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CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Report of the Drafting Committee

1. At its 1492nd meeting, on 30 May 1979, the Trusteeship Council appointed a drafting committee composed of the representatives of France and the United Kingdom of Great Britain and Northern Ireland to propose, on the basis of the discussions which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory of the Pacific Islands, and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the next report of the Trusteeship Council to the Security Council.
2. The Drafting Committee held \_\_\_ meetings. It had the benefit of the assistance of representatives of the Administering Authority.
3. In the light of the general discussions in the Trusteeship Council on conditions in the Territory, the Committee drafted a number of conclusions and recommendations which it considered as reflecting the opinions of the majority of the members of the Council and which are set forth in the annex to the present report.
4. The Committee recommends to the Trusteeship Council that it adopt the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1214 and Adds.1 to 4) as the basic text for the chapter on conditions in that Territory to be included in the next report of the Trusteeship Council to the Security Council.
5. The Committee also recommends that the Trusteeship Council adopt the conclusions and recommendations set out in the annex and include them at the end of the report.



Annex

DRAFT CONCLUSIONS AND RECOMMENDATIONS

A. GENERAL

Land and people

1. The Trusteeship Council notes that as a result of the referendum held on 12 July 1978, discussions and planning for the location on Ponape of the executive and judicial branches of the Government of the Federated States of Micronesia have begun and that actions are under way to locate all branches of the Government of the Federated States in the same place. The Council notes further the statement by Senator Olter that a final plan for capital facilities for the Federation will be completed by August 1979. The Council notes with interest the statement by the Deputy High Commissioner that funds have been made available for an architectural and engineering study on the permanent capital of the Federated States and that the Trust Territory Government has made available additional funds for the renovation of the old Ponape Hospital for an interim capital facility.

2. The Council shares the view of Senator Olter on the importance of providing the necessary infrastructure to allow Kolonia to assume its role as the capital of the Federated States of Micronesia and, in particular, it invites the Administering Authority to install a system of telecommunications linking the Federated States.

Population movements

3. The Trusteeship Council continues to be deeply concerned about the plight of the displaced populations, particularly those of Bikini Island. The Council notes that it is 33 years since the people of Bikini were originally evacuated from their island and that, according to the latest statement by the Administering Authority, it is now estimated that it will be another 30 to 60 years before Bikini is safe for agricultural purposes. The Administering Authority has further reported that Enyu, the other major island of the Bikini atoll (and the second choice of the Bikinians for settlement) will not be safe for habitation for another 20 to 25 years. The search for a satisfactory solution to this tragic problem should thus, in the view of the Council, be given the highest priority. The Council notes with satisfaction that the Administering Authority shares its concern and that the High Commissioner is reported to be currently exploring with the Bikinians alternative areas of resettlement.

4. The Council is also pleased to note that steps are being taken meanwhile to improve conditions for the Bikinians on Kili Island, which has not proved a satisfactory alternative place of settlement for various reasons, including the fact that it is inaccessible to shipping for a large part of the year. The Council therefore notes with satisfaction the report by the representative of the Administering Authority that a survey is under way to determine whether an all-weather dock is feasible, or alternatively a short-range air-strip.

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5. The Council is also pleased to learn that a new school has been completed and a new dispensary provided and that the church built for the original inhabitants of Kili Island has been expanded. It further notes with satisfaction that 10 houses have been built on Ijit Island in Majuro Atoll for a small group of Bikinians who chose not to return to Kili after the second evacuation from Bikini in 1978.
6. The Council notes with satisfaction that a clean-up of Enewetak is proceeding according to schedule and should be completed in 1980. It further notes that some tests are currently being undertaken to assess the contamination present in the northern islands of the atoll and that, should the levels of radiation prove satisfactory for habitation, the resettlement programme will be modified to allow for the resettlement of families on Enjebi, but in either case the resettlement will be completed on schedule.
7. The Council urges the Administering Authority to take all necessary precautions to ensure that the inhabitants of the Marshall Islands are not further exposed to radiation hazards. It notes that during the current session, the Special Adviser from the Marshall Islands and the petitioners representing the International League for Human Rights and the people of Bikini expressed their desire to have independent experts survey the health hazards resulting from weapons testing in the Marshall Islands. In view of the fears aroused in the Trust Territory as a result of the recent discovery that Bikini is not after all safe for resettlement, the Council suggests to the Administering Authority that it might consider the association of such an expert in any future survey, in order to reassure the population.
8. The Council notes with satisfaction the statement by the Administering Authority that it considers the health of the displaced population to be a matter of primary concern. The Council also notes with satisfaction that compensation and continuing medical care are being provided for the inhabitants of Bikini, Rongelap and Utirik atolls who were exposed to radiation.
9. The Council notes with concern the continuing influx of population into the island of Ebeye where over 8,000 inhabitants now live in shanty-town conditions on a surface area of 30 hectares. Since this situation poses acute social problems, the Council hopes that the Administering Authority and the new Government of the Marshall Islands will urgently consider solutions on both a short-term and long-term basis. The Council notes with interest that according to the Special Adviser from the Marshall Islands, plans are under discussion: (a) to encourage those who have emigrated to Ebeye to return to their atolls of origin where efforts would be made to improve their living conditions; and (b) to develop other islands of Kwajalein atoll where another section of the population of Ebeye would be established while continuing to be employed at the Kwajalein base. The Council commends these projects which seem promising and hopes that the resources required for their implementation can be found.

War and post-war damage claims

10. The Trusteeship Council reiterates its concern over the fact that war damage claims have not yet been settled as determined by the Micronesian War Claims Commission. The Council notes with satisfaction, however, that the United States Congress has authorized full payment of claims under Title II and that payment of all outstanding claims under Title II, amounting to \$12.6 million, is now virtually completed.

11. The Council wishes to report that in implementation of the decision which it took last year, the Acting President of the Council called on the Permanent Representative of Japan and the Alternate Permanent Representative of the United States to the United Nations to explain the concern of the Council that the claims under Title I should be settled in one way or another in the best interests of the population. Both parties undertook to report her representations to their Governments.

12. The Council notes with satisfaction that the United States Congress is considering a proposal which would authorize payment on an ex gratia basis of 50 per cent of the claims outstanding under Title I of the Micronesian Claims Act of 1971, without making its payment contingent on a comparable gesture by the Japanese Government. The Council notes with satisfaction the statement by the representative of the Administering Authority that this proposal has already been passed by the House of Representatives and that the legislation is now in the Senate, which should take action on it before the end of 1979.

13. The Council also takes note of the statement by the representative of the United States that his Government, which has for many years been in close consultation with the Government of Japan on this issue, believes that the two Governments could evolve a way to express their sympathetic concern for the people of Micronesia. It also notes that although there is not a viable legal claim, the United States Government believes that there is "a moral claim of substantial proportions".

14. The Council further notes the statement by the Chairman of the Palau Special Committee on War Damage Claims Settlement that the Micronesian claimants do not dispute the legality of the 1969 agreement between the Government of Japan and the Government of the United States, although they consider that the strictly legal stand adopted by the Japanese Government up until now is contrary to the humanitarian spirit of the agreement. The Council notes that the Chairman stressed that a settlement of this issue would strengthen the existing bonds of friendship between the people of Micronesia and the people of Japan.

15. The Council appeals to those concerned to make a further urgent effort finally to resolve this long-standing issue in the best interests of the innocent victims. In particular, the Council, taking into account the difficulties posed by that situation to the people of Micronesia, expresses the hope that the parties can achieve a humanitarian solution of the problem before the termination of the Trusteeship Agreement.

16. The Council notes that certain parts of the Territory are experiencing some difficulties in obtaining a proper supply of electricity. The Council urges the Administering Authority to make use of, or to initiate studies with a view to using as much as possible, the existing energy sources in the Territory.



## B. POLITICAL ADVANCEMENT

### General political structure

17. The Trusteeship Council takes note of the results of the referendum held on 12 July 1978 in the Palau, Yap, Truk, Ponape, Kosrae and Marshall Islands districts, under the observation of a Visiting Mission which the Council had decided to send at its forty-fifth session. It welcomes the fact that the inhabitants of four districts (Yap, Truk, Ponape and Kosrae) have declared themselves in favour of the draft constitution and will thus form the Federated States of Micronesia. While respecting their wishes, it notes with regret that the people of the Marshall Islands and Palau, by rejecting the draft constitution, have chosen to form separate entities.

18. The Council notes that, under the observation of a Visiting Mission which it had decided to send, the Marshall Islands adopted their own Constitution on 1 March 1979.

### Territorial Government

#### Legislatures

19. The Council welcomes the fact that, in accordance with the Constitution adopted on 12 July 1978, the Congress of the Federated States of Micronesia was inaugurated on 10 May 1979.

20. The Council notes with satisfaction that the Nitijela of the Marshall Islands was officially inaugurated on 1 May 1979.

21. The Council also notes with satisfaction that the Administering Authority, pursuant to Secretarial Order No. 3027 of 29 September 1978, has vested interim legislative authority in the Representative Assembly of the Palau district, until such time as the district adopts its Constitution and puts it into force.

#### Executive

22. The Council welcomes the fact that, as a result of changes in the political and administrative structure of the Territory, virtually all of executive posts are now held by Micronesians.

23. It particularly welcomes the election on 11 May 1979 of the President and Vice-President of the Federated States of Micronesia, who officially assumed their duties on 15 May 1979.

24. It notes with satisfaction the election by the Nitijela of the President of the Marshall Islands, who assumed his duties on 1 May and proceeded to appoint the members of his cabinet.

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25. The Council has noted with satisfaction Secretarial Order No. 3039 of 25 April 1979, issued by the United States Department of the Interior, which transfers a number of powers to the Governments of the new entities so as to give them greater autonomy. It urges the Administering Authority in particular to carry out its undertaking to hand over to the various entities concerned the powers referred to in Secretarial Order No. 3039 by 30 September 1979. It hopes that the High Commissioner will refrain from exercising his right of suspensive veto; to that end, it suggests that the leaders of the new entities should take care to adopt only measures which are compatible with the Trusteeship Agreement.

#### District government

26. The Council welcomes the elections held in Truk in September 1978, in Kosrae and Yap in November 1978 and in Ponape in March 1979, which enabled those districts to acquire a leadership freely chosen by their inhabitants.

27. With regard to Palau, the Council has taken note of the fact that a Constitutional Convention, meeting from 28 January to 2 April 1979, prepared a draft constitution which will be put to a referendum, so that by the end of the year that district should have its own institutions.

#### Civil service

28. The Council notes with satisfaction that, during the past year, the Administering Authority has somewhat reduced the number of its employees. It also notes the Deputy High Commissioner's assurances that the great majority of the expatriate personnel now employed have only short-term contracts which are not expected to be renewed. It again calls upon the Administering Authority to pursue the "Micronesianization" of all services, while at the same time ensuring that the future States are not left with complicated and costly administrative structures after the trusteeship is terminated.

#### Political education

29. The Council endorses the observations made on this subject by the Visiting Missions sent to Micronesia to observe the referendum of 12 July 1978 and to the Marshall Islands to observe the referendum of 1 March 1979. 1/

#### Judiciary

30. The Council is pleased that the Federated States of Micronesia, under the terms of their Constitution, now have their own judiciary. It also notes with interest the provisions concerning the judiciary contained in the Constitution of the Marshall Islands.



31. The Council notes with satisfaction that, in accordance with Secretarial Order No. 3039 of the United States Department of the Interior of 25 April 1979, jurisdiction over new cases will rest with the courts of the Federated States of Micronesia and of the Marshall Islands, as and when they are established. It notes that the High Court will remain the supreme judicial authority until termination of the trusteeship. It also notes with satisfaction that the Secretarial Order provides for the transfer to the new courts of the premises and property of the Territory's existing courts and the funds allocated to them.

### C. ECONOMIC ADVANCEMENT

#### General economy

32. The Trusteeship Council notes with regret that the level of the Territory's economy is not such as to provide sufficient funds to meet its administrative and social expenditures. Dependence on grants from the Administering Authority is as great as in the past.

33. The Council notes that the Territory's exports amount to only one fifth of its imports. Thus, in 1978, tuna fish sales (\$US 3.7 million) did not even cover purchases of beverages and tobacco (\$US 4.5 million). Inasmuch as the funds now derived from tourism, marine resources, handicrafts and agriculture cannot increase rapidly to any significant degree, the Council urges the Administering Authority to promote the development of the kinds of production that can satisfy the population's needs, especially for food, and to discourage purchases of similar products from abroad.

34. The Council notes with satisfaction that the Administering Authority has extended to the Territory a generalized system of tariff preferences, as have Canada and Japan. However, it urges that coconut oil should be included in that tariff, as requested by the High Commissioner himself, and it requests the Administering Authority to continue its efforts to obtain similar benefits from other countries.

35. The Council notes the Administering Authority's statement that it continues to support the five-year indicative development plan, the implementation of which is now the responsibility of the local governments.

36. The Council notes with interest that the Administering Authority hopes that all the capital improvement projects prepared in 1976 will be completed before termination of the trusteeship. The Council regrets that the second-level capital improvement programme has been abandoned for lack of funds; it notes with interest the Deputy High Commissioner's statement that some of these projects might be carried out under the regular improvement programme and other federal programmes.

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#### Public finance

37. The Council has taken note of the budgetary provisions in Secretarial Order No. 3039, from which it can be seen that the High Commissioner retains extensive decision-making and supervisory powers. It considers that, as the trusteeship draws to a close, and by virtue of the institutional changes which have taken place in recent months, a greater role should be accorded to the local authorities, particularly in determining priority expenditures.

38. The Council has noted with interest the statements by the Deputy High Commissioner indicating that the Administering Authority is maintaining its grants to the various districts at the same level as before, and that budget reductions affect only the appropriations for central government operations.

39. The Council notes with interest that the Administering Authority has acquired the services of a tax expert. It reiterates its view that the Territory's system of taxes and duties should be designed to discourage the import of goods and products which can be obtained locally.

#### Assistance from international institutions and other countries

40. The Council strongly urges the leadership of the Territory to avail itself of the assistance of the various regional and international agencies.

41. It notes with satisfaction that UNDP has appointed a new project manager, who took up his duties in September 1978, and that it is continuing to provide assistance in carrying out certain studies.

42. It also notes with interest that WHO, the South Pacific Commission and the United Nations Asian and Pacific Development Institute are providing assistance in the training of personnel.

43. The Council further notes with interest that a Japanese agency is co-operating with regard to fishing in Palau. It hopes that the Federal Republic of Germany and Canada will heed the requests made to them for certain activities.

#### Credit

44. The Council takes note of the statements of the Deputy High Commissioner to the effect that the Territory's Economic Development Loan Fund should be reactivated shortly.

#### Land

45. The Council notes with satisfaction that the identification of public land has been completed and that the surveys of such land are on the verge of completion.

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46. The Council notes with satisfaction that the transfer to local authorities of the title to public land is being effected.

47. It notes with interest the Territorial Government's decision to request funds to convert land which it holds under indefinite use agreements into holdings through purchases fees or leases on fixed terms basis.

#### Agriculture and livestock

48. The Council continues to believe that the expansion of agricultural and livestock production to meet the needs of the population is a matter of priority. This objective should be pursued concurrently with the promotion of export-oriented agriculture on a commercial scale.

49. The Council notes with interest that a study on the development of pepper plantations on Ponape has been carried out and hopes that the necessary capital will be made available. It also notes with interest the forthcoming opening of a broiler plant in Truk. It regrets, however, that the development of rice plantations on Ponape is still at the project stage.

50. The Council urges the Administering Authority to continue its effort to improve the yield of coconut plantations in order, among other things, to guarantee supplies for the two copra processing plants in the Territory.

51. The Council notes with interest that the Administering Authority has included in the next budget funds for the purchase of equipment to begin exploiting the forestry resources on Kosrae, Ponape and Palau.

52. The Council expresses its sympathy with the inhabitants of the Northern Mariana Islands, some of whose crops were destroyed by a cyclone.

#### Marine resources

53. The Council notes with satisfaction the entry into force of Public Law 7-71 concerning the exploitation, management and conservation of marine resources in the 200-mile zone under the jurisdiction of the Federated States, and the establishment of the Micronesian Maritime Authority. It notes with interest that the Marshall Islands and Palau have also established a 200-mile zone and that Palau has created its own Maritime Authority.

54. It urges the Administering Authority to pay particular attention to ensuring that foreign fishing vessels respect the rights of the Micronesians over these 200-mile zones.

55. The Council notes with satisfaction the fishing agreements concluded with Japan by the various entities of the Territory.

56. The Council notes with satisfaction that the Administering Authority is paying constant attention to projects for improving the exploitation of marine resources. In this respect, it particularly welcomes the services of the Research Centre set up in Palau.

57. The Council hopes that the various Micronesian entities will be able to become members of the proposed South Pacific regional fisheries agency.

#### Industry and tourism

58. The Council reiterates its concern at the absence of small industrial enterprises in the Territory.

59. It notes with satisfaction that a Latorex factory might be established shortly in Ponape, and that the bricks and tiles produced would help to reduce the cost of construction on the island.

#### Tourism

60. The Council notes with satisfaction the steady growth in the tourist trade (a 26 per cent increase in the past year), which is considered to be one of the leading means of economic development.

61. The Council notes, however, that despite this satisfactory evidence of expansion, the tourist industry is active on a very small scale, owing to the lack of infrastructure and reception facilities, and that its geographical remoteness from world population centres is at present an obstacle to its development. The Council notes in this context that improved transport and communications is crucial.

62. The Council is pleased to note that the Trust Territory Government is seeking to increase joint-venture investments for the construction of hotel and motel accommodations.

63. The Council reiterates its recommendation that local products should, wherever possible, be given preference over imports and should be used more widely in restaurants and tourist hotels. It believes that handicrafts are another source of revenue and employment which should be expanded and diversified to keep pace with the growing tourist industry. For instance, more use could be made of the abundant local coral for jewellery. In this context, it notes with satisfaction that a handicraft adviser is at present in the Trust Territory. It also commends the efforts being made to organize cultural centres and museums.

64. While welcoming the expansion of the tourist industry, the Council hopes that the interests of the population will be safeguarded and the environment preserved.

Transport and communications

65. The Council notes that transport and communications continue to be a serious problem in the Trust Territory.

66. The Council notes with satisfaction that the last of seven ships constructed for use in inter-island field trips was delivered to the Trust Territory in April 1979 and that all seven vessels are now deployed throughout the Territory. It further notes with satisfaction that seven shipping companies serve the Trust Territory, three of which are Micronesian. Vessels have been under charter by the Trust Territory Government at reduced rates to three companies, two of which are Micronesian.

67. The Council notes with satisfaction that construction of new docks in Majuro and Yap is in progress. It regrets, however, that construction on the Kosrae, Truk and Palau docks has been delayed due to insufficient funds and expresses the hope that the necessary funds will be made available.

68. The Council notes with satisfaction that Air Micronesia has added a third jet aircraft to its fleet. It notes with interest that the establishment of new air routes to Australia, Papua New Guinea and the Philippines is under consideration.

69. The Council notes with satisfaction that construction of the Truk international airport is now under way. It welcomes plans for further improvement to the airports of Ponape, Palau, Yap and Kosrae.

70. The Council notes that the road system remains inadequate in certain parts of the Territory.

71. The Council notes with satisfaction the improvement of inter-island communication with the initiation of the Department of Interior Satellite Project network, utilizing ATS-1 satellite of NASA, which makes possible conferences with American Samoa, Papua New Guinea, the state of Hawaii and New Zealand.

Proposal for a super-port at Palau

72. The Council continues to believe that attention should be given to the environmental impact of the development of a super-port in Palau.

73. The Council notes that the High Commissioner is considering a proposed agreement for the performance of a feasibility study by a consortium of Japanese business firms. It further notes with satisfaction that the Administering Authority has reiterated its position that a feasibility study is the necessary first step; that the impact of any such project on the Palauan environment should be assessed thoroughly and objectively; that the approval of the people of Palau would be required; and that any request for a super-port would have to comply with Palauan law, the Trust Territory Code and applicable United States laws.

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74. The Council wishes to endorse once again the proposals made by the 1976 Visiting Mission that, following completion of the contractors' feasibility study and before the proposal is put to the people of Palau, there should be a further study of the project by a body of experts having no vested interest in the matter.

#### Co-operatives

75. The Council reiterates the hope that the Administering Authority will continue to encourage the establishment of farming co-operatives and to distribute informational material on this subject, since co-operative farming and the use of machinery for common services have reportedly not been fully accepted by Micronesian farmers.

76. The Council notes with interest the statement by the Deputy High Commissioner that at 30 September 1978, there were 20 fishing co-operatives in the Trust Territory.



#### D. SOCIAL ADVANCEMENT

##### Medical and health services

77. The Trusteeship Council notes with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory, including completion of a new 50-bed hospital in Yap, the addition of a new out-patient building to the Palau hospital, the completion of 38 dispensaries under the Hill-Burton Dispensary Program and completion of hemodialysis units for Palau and Ponape.

78. The Council notes with concern, however, the adverse report of a Medicaid team on the hospital in Saipan which was found to be antiquated, dangerous and impossible to renovate. It hopes that the necessary supplementary appropriations will be forthcoming for construction of a new building.

79. The Council notes with satisfaction that corrective measures have been taken to improve the serious deficiencies in the Marshall Islands District Hospital at Majuro. The Council also notes the statement by the Administering Authority that a new hospital is to be built at Majuro at an estimated cost of \$8 million.

80. The Council notes with satisfaction: (a) the adoption of a proposal for a three-year training programme for health workers at Ponape Hospital; and (b) the existence of training programmes for laboratory technicians in disease prevention. It further notes that the ultimate aim of the new three-year programme is to establish a permanent health training centre for Micronesia.

##### Labour

81. The Council continues to be concerned at the serious unemployment problem and the imbalance between wage-earners employed in the public sector and those employed in the private sector.

82. The Council notes with satisfaction the creation of a Young Adult Conservation Corps in the Territory employing 300 men and women. It also commends the apprenticeship programme financed by CETA.

83. The Council notes with regret that the Continental Hotel at Koror, Palau, has still not resolved its labour dispute with its employees. The Council therefore urges the Administering Authority to do its utmost to promote a satisfactory settlement of this dispute.

##### Housing

84. The Council notes with satisfaction the continued provision in 1978 by HUD of grants for housing development and rent subsidies for lower-income families, and by MIHA of home ownership loans. It notes with interest that a request has been made to HUD for financing a "Latorex" plant which would use local soils to produce building materials.

## E. EDUCATIONAL ADVANCEMENT

### General

85. The Trusteeship Council reaffirms its satisfaction with the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the increasing number of post-graduate students in the Trust Territory. It welcomes the fact that students in the Trust Territory can obtain grants and loans for higher education from the Government of the United States as well as from other Governments and international institutions. It hopes that students will be encouraged to choose areas of study which would equip them to assist in the development of Micronesia.

### Primary and secondary education

86. The Council notes with satisfaction the completion of grammar textbooks and dictionaries in seven Micronesian languages. It also notes with interest the work undertaken during the past year in the production of Micronesian achievement tests. The Council notes with satisfaction the completion of the secondary school complex at Kosrae.

### Higher education

87. The Council notes with satisfaction the selection of the first Board of Regents and hopes that an individual will soon be selected to fill the vacant position of Chancellor of the College of Micronesia.

### Vocational education

88. The Council notes with interest efforts being made to strengthen vocational training programmes at the secondary school level. It notes that the programme in the Northern Mariana Islands is receiving funds annually. It notes with satisfaction the success of the vocational rehabilitation programme which assists severely disabled individuals to become gainfully employed.

### Teacher training

89. The Council notes with interest that, in addition to students enrolled at the College of Micronesia, 212 students are attending teacher-training colleges overseas.

Dissemination of information on the United Nations

90. The Council welcomes the wide dissemination of information on the activities of the United Nations and the Trusteeship system in the Trust Territory. It notes the statement by the Director of the United Nations Information Centre at Tokyo that Micronesia is still very much in need of more information, and calls upon the information centre and the Administering Authority to do their utmost to disseminate further information on the United Nations and the Trusteeship system, especially in the light of the intention of the Administering Authority to terminate the Trusteeship Agreement in 1981.

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

91. The Trusteeship Council reaffirms the inalienable right of the people of Micronesia to self-determination, including the right to independence in accordance with the Charter of the United Nations and the Trusteeship Agreement.
92. The Council considers that the constitutional referendum held on 12 July 1978 in the Territory, excluding the Northern Mariana Islands, and the referendum held on 1 March 1979 in the Marshall Islands, were essential steps towards termination of the trusteeship. It notes with satisfaction that the Chairmen of the Visiting Missions sent by the Council to observe the referendums concluded that they were held in conditions which guaranteed the free expression of the wishes of the populations concerned. It notes that as a result of these consultations the concerned now have their own Governments.
93. The Council notes that the Palauans have made arrangements for the holding of a referendum on a draft constitution on 9 July 1979 and have invited it to send an observation mission for the occasion. Having decided to send such a mission, the Council hopes that the referendum will be held under the same conditions as the previous one.
94. The Council notes with interest the statements of the Administering Authority concerning the status of the negotiations on free association which have been undertaken with the Micronesians on the basis of the Hilo agreement.
95. The Council notes with interest the statements of the Special Advisers regarding those negotiations. In particular, it notes that all the Micronesian parties have emphasized their desire to maintain preferential and close relations with the Administering Authority after termination of the trusteeship.
96. However, the Council notes the concern of the representatives of the Marshall Islands that adequate machinery should be available for the settlement of any disputes that might arise on environmental matters.
97. The Council notes that there is a dispute between groups in the Palau Islands regarding the compatibility of the draft constitution with the draft of the proposed treaty with the United States. It hopes that the parties concerned will find a solution in keeping with the wishes of the population.
98. The Council hopes that the ongoing negotiations between the Administering Authority and the Micronesian parties concerned will lead to a mutually satisfactory outcome which respects the personality of every party. It hopes that the Administering Authority will keep it informed of the status of the discussions.
99. The Council notes with interest that the Administering Authority has again stated that it would invite the United Nations to send a mission to observe the referendum which would be held on any free association agreement.

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

101. As in 1978, the Council does not wish to make precise recommendations on the future political status of the various Micronesian entities. It reiterates its view that free association is an option that is not incompatible with the Trusteeship Agreement, provided that the populations concerned have freely accepted it.

102. The Council urges the Administering Authority to consider in any event maintaining the amount of its aid, after the end of its mandate, at a level comparable to that which obtains at present.

103. The Council again expresses the hope that the Micronesians will take all necessary steps to establish, after termination of the trusteeship, the all-Micronesian entity which they agreed upon at Molokai in October 1977.

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