

UNITED NATIONS TRUSTEESHIP COUNCIL



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Seventh session

Item 4(d) of the agenda

EXAMINATION OF ANNUAL REPORTS:

TRUST TERRITORY OF THE PACIFIC ISLANDS, YEAR ENDING 30 JUNE 1949

Written questions addressed by Members of the Trusteeship Council
to the Special Representative of the Administering Authority
and answers of the Special Representative thereto

I. POLITICAL ADVANCEMENT

A. Application of International Treaties and Conventions

Question 1: Up to the end of the period covered by the Report the Administering Authority has reached no decision as to what international treaties, conventions and agreements shall be applicable to the Trust Territory as provided in Article 14 of the Trusteeship Agreement. What progress, if any, has the Administering Authority made in this connection recently? When will a list of international treaties, conventions and other agreements applicable to the Trust Territory be ready? (China)

Answer: The question of the application of international treaties, conventions, and agreements to the Trust Territory pursuant to Article 14 of the Trusteeship Agreement is still under study by the Administering Authority. As determinations are made regarding the application of international treaties and agreements to the Trust Territory, the Council will be provided with this information in accordance with Question 13 of the Provisional Questionnaire.

Question 2: The Annual Report states that no conventions or recommendations of the International Labour Organisation has been applied in the Territory during the year under review. According to a statement of the Special Representative on the

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Fifth Session of the Trusteeship Council, the administration has been studying these conventions to determine which of these may profitably be applied to the Trust Territory. Is there any information available as to the results of this study? (Philippines)

Answer: See answer to question of the delegation of China, Political Advancement, No. 1. The question of the application of conventions and recommendations of the International Labour Organisation also remains under study by the Administering Authority.

B. Status of the Territory

Question 3: What is the present status of the proposed organic act for the Trust Territory and of the plans to transfer administrative supervision over the islands from the Navy Department to a civilian agency? (Philippines)

Answer: Draft Organic Legislation for the Trust Territory, pursuant to Article 12 of the Trusteeship Agreement, was introduced into the Eightieth Congress. However, the Congress did not take action on the draft legislation. Recently, the Executive Departments concerned have undertaken a review of the legislation previously submitted with a view to its resubmission to the present Congress.

Plans have been drawn up by the Executive Departments concerned and approved by the President providing for the transfer of administrative responsibility for the Trust Territory of the Pacific Islands from the Department of the Navy to the Department of the Interior. Steps are being taken to give effect to these plans.

C. The Territorial Legislative Body

Question 4: Page 14 of the Annual Report states that "A territory-wide legislative body for the Trust Territory is included in the long-range plans, but the problems of transportation and ethnocentricity will have to be solved before the plan can be effectively concluded." Please explain what has been done in the year under review to solve these problems. (Philippines)

Answer: See answer to delegation of the Philippines, question 5. Continued education, especially in the advanced schools on Truk and Guam, is gradually increasing community of interest but it is still considered that it will be some time before a territory-wide legislative body will be practicable.

/D. Regional

D. Regional Governmental Organs

Question 5: Would the Special Representative care to give some information on the implementation of the recommendations of the Trusteeship Council that the Administering Authority increase its efforts to develop regional governmental organs on a representative and elective basis and that it endeavor to bring representatives of the indigenous population into the territorial government? (Philippines)

Answer: The Marshall Islands Congress, mentioned by the Special Representative at the Fifth Session of the Trusteeship Council, has been established by proclamation approved by the Administration.

Leaders of the indigenous people in the Northern Marianas met on the invitation of the Administration and proposed a charter for an elected body for that area consisting of representatives of each municipality. This proposed charter has been reviewed by the High Commissioner and returned with recommended modifications for consideration by the indigenous inhabitants.

Under a tentative arrangement worked out in collaboration with the Civil Administrator, indigenous inhabitants of the Ponape District have elected Congressmen representing each municipality and a draft of proposed charter for a Ponape District Congress, composed of these representatives, has been forwarded to the High Commissioner and is now under review by him.

At the invitation of the High Commissioner appointed indigenous representatives from each of the five districts, familiar with economic conditions in their respective districts, met with the Deputy High Commissioner, the Governors, Civil Administrators, members of the High Commissioner's Staff, and a representative of the Navy Department on 13 to 16 September 1949. An indigenous representative from each district was given a special opportunity to address the conference and express his views on matters of common interest, and all were invited to participate in the general discussion.

At the invitation of the High Commissioner indigenous leaders in education conferred for three days in February 1950, in Honolulu, with Educational Administrators and the Educational Advisory Committee, on educational problems of mutual concern.

Question 6: The possibilities of establishing an appropriate regional organ for the Marianas were discussed, (page 13 of the Report) in a conference of the High Council of Saipan and members of the Staff of the Deputy High Commissioner. Would the Special Representative care to give some information in regard to these discussions? (Philippines)

Answer: See answer to delegation of the Philippines, question 5.

E. Municipal Councils

Question 7: It has been noted with interest in section 26 on page 13 of the Annual Report that a "Young Men's Council" has been formed on the Island of Yap and that this Council has apparently, on occasion, sat jointly with the Council of Chiefs to discuss Island problems. Did this "Young Men's Council" come into being spontaneously or was its creation the result of action by the Administration? Does the Council of Chiefs in any way resent the establishment of this new body, or is it prepared to recognize the right of the young men thus to play their role in the conduct of Island affairs? (New Zealand)

Answer: This "Young Men's Council" was the result of a spontaneous desire on the part of the younger men to study and foster the betterment of their social and economic lives.

The Council of Chiefs, while perhaps regretting the desire of the younger men for so much change, has taken an encouragingly constructive attitude in attempting to reconcile the varying points of view and to secure the fullest possible cooperation in advancing the good of all. The "Young Men's Council" is not restricted to younger men; a number of the older men participate. In its discussions with the younger men, the Council of Chiefs appears to fully acknowledge the right of the younger men to be interested in and express their views on public matters.

F. Judicial Organization

Question 8: What steps have been taken during the past year to effect a real separation of administrative and judicial power? Is the Administering Authority considering any further steps on this matter? (Philippines)

Answer: Actions taken in this regard during the year under review are reported in the answers to questions 28 and 29 on pages 17 and 18 of the Report. Since the close of that year a qualified lawyer has been appointed as Associate Justice of the Court of Appeals. Pursuant to section 2 of Article IV of
/Interim

Interim Regulation No. 1 - 49, (set forth on page 20 of the Documentary Supplement to the Report), he sits as District Judge and holds sessions of the District Court in the same manner as the Chief Justice. He is independent of the Civil Administrators.

Where deemed practicable, appointment or election as Community Court Judges of persons other than Municipal Magistrates has been encouraged.

The High Commissioner is now considering a recommendation of the Chief Justice that the power of appointment and removal of Justice Court Judges be transferred from the Civil Administrators to the High Commissioner.

Question 9: From a reading of the Interim Regulations (page 20 of the documentary supplement) it appears that the Court of Appeals consists of not less than three persons, including the Chief Justice. Could the Special Representative please indicate who the other members of the Court would normally be? Is there any provision for the appointment of assessors to advise the Court of Appeals in cases involving indigenous laws and customs? (New Zealand)

Answer: Since originally constituted the members of the Court of Appeals other than the Chief Justice, have been James R. Nichols, who is an Ohio lawyer employed as a civilian for judicial duties as his primary duty; Ernest Holt, who is an American civilian employed as Conservationist on the Staff of the High Commissioner as his primary duty; and LCIR Philip Drucker, USNR, whose primary duty is an Anthropologist on the Staff of the High Commissioner.

Rule 2d of the Rules of Criminal Procedure, promulgated since the close of the year reported on, provides that any court may appoint an assessor to advise in regard to local law and custom.

G. Administration - Employment of the Indigenous Inhabitants

Question 10: How many indigenous inhabitants are employed in the civil service of the Government of the Trust Territory? How are they recruited? By election, recommendation, or competitive examination? Is there any differentiation between the citizens of the Administering Authority and the indigenous inhabitants with respect to their qualifications and salaries? (China)

Answer: (a) About 1239. The exact figure varies from time to time.
(b) They are selected from among volunteers on the basis of recommendations, interviews and demonstration of qualifications.
(c) It is

(c) It is the practice of the Trust Territory government to employ non-indigenes (other than Naval personnel) only when professional or technical knowledge and experience is required that cannot be found among the people of the Trust Territory. When it is necessary to recruit professional or technical personnel in the United States, payment must be made in accordance with standards of compensation prevailing within the United States, plus any overseas differentials customary and prevailing.

II. ECONOMIC ADVANCEMENT

A. Annual Budget

Question 11: How is the annual budget of the Trust Territory prepared, enacted, and implemented? Have the indigenous inhabitants any voice in this matter? Through what channel or channels can they express their wishes? (China)

Answer: (a) As an instrumentality of the Federal Government of the United States, the annual budget of the Trust Territory is prepared, enacted and implemented in accordance with standard accounting practices as prescribed by the United States Government. Original estimates of financial requirements are compiled and submitted by the High Commissioner to the Department of the Navy. This estimate is combined with the estimates for Guam and American Samoa which together make up the appropriation "Island Governments, Navy". The budget request is based on the formula, total requirements less estimated locally-derived revenue equals amount necessary to be appropriated by the United States Government, is processed through the Department of Defense and the Bureau of the Budget and is acted upon by the Congress of the United States. Upon action by the Congress the amount for the Trust Territory is allotted by the Navy Department to the High Commissioner under six programs: General Administration; Legal and Public Safety; Public Education; Commerce, Industry and Agriculture; Medical Care, Public Health and Sanitation; and Public Works. After allocation the High Commissioner controls expenditures but renders monthly accounting reports to the Department of the Navy.

(b) Officially the indigenous inhabitants have no voice in the matter. However, in actual practice the civil administration makes every effort to provide the governmental services desired and considered necessary by the people.

(c) Through their municipal officials, through regional advisory bodies where these exist, through personal requests to local Civil Administration officials and to members of the High Commissioner's Staff (who regularly visit various parts of the Territory), or through petitions to the High Commissioner, the Administering Authority, or the United Nations.

B. Public Finance

Question 12: In accordance with what regulations are the expenditures in /the budget of

the budget of the Trust Territory divided between expenditures from locally-derived revenue and expenditures from "appropriated funds"? (Annex IV) (Belgium)

Answer: The division is made as a matter of effective fiscal control. Locally derived revenues and appropriated funds are accounted for and reported separately because they are handled through different channels and are subject to somewhat different controls. However, funds from either source may be budgeted and expended for the same civil government programs.

C. Taxation

Question 13: What measures are taken when a person subject to taxation has neither paid the tax nor offers to meet his obligation in terms of labor? (Question 62) (Belgium)

Answer: If it is determined that the person taxed cannot reasonably pay the tax, it is abated. If it is felt that he should be required to pay and he refuses to do so after direct demand, he may be brought to court.

Question 14: Is the amount of taxes collected by the chiefs known by the administration? Is this sum limited and is its collection controlled? (Question 64) (Belgium)

Answer: The chiefs, as such, collect no taxes. Some chiefs are also municipal officials and in that capacity, themselves or through the municipal treasurer, collect municipal taxes. These municipal taxes are subject to the approval of the Trust Territory Government and the records thereof are regularly inspected and reported on by Civil Administration officials.

Question 15: In view of the unsatisfactory nature of the Head Tax, has any step been taken or contemplated by the Administering Authority towards its abolition? (China)

Answer: From the point of view of the indigenous inhabitants the head tax is one of the most easily understood. From the viewpoint of the civil administration, it is the simplest to collect (by the municipalities) and constitutes a concrete step in the primary political education of the inhabitants. i.e., it makes them aware of their municipal obligations and responsibilities. The Staff of the High Commissioner is conducting a survey of municipal finances and economic conditions in an endeavor to determine a practicable basis for any new or more appropriate forms of taxes and is giving consideration to ways and
/means to

means to assure an adequate and equitable taxation system based on the ability to pay and yet containing essential elements of administrative simplicity. The advantages and disadvantages of an income tax are being specifically considered. However, until other means of raising the necessary revenues in a manner practicable under the varying conditions found in the Trust Territory have been developed, it is contemplated that the head tax will be retained.

D. Import Duties

Question 16: Could the Special Representative explain the reasons for the abolition, on November 30, 1948, of import duties on goods entering the territory (page 30 of the report). Is it not felt that this action might adversely affect the growth of small industries, for example, the development of the small soap factories mentioned on page 38 of the report? What measures does the Administering Authority employ to ensure the protection of local industries? (New Zealand)

Answer: Import duties were abolished because it was considered that the advantages of reduction in price to the indigenous inhabitants of imported goods outweighed the small amount of revenue being received from these duties. It is not believed that this action will adversely affect the development of small industries as few of the imported goods are competitive. Generally speaking, the considerable cost of transportation involved in importing goods provides all the protection which is deemed reasonable. The Administering Authority protects indigenous industries by granting permits to non-indigenous interests only in cases where it is considered that temporary employment of non-indigenous capital or management would be in the substantial interest of the inhabitants.

E. Trade

Question 17: In regard to the subsidies, etc. provided through the Island Trading Company to local enterprises, it is stated in the Report (p. 20) that "in every case some form of assistance has been given to new entrepreneurs". Please illustrate this statement with some concrete facts. (China)

Answer: The Island Trading Company has extended unusually liberal inventor credit to indigenous wholesale concerns when chartered and reasonably soundly organized; has assisted them in setting up their accounting systems; has given on-the-job training in business management and methods to prospective employees of indigenous concerns; has advised them as to operations; has procured special

/items and

items and equipment suited to needs of particular enterprises, and has in some instances entered into a brokerage agreement with a local wholesaler. An example of the latter is the 10% fee currently being paid to the Truk Trading Company for handling copra purchases. Since the close of the year reported on, upon the advice of the High Commissioner, it has also created the Economic Development Fund mentioned in the answer to the question of the Delegation of China, Economic Advancement No. 18.

F. The Island Trading Company

Question 18: Give a full account of the organization, activities, and yearly profits of the Island Trading Company with necessary tabulations. Does this Company possess any right or privilege of a monopolistic nature? Is the Company going to be perpetuated and expand its activities or gradually curtail them in order to give way to indigenous enterprises? Give also in detail the allocations made from the profits of this Company for the benefits of the indigenous inhabitants of the Trust Territory. (China)

Answer: (a) The Island Trading Company of Micronesia was incorporated by Proclamation of the Governor of Guam on 8 December 1947 by and with the consent of the Guam Congress. All capital stock (value \$1.00 USA) is held by the Deputy High Commissioner in virtue of his office and passes to his successor. The officers, President, Vice Presidents, Comptroller, and Treasurer, are appointed by the Deputy High Commissioner. Branch managers and subordinate officials are appointed by the President. The Board of Directors designated by the High Commissioner presently consists of the Deputy High Commissioner, the officers of the company and two senior naval officers in no way connected with the administration of the Trust Territory. The Board of Directors meets monthly. They receive no compensation or fees. The actions of the Board of Directors are approved by the Deputy High Commissioner and with the periodic reports of operation and balance sheets are reviewed by the High Commissioner. Proposed changes in major operating or financial policies or procedures must have the approval of the High Commissioner and in some cases the Navy Department. Periodic reports of operations and balance sheets are also furnished and reviewed by several agencies of the Navy Department, including the Fiscal Director of the Navy. Comprehensive audits of the books and operations of the Company are made periodically by a certified public accounting firm.

The prime purpose of the Island Trading Company is to provide essential

/commodities

commodities to the indigenous inhabitants and to facilitate the export of their island products; to foster the establishment of native trading enterprises; and to assist in the development of industries and new sources of income for the inhabitants.

The Island Trading Company was initially financed in December 1947 by the Government of the United States. All of these financial advances have long since been liquidated and beyond normal commercial accounts payable, the company has no indebtedness. In July 1948, a dividend of \$100,000 was paid into the Treasury of the Trust Territory as local revenue. A net profit of \$41,782 was earned during the nine month period ending 31 March 1950. In this same period trade goods amounting to \$865,605 were sold in the several branches and a total of \$685,741 at cost price of island products were purchased. Of this amount copra represented \$593,319, handicraft \$54,807, trochus \$25,304, and other (fruits, vegetables, fish, coconut oil, tortoise shell, trepang, timber, etc.) \$12,309. Copra purchases were 7,554 short tons at an average price of \$78.55. The world prices of copra increased toward the end of the calendar year 1949 and effective 14 February 1950 the field (Island Trading Company branch) price was increased \$10 per ton and is now, #1 grade \$90.00; #2 grade \$80.00; #3 grade \$70.00. This does not include the increased differential of from \$2.50 to \$7.50 per ton offered for copra brought to the Island Trading Company branches by native boats (Note: the previous differential was \$5.00 per ton, i.e. \$85.00 in the outlying islands, \$90.00 at the branches, etc.). See answer to Delegation of New Zealand, question 2(a)7. Nor does it include the 15% processing tax which is paid to the Trust Territory Treasury by the Island Trading Company.

The Balance Sheet of the Island Trading Company as of 31 March 1950 follows:

ISLAND TRADING COMPANY OF MICRONESIA
BALANCE SHEET AS OF 31 MARCH 1950

ASSETS

CASH

On hand and in banks \$ 468,814.39

INVESTMENTS

Government Securities 718,257.86

ACCOUNTS AND NOTES RECEIVABLE

Accounts Receivable	\$ 52,864.80	
Notes Receivable	9,994.07	
Total	61,958.87	
Less: Reserve for Bad Debts	8,205.45	53,753.42

COMMODITIES, SUPPLIES AND MATERIALS

Trade Goods	622,736.30	
Purchase Commitments - Trade Goods	113,050.68	
Handicrafts	51,552.51	
Copra	253,717.10	
Trochus	363.36	
Other Native Products	10,769.90	1,052,189.85

LANDS, STRUCTURE & EQUIPMENT

Automotive and Official Equipment 1.00

DEFERRED AND UNDISTRIBUTED CHARGES

Deposits in Naval Working Fund 50,513.33

OTHER ASSETS

Agana Terminal and Marbo Handicraft Shops	6,081.15	
Deposits on Letters of Credit	18,728.20	24,809.35

TOTAL \$2,368,339.20

/LIABILITIES

ISLAND TRADING COMPANY OF MICRONESIA
BALANCE SHEET AS OF 31 MARCH 1950

LIABILITIES

ACCOUNTS PAYABLE

Government Agencies \$ 489,971.38

ACCRUED LIABILITIES

Other 2,992.54

OTHER LIABILITIES

Equipment on Loan 1.00

TOTAL LIABILITIES \$ 492,964.92

CAPITAL

CAPITAL STOCK AND PAID IN SURPLUS:

Capital Stock Authorized and Issued 1.00

EARNED SURPLUS

Reserved:

Self Insurance	\$ 111,757.73
Fostering New Enterprise	100,000.00
Navy Subsidized Costs	1,290,572.28
Copra Price Stabilization Fund	24,600.00

Unreserved:

Undivided Profits	348,443.27
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Total Earned Surplus	1,875,373.28
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Total Capital	1,875,374.28
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TOTAL	2,368,339.20
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(b) No. While at the present time the Island Trading Company handles the major part of the import and export trade of the Trust Territory, this situation exists merely because the Island Trading Company was created as a matter of economic necessity to fill a commercial vacuum. As has been previously indicated, indigenous companies are taking over an increasing proportion of the economic activities in the Trust Territory.

(c) While the Island Trading Company may as an interim measure expand its activities in some fields to develop the economy and perform necessary services for the inhabitants, it is the declared policy of the administration to contract such activities as soon as private indigenous enterprise is capable of assuming the responsibilities.

(d) In July 1948, \$100,000 of Island Trading Company profits were transferred to the Trust Territory Treasury for general civil governmental purposes. In addition, in an effort to stimulate and diversify economic activities and Economic Development Fund of \$100,000 was set up in March 1950 by the Island Trading Company, to be advanced to indigenous entrepreneurs as grants, or preferably on a loan basis, for the development of new industries or for government-operated pilot enterprises. Projects currently under consideration include boat building, fishing industry, soap manufacture, cocoa, papain, and ramie production, and other agricultural enterprises.

Question 19: Does the Island Trading Company buy trade goods and does it sell exported products elsewhere than in the United States? Do all the importers and exporters benefit from the privilege of transporting commercial cargo by naval vessels? (Question 77) (Belgium)

Answer: (a) Yes. The past year has seen an increasing flow of copra to Japan and of manufactured goods from Japan to the Trust Territory. Shipments of copra have also been made to South America and to Canada.

(b) Yes. The Navy extends the privilege of shipment in Navy bottoms to all shippers in the Trust Territory on a space available revenue basis when commercial shipping is not available.

G. Phosphate

Question 20: Has any change been made in the arrangement concerning the output of the Anguar phosphate mines as recommended by the 5th session of the Trusteeship Council? (Philippines)

/Answer:

Answer: While the Special Representative was not in a position to discuss the details at last year's meeting, it may now be stated that for the past two years the subject of the Angaur phosphate mining operations and the welfare of the Anguarese people has been under review by the Administering Authority. In December 1949, a hydrological survey team was commissioned by the High Commissioner to study the hydrological conditions existing as a result of previous phosphate mining and to make recommendations for the future, with the welfare of the Anguarese as the prime consideration. The team was composed of three expert hydrologists, Dr. Chester K. Wentworth, Dr. Arnold C. Mason, and Mr. Dan A. Davis. The survey team found that certain damage to ground water and arable land existed in consequence of forty years of phosphate mining; that if mining were stopped the impairment of certain land would continue due to penetration of salt water, unless protective measures were taken to prevent it; that if the lakes were partly filled with sand the spread of damage could be reduced or stopped; that the nature of the ground was such that salt water would probably not spread to the southern two-thirds of the island; that certain specified areas under controlled conditions could be mined safely; that if mining is continued under conditions prescribed, the condition of the ground water and soil on Anguar would be better in five or ten years than if mining were stopped at once; that digging material to fill the lakes from certain areas to a depth close to ground water level would in time result in good wet agricultural land in these areas.

A meeting was conducted on Anguar between representatives of the High Commissioner, including the staff conservation officer (an expert on soils) and the staff anthropologist of the Supreme Commander for the Allied Powers and representatives of all eighteen Anguarese clans. The report of the hydrologists and the conclusions of the conservation officer were thoroughly explained to the Anguarese. The next day, 21 December 1949, entirely voluntarily, all Anguarese clan leaders and the representatives of SCAP and of the High Commissioner executed an agreement, the substantial provisions of which are as follows: the agreement to take effect as of 1 January 1950 is based on the report and recommendations of the hydrological survey team which is governing; mining is authorized in nine specified and delineated areas providing all conditions are fulfilled, i.e., repair and preventative back filling is accomplished; the High Commissioner is to ensure that the protective measures are carried out and will employ a hydrologist for that purpose; the Department of the Army will pay a

/severance fee

severance fee of \$2.00 US per long ton of dry phosphate adjusted to a basis of 32% 205; in addition, the Department of the Army will pay into the Trust Territory Treasury a processing tax of 15% of the value of the phosphate processed; the severance fee provided will be placed by the High Commissioner in a Trust Fund, the income of which will be paid during the lifetime of all present permanent residents of Anguar as follows: two-thirds to the clans who own land where the phosphate is to be mined; one-third to the municipality of Anguar in part for the clans who own no phosphate land and the balance for municipal purposes; until the trust fund has been built up by installment receipts, \$15,000 annually will be utilized, taken so far as necessary out of capital, for the initial payments; the aggregate of the existing trust fund to January 1, 1950 will be covered into the new trust fund; the High Commissioner is authorized to invest \$50,000 in justified enterprises desired by the Anguarese; a calamity fund of \$25,000 of the Trust Fund is to be set up for relief or rehabilitation of the Anguarese; upon the death of the last permanent resident now living, the trust fund will be extended or distributed to the beneficiaries designated to receive the income.

This agreement has been approved by the High Commissioner, the Supreme Commander for the Allied Powers, and the Departments of the Navy and Army, subject to the execution of a supplementary agreement between the High Commissioner and the Anguarese. This supplementary agreement has been negotiated and last week was sent to the Anguarese for their approval. It provides that distribution shall be made according to schedules prepared by the leaders of the clans concerned and certified by the District Court to be an equitable distribution and that these schedules shall remain effective until revised schedules are certified by the District Court after adequate hearing held after due notice to all parties concerned. It includes details of payments and accounting. Briefly, it credits each recipient with its share as it accumulates, and provides that each may draw it out for use, if desired, through the Civil Administrator, Palau. They will be advised that if they choose to let any amount accumulate for a sufficient time it will draw interest (estimated attainable at approximately 2 per cent at present rates).

The Administering Authority considers this agreement to be in the interest of the Anguarese people as well as the people of the Trust Territory as a whole. It was carefully explained to the Anguarese by the High Commissioner's representative that if they so desired, the mining would be terminated.

Tonnage of phosphate shipped, severance fees and processing tax for the

/12 months ending

12 months ending 30 June 1950 (estimated for May and June) are as follows:

Phosphate shipped (converted to 32% P ₂ O ₅)	Severance Fee (From 1 Jan. 1950)	Processing Tax (From 1 Jan. 1950)
152,883 long tons	\$173,255.81	\$49,921.65

Question 21: Information of a general nature is requested on the history and organization of the Japanese Phosphate Company and its operation in the Trust Territory. (China)

Answer: The Phosphate Mining Company was instituted as the result of negotiations between representatives of the Japanese Government and super-phosphate manufacturers in Japan undertaken in implementation of instructions of the Supreme Commander for the Allied Powers. The company was organized on 28 July 1947 and registered with the Japanese Government in accordance with Japanese law. The authorized capital is 5,000,000 yen, raised by issuing 100,000 shares of 50 yen par value, bearing 6% interest. This interest is the only monetary return to the shareholders. Any deficit or profit above this 6% is absorbed by the Japanese Government. The shareholders are understood to be companies having business with the Phosphate Mining Company. Allocation of the phosphate ore to super-phosphate manufacturers is handled by the Fertilizer Section of the Japanese Ministry of International Trade and Industry.

Since July 1947 this Company has mined phosphate ore on Angaur and exported it to Japan. About 400 Japanese and about 40 Angaurese are engaged in these activities. The company's operations in the Trust Territory are limited solely to Angaur Island. Its operations are supervised by a Liaison Officer on Angaur representing the Supreme Commander for the Allied Powers and are under the general surveillance of the Civil Administrator of the Palau District so far as indigenous interests are affected.

H. Copra

Question 22: During the period under review, what was the world price of copra? Are exporters other than the Island Trading Company authorized to buy copra and do they do so? (Question 73)
(Belgium)

Answer: (a) The price of copra delivered on the West Coast of the United States for the 12 months ending 30 June 1949 ranged between a high of \$265.00 per short ton in July 1948 and a low of \$152.50 per short ton in June 1949.

/(b) Yes.

(b) Yes. In recent months shipments of copra through channels other than the Island Trading Company have been increasing.

I. Commercial Fishing

Question 23: On page 4 of the report it is stated that, on January 24, 1949, the waters of the Trust Territory were open to commercial fishing. On pages 21 and 37 it is indicated that no outside commercial fishing companies have, in fact, requested permission to fish in the Trust Territory. It appears also from page 37, that the establishment of indigenous commercial fishery is not feasible at the present time. Would the Special Representative explain whether the Administering Authority is taking any measures to encourage the rehabilitation of the fishing industry? Have there been any further instances of unauthorized fishing by Japanese vessels? (New Zealand)

Answer: The Administering Authority is doing what it can to encourage the rehabilitation of the fishing industry by indigenous inhabitants on a very modest scale. The Island Trading Company has imported several new fishing boats and sold them to the inhabitants. The Island Trading Company is now operating such a fishing boat on an experimental and demonstration basis. Through the Staff Fishing and Shipping Commissioner, as well as the Island Trading Company, assistance has been given in marketing fish and in obtaining commercial transportation necessary to bring the fish to market. Experiments have been conducted to explore the commercial possibilities of other marine products.

During the current year, the boat-building program has attained considerable impetus especially in the Marshalls Islands District, through the action of the Administering Authority in making available surplus wooden Navy whaleboats and 38, 40 and 50 foot workboats. All districts are being provided with such hulls. As an incentive to the acquisition, conversion and operation of such boats, the Island Trading Company has recently increased the purchase price of copra delivered to its branch warehouses by locally-operated craft by providing an allowance for such transportation of from \$2.50 to \$7.50 per ton depending on the distance involved. This is in addition to the \$5.00 differential allowed for copra delivered to the branch warehouse as against that called for at outlying points. Additional funds have been made available to foster boat-building and indigenous commercial fishing enterprises and studies are being currently made by Civil Administrators and the Fishing and Shipping Commissioner toward activating such projects. (See Answer to Delegation of China, Economic Advancement, question No. 18)

/There have

There have been no further instances reported of unauthorized fishing by Japanese vessels.

III. SOCIAL ADVANCEMENT

A. Standard of Living

Question 24: The Annual Report indicates that due to the absence of a prevailing money economy in the Territory it has not been deemed practicable to conduct family living studies and other cost of living surveys, or to prepare and publish cost of living indices. Could the Special Representative nevertheless inform the Council whether the standard of living is still as it was described last year "below pre-war levels"? (Philippines)

Answer: The standard of living varies considerably from one part of the Territory to another. Certain aspects of living conditions also compare very differently with corresponding conditions prior to World War II. It is considered that educational and health conditions, as they pertain to the standards of living, are generally better than they were before the war, and that the entire standard of living in outlying islands removed from Japanese centers of economic activity, is at least up to pre-war levels. In those communities near Japanese centers, however, the purely economic aspects of the standard of living depending directly on a money economy, appear still to be below pre-war levels. The Administering Authority is doing everything possible to improve this condition without permitting the introduction of interests which might tend to exploit the indigenous inhabitants. The opportunities for employment for wages and for sale of local perishable which existed under the Japanese regime in those areas, should be against the freedoms now enjoyed by the inhabitants and the fact that there are no longer large numbers of non-indigenous persons using major portions of the local resources.

B. Status of Women (Page 45 of the report).

Question 25: Are there any signs of an increasing desire on the part of women to participate in the management of local affairs? Have any unofficial women's organizations developed recently in the Territory? (New Zealand)

Answer: Yes. Two indigenous women have been elected to the Palau Congress. One of these women presented a written petition concerning prohibition to the United Nations Visiting Mission on behalf of over 200 women of Palau.

The Special Representative has no knowledge of any women's organizations having been developed recently in the Territory.

/c. Labor

C. Labor Conditions and Regulations

Question 26: It is stated that "in most cases" housing is provided for the workers. Does this refer to a legal requirement or are the employers free as to whether or not they furnish housing? (Belgium)

Answer: Provision of housing by employers is not a legal requirement. In the case of non-indigenous commercial employers the conditions under which indigenous inhabitants are employed are regularly considered in connection with the granting of permission to engage in business, action in each case depending on the circumstances involved.

D. Health

Question 27: Would the Special Representative care to give information on the results of the general medical survey which has been accomplished by the medical unit, the USS Whidbey? (Philippines)

Answer: The general medical survey of the Trust Territory, which is being conducted by the Administering Authority through the medium of the USS Whidbey, is continuing in the Marshall and the Eastern Carolines. Operations have been completed in the Northern Marianas, the Western Carolines and part of the Marshall Islands. Approximately 18,200 persons, representing very close to 100% of the population of the areas already visited, having been examined, vaccinated, and inoculated. In addition to the results stated in answer to question 170 on page 53 of the Report, 40 hitherto unreported cases of tuberculosis and 20 of leprosy have been discovered and prompt remedial action taken. Also, information as to diet for children, sanitary precautions and other pertinent health matters have been given a most complete dissemination as a result of this survey, and the effects thereof are already being noted. As another important factor relating to the general health program, the normal habitat of certain disease-bearing insects has been carefully noted and recorded in all of the areas visited. Finally, extremely valuable statistical information emanating from the medical survey is being further evaluated and compiled by the Statistics Section of the Bureau of Medicine and Surgery, Navy Department. Such information will be presented after the survey has been completed for the entire Trust Territory. It is now estimated that the survey of the Marshalls will be completed in July of this year, and that the survey of the Eastern Carolines will take another full year.

Question 28: Is syphilis unknown in the Territory? (supplement XII-E)
(Belgium)

Answer: No cases of syphilis have been reported during either of the first two years of the Trusteeship nor has report of any such cases been received by the Special Representative to date during the current year.

Question 29: Are the medical and dental assistants and nurses who have returned to their home islands for duty given periodic refresher courses? (New Zealand)

Answer: It is the plan of the Administering Authority to provide periodic refresher courses for Medical and Dental Assistants and Nurses, but none of these have as yet been in the field long enough to warrant such action.

E. Alcohol and Spirits

Question 30: Is there no consumption of alcohol by "Europeans"? (Translator's note: "European" is presumably used to refer to non-natives.)
(Belgium)

Answer: The statement in the report in answer to Question 195 relates to importation of alcoholic beverages for indigenous inhabitants. Non-indigenous persons are permitted, under administrative controls, to import alcoholic beverages for their own use. However, sale, transfer, or gift of such products to the indigenous inhabitants is not authorized.

F. Social Legislation

Question 31: On page 60 of the Report it is stated that no legislation whatsoever affecting social welfare has been enacted during the year under review, and the field of social security has not yet been surveyed. What steps, if any, are contemplated by the Administering Authority in these matters in order to meet the requirements of the indigenous population? (China)

Answer: The social welfare and social security of the indigenes are well assured in most instances by the clan or family systems prevailing in much of the Trust Territory. Any substantial change in these systems would have such far-reaching social effects that it is considered that no immediate legislative action in this field is either necessary or desirable. However, basic social customs and conditions are under continuing review by civil administration and anthropologists.

IV. EDUCATIONAL ADVANCEMENT

A. Secondary Schools

Question 32: Does the Administering Authority consider the possibility of establishing secondary schools in the Trust Territory as requested in the recommendation of the Trusteeship Council? (Philippines)

Answer: The Administering Authority has considered carefully the question of establishing secondary schools in the Trust Territory and has broadened the scope of education offered at the Pacific Island Teacher Training School on Truk to provide for those not interested in teaching. In September 1949 a School of Communications was added to train indigenous radio operators. Arrangements are now being made to add a School of General Education in September 1950. Commencing with the opening of the fall semester it is hoped to offer courses leading to diplomas in Teaching, Communications, Liberal Arts, Business, Government, and Agriculture.

B. Pupils

Question 33: Would the Special Representative please endeavor to supply the following percentage figures (approximations only):

- (a) Number of pupils enrolled in schools, expressed as a percentage of the number of children of school age.
- (b) Number of children regularly attending school, expressed as a percentage of the number of pupils enrolled. (New Zealand)

Answer: (a) It is believed that over 90 per cent of the children of school age are enrolled in schools.

(b) of the pupils enrolled in schools, approximately 100 per cent are regularly attending. Voluntary non-attendance without a good excuse is rare.

C. Missionary Activities

Question 34: How does it happen that there is no missionary on Saipan? (Belgium)

Answer: There are both Catholic and Protestant Missionaries on Saipan, but they are not presently engaged in secular education work. For this reason they are not included in the tabulation shown on page XXVII of the Statistical Supplement to the Report.

/D. Mission

D. Mission Schools

Question 35: Is there any differentiation in the treatment of public schools and missionary schools? Does the Government of the Trust Territory exercise any control over the missionary schools? If so, to what extent? (China)

Answer: Yes. Public elementary schools are operated by the municipalities under the supervision of the Administration. Financial assistance is given by the Administration where this is deemed necessary. Public schools above the elementary level are operated directly by the Administration. Private schools, including missionary schools providing secular education as stated in answers to questions 224 and 225 on pages 65 and 66 of the Report are required to operate within minimum standards established by the Administration. In order to qualify for textbooks and school supplies furnished by the Administration without charge, private schools must maintain academic standards equivalent to those of the public schools. Otherwise the missionary schools control and finance their own operations.

E. Adult and Community Education

Question 36: No museums or public libraries in the proper sense exist in the Trust Territory to date. What steps does the Administering Authority propose to take to stimulate the establishment and growth of public libraries and museums? What use is made of such other instruments of mass education as the radio, the cinema etc.? (China)

Answer: As explained in answer to question 239 on page 76 of the Report the school libraries are open to the public. These are being augmented and expanded as funds are available and as the educational advancement of the people enables them to make use of such facilities. Until a much larger portion of the population becomes familiar with written non-indigenous languages or many more publications are printed in one or more of the local languages, it is considered that the establishment of public libraries, separate from the schools, will not be warranted. The maintenance of a museum for the benefit of the indigenous inhabitants also does not appear warranted at this time.

The use of the radio, the cinema and other audio-visual aids to education is limited to the extent to which local conditions and installations permit. The problem of maintenance of radio receiving sets and maintenance and

/operation

operation of radio transmitting facilities, combined with the existing language difficulties, make any extended use of radio as a medium for mass education impracticable at the present time. As noted in answer to question 234 on page 75 of the Report a limited number of educational films, particularly on health subjects and vocational training films are used. The lack of electricity however, limits such use largely to the civil administration centers.

F. Press

Question 37: There is as yet no official or unofficial agency for the dissemination of news or the recording of public opinion in the Trust Territory. Is there any plan for the establishment of a press? (China)

Answer: There is as yet no official or unofficial agency especially charged with responsibility for the dissemination of news or the recording of public opinion in the Trust Territory. There is no plan at the present time for the establishment of a press in a commercial sense. The eight or more different languages used and the great distances between islands make preparation and wide distribution of anything useful closely approaching a newspaper in the metropolitan sense, extremely difficult. However, the High Commissioner is planning to forward news and information of interest to the indigenous inhabitants to the several civil administration centers for translation into the local language or languages of each district and further dissemination to the people through the medium of the mimeographed bulletins noted in the answer to question 139 on page 46 of the Report.
