration problems.

D. Public service

Administrative services

66. The Department of Administrative Services is organized into four basic operating divisions: finance, information systems, grants management and income tax. The Director also oversees the operation of the weights and measures office. The Department provides financial reporting services for most of the agencies of the American Samoa Government. It also works with American Samoa Government grantees to improve compliance with federal guidelines and requirements, to ensure the accuracy of financial reporting and to improve grant cash flows through timely reimbursement of expenditures for grants. Since most reports issued by the United States Comptroller involve the Finance Division, the Department is the primary responder to all audits issued by the United States Comptroller.

67. During 1980 several employees of the Department underwent training in management, grant management, financial management and Internal Revenue Service (IRS) tax administration, both on and off-island. At the time of the Mission's visit, the Department was engaged, inter alia, in converting to newly acquired computers and establishing a new accounting system for fixed asset funds and modification of the weights and measures standards.

Manpower resources

68. The Office of Manpower Resources provides a variety of essential services for the entire American Samoa Government work force. The Office consists of six

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divisions: Classification and Pay Division; Employee Development and Training Division; Recruitment and Examination Division; Retirement and Workmen's Compensation Division; and Comprehensive Employment and Training Division, which administers the Comprehensive Employment and Training Act (CETA). The Office of Manpower Resources administers the workmen's compensation system for both the governmental and the private sectors, and the equal employment opportunity and affirmative action programmes for the Territory.

69. At the close of fiscal year 1980, the American Samoa Government employed 4,338 persons, including 3,235 full-time, locally hired, career service employees, 251 contract specialists, 52 elected officials, 2 federal employees and 725 full-time special programmes workforce employees. The previous year, the Government had employed a total of 3,936 persons.

70. In 1979, the Office of the Director undertook a complete overhaul of the classification and pay plan of the territorial Government in two phases. The first phase consisted in setting a new, revised classification and pay scale for skilled and semi-skilled workers in different crafts. The second phase was carried out through the use of an intergovernmental personnel administration grant. A consultant was contracted to undertake the project. Also in 1979, a federally insured credit union was established for American Samoa Government employees. In June 1979, the Governor noted the necessity: (a) to improve the public service; (b) to increase efficiency and economy; (c) to build and retain a work force of skilled and efficient employees; and (d) to install and use the best modern practices and techniques in the conduct of government business. The responsibility of executing this policy was given to the Office of Manpower Resources.

71. The official establishment of the Development and Training Division, in June 1979, resulted in an intensive drive to sponsor various training courses and programmes for appropriate American Samoa Government employees. A consultant was hired to assist the Chief of Employee Development and Training Division in getting the programme off the ground and drafting the training manual which is the basis of the programme. In 1980, approximately 635 employees participated in training courses offered by the Division to meet the specific need for improving employee skills.

72. All American Samoa Government career service employees serving without time limitations are members of the territorial retirement system. In addition, members of the territorial Legislature and local government officials may participate on a voluntary basis. As of 30 September 1980, there were 3,186 active members of the plan, compared with 3,168 in 1979.

Legal affairs

73. The Department of Legal Affairs consists of the Office of the Attorney General, the Immigration Office and the Office of the Territorial Registrar.

74. The Office of the Attorney General provides legal services to the American Samoa Government in preparing and reviewing all legal documents involving the Government. This includes contracts, land transactions, business organizations and investments and legislation and administrative regulations. The Office prosecutes

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and defends all civil cases involving the Government, prosecutes all criminal cases and represents the Government in administrative hearings.

75. The Attorney General's office, acting under the Governor's authority, also issues passports and serves as a consular office; it oversees the Equal Employment Opportunity Program and the American Samoa Elections Code. The Office of Immigration is responsible for the registration of alien residents, control of visitors and deportation matters. The Office of Territorial Registration records, preserves and certifies copies of all documents properly presented for registration.

E. Economic conditions

General

76. American Samoa, unlike most other island groups in the South Pacific, does not base its economy on copra. Although it is, historically and culturally, an integral part of the island societies in the South Pacific, which, due to geographic isolation and lack of resources, is one of the poorer areas of the world, its close links with the United States have given the American Samoans a higher level of economic expectations, living standards and living costs than in many neighbouring communities.

77. One of the smallest of the island Territories of the United States, with a population one third that of Guam and only about 12,000 acres of cultivable land, American Samoa has few economic resources of its own. Federal appropriations and grants account for approximately two thirds of public revenue while the territorial Government employs over 44 per cent of the active labour force. Apart from public service, employment opportunities in the Territory are limited and there is a continuing exodus of young adults to Hawaii or the continental United States where jobs are more plentiful and wages are high. The Mission was told that as many as 120,000 persons of Samoan origin are living in Hawaii or in the United States and also that a high proportion of young Samoans either enlist in the armed forces or join some other federal service in order to acquire skilled training and experience. Free access to the job market in the United States is an important element in the economic life of the people. It enables American Samoans to be selective in their choice of employment and, as a consequence, a large portion of the less skilled and lower-paid jobs in the Territory are filled by aliens from other islands, particularly the neighbouring State of Samoa. A recent study made on behalf of the Department of the Interior contains the observation that the money tends to flow from the United States to American Samoa and people to flow in the opposite direction.

78. This perception of American Samoa's economy as an extension of the United States economy led to a proportionately greater flow of federal funds into the development of social services than to investment aimed at a self-sustaining economy than might otherwise have been the case. It was not until 1979 that a broad-based, five-year economic development plan for the Territory was drawn up and adopted by the American Samoan Government. The plan, covering the period 1979-1984, establishes specific policy objectives and outlines a programme to

obtain those objectives, with the ultimate goal of achieving economic diversification and greater self-efficiency.

79. At present, apart from the Government, which dominates the economy, the principal contributors in the private sector are two large tuna canneries owned by corporations in the United States. These canneries are the centre of a thriving commercial fishing industry in which, however, American Samoans play only a limited role. For the rest, private investment has been limited to a few small service industries, including tourism, and several light industries.

80. The Territory's main asset, as Governor Coleman pointed out to the Mission, is its fine deep-water harbour and its geographical location in the midst of the islands of the South Pacific and close to one of the main intercontinental trade routes. With substantial infrastructural investment in port and storage facilities, American Samoa could possibly become a regional transportation, trans-shipment and distribution centre in the trade of the region and also a conduit and a capital-intensive processing centre for South Pacific goods entering the United States market. It should be noted, however, that there are a number of obstacles to be overcome, not least of which is the need for substantial capital investment, both public and private, the scarcity of land in the harbour area and the relatively high cost of electricity and labour.

81. Under the leadership of Governor Coleman and with encouragement from the United States authorities, the American Samoa Government is increasingly active in regional co-operation and is seeking to develop economic ties with other countries in the South Pacific. The Government has participated directly in negotiations with sovereign Governments for the delimitation of their respective extended fishing zones and in 1980 and 1981 dispatched trade missions to several countries in the region.

82. The territorial Government has also, as explained above, sought increased control over the use of federal appropriations, within the limits set by its present financial dependence on budgetary aid.

83. Finally, it should be noted that a characteristic of the economy is its openness. It is a customs-free area and there are few restrictions on the movement of money and goods. Because most goods are imported and the labour force contains many aliens, much of the expenditure by the Government and the private sector is not retained in the Territory. Such expenditures provide only a small stimulus to the economy and even less to the level of private capital formation.

Public finance

84. For the past five years, the total budget of the Government of American Samoa has averaged about \$53.5 million, of which about 41 per cent is derived from the Department of the Interior in the form of budgetary grants, 30 per cent from local revenues and 29 per cent from other federal agencies in the form of special purpose grants. The budget for the 1981 fiscal year is \$57.5 million, derived as follows: Department of the Interior grants, \$27.3 million; local revenue \$17.1 million; and grants from other Federal agencies, \$13.1 million. The following table shows the trend of government receipts during the past five years.

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Table 1

American Samoa government receipts, 1975-1980
(thousands of United States dollars)

<u>Fiscal year</u>	<u>Local revenues</u>	Department of <u>Interior grants</u>	<u>Other federal grants</u>	<u>Total receipts</u>
1975	11,142	14,850	5,567	31,559
1976	6,200	30,557	13,547	50,304
1977	12,600	22,872	23,721	59,183
1978	15,507	20,605	11,494	47,407
1979	17,566	21,521	16,376	55,462
1980	16,255	17,309	16,444	50,008

Source: Budget and planning Office, American Samoa Government and Federal Comptroller.

85. Local revenues are derived mainly from individual and corporate income taxes, excise taxes and other miscellaneous sources, such as fees for government services (including harbour, public works and hospital fees), rents and leases. These are shown below.

Table 2

American Samoa Government, local revenues, 1976-1979
(millions of United States dollars)

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Current revenues				
Individual income taxes	1.4	2.1	2.8	3.0
Corporate income taxes	1.9	4.8	6.2	8.6
Excise Tax	1.0	2.3	2.1	2.6
Total taxes	4.3	9.2	11.1	14.2
Non-tax revenues	1.9	3.4	4.2	3.4
Total local revenue	6.2	12.6	15.3	17.6

Source: Budget and Planning Office, American Samoa Government.

86. As the above tables show, the Territory is vulnerable to severe shortfalls in local revenues because of its heavy reliance on corporate taxes paid by one industry. This vulnerability reinforces its dependence on federal support. The tables also reveal that the budgetary grants given by the Department of the Interior have declined in relation to grants from other federal agencies, many of which have taken over operations formerly financed by the Department, particularly in the fields of health and education. A study made by the Department reveals that in 1979 American Samoa was participating in 177 federal grant programmes. If all outlays are combined, it has been estimated that in 1979 total federal expenditure in American Samoa came to \$49.7 million or \$1,584 per capita. According to data supplied to the Visiting Mission, in 1979 grants by federal agencies other than the Department of the Interior included health, education and welfare, \$6.4 million; environmental protection, \$3.6 million; labour, \$2.2 million, of which \$1.6 million was allocated under the CETA programme; agriculture, \$1.9 million; transportation, \$1.4 million; commerce, \$397,000 and justice, \$376,000.

87. Non-recurrent expenditure is financed from three principal sources. The Interior Department grant is the traditional source of capital funds and has in recent years provided an average of about \$4 million to \$5 million annually, generally for basic capital infrastructure, such as roads, docks, schools and other public buildings. The second source of capital funding are grants by other federal agencies, such as: the Department of Housing and Urban Development (HUD), which allocated \$400,000 for community development projects in each of the years 1979 and 1980; the Department of Health, Education and Welfare (HEW), for school construction; the Environmental Protection Agency (EPA), for sewerage projects; and the Department of Transport, for road construction. The third source is the territorial Government, which generally finances capital expenditures out of surplus revenues. All governmental capital expenditures have been financed by grants rather than loans. The following table provides data on capital expenditures by source of funds during the past five years.

Table 3

Capital improvement projects, 1976-1980

(thousands of United States dollars)

<u>Fiscal year</u>	<u>Department of Interior</u>	<u>Other federal agencies</u>	<u>Territorial Government</u>	<u>Total</u>
1976	7,790	3,412	852	9,499
1977	4,764	12,575	3,927	10,987
1978	4,024	4,164	2,038	7,468
1979	3,265	6,170	3,401	12,836
1980	1,569	658	130	2,357

Source: Federal Comptroller's Annual Report.

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Taxation

88. The income tax code of American Samoa, which was adopted by the territorial Legislature in January 1963, is an identical "mirror" of the federal Internal Revenue Code in force in the United States. The Legislature followed the simple procedure of substituting the words "American Samoa" for the words "United States" and made other appropriate changes in wording. Since 1963 other minor changes have been adopted by the Legislature, but these apply mainly to individuals with low incomes.

89. American Samoa law does, however, provide for full or partial exemption from taxes for industrial activities which further the economic development of the Territory. This is intended as a temporary incentive to encourage investment. In order to qualify for a certificate of exemption, the law provides that enterprises must employ a work force, at least 75 per cent of which must be comprised of residents of American Samoa. The period of exemption is limited to 10 years, with no extensions. The Governor may, however, waive the 75 per cent requirement and may renew exemptions.

90. As of July 1981, there were six firms with tax exemption status. The largest of these was Star Kist, one of the two tuna canneries at Pago Pago. Under an agreement with the American Samoa Government, Star Kist was granted a tax exemption for seven years on the net income which it derives from processing tuna in excess of 30,000 tons per year. The agreement provides for a 100 per cent exemption for five years from 3 May 1979, followed by a 50 per cent exemption for the next year and a 25 per cent exemption for the seventh (final) year. The purpose of the incentive is to encourage Star Kist to make the capital investment necessary to increase its capacity.

91. Corporations organized in the United States and operating in American Samoa are generally considered "foreign" corporations for purposes of the Territory's income tax laws. Thus, such a corporation must file tax returns with American Samoa as well as with the United States Government.

92. Except for a few items there are no duties on imports and exports. As a United States Territory, preferential treatment for export to the United States market is available. Tax incentives and tax exemptions approved by the Tax Exemption Board are generous, renewable and transferable. Tax deductions for capital investment provide additional risk security.

Land tenure system

93. The system of land tenure in American Samoa is of considerable importance both for the economy and for the maintenance of the traditional Samoan way of life. As explained elsewhere in this report, the Samoan people adhere strongly to their traditional system of land tenure and the laws which support this system are firmly entrenched in the Constitution. In a territory where, because of the mountainous topography, only about one third of the land area is at a gradient of less than 30 degrees, land is one of the most valuable possessions.

94. The importance of land as one of the bases of Samoan society derives from the
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traditional way of life. Under it, land is the heritage and basic means of sustenance of the aiga, or extended family, its use controlled by the matai who allocates it among family members according to their needs. Most Samoan land is communally owned but, where hitherto undeveloped and unregistered land has been cleared, cultivated and occupied by an individual or family, it may become individually owned.

95. The existing tenure law on Samoan communal land, including individually owned land, prohibits alienation of any land except freehold land to any person whose blood is less than one half Samoan. Unless there is a written approval by the Governor, it is also unlawful for any matai of a Samoan family to alienate any family lands to any persons, or to lease such family lands to any person for any term exceeding 55 years. Persons who are not American Samoans may not buy individually-owned land or lease it for more than 55 years, nor can communal lands be transferred to individuals for the purpose of making such an arrangement with non-Samoans.

96. A very small percentage of communal land has been surveyed and registered. Such registration has never been required because of the potentially negative impact on the culture, as well as strong political and other objections. Consequently, boundaries have been transitory, allowing neighbouring aigas and villages to co-opt land resources. Communal landowners, however, are beginning to recognize the necessity of protecting their property rights in the light of existing law which permits forfeiture of unused land.

97. According to the administering Power, there has been a trend since the mid-1970s towards an increasing transfer of communal land to individual ownership. Reasons given for this are: that a minority of Samoan families want to break away from communal obligations; that land transferred from communal to individual ownership may presumably be passed on through inheritance; and that individually-owned Samoan land is an acceptable form of collateral for obtaining home and business loans.

98. All disputes over land registration are arbitrated by the Office of Samoan Affairs before appeal to the High Court.

99. Local statutes establish five separate categories of land ownership. These are listed below with an indication of the amount of land involved in acres and as a percentage of the total available land.

<u>Category</u>	<u>Land area involved</u>	
	<u>Per cent</u>	<u>Acres</u>
(a) <u>Communal land</u>	92.4	45,789

Of the land listed as communal land, about 23,000 acres are undeveloped and relatively inaccessible. Only 1,453 acres have been surveyed and registered.

<u>Category</u>	<u>Land area involved</u>	
	<u>Per cent</u>	<u>Acres</u>
(b) <u>Individually-owned Samoan land</u>	2.4	1,175
See above.		
(c) <u>Government-owned land</u>	3.1	1,525
Consists of land transferred to or acquired by the American Samoan Government, including land acquired by condemnation proceedings, right-of-way easements and reclaimed land.		
(d) <u>Church-owned land</u>	1.9	935
Consists of land acquired through court grants or conveyed by Samoan owners with approval by the Governor. Lease of church lands to parties other than the Government requires approval of the Governor. Transfer of title to non-American Samoans is prohibited by law.		
(e) <u>Freehold tenure</u>	0.3	112
Land acquired by individuals before 1900 mostly located in the Pago Pago Bay area, Tafuna Plain or in the village of Leone. There are no restrictions on its sale or lease.		

Land use and agriculture

100. The topography of American Samoa is so mountainous that the total land area with a gradient of 30 degrees or less is only 16,675 acres. Most of this is to be found in isolated valleys or in a narrow strip along the coast. The largest areas of relatively flat land are the following: 6,000 acres in the Tafuna Plain, where the airport is located, which is the principal growth area for housing and light industries; 4,700 acres on the remote island of Ta'u; and about 3,400 acres in West Tutuila, which is adjacent to Tafuna and in the path of development. The Pago Pago Bay area contains only 925 acres of useable land. Because land is scarce, there is competition for its use from several sectors, which is expected to increase.

101. The prospects for agricultural development are, therefore, extremely limited. Efforts in this sector are almost exclusively aimed at increasing the production of vegetables and other food crops, mostly for home consumption. There are about 110 small commercial farms, averaging about three acres each, which sell their produce

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at local markets or to stores and hotels. At present, American Samoa does not export any agricultural produce, but it was suggested to the Mission that attention should be given to producing fruit juices and fruit pulps, such as passion fruit, which are high cost items and could be exported by air.

102. The major portion of agricultural production is grown by the Samoans for their own consumption and does not enter the market place. This is in conformity with Samoan tradition, according to which land for food production is allocated by the matais and the offering of food to guests is an important part of social custom. With the increase of employment for wages and the rising standard of living, store bought, and often imported, foods have largely replaced home produce. This can be seen from the decline in land used for subsistence farming from 2,000 acres in 1970 to about 1,400 acres in 1980. A study carried out in 1977 revealed that while most families produced some staples, such as taro and bananas, most bought at least 75 per cent of their food from shops. Substantial quantities of these basic staples are imported, often by air, from the neighbouring State of Samoa, and other vegetables come from as far away as New Zealand and Hawaii.

103. One of the goals of the five-year economic development plan is to increase local production of food staples in order to recapture about \$2 million to \$3 million which is presently being spent on imports of these vegetables. In this connexion, a programme has been developed jointly by the territorial Department of Agriculture and the Office of Samoan Affairs to encourage village agriculture. Over-all importation of taros and bananas in 1980 was reduced by 58 per cent and 90 per cent respectively compared to 1979.

104. The territorial Department of Agriculture works closely with the Development Bank of American Samoa on a loan programme for farm development which began in 1979. By the end of 1980 a total of 82 loans had been processed, of which 57 were for crop development and 25 were for the development of piggeries. Total obligations for these two categories of loans were \$279,889 and \$91,376 respectively. A report of the Department of Agriculture stated that loan applications were approved on the basis of the need of the applicant for development funds to extend current projects, plus past performance in loan repayment. Since most lands are communal, the family matai is involved as a co-signer of loan applications.

105. Total acreage under crops is approximately 3,000 acres of coconuts, 2,000 acres of bananas, 1,500 acres of taro, 50 acres of vegetables and 200 acres for miscellaneous fruit trees. In 1979, the Government started the first direct farm subsidy programme, providing 50 per cent of the cost of food, fertilizer and chemicals for the first year, and 5 per cent less each year for 10 years thereafter.

106. Livestock population estimates are 25,000 chickens, 4,000 pigs, 200 head of cattle and 12 goats. There are no commercial poultry operations. The previous two commercial poultry operations were forced to close because of the frequent shortage of feed.

Fishing

107. Despite the presence of two large tuna canneries at Pago Pago and also the strong preference of the American Samoans for fish in their diet, very little commercial fishing is done by local people. Of the fish consumed in the Territory, local production, including subsistence and sport fishing, accounts for only about 17 per cent. The rest is either bought from foreign tuna boats serving the canneries or is imported, often in cans. There are several reasons for this, the most important being that fishing, like farming, has little attraction when easier, more lucrative occupations are available. Samoans have traditionally fished the coastal reefs, but have been reluctant to undertake deep-sea fishing, which entails harsh working conditions and long absences from home and family. Also, except for the tuna factories, docking and freezer facilities at Pago Pago are limited.

108. At present the commercial fishing fleet of American Samoa consists of five 27-foot dories, one aula (a twin-hulled craft) and two 40-foot fibreglass vessels. Three American Samoan entrepreneurs have invested in long-line tuna fishing boats but these are operated under contract by a foreign firm.

109. Consideration has been given to the feasibility of establishing a secondary fish export industry by combining the catch of local fishing craft with fish other than tuna brought in by the cannery fishing vessels. It was found that significantly increased cannery assistance and co-operation or joint ventures with Asian or Hawaiian fishing companies would be critical in the development of this industry. Several Samoan businessmen have expressed interest in the study and have made enquiries with foreign companies concerning possible joint ventures.

110. Efforts by the Government to stimulate the development of commercial fishing have consisted mainly in making available loan funds for the maintenance and repair of smaller fishing vessels and the institution of a training programme for local fishermen. More importantly, the Mission was informed that plans exist to extend the dock facilities available for local fishing craft.

Tuna canning

111. The tuna canneries constitute, after the Government, the main source of income and employment in American Samoa, accounting for over half the total of wages paid in the private sector. Shipments from the two canneries located at Pago Pago amount to approximately 10 per cent of total United States production and are increasing in value, from \$47 million in 1977 to \$124.8 million in 1980. It is expected that when current expansion plans are completed, the output of the two canneries will be worth \$180 million per year.

112. The reason for this increase is the appearance in recent years of large quantities of skipjack (a small variety of tuna) in the South-Central and Western Pacific. This also led to the establishment by United States firms of a processing plant in Papua New Guinea and trans-shipment plants in Yap and Guam. It should be noted that tuna is a highly migratory species of fish and that the fishing takes place over vast areas, very little of it within 200 miles of American Samoa. Fishing vessels, therefore, are often at sea for long periods.

113. The tuna canneries in American Samoa are served by about 200 small long-line fishing craft, most of which are owned by operated by Asian firms, although recently larger and much more costly United States-owned purse seiners have begun to make an appearance.

114. The tuna canning industry in American Samoa owes its existence primarily to two provisions of United States law which benefit the Territory. First, because of its status, American Samoa is exempt from the Nicholson Act which prohibits the landing of fish in United States ports by foreign vessels. Second, it benefits from a provision of the United States tariff schedules, according to which goods may enter the United States from the Territory duty free if at least 50 per cent of their value is added in the Territory. 2/

115. The two tuna canneries at Pago Pago are owned by the Van Camp Sea Food Company, a subsidiary of Ralston Purina, which began operation in 1954, and by Star Kist Samoa, now a subsidiary of H. J. Heinz and Company, which went into operation in 1963. Both canneries were established on land leased from the Government and both received exemptions from income and other taxes which have been modified many times.

116. At present Van Camp, which is the smaller of the two canneries, is not receiving any tax exemption. Star Kist, on the other hand, in 1979 entered into an agreement with the Government, according to which it is receiving a seven year tax abatement in return for an undertaking to invest \$3 million in a major expansion of its capacity. Under the agreement Star Kist was granted, from 1979 to 1986, a graduated tax exemption (see para. 90 above) on income derived from processing tuna in excess of 30,000 tons per year. Other provisions of the agreement, aimed at encouraging tuna fishing by American Samoans, include tax exemptions for corporations owning fishing vessels, which provide more than 20 per cent of their catch to Star Kist and to ship-board employees. Since only three American Samoans own tuna boats, this concession is principally of benefit to the operators of United States purse seining vessels.

117. According to information received by the Mission (see A/AC.109/679, para. 270), Van Camp also plans to expand its cannery, but has not yet asked for tax exemption under the Industrial Tax Incentives Act.

118. Since the canneries constitute American Samoa's only major industry, the Mission was particularly interested to examine their contribution to the economy. This contribution takes three main forms: tax payments to the Government, wages and salaries paid to employees and local purchases of goods and services.

119. Since American Samoa is virtually a customs-free area, the primary monetary

2/ The competitive advantages are becoming less significant because an increasing share of tuna is being trans-shipped to the United States from foreign ports and because consumer demand has turned away from tuna packed in oil, which carries the highest duty, to water-packed tuna on which the duty is low.

benefit to the Territory takes the form of corporate income taxes. In 1979, due to high production levels and the expiration of fiscal incentives, the canneries paid a peak amount of about \$8 million in corporate income taxes, ^{3/} or about half the local revenue of the Government. Salaries paid within the Territory during the same year are estimated by one source to have been in excess of \$6 million. However, of the 2,035 workers employed, over 70 per cent are alien and of the remainder many are Western Samoans with close family ties outside the Territory. Consequently, a large proportion of the wages paid by the canneries is transferred directly abroad and has little or no effect on the economy. The value of local purchases of goods and services by the canneries is difficult to quantify since many commodities are imported and services, such as electricity and water, are provided by the Government below cost. The estimate of about \$15.7 million given to the Mission during its visit to the canneries should therefore be viewed with caution.

120. In order to qualify for a certificate of tax exemption under the Industrial Tax Incentives Act, a company is usually required to create employment for residents of American Samoa (see para. 89 above). The agreement with Star Kist provides for an increase in employment of at least 25 per cent over 1978 levels but contains no firm requirement for hiring American Samoans, providing only that the company should encourage and promote their employment.

Other industries

121. Apart from tourism, which is discussed below, the other industrial activities in American Samoa are mostly small and mainly service-oriented. The largest industrial category, with 37 businesses and 511 employees in 1979, is retailing and wholesaling, and the second largest category, with 9 firms (4 of them providing stevedoring, trans-shipment and storage facilities at the port and 4 in air transportation) and 358 employees, is shipping and transport. With increasing use of the port for trans-shipment, shipping services, including services to container transports, have expanded but are still very limited. The Marine Railway, which is a government enterprise, provides repair and dry dock facilities for small vessels, particularly tuna fishing craft.

122. Several small processing industries were established in the 1970s seeking to benefit from the duty free entry into the United States of "products" of the Territory which have no more than 50 per cent of their value in foreign components. Among these was a producer of costume jewellery, a watch assembly plant and a clothing manufacturer, none of which proved to be viable when the tariff benefits were off-set against other costs, including transportation.

123. Between 1979 and 1980, a total of eight small light industries were established in the Tafuna Industrial Park, adjacent to the airport. These light industries employ about 400 American Samoans and are engaged in such activities as

^{3/} The Mission was not furnished data on corporate income taxes paid by the canneries but was told that they represent about 90 per cent of all corporate income taxes paid which varied between \$4.7 million in 1977 to \$9.4 million in 1980.

machine and electrical work, furniture making, automobile parts and repairs. Other small industries include bottling, dairy products and printing.

Tourism

124. American Samoa's tourist industry is relatively small and highly dependent on the availability of jet air services to the United States and Hawaii. The elimination of services by Pan-American World Airways (Pan Am) in 1978 reduced the service to Hawaii from five to two flights per week. In May 1979, with the advent of Continental Airlines, weekly jet service was increased to five flights. Assuming the maintenance of five flights per week between American Samoa and the United States, the volume of visitors is expected to increase by over 50 per cent by 1982.

125. In 1979, about 23,400 tourists and businessmen visited American Samoa, staying an average of 2.5 days and generating an estimated income of \$2.05 million and 260 jobs. Of these, about 12,000 visitors came by air, most of them staying at the Territory's principal hotel, the Rainmaker. One wing of this hotel had been recently destroyed by an aircraft crash but, at the time of the Mission's visit, had been rebuilt. The hotel has accommodation for about 200 guests. A small hotel was opened in Manu'a to expand tourism beyond the Pago Pago area, but was recently destroyed by a hurricane.

126. About half of the visitors arrive by cruise ship and generally do not purchase hotel accommodations but, because the Territory is a duty free port, it appears that the sale of imported luxury items is growing.

127. The tourist industry has been slow to develop in American Samoa, partly because of the high cost of air travel, but also because of the Territory's limited facilities. The Government, as part of its development efforts, has selected several potential recreation sites for development which will provide recreational opportunities for both visitors and residents. Funding for five sites, primarily in the Pago Pago area, has already been secured and the sites are being developed. One of these will contain a marina for sport fishing.

128. The American Samoa Visitor Industry Board, consisting of private interests, is currently working with the Government to develop affective promotional programmes with an emphasis on regional tour packages. The Mission found that, although there is enthusiasm to develop the tourist industry, most American Samoans do not wish to do so at the expense of their cultural values.

Balance of trade and payments

129. Lacking a separate currency, American Samoa does not have to balance its payments with the outside world. Nevertheless, financial inflows and outflows and trade movements are significant for purposes of economic planning.

130. Including the raw tuna delivered to the canneries, payments for which amounted to \$66.0 million, American Samoa's total imports in 1979 were valued at \$165.5 million, while total exports were valued at \$125.2 million leaving an

over-all trade deficit of \$40.3 million. Excluding tuna, the deficit would be almost double since cannery products accounted for close to 99 per cent of exports.

131. Among the Territory's most important import items after tuna were fuel and oil (\$22.7 million), food (\$14.4 million) and other consumer items (\$26.5 million). All three have increased substantially during the past decade.

132. Invisible inflows, including Federal Government outlays totalling \$49.7 million, amounted to \$64.8 million and invisible outflows of \$24.5 million. This last figure probably includes remittances by the canneries to the United States and remittances by foreign workers to their families abroad.

Development plan

133. Government policy is aimed at developing and diversifying the economy as much as possible in order to reduce its heavy dependence upon government outlays. Clearly this is no easy task in a Territory where social development has outstripped economic growth. Referring to the economic development of the Territory in August 1979 (see para. 53 above), the Governor emphasized the need for balanced development and said that the greatest problem was to attract industries which would offer skilled employment at attractive salaries in order to reduce the flow of skilled workers to the United States.

134. American Samoa's first five-year development plan, which was completed and approved in March 1979, set out a list of projects in all fields to which priority should be given. It constituted the first phase in the preparation of an over-all comprehensive plan, the second phase of which, now nearing completion, will address itself to social and environmental issues, the management of the coastal zone, the development of a long-term economic strategy and a master plan for the utilization of the harbour and the scarce water-front land around it.

135. The formidable task of implementing the plan, including the preparation of the above-mentioned additional plans and studies which are necessary to ensure proper utilization and management of the Territory's resources, is the responsibility of the Development Planning Office (DPO). As part of its task of overseeing, stimulating and guiding development, the Office collects data on the economy, co-ordinates the work of the various federal agencies relating to the Territory, reviews applications for business licences, administers zoning regulations and provides information for prospective investors.

136. At the present stage of development planning, a major need is for information and statistical data on which decisions and evaluations must be based. The Mission was informed that there was a shortage of trained personnel in the department to compile the data which was required.

137. Because many different federal agencies are involved, the task of formulating and managing a co-ordinated programme of development is complex. Both the Governor and the Legislature have strongly supported the use by the Federal Government of annual "block" grants in providing financial assistance, so as to enable the American Samoa Government to set its own priorities with regard to development goals (see paras. 56 and 63 above).

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138. Information on the Government's development objectives are set out in the appropriate sections of this report. DPO has defined a list of cannery support industries, such as a box-making plant and a label-making plant, to replace imported cartons and labels necessary for cannery production. It has also defined a list of secondary industries that may be derived from existing cannery operations, such as a miscellaneous fish processing plant and a feed mill using fish by-products. In addition, DPO, in co-ordination with the Office of Program Planning and Budget Development, has established an American Samoa Government Vendor Purchase Policy that gives preference to local vendors. The purpose of this policy is to promote private development of local support and secondary industries.

139. Between 1979 and 1980, a total of eight small secondary industries were established in the Tafuna Industrial Park, employing about 400 American Samoans (see para. 123 above).

140. It is the policy of the territorial Government to encourage overseas industry to invest in the Territory, and at the same time to ensure participation by the local people. Since 1974 there has been considerable investment in roads, water projects, sewerage systems, power projects, airport and harbour construction, the telephone system, educational building, health service and other capital works.

141. Electric power of 110 volts is now supplied throughout Tutuila and on the Manu'a islands of Ta'u, Ofu and Alofega. The main supplies on Tutuila come from the Sataf and Tafuna power plants. Pilot installations of solar water-heating in government houses were made in 1976/77.

Pacific Basin Development Council

142. In February 1980, American Samoa, Guam, the Northern Mariana Islands and the State of Hawaii established a partnership with the private sector to co-operate in determining the future development needs and priorities of the islands in the Pacific belonging to, or administered by the United States. At the same time, the governors of the island group requested and secured the active support of the United States Government, resulting in the creation of the post of Assistant Secretary for Territorial Affairs within the Department of the Interior. The agreement by the four governors to form the Pacific Basin Development Council to pursue economic development projects is expected to yield common benefits for all the groups concerned. American Samoa's participation in the Council was in line with its commitment to regional development and co-operation, to help it meet its economic objectives and to address long-term economic problems. In June 1980, Mr. Jerry Norris was appointed to head the Office for the Pacific Basin Development Council, established in Hawaii. The office is operational and has already conducted several studies for American Samoa, such as the Pala Lagoon erosion study and a study of the Territory's potential as a centre for the trans-shipment of goods.

Transport and communication

143. In May 1979, the United States Department of Transportation informed American Samoa's delegate-at-large to the United States House of Representatives that a

grant totalling \$136,000 had been approved under the Airport and Airway Development Act for additional development at Pago Pago International Airport.

144. After more than 10 years of proposals and hearings the first Continental Airlines flight from Los Angeles and Honolulu arrived on 1 May 1979 at Pago Pago International Airport. This will increase round trip weekly flights between the United States and American Samoa from two to five. Since the airline was using a DC-10 transport plane, the new air route faced immediate problems in June when the United States Federal Aviation Administration (FAA) decided to ground all DC-10 aircraft following an air disaster involving that type of plane.

145. The United States Department of Transportation approved a grant totalling \$247,457 for 1979/80 to continue expansion of the terminal at Pago Pago International Airport. The funds were to be used to continue grading, paving and marking the runway as well as improving the lighting system.

146. On 27 October 1979, American Samoa officially opened a new Comsat earth station which will connect it to the world-wide satellite communications system. The satellite connexion will substantially improve long-distance telephone service in American Samoa and open up new opportunities for live television broadcasts, telex systems and data transmission. The dedication ceremonies were followed by a "live" broadcast from New York of a programme which will continue to be aired every morning except on Sundays. Radio Samoa expressed the hope that such broadcasts could be increased to two or three a day.

F. Social conditions

Labour

147. According to data supplied to the Mission, the total labour force in 1980 was 10,596. Unemployment during the year averaged about 12 per cent, or 1,271 persons, compared with 13 per cent in 1979 and 14 per cent in 1980. It is estimated that about 37 per cent of the labour force are aliens and 26 per cent are from the State of Samoa.

148. The largest single employer is the American Samoa Government, which is responsible for about 45 per cent of all employment in the Territory and for more than half the earnings. In 1980, the number of workers in the public sector was 4,126. Employment in the private sector was reported to be 5,201, of whom 2,035 or 19.2 per cent of all those employed, were in the tuna canning industry.

149. The majority of workers are covered by the United States Fair Labor Standards Act (FLSA), which provides for the establishment of minimum wages. The minimum wages for 1980 ranged from a high \$2.16 per hour in the tuna canneries to a low of \$1.15 in laundry and dry cleaning. Generally, these minima are high for the region, but are lower than those on the mainland of the United States although the policy is to reach that level as rapidly as economically feasible. The main problem in regard to the employment situation, is the lack of sufficient skilled jobs to halt the continuing drain of young people to Hawaii or mainland United States.

150. The Office of Manpower Resources provides services for the territorial Government in the fields of personnel administration, classification, recruitment of contract employees, the training of current employees to improve knowledge and skills, administration of the workmen's compensation and retirement programme and forecasts of future government personnel needs.

151. The Department of Education, the State Board of Vocational Education and the American Samoa Community College have put the emphasis on vocational education training in their programmes. The Department of Education has introduced vocational education awareness programmes in primary education levels, increased vocational education curriculae in secondary education levels and included vocational education participants in its scholarship programme. The three agencies are committed to carrying out the five-year development plan, once established.

152. In 1980, American Samoa received \$1.2 million from the United States Department of Labor through CETA. The allocations are made for job training, work experience programmes and transitional employment opportunities for the economically disadvantaged; public service jobs for persons unemployed due to changes in the economy; youth programmes; and private sector initiative programmes. An additional sum of \$49,484 was granted to the Governor's office to construct a variety of services related to CETA programmes.

Public health

153. The main hospital in the Territory is the Lyndon B. Johnson Tropical Medical Center, which has 181 beds divided among tuberculosis, leprosy and obstetrics units. The Department of Health also operates dispensaries throughout the Territory.

154. At the end of 1977/78, the medical staff included 11 medical doctors, 16 American Samoan medical officers, 4 American Samoan dentists, 3 expatriate dentists, 19 registered nurses, 156 licensed practical nurses and 14 nurses' aids. The basic operational budget of the territorial Department of Health for 1977/78 was \$4.3 million.

155. Although in 1979 the recruitment of a full complement of qualified medical personnel remained a problem, the department was successful in obtaining the services of additional qualified medical personnel to provide services in the obstetrics, internal medicine, paediatric and family practice out-patient clinics. This significantly cut down on the time patients now have to wait before being seen by a physician. An oral surgeon has been added to the Dental Service, and public health dentists have provided prophylactic dental services for a much larger number of children in the schools and villages.

156. Staffing the Department of Health with qualified medical personnel remained the major problem in 1980, when seven budgeted positions for two-year contracts for medical specialists had not been filled. The vacancies include positions for a general surgeon, a paediatrician, two internists, a psychiatrist, an ophthalmologist and an obstetrician/gynaecologist. The needs of patients have been met mostly by securing the services of physicians for short-term assignments of one

to six months. Two exceptions are in the fields of ophthalmology and psychiatry. The coverage in those areas has been through spot and brief assignments.

157. In 1980, the services of the following specialists were obtained in two-year term contracts: a board-certified general surgeon, a board-certified specialist in obstetrics and gynaecology, a general radiologist, a pathologist and three medical doctors (general practitioners). Two additional M.D.s, one with a Master of Public Health degree, were employed on local-hire terms to provide services for at least two years, and a certified laboratory technologist and a certified nutritionist joined the staff on two-year contract assignments. A local resident who attended Medical School in Hawaii and who received a Master of Public Health degree, is now Health Educator in the Public Health Division.

158. The position of Director of the Department of Health, vacant for approximately one year, was filled on 1 August 1980.

159. The Renal Dialysis Unit, equipped with two artificial kidney machines, was activated in June, and was functioning efficiently.

160. In May 1979, a total of 87 registered nurses, practical nurses and nurses aids and 14 American Samoan medical officers walked out on strike and did not return to duty for two weeks. At the same time, five medical doctors on two-year contracts resigned before the end of their terms. This caused an acute shortage of nursing and physician personnel. Tripler Army Medical Center in Honolulu and the Surgeon General of the United States provided temporary help in the servicing of the hospital.

161. A family medical practitioner is presently assigned to the Manu'a islands and the Department of Health will provide Manu'a with a physician or physician assistant on a continuing basis. A physician assistant is presently assigned to the Leone Dispensary on a full-time basis, to provide additional services for the people in that area.

162. The most significant achievement in public health in 1979 was the development of the first territorial Dental Health Plan which was subsequently adopted by the American Samoa Health Co-ordinating Council.

163. In August 1979, Mr. Sunia, the Territory's delegate-at-large to the United States House of Representatives, announced that HEW had approved a grant of \$153,000 for the territorial State Health Planning Development Agency for the period from 1 July 1979 to 30 June 1980. The grant was to provide for effective planning to meet problems related to health care, obstetrics, the proper distribution of health care facilities and manpower and increasing costs.

G. Educational conditions

164. Under the Code of American Samoa, education is free and compulsory for children between the ages of 6 and 18 years. The Government of American Samoa is legally responsible for public education and the Department of Education, to which

this responsibility is delegated and which acts in both a regulatory and executive capacity, is committed to the goal of providing every child from 3 to 18 years of age, who is enrolled in the public schools, with an opportunity to develop and reach his or her fullest potential as an individual.

165. The Department of Education is divided into two major units: educational services and business services. The educational services have seven divisions, of which five are instructional and two are supportive. The instructional divisions include Early Childhood Education (ECE), elementary education, secondary education, vocational education and special education. The support services divisions are instructional development and library services. The Business Services Unit has six divisions: school lunch, transportation and maintenance, supply and publication, personnel, planning and finance and accounting.

166. The public school system consists basically of an eight-year elementary course followed by four years of secondary school. To this has been added an ECE programme which is carried out at village centres. There are eight private schools, mostly run by religious denominations.

167. During the 1960s, television was introduced as the primary medium of instruction. The experiment was not, however, successful, partly because it was not adequately supported by classroom teaching. By the end of the decade, greater emphasis was again being placed on the role of the class-room teacher.

168. In 1980 there were 9,879 pupils enrolled in public schools and 1,994 in private schools, an over-all increase in enrolments of 651 compared with the previous year. There were 24 public elementary schools with 5,397 students and 4 public high schools with 2,427 students. A total of 1,952 children under the age of six years were enrolled in 124 village early children education centres and 103 handicapped children were attending a special education centre at Utulei. The total budget of the Department of Education was \$11.4 million, of which \$9.1 million was provided by the United States Government, the average expenditure per student being between \$440 and \$480 per year.

169. The number of class-room teachers in the public schools (excluding other staff such as administrators, counsellors and teacher aids) was 461, of whom all except 9 had degrees. The pupil/teacher ratio was 17.3 in the elementary schools and 18.7 at the secondary level, which compares well with standards in mainland United States.

170. The four public high schools graduated a total of 440 students in June 1979. Forty were accorded scholarships to begin further studies at selected colleges in the United States and at the American Samoa Community College (see below). Of the remainder, 66 were recruited on-island into the United States Armed Services and a few others enlisted subsequently.

171. Early in 1979, Governor Coleman announced that a Scholarship Board had been established with the following responsibilities:

- (a) To develop policies, subject to the Governor's approval, for the awarding

and continuation of all scholarships offered by or through the American Samoan Government, including but not limited to the regular scholarship programme; the East-West Center degree programme; and the off-island training of government employees for periods exceeding six months or one semester;

(b) To establish procedures for the processing of applications for all such scholarships;

(c) To award all such scholarships according to approved policies and procedures;

(d) To review the continuation of all scholarships according to approved policies.

172. In June 1979, the Scholarship Board announced the list of students who would receive government scholarships for the academic year beginning in September 1979. Under the scholarship programme, a recipient attending an off-island college receives up to \$4,000 per academic year to help defray basic expenses such as tuition, room and board, books and supplies and other school fees. A recipient attending the American Samoa Community College receives \$500 per academic year to help pay for books, fees and transportation.

173. The American Samoa Community College was established in 1970 to provide post-secondary education primarily for the people of American Samoa. It moved into its present location at a former high school four years later and in 1979, it underwent a major expansion at a cost of \$3.9 million.

174. The College basically provides three channels of study leading to: (a) an Associate of Arts degree; (b) an Associate of Science degree; and (c) a Certificate of Proficiency. The degree courses are two-year courses which are equivalent to those offered in the lower division of a four-year university course in the United States and are generally transferable to those institutions. Certificate of Proficiency programmes are primarily vocational in content, concentrating on the skills needed for various specialized career opportunities, such as accounting, typing, automotive, engineering and repair work, etc.

175. In 1980, the Board of Education approved a four-year co-operative teacher education programme, through which the College offers the first two years of study and the University of Hawaii offers the second two years, leading to the baccalaureate degree.

176. The College has an open door admission policy. The only conditions for enrolment are that an applicant must be a resident of the Territory, either a high school graduate or over 18 years of age and should be able to profit from the instruction. Applicants take a placement test on entrance.

177. A new advisement programme and registration proceedings were instituted during the year. Under the programme, each student is assigned an advisor based on the student's major area of interest: teacher education, business, trade and industry, nursing, administration of justice, general education or undecided. Every student

is given individual attention and assisted with problems in academic programmes and scheduling. It is anticipated that through good, sound advisement, the college can better meet the needs of every student and reduce the attrition rate at the College. As a result of the institutional needs assessment, a number of new programmes and courses were designed and implemented. In addition, several existing programmes were completely revised in order better to meet student needs.

178. Increased enrolment (11 per cent in 1979 over September 1978) additional courses and new programmes brought about a need for additional faculty. In the 1979-1980 school year, the faculty was increased to 58 plus 118 in the teacher corps. This was an increase of 15 regular faculty members and included 6 American Samoans. Students were given a more active role in the decision-making process at the College. They were represented on the Board of Higher Education, Planning Council, Contract Renewal Committee, Teacher Corps Task Force and others.

179. Enrolment reached an all-time high of 1,256 in 1980 (up from 1,158 in the previous year), including 976 students in the College and 280 in the Adult Education Program. The most popular fields of study were business, nursing, science, political science and law. In 1980, a total of 61 students received the Associate of Arts degree and 21 received certificates of proficiency.

180. In 1979, HEW approved a three-year State Plan for Adult Education for American Samoa. The purpose of the plan is to encourage the establishment of adult education programmes which will enable all adults to acquire the basic skills necessary to function in society; to offer adults the possibility of continuing their education to at least the level of the completion of secondary school, and to make available to adults the training that will enable them to become more employable, productive and responsible citizens. High school equivalency instruction is provided so that adults can prepare for the General Education Development examination and/or participate in high school credit classes.

181. HEW also approved a grant of \$207,690 to finance the territorial Department of Education's bilingual-bicultural programme during 1979/80. The programme develops and conducts elementary and secondary classes to meet the educational needs of children with limited proficiency in English.

182. The United States Office of Education awarded a grant totalling \$99,470 to the Teachers Corps Program at the American Samoa Community College, which began its second year of operation on 15 July 1979. The programme concentrates on the training of elementary school teachers as well as new teachers and teachers' aides for pre-secondary schools in the Territory.
