



UNITED NATIONS TRUSTEESHIP COUNCIL



Distr.
LIMITED

T/L.1200
28 June 1976

ORIGINAL: ENGLISH

Forty-third session
Item 4 of the provisional agenda

OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Note: The present paper has been prepared as a preliminary draft of the section dealing with conditions in the Trust Territory of the Pacific Islands to be included in the next report of the Trusteeship Council to the Security Council. Each subsection of the draft will be supplemented by such additional information as may become available during the Council's examination of conditions in the Territory and by such observations and recommendations as the Council may wish to include.

A. GENERAL

Land and people

1. The Trust Territory of the Pacific Islands consists of three archipelagos: the Marshalls, the Carolines and the Marianas. The island of Guam in the Marianas is not a part of the Trust Territory but is an unincorporated Territory of the United States. The three archipelagos include more than 2,100 islands and atolls scattered over an area of some 7.8 million square kilometres of the western Pacific, north of the Equator. The islands and atolls of the Trust Territory have a combined land area of approximately 1,854 square kilometres.
2. According to the 1973 census, the resident population of the Territory totalled 114,773. The distribution of the population in the Trust Territory was as follows: Truk, 31,600; Marshall Islands, 25,044; Ponape, 23,251; Mariana Islands, 14,335; Palau, 12,674; and Yap, 7,869.
3. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups. Language differences exist in the Territory, although each island language has a common Malayo-Polynesian source. Nine major languages, with dialect variations, are spoken in the Trust Territory: two in Yap, three in Ponape and one in each of the other districts.

Population movements

4. At its forty-second session, the Trusteeship Council noted with satisfaction that the people of Bikini had begun to return to their ancestral home after receiving the necessary guarantees concerning the safety of Bikini atoll. It took note of the requests by the people of Enewetak, Roi Namur, Rongelap and Utirik for the settlement of their claims, and expressed the hope that the Administering Authority would give appropriate consideration to these requests.
5. In the annual report under review (see T/1772), covering the period from 1 July 1974 to 30 June 1975, the Administering Authority states that plans had been formulated for the first group of Bikinians to return to their home atoll in May 1974. At that time, the people of Bikini decided not to return until official action had been taken on a bill which was pending in the Congress of the United States of America with respect to an ex gratia payment. Subsequently, the Congress authorized an ex gratia payment of \$3 million ^{1/} and the President of the United States signed the act into law on 12 June 1975 (Public Law 94-34). The budget appropriation for the Trust Territory for 1975/76 included this amount.
6. In 1974, following inspection of the first 40 houses built for them on the island, the people of Bikini requested minor modifications in interior design for the completed houses as well as for those still to be built. They also requested that many of the houses not yet built be located in the interior of Bikini Island, which necessitated a revision of plans for the resettlement project and a new radiological survey.
7. As a consequence, the construction programme of housing and public buildings on Bikini was postponed until additional data could be obtained regarding the site of the remaining buildings. An extensive radiological survey was conducted by the Energy Research and Development Administration (ERDA), formerly the Atomic Energy Commission, in June 1975.
8. According to the annual report of the Administering Authority (see T/1772), progress on the planning for the cleaning up, rehabilitation and resettlement of Enewetak Atoll has continued. In March 1975, a master plan was formulated and an environmental impact statement was completed. Requests for authorization and financing for this work were submitted to the United States Congress for consideration during 1975/76.
9. In 1965, the United States Congress had appropriated \$950,000 in the form of an ex gratia payment, as compensation to the people of Rongelap. Since then, however, thyroid radiation related effects have appeared in the exposed group on Rongelap and to a lesser extent in the exposed Utirik population. A compensation bill is currently under study and is to be submitted to the Congress during 1976/77. Under proposed legislation, compensation would be paid to exposed individuals of Rongelap and Utirik for thyroid radiation related effects.

^{1/} The local currency is the United States dollar (\$US).

10. Negotiations between the United States and the people of Roi Namur towards a settlement on the use of that island were not successful. On 24 April 1975, a suit was filed in the United States Court of Appeals against the Administering Authority by the counsel for the Marshallese landowners. The case was still pending in June 1975.
11. The report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1976, 2/ states that inasmuch as the agreement of 27 November 1956 provides that the Bikinians can return, if they wished, to their island of origin, it is the duty of the United States to speed up the tests on Bikini so that those Bikinians who wish to do so, notably those living on Kili, may, with a full knowledge of the facts, return to their island. The Mission strongly urges that the funds being sought for that purpose by ERDA should be made available as soon as possible.
12. As regards Enewetak Atoll, the report of the Mission states that the United States Department of Defense informed the Mission that funds had been requested from the Congress for cleaning up the atoll, which would cost an estimated \$20 million. The Mission hopes that the Bikini experience will not be repeated and that the programme will be carried out within the time-limit envisaged.
13. The Mission states that the case of the island of Roi Namur, unlike those of other islands used for the missile range (settled in 1964), is still pending. The inhabitants of Roi Namur have brought suit in the United States courts. On Ebeye, where the inhabitants of Roi Namur live, several speakers urged the Mission to help them to find a speedy solution to the problem. The Mission, like the 1973 Visiting Mission, trusts that an equitable solution will soon be found to this case, which has been long outstanding, and that account will be taken of the length of the occupation and the rise in the cost of living since 1964. This recommendation also applies to those other islands, whose status has not yet been regularized.
14. Owing to the many complaints received by the Mission during its visit to Ebeye, it emphasizes in its report the desirability of finding a solution to the problems of this island, which can only become more complicated as the population increases. Action to relieve congestion on the island should be accompanied by action to improve the living conditions of the population.

War damage claims

15. War damage claims by the inhabitants of the Trust Territory fall into two broad categories: claims against the Japanese Government, mainly for damages sustained by the indigenous inhabitants during the Second World War, and post-war claims against the Government of the United States.

2/ Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 3 (T/1774), para. 382.

16. On 18 April 1969, the Governments of the United States and Japan signed an agreement providing for the settlement of Micronesian war claims, under the terms of which the two Governments joined in an ex gratia arrangement to make a contribution towards the welfare of the inhabitants of the Territory. Japan agreed to make available in grants to the United States, in its capacity as Administering Authority, 1.8 billion yen, then computed at the equivalent of \$5 million. The United States, for its part, agreed to establish a fund in the amount of \$5 million.

17. The Micronesian Claims Act of 1971 (United States Law 92-39) established a Micronesian Claims Fund to consist of the contributions of the United States and Japan pursuant to the agreement referred to above. The Act also established a Micronesian Claims Commission with authority to receive, examine, adjudicate and render final decisions with respect to: (a) claims for damage directly resulting from the hostilities between the United States and Japan between 7 December 1941 and the dates of the securing of the various islands of Micronesia by the United States; and (b) claims arising as post-war claims between the dates of securing of the various islands by the United States and 1 July 1951. The Commission was to register claims within a period of not more than one year after the appointment of its full membership and to complete its task as expeditiously as possible and, in any event, not later than three years after the expiration of the period for the filing of claims.

18. The Act authorized an appropriation of \$20 million for the settlement of post-war claims by Micronesian inhabitants against the United States or the Government of the Trust Territory because of personal injury or material damage, including claims for the acquisition, use or retention of property without adequate compensation, provided that the accident or incident out of which the claim arose occurred prior to 1 July 1951.

19. At the forty-second session of the Trusteeship Council, the Special Representative of the Administering Authority stated that the United States Congress had appropriated \$20 million for the "post-secure" claims. In the event that the awards made exceeded the funds so appropriated, additional requests for funds could be submitted to the Congress of the United States. The Special Representative added, however, that the law which set up the payment of the claims specifically provided that if the total amount adjudicated exceeded the amount of money available, each claimant would be paid proportionately, except that death claims were to be paid in full up to \$1,000. The balance would have to be apportioned unless additional funds were made available.

20. Considering that the claims had arisen 30 years ago, the Trusteeship Council, at its forty-second session, noted that the Congress of the United States of America had appropriated \$20 million for "post-secure" claims. The Council also noted the statement of the Special Representative that the Micronesian Claims Commission had adjudicated 6,598 of the 10,788 claims which had been filed before the October 1974 deadline and that proportionate payments had been made to 1,877 claimants. The Council recommended that the procedure for payment should be expedited as soon as possible.

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21. The current annual report of the Administering Authority states that although the deadline for filing such claims was 15 October 1974, the deadline for their adjudication was 15 October 1976. Thus, until the final claim was adjudicated, the total amount of the claim awards would not be known. Since all claim awards under Title I were not known, the Administering Authority was paying initially 16 per cent of property damage claim awards and \$1,000 on death claim awards in an effort to make an interim distribution of the available \$10 million as equitably as possible.

22. As in the case of Title I, the total amount of Title II claim awards would not be known until 15 October 1976, at the latest. The Administering Authority was therefore in the process of determining the percentage of each claim award that could be paid on an interim basis. After the total amount of claim awards under each title was known, the possibility of further payment could be examined.

23. The report of the 1976 Visiting Mission notes that the Micronesian Claims Commission has estimated that all amounts due would be certified by about 15 July 1976 and would total approximately \$32 million for Title I and \$30 million for Title II. The substantial gap between the Commission's estimates of the total compensation which should be paid to the Micronesians and the amounts available in the Micronesian Claims Fund explains the complexity of the problem and the dissatisfaction caused by this matter.

24. The Mission also states that, in accordance with its undertaking, given while in the Territory, the Mission visited Washington, D.C. in May 1976 for discussions with the competent United States authorities. It explained the grievances of the population and asked what the Administration's intentions were in the matter.

25. With regard to Title I, the Assistant Director of the Division of Territorial Affairs replied that, at the end of the appeals period in October 1976, a further additional, and final, pro rata payment would be made to the claimants out of the approximately \$11 million representing the total amount of the funds currently available. With regard to Title II, he said that, upon the expiration of the appeals period, the claimants would receive a pro rata payment against the existing sum of \$20 million. Each person entitled to compensation would therefore receive approximately two thirds of the adjudicated amount as final settlement. He made it clear that the Administration had no intention of requesting additional funds for settlement from the United States Congress, or of entering into negotiations on the matter with the Government of Japan.

26. The Mission believes that the persons entitled to compensation will not be satisfied with this outcome. The Mission fully appreciates the reasons why the Administering Authority left the Commission entirely free to set the amount of the damages and why the Administration did not try to ensure that the total amounts awarded corresponded to the amounts which would probably be available for the settlement. The Mission did not have enough information to enable it to determine whether the War Claims Commission has been over-generous in setting the amounts. The report states that it is unfortunate that the method chosen by the Administering Authority to settle this admittedly complex problem should have

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produced such a wide disparity between the total amounts awarded and the amounts available for payment and thus between the expectations of the persons entitled to compensation and the compensation which they are likely to receive. If this question is not to remain a continuing irritant, the Mission considers it important that the Administering Authority should, as soon as possible, dispel any uncertainty about the amounts that will be earmarked for the payment of war and post-war damages and should state clearly how it intends to proceed with the settlement.

B. POLITICAL ADVANCEMENT

General political structure

27. Executive and administrative authority for the Government of the Trust Territory and responsibility for carrying out international obligations undertaken by the United States with respect to the Territory are vested in a High Commissioner appointed by the President of the United States and confirmed by the United States Senate.

28. Legislative authority resides in a Congress of Micronesia, as specified by the United States Secretary of the Interior in Secretarial Order No. 2918 of 27 December 1968, as amended.

29. Judicial authority is independent of the executive and the legislature. The High Court is the highest judicial authority in the Territory. There are also district courts and community courts.

30. The authority and responsibilities of the territorial, district and municipal governments are determined by Public Law 1-6, enacted by the Congress of Micronesia in 1965.

31. At its forty-second session, the Trusteeship Council reaffirmed its strong desire as expressed at previous sessions that the unity of the Trust Territory be preserved. It noted that a Constitutional Convention would convene in the Trust Territory on 12 July 1975 and expressed the wish that it would promote the preservation of the unity of the Trust Territory.

32. The Council noted that the negotiations between the Personal Representative of the President of the United States for Micronesian Status Negotiations and the Marianas Political Status Commission had culminated in the mutual signing on Saipan on 15 February 1975 of a Covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States. ^{3/} It noted that that Covenant would be presented to the people of the Mariana Islands District in a plebescite on 17 June 1975. It further noted that if not less than 55 per cent of those voting approved the Covenant it would then be presented to the United States

^{3/} For the text of the Covenant, see Official Records of the Trusteeship Council, Forty-second Session, Sessional Fascicle, annexes, document T/1759.

Congress and would only go into force subject to the approval of both the United States Congress and the people of the Marianas. The Council noted with satisfaction that in accordance with the relevant provisions of the Charter of the United Nations, the Commonwealth of the Northern Marianas would not be established until the termination of the Trusteeship Agreement.

33. According to the annual report of the Administering Authority, the texts of the Covenant, the ballot and related documents were made available in English, Chamorro and Carolinian. Radio, television and public meeting time were made available equally between those who supported the Commonwealth Covenant and those who did not. The final results of the voting showed that 95 per cent of the registered voters had voted and that the Covenant had been approved by a margin of 78.8 per cent. The House of Representatives of the Congress of the United States approved the Covenant on 21 July 1975. The annual report further states that in accordance with its policy, the Administering Authority will terminate the Trusteeship Agreement for all the districts of the Trust Territory simultaneously.

34. According to the annual report, the results of the advisory referendum held in the Trust Territory on 8 July 1975 were inconclusive as far as the choice of future status was concerned but were more definitive on the question of Micronesian unity and on the mandate for the Congress of Micronesia to continue to negotiate future status. 4/

35. The Administering Authority also states that, on 8 November 1975, representatives of all six districts signed a draft constitution for the proposed Federated States of Micronesia. 5/ The draft constitution has been translated, reproduced and distributed in 10 local languages and will be put to a referendum in the Trust Territory on or before 12 July 1977.

Territorial Government

Legislature

36. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate has 12 members, 2 from each district elected at large for four-year terms. The House of Representatives has 21 members elected for two-year terms from single-member election districts. Each of the administrative districts is divided into election districts of approximately equal population. In 1975, the apportionment of representatives was as follows: Yap, two; Palau, three; Mariana Islands, three; Ponape, four; Marshall Islands, four; and Truk, five.

4/ See also Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 2 (T/1771), para. 132 and annex III.

5/ For the text of the draft constitution, see document T/COM.10/L.174, annex I.

37. Members of the Congress are elected by secret ballot of residents who are citizens of the Territory, 18 years of age or older and registered voters. Members serve on a full-time basis and draw annual salaries from funds appropriated by the Congress of Micronesia from local revenues and supplemented, upon the request of the Congress of Micronesia, by funds appropriated by the United States Congress.

38. The first general election took place in January 1965, and subsequent general elections have been held biennially in each even-numbered year. The sixth general election took place in November 1974.

39. According to the current annual report of the Administering Authority, a candidate's reputation, position in the community and traditional ties continue to be important in obtaining public support. Political campaigning in the commonly understood sense began a decade ago. Candidates are given radio broadcast time to describe their programmes. Organized registered political parties exist only in the Mariana Islands and Palau districts. The Mariana Islands District has two parties: the Popular Party and the Territorial Party. In Palau, the Liberal Party and the Progressive Party have been active since 1963. The Trust Territory Code provides for nomination of candidates for political office by political parties. There is no legislation governing procedures for the establishment or organization of such parties, which, in the two districts where they exist, are strictly voluntary associations of community members with common interests.

40. The legislative power of the Congress of Micronesia extends to all appropriate subjects of legislation, except that no legislation may be inconsistent with treaties or international agreements of the United States, United States laws applicable to the Territory, executive orders of the President of the United States and orders of the Secretary of the Interior, or sections 1 through 12 (the Bill of Rights) of the Trust Territory Code. Further, the Congress may not impose any tax upon property of the United States or of the Territory, nor may it tax the property of non-residents at a higher rate than that of residents.

41. The Congress of Micronesia has the power to appropriate funds available from revenues raised pursuant to territorial tax and revenue laws and to review and make programme priority recommendations on the High Commissioner's proposed annual requests for funds to be appropriated by the United States Congress. Secretarial Order No. 2918, as amended, provides that, before the High Commissioner finally submits the annual requests for United States funds on behalf of the Government of the Territory to the United States Secretary of the Interior, he must present a preliminary budget plan to the Congress of Micronesia for its review and for its recommendations on those portions of the plan which relate to expenditure of funds to be appropriated by the United States Congress. The High Commissioner must transmit to the Secretary of the Interior any recommendations of the Congress which he does not adopt. The Congress may take whatever action it deems advisable on the request of the High Commissioner for appropriations of locally derived revenue.

42. According to Secretarial Order No. 2918, as amended, the High Commissioner has the power to approve or disapprove any bill passed by the Congress of Micronesia. If the High Commissioner disapproves a bill, he must so indicate and

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return it with his objections to the Congress within 10 consecutive calendar days, unless the Congress, by adjournment, prevents its return. The High Commissioner has 30 days to consider bills presented to him less than 10 days before or after adjournment. If the High Commissioner takes no action and does not return the bill within the required period, it becomes law without his signature. The Congress may repass by a two-thirds majority vote a bill disapproved by the High Commissioner. If within 20 days the High Commissioner does not approve a bill so passed, he must send it with his comments to the United States Secretary of the Interior, who either approves or disapproves the bill within 60 days after its receipt.

43. The Congress of Micronesia holds a regular session each year beginning on the second Monday in January and continuing for a period not to exceed 50 consecutive calendar days. The High Commissioner may call a special session whenever he deems it in the public interest. The Sixth Congress held its regular session at Saipan from 13 January to 3 March 1975. During that session, important legislation which became law included: Provision for the appointment of a Micronesian delegation to the Third United Nations Conference on the Law of the Sea; the appropriation of \$400,000 as a grant to the Marshall Islands Development Authority for the improvement and development of copra production; the appropriation of \$300,000 for the student loan fund; provision for a referendum throughout Micronesia; the appropriation of \$253,764 to defray the expenses of the Micronesian Constitutional Convention; provision for a comprehensive and balanced development policy for Micronesia; the amendment of Titles 3 and 77 of the Trust Territory Code to enable district legislatures to establish district surtaxes on wages, salaries and gross revenues, thereby reducing the Trust Territory tax on wages and salaries to 2 per cent; the repeal of certain provisions of the Code relating to shared revenues in those categories; and provision for a 50 per cent surtax on wages and salaries for all districts.

44. At its forty-second session, the Trusteeship Council noted the progress made by the Administering Authority in its continuing efforts to grant self-government to the people of Micronesia, and urged it to intensify those efforts independently of any future political status negotiations which it might pursue with representatives of the people of Micronesia. In that regard, the Council noted with concern that its previous recommendation that the exercise of the right of veto should be restricted by appropriate legislation had not yet been implemented.

45. The Council was aware, however, that some of the difficulties associated with the use of the veto power had resulted from the separation of powers between the legislative and executive branches and that those difficulties had been further exacerbated because that power was exercised by an appointed rather than an elected Chief Executive. Accordingly, it recommended that the Administering Authority give serious consideration to preparing Micronesians for assuming the highest executive functions.

46. The Council noted with appreciation the statements by the Special Representative and the special advisers confirming the progress which had been made in developing a process of consultations on budgetary matters, but regretted

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that the Congress of Micronesia still had only advisory and review functions in the budgetary process. Accordingly, it recommended that the elected representatives of Micronesia should be given greater responsibility in assessing the appropriation and allocation of money available for expenditure.

47. The current annual report states that in view of its international responsibilities under the Trusteeship Agreement, the Administering Authority believes that the flexibility which now exists between the executive and legislative branches should be maintained for the present. That should not be interpreted to mean that legislation adopted by the Congress of Micronesia in purely local matters need involve the United States Secretary of the Interior.

48. In regard to the recommendation concerning the preparation of Micronesians for high executive functions, the annual report states that the Administering Authority recognizes the need to prepare the people for senior posts and that further discussions will be held with Micronesians on the subject in the context of transition to a new political status.

49. The current annual report further states that the Congress of Micronesia has full authority over the appropriation and use of locally generated funds in the Trust Territory, with the exception of those portions which, in accordance with the decision of the Congress, are turned over to the district legislatures. Locally generated funds total about \$6 million annually.

50. Grants from the United States Congress are allocated to the Trust Territory budget programme which receives input from the district legislatures and the Congress of Micronesia. At a meeting held in the fall of 1974 between officials of the United States Department of the Interior and leaders of the territorial Joint Committee on Program and Budget Planning, a request was made to the Congress of Micronesia to formulate several alternatives aiming at increasing its authority over budget preparation and the expenditure of such funds from the United States Congress. The report from the Congress of Micronesia is awaited.

51. In a letter dated 10 March 1976, addressed to the 1976 Visiting Mission, the President of the Senate of the Congress of Micronesia, commenting that one of the prerequisites for self-government was the gradual assumption of increasing responsibility and authority to make decisions, noted that the veto power of the United States High Commissioner and the Administering Authority had remained virtually unchanged for over a decade. Referring to the issue of the budgetary authority of the Congress of Micronesia, he went on to state that the reluctance of the United States Department of the Interior to intercede on behalf of the Congress of Micronesia in that matter had led the Congress to adopt Senate joint resolution No. 6-111, which authorized a budget committee of the Congress of Micronesia to present to the appropriate United States congressional committees its own budgetary justification of the annual subvention from the United States.

Executive

52. Working under the High Commissioner is a headquarters staff and the district

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administrators. All officers function under the Trust Territory Code and the Trust Territory Manual of Administration.

53. The office of the High Commissioner consists of the Deputy High Commissioner, the Executive Officer, the Attorney-General, the Special Consultant, the Special Assistant for District Affairs, the Special Assistant for Legislative Affairs, the Program and Budget Officer, the Territorial Planner, and the directors for education, finance, health services, personnel, public affairs, public works, resources and development, and transportation and communications. Under the directors are division chiefs and specialists responsible for the technical direction of programme operations throughout the Territory and for the provision of necessary staff and professional and technical services.

54. At its forty-second session, the Trusteeship Council noted with satisfaction that five out of eight departments responsible for major programmes in the executive branch were headed by Micronesian citizens. It urged that that encouraging trend towards localization at the executive level be maintained.

55. The Council considered the increase in the number of Micronesians in senior executive posts to be an encouraging development in the preparation of the people for self-government. As a means of further promoting this development, it recommended that consideration be given to providing for the appointment of a Micronesian to the post of Deputy High Commissioner as an interim measure towards filling the post by election.

56. The current annual report states that of the 39 positions subject to the advice and consent of the Congress of Micronesia, 23 are filled by Trust Territory citizens, 10 by United States citizens and 6 are vacant.

57. Of the eight major departments responsible for major programmes in the Executive Branch, six are now headed by Trust Territory citizens, one is headed by a United States citizen and one is vacant. Accordingly, 75 per cent of the senior positions in the Trust Territory are now filled by Micronesians, compared with 62 per cent in the previous year. This is consistent with the policy adopted by the Administering Authority to train and develop the people of the Trust Territory.

58. Referring to the recommendation by the Trusteeship Council that consideration be given to providing for the appointment of a Micronesian to the post of Deputy High Commissioner, the 1976 Visiting Mission states that it realizes that the Administration would have a hard choice in selecting such an individual, particularly when faced with the sensibilities of the various districts. The Mission further states that the Administering Authority and the Congress of Micronesia may, moreover, be hesitant about promoting the political fortunes of an individual Micronesian in this way at the present stage in the development of the Territory towards self-government.

District government

59. The Special Representative informed the Trusteeship Council at its forty-first session that, by an act passed by the Congress of Micronesia in 1974, the island of Kusaie would become a separate district on or before 1 January 1977. The Secretary of the Interior had notified the Congress of Micronesia of his approval of the creation of the new district and the Administration was already taking the necessary measures to implement the decision.

60. The act passed by the Congress of Micronesia in 1974 making Kusaie a separate district was officially signed into law (Public Law 5-77), marking the culmination of several years of efforts by the leadership of Kusaie to achieve the status of a separate district.

District administrators

61. General executive responsibility in each of the districts resides in the district administration headed by a district administrator. In his district, the district administrator is the High Commissioner's principal representative and exercises general supervision over all operations, programmes and functions of the Territory within the area of his jurisdiction. He is also responsible for the execution of all district laws. Each district administration consists of a number of officers and departments corresponding to those at headquarters.

62. The current annual report of the Administering Authority states that, with the implementation of the decentralization policy, increased authority and responsibility have been delegated to the district administrators.

District legislatures

63. All district legislatures act under charters granted by the territorial Government. Members of all district legislatures are elected by popular vote with the exception of the hereditary chiefs of Palau, who acquire membership because of their status, but are not entitled to vote. In the Marshall Islands District Legislature, which consists of 24 members, eight elected seats are reserved for the Iroi (traditional chiefs).

64. No uniform plan exists for representation in the various district legislatures. Although allocation of representation is generally based on population, the ratio varies from district to district. Thus, Palau District has a legislature of 28 members, while Truk District, with a population more than double that of Palau, has a legislature of 27 members.

65. Bills passed by district legislatures are presented to the district administrator, who has the power to approve or disapprove them within 30 days. District legislatures may pass disapproved bills over the district administrator's veto by a two-thirds majority of their entire membership. If the district administrator does not then approve a bill so repassed, he must send it to the High Commissioner who must either approve or disapprove it within 30 days.

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66. At its forty-first session, the Trusteeship Council considered that special attention should be given to the functioning of the district legislatures, since they constituted the basis for the Territory's deliberative organs. It felt that that question should be settled by the forthcoming Constitutional Convention.

Municipal government

67. The municipality is the basic unit of local government in the Territory. Municipal boundaries to a large degree represent customary geographic-political divisions or entities which may comprise an island, group of islands or atolls, or a locally recognized area or division of a larger island. The Marshall Islands, however, are grouped into municipalities by islands and atolls, irrespective of the overlapping jurisdiction of the hereditary chieftains.

68. Some municipalities function under a charter. Those without a charter may elect only an executive officer or they may remain under a traditional form of government. There are 45 chartered municipalities. In general, the charter provides for a municipal council, a chief executive and other officials. The chief executive of a municipality is known as magistrate or mayor. Municipal council members and the chief executive officers of the chartered municipal governments and several of the unchartered municipalities are elected by popular vote.

69. Ordinances passed by the chartered municipal council and approved by the district administrator have the force and effect of law within that municipality.

70. The 1976 Visiting Mission recalls the comments made by the previous visiting mission to the effect that for a Territory of just over 100,000, Micronesia appeared to have a top-heavy system of representative Government. The present Mission shares the view of its predecessor that this may be the inevitable result of applying a modern democratic structure to a Territory of scattered and isolated communities. However, there appears to be some duplication of function between the municipal and district Governments, which would give scope for rationalization.

71. Referring to the question of decentralization of government, the 1976 Visiting Mission states that it would not wish to make specific recommendations, particularly since so much must depend on the relationship between the districts and the central Government in the constitution finally adopted. However, it emphasizes what it believes is already generally accepted - that the central government structure must be less elaborate and less costly than it is at present.

Civil service

72. The enactment of Public Law 4C-49, on 12 April 1972, repealed the Trust Territory Merit System under Public Law 2-2 and provided the basic statutory authority for the Trust Territory Public Service System. Government personnel in Micronesia are divided into three categories: the United States Civil Service; contract; and the Trust Territory Public Service.

73. At its forty-second session, the Trusteeship Council noted that, despite a decline of 18.8 per cent among expatriate employees, the number of Micronesian employees had risen by 12.5 per cent. The Council reaffirmed its concern over the continuing increase in the number of government employees and reiterated its recommendation that measures be considered to avoid too large a number of civil servants since those would place a heavy burden on the budget of Micronesia.

74. According to the current annual report, some of the recent increases in staff have been the result of new federal programmes which required such a staff. The trend is not expected to continue. The decision to curtail the growth in the number of staff is being implemented and has in effect frozen recruitment for any new positions.

75. The following table illustrates the changes in the number of staff in each category between 1974 and 1975:

	<u>Number of staff</u>		<u>Increase or decrease (per cent)</u>
	<u>June 1974</u>	<u>June 1975</u>	
Trust Territory citizen employees	6 611	7 146	+8.1
Total expatriate employees	577	503	-12.8
expatriate contract employees	420	367	-12.6
United States civil service employees	157	136	-13.4
Total	7 188	7 649	+6.4

76. The annual report under review states that the Trust Territory Government is continuing to train Micronesians to replace expatriate employees and to assume greater responsibilities in the Government. It is also continuing to improve the methods of personnel administration in the Government geared to conditions in the Territory.

77. A new Trust Territory Salary Act was signed into law in July 1975, to take effect from 1 January 1976. According to the annual report, the Act is the result of a joint effort by the legislative and executive branches of Government to meet the need for a salary system which takes account of employees' background from different job markets and the rising cost of living in the Trust Territory.

78. Noting that all the district administrators and all but one of their deputies are Micronesian, the 1976 Visiting Mission is satisfied that the hope expressed by its predecessor that the Administration and the Congress of Micronesia would work together to ensure the appointment of more qualified Micronesians to positions of the highest responsibility is now being met.

79. The Mission recalls and strongly endorses the recommendation made by the Trusteeship Council at its forty-second session that measures be considered to avoid too large a number of civil servants, since this would place a heavy burden on the budget of Micronesia. The Mission further states that, although the matter does not permit an easy judgement, it is its impression that there is

overstaffing at both the territorial and district levels. If the cost of the civil service is to be reduced to a level that a self-governing Micronesia can afford, a thorough review of the scale of government activity will have to be undertaken.

Political education

80. In 1975, the Administering Authority reported that the programme on education for self-government had made significant progress towards the goals it had set when it was organized in 1973. The Administration's Task Force on Education for Self-Government had published and distributed a substantial volume of material concerning the status options open to the inhabitants of the Territory and on the Micronesian Constitutional Convention, held in 1975.

81. According to the current annual report, staff of the Task Force participated in several conferences and workshops throughout the Trust Territory at which traditional leaders, magistrates, legislators and teachers also participated. Materials produced by the Task Force included charts, pamphlets, graphs, posters and newsletters. It also broadcast in all districts a series of programmes relating to economic, social and political developments.

82. In 1974, the Task Force produced two series of radio programmes; conducted a survey to determine the level of political awareness of the people; sponsored several essay contests among Micronesian high school students and published a wide range of printed material, including posters, pamphlets on basic economics and the Micronesian Constitutional Convention, a glossary of terms most often used in status or self-government discussions and a comparative chart of the various status options. All printed matter and radio programmes were produced in the nine Micronesian languages, as well as in English. District task forces were organized to carry out the functions of the programme of education for self-government at the local level.

83. As regards the political education programme in the Territory, it is the impression of the 1976 Visiting Mission that co-operation between the Congress of Micronesia and the executive branch in this matter leaves something to be desired, although, as far as it could judge, the programmes of the task forces both at headquarters and at the district level are being carried out fairly well.

84. The Mission recognizes that political education in Micronesia is not an easy matter. If the right of self-determination is to be properly exercised, however, the Micronesian leadership and the Administering Authority have to make resolute efforts in the intervening years before the termination of the Trusteeship Agreement to ensure that the people have ample opportunity to understand the choices available to them.

Judiciary

85. The Trust Territory has three types of courts: the High Court, district

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courts and community courts. The highest judicial authority in the Territory is the High Court, which has appellate and trial divisions. The High Court consists of the Chief Justice, three associate justices and a panel of four temporary judges. At present, the High Court judges are all United States lawyers appointed by the United States Secretary of the Interior. Serving as temporary judges are the Judge of the District Court of Guam and judges of the Island Court of Guam. Each district court consists of a presiding judge and two or more associate judges appointed by the High Commissioner for specified terms. Community courts have one or more judges, all appointed for a specified term by the appropriate district administrator.

86. At its forty-second session, the Trusteeship Council, taking into account the inadequate number of locally qualified Micronesians, urged that more opportunities be provided for Micronesians to acquire the necessary legal experience which would enable them to occupy positions on the High Court, and that, in the interim, the Congress of Micronesia should be consulted on the appointment or removal of judges on the High Court.

87. The current annual report of the Administering Authority states that what is required, in addition to a university degree in law, is extensive experience in the legal field. There are at present 13 Micronesians who hold degrees in law and practice in the Trust Territory.

88. Referring to the recommendation that the Congress of Micronesia should be consulted on the appointment or removal of judges on the High Court, the annual report states that the present judges are United States civil service employees appointed by the Secretary of the Interior. However, the present trend is to increase the role of the Congress of Micronesia in the selection of judges, as is the current practice at the district level.

89. The report of the 1976 Visiting Mission emphasizes the need for more legally trained Micronesians in the judicial branch of Government, and hopes that the Administering Authority will give the matter appropriate consideration.

C. ECONOMIC ADVANCEMENT

General economy

90. In the annual report under review (see T/1772), the Administering Authority states that the gross product of the Territory is derived largely from United States expenditures for services and capital improvements, from tourism, the production of copra and from subsistence farming and fishing. The Territory has a weak economic base. Labour, land, natural resources and capital are meagre. The Administration is continuing to seek means of promoting the development of the economy so that it can be geared to the world money economy. Two areas for potential major growth are large-scale commercial fishing and tourism. Significant improvement would require more skilled labour, capital and managerial capacity than is currently available in the Territory.
91. The value of commodities exported during the period 1 July 1974 to 30 June 1975 totalled \$11.8 million, compared with \$12.6 million for the previous year. Copra exports were valued at \$3.3 million (\$4.4 million in the preceding year), and exports of fish totalled \$3.1 million (\$3.0 million in 1974). Tourism brought an estimated direct income of \$4.9 million into the Territory, compared with \$4.6 million in the previous year. The decrease in exports was due to the fluctuation of the price of copra on the world market.
92. According to the current annual report, imports in 1975 totalled \$38.2 million, compared with \$29.3 million in the preceding year. The substantial increase in imports resulted from the increase in the cost of petroleum, oil and lubricants, which rose from \$2.2 million in 1974 to \$9.2 million in 1975.
93. At its forty-second session, the Trusteeship Council noted that despite the substantial increase in the value of exports during 1974, the balance of trade in the Trust Territory was still very unfavourable. The Council expressed the hope that the range of exports from the Trust Territory would be further diversified in order to avoid too great a dependence on copra, with its widely fluctuating market prices. It noted that the comparatively small increase in imports during 1974 had been caused primarily by inflationary factors, which indicated that there had been successful attempts to reduce the increasing demand for imports. The Council urged that that trend should be encouraged by the appropriate Micronesian authority.
94. The Council was of the opinion that the existence of United States customs tariffs on Micronesian products was a continuing problem in the promotion of exports from the Territory and hoped that any future measures to encourage Micronesian export trade should be no less generous than those which might be granted to the Mariana Islands. It reiterated its wish that an increase in the taxation of imports classified as non-essential would help to reduce the level of imports.
95. The Council noted that applications for foreign investment were being considered and also took note of the efforts by the Administering Authority to canvass applications abroad, especially in neighbouring Pacific countries. It expressed the hope that that effort would be maintained and that the applications

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would continue to be processed in the interests of developing an economy best suited to the needs of the Micronesian people.

96. The current annual report of the Administering Authority states that the Trust Territory is continuing its efforts to develop import substitution and export industries. A Comprehensive Development Plan being prepared by the United Nations Development Programme (UNDP) for the Trust Territory is expected to indicate areas in which the Territory's products might be diversified in order to avoid continued dependence on copra exports. The Administration realizes that massive efforts must be made to reduce the trade imbalance and establish productive industries in Micronesia in order to increase its exports.

97. The annual report further states that as at 24 March 1975, the Trust Territory would benefit from the Generalized System of Preference authorized by Title V of the United States Trade Act of 1974, under which tariffs on 2,700 categories of imports into the United States from the Trust Territory would be abolished. The report states that it is not yet certain whether there will be a tariff reduction on marine products, garments, watches, etc., which could be produced in the Territory.

98. With regard to taxation on non-essential imports, the annual report states that the Trust Territory supports an increase in taxation and is now working to determine the rates with the assistance of experts from UNDP.

99. According to the annual report, applications for foreign investment from all nations of the world are welcomed in the Territory. The Trust Territory is seeking projects which will be of direct benefit to Micronesia and which will offer maximum participation to the Micronesian people.

100. According to the 1976 Visiting Mission there is an almost universal view held throughout the Territory that the present dependency of Micronesia on large annual payments from abroad is unacceptable and that a dramatic overhaul of the economy is required to remedy present imbalances. This substantial inflow of funds from abroad has in some respects distorted the economy and impeded progress towards self-sufficiency.

101. The Mission shares the view of the 1973 Visiting Mission that in the special circumstances of Micronesia, with its lack of local capital and shortage of skills, vigorous government intervention in the economy is required which would not be considered either necessary or desirable in the United States itself. The Mission is somewhat disappointed at the state of the local infrastructure, such as agricultural roads and small harbours. Although it recognizes that this is in part the responsibility of the local population, it considers that the Administration should have given a firmer lead in the matter.

102. The Mission expresses the hope that the \$145 million allocated for Micronesia's economic development programme will not be treated as a rigid figure and that the necessary funds will be made available if there is a sound case for additional expenditure on infrastructural projects.

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103. The Mission also notes in its report that a draft indicative development plan will be submitted to the Office of Territorial Affairs of the United States Department of the Interior for comment and that details will be provided to the Trusteeship Council at its forty-third session. Pending the presentation of that plan to the Council, the only general comment the Mission wishes to make is that it was impressed by the thoroughness with which the problem was being tackled by the Congress, all levels of the Administration and the UNDP project team.

Public finance

104. The costs of Trust Territory operations are met by grants from the Administering Authority and by local reimbursable revenue collections. Appropriation requests are subject to limits fixed by the United States Congress.

105. In 1975, the limit of annual expenditure, which had been set at \$60 million since 1971, was increased to \$72 million. The grant from the Administering Authority for 1974/75 was \$78 million and the revenue raised within the Trust Territory amounted to \$6.6 million, excluding taxes collected by district legislatures and municipal councils.

106. According to the current annual report, the districts, with the approval of the district legislatures, submit five-year plans for operations and capital improvements to the High Commissioner. These are consolidated into a territorial five-year plan and presented to the Joint Committee on Program and Budget Planning of the Congress of Micronesia. The latter's recommendations on priorities are then forwarded to the High Commissioner, who incorporates the changes into the final plan for submission to the United States Department of the Interior. The plan forms an outline for the preparation of the annual budget.

107. Preparation of the annual budget begins well over a year in advance, when district administrators, district legislatures and various department heads submit estimates to the Program and Budget Officer. After review, the estimates are presented to the High Commissioner for approval. The Program and Budget Officer then draws up a preliminary budget plan for the coming fiscal year, which is presented to the Congress of Micronesia for its review of, and recommendations on, portions relating to funds to be appropriated by the United States Congress. Under the terms of the Secretarial Order, the High Commissioner then adopts those recommendations of the Congress which he deems appropriate; he must also transmit to the Secretary of the Interior all recommendations he does not adopt.

108. At its forty-second session, the Trusteeship Council noted that the Congress of Micronesia was being given every opportunity to participate in determining the allocation of funds, but that final authority over the expenditure of such funds could not, under existing United States law, be relinquished to the Congress of Micronesia. It was the opinion of the Council that it would not be possible for the Trust Territory to practise meaningful self-government until the Congress of Micronesia was entitled to exercise complete financial autonomy over its budget.

109. The Council welcomed the passage of legislation by the Congress of Micronesia in January 1975 to provide for the preparation of a long-range, comprehensive and balanced development plan for the Trust Territory. It noted with satisfaction that under the new legislation the Congress of Micronesia would have the major responsibility for planning, with emphasis on Micronesian participation in the formulation of plans.

110. The Council expressed the hope that the development plan would take into account current proposals for developing an infrastructure within the Territory and would ensure that the proposals were best suited to the needs of Micronesians. It hoped that such development would be sustained by the Trust Territory after the termination of the Trusteeship Agreement, without continued dependence on extensive external financial assistance for the indefinite future.

111. The current annual report states that the Congress of Micronesia does not possess financial autonomy over its own budget derived from locally raised revenues. The Congress had been requested to develop methods for increasing its review and approval authority over the budget of the Trust Territory, but to date the report has not been submitted.

112. The report further states that the Administering Authority agrees with the Council's observation that the infrastructure to be built in the Trust Territory during the remaining years of the Trusteeship should be suited to the needs of Micronesia and be maintainable through local efforts and revenues. It is for that reason that the Administering Authority welcomes the assistance of the Congress of Micronesia and UNDP in the planning processes and the setting of priorities.

113. According to the 1976 Visiting Mission, a fairly elaborate procedure has emerged for the establishment of the territorial budget, with the object of giving the Congress of Micronesia increasing responsibility for the final proposals as presented to the United States Department of the Interior. Nevertheless, budgetary authority remains an issue between the Congress of Micronesia and the Administration. New arrangements put in practice this year, whereby a budget committee of the Congress of Micronesia presents to the appropriate United States congressional committees its own budgetary justification of the annual subvention from the United States, may help matters for the future.

114. The Mission's report further states that the Congress of Micronesia has complete control over the revenue received from the taxes it levies. Each district administrator presents annually to the district legislature a proposed budget for the district based on revenues from district taxes and from the Congress of Micronesia. The district legislature enacts the necessary appropriation bills. Control of fiscal operations at the municipal level rests with the municipal administration, the district administrator having certain powers of supervision and approval. As far as the Mission could judge, the system works fairly well, although, not surprisingly, both districts and municipalities complained to the Mission about the inadequacy of the funds available for the tasks in hand.

Assistance from international institutions

115. At its forty-second session, the Trusteeship Council noted with satisfaction the recent progress in the Trust Territory's involvement in regional and international organizations. It hoped that those new contacts between Micronesia and international institutions would contribute to the growth of a viable Micronesian economy.

116. Noting that Micronesian membership in the Asian Development Bank was contingent on the adoption by the United States Government of the necessary legislation to guarantee amounts advanced by the Bank to the Trust Territory, the Council expressed the hope that the necessary legislation would be introduced in the United States Congress as soon as possible.

117. The annual report of the Administering Authority notes that the UNDP project for assistance in economic planning has been started, and that the guidelines for the project will allow for the identification of internal revenue sources and for a local planning process which will help identify priorities for the use of the annual grants from the Administering Authority.

118. According to the current annual report, recent discussions between the Congress of Micronesia and the Administering Authority concerning the Trust Territory's membership in the Asian Development Bank indicates that, in the light of continuing co-operation between the Administering Authority and the Congress of Micronesia on economic development programmes, the latter wishes to reassess its position on the entire matter. No further action will be taken by the Administering Authority on the subject pending such a reassessment.

Credit

119. The Economic Development Loan Fund makes direct loans and guarantees loans by commercial banks for development purposes. The Fund is administered by a nine-member Board of Directors. During the year under review, 61 direct loans and 11 guaranteed bank loans were made, totalling \$716,850 and \$626,100 respectively.

120. Other sources of credit are provided by credit unions. By the end of 1974, 43 chartered credit unions were operating in the Territory. Of this number, over half were serving residents of villages and communities; the others were credit unions of employees, representing 80 per cent of the financial activity of the credit unions. Credit unions had a total of 11,639 members with assets of \$4.7 million, compared with \$3.4 million in the previous year. During 1974, loans granted by credit unions aggregated \$5.0 million (\$3.9 million in the previous year). About 10 per cent of the population participates in credit union and co-operative programmes in the Territory; co-operative sales totalled \$10.3 million in 1974.

121. At its forty-second session, the Trusteeship Council noted that the Economic Development Loan Fund, the Production Development Loan Fund and the Marine Resources

Development Fund provided loans for development purposes; it expressed the hope that the loans would be directed towards Micronesian participation in, and ownership of, industrial undertakings.

122. The Council welcomed the creation of the Development Bank of Micronesia and the appropriation of \$140,000 by the Congress of Micronesia to cover initial administrative and other expenses. It hoped that the Bank would be able to participate in projects prepared by the Territorial Planning Office, especially for the expansion and development of Micronesia's economic resources, in accordance with the priorities agreed upon by the Administration and the Congress of Micronesia.

123. According to the annual report of the Administering Authority, regulations governing loan funds require that 51 per cent of the enterprise for which loans are sought should be owned by Micronesians. The purpose of the economic production, marine, and agricultural development loan funds is to stimulate development of local resources.

124. The report of the Administering Authority states that organizational arrangements have been completed for the opening of the Micronesian Development Bank, scheduled for the early part of 1976. The opening will take place following the appropriation of funds by the Congress of Micronesia and the transfer of the current development funds administered by the Economic Development Loan Fund Board.

Land

125. According to the current annual report of the Administering Authority, the land area of the Trust Territory comprises 83,748 hectares classified as arable land and 99,475 hectares classified either as grazing land and forest or as swamps, rock and built-up land. Of the total area, 72,551 hectares are privately owned and 110,672 hectares are classified as public lands.

126. Some 5,665 hectares of land are under cultivation in the Trust Territory. Of these, 46 hectares are used for commercial agriculture and 5,605 hectares for subsistence farming. About 33,831 hectares are planted with tree crops - primarily coconut, breadfruit, banana and pandanus. Forest and pasture land, and savannahs total about 10,522 hectares.

127. In a policy statement made on 23 January 1974, the United States Secretary of the Interior said that his Government had authorized the return of public lands to the control of the district legislatures for final distribution. A bill to implement that policy statement was introduced by the Government of the Trust Territory at the regular session of the Fifth Congress of Micronesia in January 1974. Its consideration by a congressional committee resulted in numerous amendments and it was adopted, as amended, at the special session of the Congress in July 1974.

128. In its 1974 annual report, the Administering Authority stated that the amended bill was adopted against the advice offered earlier by the Administration,

which had maintained that the amendments would in effect strip the Administration of its authority under the Trusteeship Agreement. On September 1974, the High Commissioner disapproved the bill as amended.

129. On 26 December 1974, the United States Secretary of the Interior issued Secretarial Order No. 2969 transferring the Trust Territory public lands to district control. He stated that the Order was now part of the Trust Territory Code, and that it provided the legal framework for each district to request and receive title to applicable public lands within its jurisdiction. The Secretary also noted that the Order, when implemented in every district, would provide for the transfer of the same amount of land as any other approved mechanism for implementing the policy statement.

130. At the forty-second session of the Trusteeship Council, the representative of the United States stated that, although there had been differences of view on the best means of implementing the return of public lands, the fact remained that the lands were being returned. That long-standing and fundamental issue was now well on its way to being solved.

131. At the same session, the Special Adviser said that the position taken by the Congress of Micronesia on the land question had the full support of the people of all districts, as determined by the Congress through public hearings during the consideration of the land bill. Following the disapproval of the bill, the position taken by the Congress received the unanimous support of the traditional and elected leaders of three districts and substantial support in a fourth district. He further stated that, despite the expressed willingness of the Congress of Micronesia to negotiate for the return of public lands, the Administering Authority had not agreed to enter into meaningful negotiations. Had it done so, a mutually acceptable solution could have been reached and the use of the Secretarial Order might have been avoided. The Administering Authority intended to return the public lands in a manner which was unacceptable and under conditions and with reservations which did not have the consent of the Congress of Micronesia.

132. At its forty-second session, the Trusteeship Council, while welcoming the decision of the Administering Authority to return control over public land to the district authorities, nevertheless expressed its regret concerning the use of Secretarial Order No. 2969 to implement that policy decision. It expressed the hope that, despite its reservations concerning the executive action of the Administering Authority, taken without sufficient consultations with the Congress of Micronesia, the transfer of land would be accomplished as soon as possible in accordance with the wishes of the respective districts.

133. In the current annual report, the Administering Authority states that it is pleased to note the agreement of the Trusteeship Council with the decision of the Administration to transfer ownership and control over public land in the Trust Territory to district authorities appointed locally. An accelerated identification and survey of all public lands is considered necessary in order to execute the return of the lands as equitably as possible. It is anticipated that all the necessary survey work will be completed by 1977 and that the registration of the title programme conducted under the Land Commission Act will be under way.

134. The annual report further states that local response to the Secretarial Order to transfer public lands has been positive and quick from those districts where most of the public land is located. The Mariana Islands and Palau districts have already passed legislation establishing public land entities to take over and administer such land. Requests for the actual transfer of the land title, however, have not yet been received by the High Commissioner, who is prepared to make the transfers upon request. Ponape is currently studying the various options open to it and is expected to adopt legislation in 1975. Yap, Truk and the Marshalls, have less public land and have taken no action to date. It should be noted that while no district is required to receive ownership and control of its public land, the Administering Authority expects that each district will do so within the next two or three years.

135. In its report, the 1976 Visiting Mission observes that as economic development proceeds and land changes hands more frequently, disputes over ownership may well become more frequent. It is important, therefore, that there should be comprehensive and up-to-date records of ownership. However, systematic land registration is usually costly. Expenditure on land survey and registration will therefore have to be given its proper place in national priorities. The Mission hopes that the districts will promptly and conscientiously discharge their responsibilities for the disposal of public lands allocated to them under the 1974 secretarial order. As regards land utilization, the Mission observes that the sooner the Government has at its disposal a complete land survey with an inventory of the various land resources and present uses, the sooner it will be able to make well-founded decisions on the uses of those resources for economic development.

Agriculture and livestock

136. Copra is the principal commercial agricultural product of the Territory. On Ponape, black pepper and rice are being established on a commercial scale. Taro, arrowroot, yams, sweet potatoes, cassava, breadfruit, pandanus, bananas, citrus and a number of other crops, used mainly for local subsistence, comprise the remaining principal crops. The total area under production during 1975 was estimated at 40,867 hectares.

137. Copra is the Territory's major export item. In 1975, copra exports totalled 10,886 metric tons valued at \$3.3 million, compared with 10,886 metric tons valued at \$4 million for the previous year.

138. The principal livestock in the Territory are swine and poultry. Cattle, goats and carabao are found in the high islands. Cattle, the third most important type of livestock, are concentrated mainly in Mariana Islands District, which at 30 June 1975 had 6,733 head out of a total of 6,863 head in the Territory. The carabao is used as a draft animal on Palau and Ponape.

139. At its forty-second session, the Trusteeship Council noted that copra continued to be the major export item of the Territory and welcomed the significant increase in both the volume and value of copra exports during 1974. However, the Council noted with concern that copra prices had recently fallen drastically and

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suggested that the instabilities in the world market price of copra reinforced the need to diversify the agricultural base of the economy so that it would not be so dependent on one export crop. In that connexion, it welcomed the fact that a pilot programme had recently been started to grow rice on a commercial scale on Ponape.

140. The Council noted that domestic food production increased by only 4 per cent in 1974 and urged the Administering Authority to continue to develop the programme for increasing food production as a substitute for imports. The Council also recommended that a system of adequate access roads should be developed to link the outlying production areas with the various marketing centres.

141. The current report under review states that vegetable and livestock production and export from the Mariana Islands District are already well established. There was an increase of 54 per cent in vegetable exports and 12 per cent in beef exports during 1973/74. Exports of pork, however, decreased because of the high cost of imported feed.

142. Plans to expand swine production on Palau include the use of 30 per cent copra meal in the feed ration when the copra oil mill in Koror begins its operation. It is envisaged that Guam will be an excellent market for pork exports in the future.

143. With regard to the rice project in Ponape, the annual report states that progress has been rapid. Deforestation and drainage work on approximately 32 hectares have been completed; 1,830 metres of ditches have been dug and bridges and access roads have been constructed. Some 12 hectares of land are now ready for cultivation, and it is expected that 92 hectares of rice paddies will be developed in the area. Water pipes are needed, however, to divert water from nearby streams to supply the required irrigation.

144. A portion of the area is used to train farmers in new techniques and for the testing of copra and of new varieties of rice from Taiwan, Japan and the Philippines for yields, adaptation, palatability and disease resistance. A rice specialist from Japan was employed in 1975 to oversee the development of the rice areas and to train Micronesian extension agents and farmers. Preparation of the site for the rice mill that will process the expected production of 710 metric tons annually has been completed. Two rice mill experts from Japan recently made a physical survey of the site and will submit a proposal for a suitable mill.

145. The annual report further states that increasing domestic food production is one of the highest priorities of the Agricultural Division. A very small percentage of the total domestic food production passes through the cash markets. However, with increased employment at the district centres, more food crops will be needed. The Agricultural Division has therefore initiated a number of special projects to increase food production for the domestic market.

146. The report of the 1976 Visiting Mission states that impressed as it is by the difficulties standing in the way of an early, large increase in commercial agriculture, it shares the views of those who argue that since subsistence

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agriculture now accounts for the bulk of agricultural production, it is in this sector that immediate increases will have to be made. Referring to the copra processing plant under construction on Koror and to the plans for the establishment of another plant in the Marshall Islands, the Mission observes that although it heard critical comments about the Copra Stabilization Board in the two districts, it hopes that the establishment of these two plants will make price stability more readily attainable.

147. The Mission observes that forestry activities are minimal but that Ponape, Kusaie and Palau could supply most of their own lumber needs, while Truk and Yap could furnish about half their needs. There are at present two working saw mills with a total production of 500 cubic metres a year. Production will have to be improved and other saw mills established.

Marine resources

148. According to the current annual report of the Administering Authority, the goal of the Marine Resources Development Program is to conserve and utilize the Territory's marine resources for the benefit of Micronesians.

149. At its forty-second session, the Trusteeship Council acknowledged that marine resources played a vital role in Micronesia's economy in relation to internal subsistence and external exports. It welcomed the increase in the volume of catches for both those purposes and also the arrangements to upgrade the facilities, research and production capabilities of the Micronesian Mariculture Demonstration Center.

150. The Council realized that the establishment of a viable fishing enterprise required both foreign investment and technical assistance; it expressed the hope that the facilities of UNDP would be utilized in that field and suggested that assistance might also be forthcoming from other specialized agencies.

151. The Council reaffirmed the responsibility of the Administering Authority to protect Micronesia's marine resources, in particular from over-exploitation by foreign fishing interests. It was pleased to learn from one of the special advisers that Micronesia had participated for the first time in the most recent session of the Third United Nations Conference on the Law of the Sea held at Geneva, in an observer capacity and had been able to establish contacts with a wide range of delegations with similar interests.

152. According to the current report under review, a major effort is being made to foster the growth of the marine resources development sector. This includes greater budget appropriations for both operations and capital infrastructure from the Administration. The Congress of Micronesia has expanded its appropriations and activities in the fisheries area by creating fishing authorities in all districts.

153. A major effort is also being made to introduce the concepts and techniques of marine resource farming (mariculture) in those areas of the Trust Territory

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where it is feasible. The project was begun in 1974 through the co-operative efforts of the Micronesian Mariculture Demonstration Center and the Trust Territory Training Division with the construction of pilot production ponds on Palau, Yap, Ponape and Kusaie.

154. In 1975, the Micronesian Mariculture Demonstration Center received \$625,000 for capital improvement projects, which was utilized to expand production and research facilities.

155. According to the annual report, the laws of the Trust Territory do not encourage necessary and massive infusions of capital into the marine resources sector. Rapid and larger-scale development of this sector will require substantial amounts of capital. In addition, the uncertainty of Micronesia's future political status, as well as the recent world-wide recession, has prevented foreign investment in this sector. The Congress of Micronesia was expected to act during its recent congressional session to modify the existing foreign investment laws.

156. The UNDP Regional Fisheries Co-ordinator for the South Pacific recently visited Micronesia to evaluate its potential for marine development and to formulate national and district plans for development. It is envisaged that the United States will spend about \$2 million in 1976 in an effort to determine the feasibility of purse-seining for skipjack tuna in the waters of Micronesia.

157. The number of foreign fishing vessels operating in and around Micronesia has increased dramatically in recent years. This has resulted in a parallel increase in the number of sightings and apprehension of territorial water violators. In 1975, two vessels were forfeited to the Trust Territory Government and a significant number received large fines. The United States Coast Guard has initiated periodic surveillance flights over the Trust Territory.

158. The current report under review states that Micronesia attended the Third United Nations Conference on the Law of the Sea in an observer capacity and intends to be a full participant in discussions concerning its oceanic heritage and affairs as they affect its future. The Congress of Micronesia was also to attend a meeting scheduled for February 1976 in Tonga for countries in the South Pacific Ocean.

159. According to the report of the 1976 Visiting Mission, the development plan will devote much attention to fisheries. Apart from the general constraints the limiting factor to the development of skipjack and tuna fisheries is reported to be lack of knowledge of the extent of the live bait resources throughout the Territory. Determination of the extent of the bait-fish stocks is not going to be easy; one possible method would be to promote the operations of foreign mother ships within Micronesian waters. The Mission further states that care would have to be shown in the selection of foreign participants. The Mission also points out that as far as the development of inshore fisheries is concerned, a first priority is the provision of adequate docking, warehouse and refrigeration facilities at all the district centres. Second, the fishery co-operatives require adequate professional assistance if they are to play their full part in development.

160. The Mission recalls that as early as 1973, the Trusteeship Council, in its report to the Security Council, had emphasized the importance of the protection of Micronesian marine resources. The Mission recommends that, at its forthcoming session, the Trusteeship Council should consider how the present state of negotiations on the law of the sea affects the interests of Micronesia, and in particular should seek to ensure that the provisions of article 6 of the Trusteeship Agreement, which refers to the protection of resources, are being carried out.

Industry and tourism

161. Manufacturing in the Territory consists primarily of cottage-type activities in the subsistence sector. According to the Administering Authority, the few activities directed towards production for the market economy are characterized by inadequate capitalization, poor management and an untrained labour force. Boat-building is widespread but is usually carried on by individual craftsmen working in their own homes. Some small-scale handicraft production exists. Most small industries fall into the service classification. Tourism continues to show strong growth potential.

162. The number of visitors entering the Territory during 1974/75 totalled 66,017, compared with 60,835 in 1973/74, an increase of 7.8 per cent. It is anticipated that approximately 73,000 visitors will have visited the Territory by the end of 1976, and this number is expected to reach 83,000 by 1977. Long-range projections anticipate a total of 132,000 visitors a year by 1980. Visitors spent an estimated \$4.9 million in 1974/75, compared with \$4.5 million in the preceding year.

163. During the period under review, there were 828 hotel rooms in the Territory with a further 376 rooms under construction. Micronesians own 33 of the hotels, 32 of which have Micronesian managers. Micronesians are progressively assuming higher positions in the growing hotel industry. The tourist industry as a whole now provides employment for more than 1,300 persons.

164. In the Mission's view, tourism should be accorded third priority in the economic development of Micronesia, after agriculture and fisheries. Within this scale of priorities, however, thorough consideration should be given to the planning of the tourist industry. Care should be taken not to damage the social fabric or environment of the Territory.

165. At its forty-second session, the Trusteeship Council noted with satisfaction that the growth in the volume of tourists to Micronesia had continued and that the expansion of tourist facilities was progressing.

166. The Trusteeship Council recognized that too great an emphasis on tourism could result in uncertain economic returns and that the environmental impact of such development could be adverse. It also had reservations about the concentration of tourist development in one district, especially if that district adopted a separate status for itself in the near future. The Council was pleased to learn, however, that the Administering Authority was extending facilities for promoting tourism in all the districts.

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167. It expressed the hope that all district of Micronesia which chose to share in the financial and employment benefits to be derived from a programme of tourist development, would have the opportunity to do so. It further urged that such development should be properly controlled and should reflect the desires of the inhabitants of each district.

168. According to the report under review, the districts tourist commissions are continuing their work on setting standard goals and objectives for the development of tourism. Three district legislatures, Palau, Truk and Yap have adopted formal sets of goals and objectives, defining how much and what kind of tourism development would best meet their economic and social needs. The Trust Territory Government strongly urges that policies concerning tourism development should be the responsibility of the districts and that programmes should be developed by the district tourist commissions, with the support of the district legislatures and district administrators. Tourism training and workshops have been conducted in several districts, including the Pacific Islands Development Tourism Conference and Workshop, held on Saipan, and the Board of Directors' Conference of the Pacific Area Travel Association, held on Palau.

169. Current territory-wide programmes include the promotion of tourism in Micronesia by utilizing the services of organizations such as Pacific Area Travel Association, the Pacific Islands Development Commission, the American Society of Travel Agents, the United States Travel Services and others.

Transport and communications

170. Road maintenance is difficult in the Trust Territory, especially on the high islands where heavy rainfall washes out road-beds, and limited budgets make difficult any more than a token upkeep of roads outside district centres. As reported in previous years, a territorial road programme has been established, providing for the construction or repair of a number of miles of road each year.

171. Major communication facilities are located in each district centre. A high frequency, independent sideband, communications system provides the basic network. It supplies telephone and data services to and from the respective district centres and into the major relay control centre on Saipan. The latter connects intraterritory and world-wide commercial and governmental systems. In addition, each facility is capable of communicating with aircraft, ships and the outer islands.

172. Air Micronesia, which took over air service in the Trust Territory in 1968, is a corporation formed by Continental Airlines, Aloha Airlines and the United Micronesian Development Association. Regular air service links all district centres of the Territory. Outside the Territory, service is provided to Guam, Honolulu and Okinawa. The number of passengers carried rose from 154,922 in 1974 to 176,953 in 1975.

173. The general impression of the 1976 Visiting Mission is that existing sea ports, airports and roads need considerable improvements if they are adequately to support

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economic development. The Mission notes, however, that the various district capital improvement programmes have taken account of this need by giving a high priority to investment in transportation.

174. The Mission was informed that interdistrict shipping was self-sustaining and that the present shipping links between the Territory and the Far East and the west coast of the United States appeared to be adequate.

175. The Mission observes that air transport in Micronesia appears to be adequate for the foreseeable future; however, the runways at Yap, Truk and Ponape airports need to be extended and paved. Provision for this has been made in the capital improvement programme.

176. As regards the proposals for a super-port at Palau, the Mission points out that after it left the Territory, an announcement was made that the Trust Territory Government had entered into an agreement with the Nissho-Iwai Company and the Industrial Bank of Japan, under which the former would be allowed, if it so chose, to undertake a feasibility study.

177. In the Mission's view, critics of the super-port are not likely to accept as objective a feasibility study prepared by the Nissho-Iwai Company. The Mission also doubts whether those critics could agree that the Administration would be in a position to make an objective assessment. The Mission therefore suggests that, following completion of any Nissho-Iwai study, but before the matter is put to the people of Palau, the Administering Authority should arrange to make available to the public a review of the project by a body of experts recognized to have no vested interest in the matter. UNDP might be of assistance in this connexion.

178. At its forty-second session, the Trusteeship Council took note of recent developments in the improvement of transport facilities throughout the Territory but reiterated its concern that priority should be given to alleviating the hardships faced by the inhabitants of the outlying areas of Micronesia. The Council understood from the statement by the Special Representative that the final decision on designating the air carrier for the route linking Micronesia with Japan rested with the United States Civil Aeronautics Board. It expressed the hope that that decision might be expedited and that it might take into account the carrier which could link all the districts of the Trust Territory to Japan, thereby promoting the economic welfare of the people of the Territory.

179. The report of the 1976 Visiting Mission notes that Continental Airlines has set up major hotels in the Territory in anticipation of the establishment of a direct air link between Japan and Saipan. In the meantime, however, the hotels are showing losses. The establishment of a direct link depends on a decision by the President of the United States as to whether the carrier should be Continental Airlines or Pan American World Airways (Pan Am). The Mission considers it highly desirable that this issue be resolved as soon as possible.

180. According to the current report under review, the Congress of Micronesia and the Administration have assigned the highest priority to the improvement of the transportation system in the Trust Territory. During 1976, more funds are being

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requested for the improvement of transportation facilities and equipment than for any other capital expense. The report states that the most pressing need is to accelerate the programme to replace the present fleet of outdated and obsolete ships. An amount of \$4.0 million was made available in 1974/75 and an additional \$4.0 million will be allocated in 1976 for the construction of newly designed ships for the interisland service in Micronesia. An additional \$4.0 million is also being proposed for ship building in 1977. It is expected that these funds will make possible construction of seven interisland ships in the next three years. The new ships, when in service, are expected to provide the outer island inhabitants with regular and dependable field trip service.

181. The annual report of the Administering Authority states that the Trust Territory Government shares the hope of the Trusteeship Council that a decision on the Saipan/Japan route case be expedited since expansion of tourism in the Trust Territory, particularly in the Mariana Islands, is linked to the decision.

Co-operatives

182. In 1973, 54 co-operatives were active in the Territory, primarily in importing, retailing, copra, handicrafts and the marketing of fish. Sales and revenue of co-operatives aggregated \$7.7 million in 1973. Merchandise sales predominated, followed by sales of copra. At the end of 1973, co-operatives had 12,338 members, showed net savings of \$464,242 and had paid \$227,093 in dividends and patronage refunds.

183. At its forty-second session, the Trusteeship Council noted with pleasure the encouraging development of fisheries co-operatives as a result of the common efforts of the staff of the co-operatives and the Congress of Micronesia. While appreciating the attempts already made and the difficulties involved, it expressed the hope that the Administration would continue to devote some of its educational and information efforts to persuading farmers in the Trust Territory of the benefits of farming co-operatives, in particular the shared use of machinery.

184. According to the current report under review, the Agricultural Division is actively involved in assisting and promoting copra marketing co-operatives in the Marshall Islands District and vegetable marketing co-operatives or associations in the Mariana Islands. Farming co-operatives are not very popular because of the clan and individual land tenure systems. Attempts to organize cattle associations have failed because of the difficulty in obtaining a consensus.

185. Farmers in the various districts are being encouraged to purchase farm machinery through government loans or private financing. The machinery is being made available to farmers on a rental basis or in exchange for labour.

D. SOCIAL ADVANCEMENT

Human rights

186. The current report of the Administering Authority states that the inhabitants of the Trust Territory are, inter alia, guaranteed the following basic human rights and fundamental freedoms as set forth in the Trust Territory Code: freedom of religion, of speech and of the press; the right of assembly and the right to petition; protection against unreasonable search and seizure; no deprivation of life, liberty or property without due process of law; no discrimination on account of race, sex or language; the maintenance of free elementary education; no imprisonment for failure to discharge contractual obligations; writ of habeas corpus; protection of trade and property rights; and due recognition of local customs.

187. The right of petition is granted and inhabitants have petitioned the United Nations and the Administering Authority. Petitions have also been submitted to United Nations visiting missions verbally and in writing.

Medical and health services

188. The Director of Health Services has responsibility for planning, organizing and administering all medical and health programmes. The Trust Territory Health Council, composed of members from all districts, reviews and co-ordinates health services and the implementation plans of each of the district departments; prepares, and revises if necessary, a Territory-wide health plan; reviews the annual budgets of the Department of Health Services as well as those of the districts; and examines requests submitted by that Department for various federal grants.

189. Operating under the supervision of the Department of Health Services, the Office of Health Planning and Resources Development is responsible for health planning and resources development. The Office also co-ordinates federal health programmes in the Trust Territory at various levels.

190. There are six main hospitals in the Territory and three subdistrict hospitals located as follows: Rota (Mariana Islands), Kusaie (Ponape), and Ebeye (Marshall Islands). Construction of a 116-bed hospital is in progress on Ponape. The construction of a new hospital on Yap will begin in 1976. Ebeye's new 20-bed hospital was completed in 1974, and construction of a new 35-bed hospital was to be completed on Kusaie in 1975. In addition, there are 173 dispensaries and medical aid posts scattered throughout the Territory.

191. In June 1975, there were 1,291 persons on the staff of the Department of Health Services, 1,238 in the districts and 53 at headquarters. Of this number, 1,232 were Micronesians, 46 were expatriate personnel and 13 were Peace Corps volunteers.

192. The Micronesian personnel included 38 physicians, 21 dental officers, 2 registered or university trained nurses, 180 graduate nurses (Trust Territory School of Nursing, and 406 health assistants and practical nurses.

193. The current annual report states that a number of consultants are provided to the Trust Territory by the United States Public Health Services, the Energy Research and Development Administration (ERDA) (formerly the Atomic Energy Commission), the World Health Organization (WHO), the South Pacific Commission, Tripler Army General Hospital (Honolulu), Guam Naval Hospital and several universities in the United States. These organizations also offer training opportunities through fellowships, in-service training and seminars.

194. Recurrent expenditure on public health in 1974/75 totalled \$10.8 million, compared with \$7.6 million in 1973/74.

195. At its forty-second session, the Trusteeship Council welcomed the statement by the Special Representative that health services were being provided to an increasing number of Micronesians. It expressed the hope that that facility would be extended as soon as possible to the remaining 20 per cent of the population not currently covered. In that regard, the Council noted with satisfaction that the construction of new hospitals on Kusaie and Ponape was progressing.

196. The Council noted with satisfaction that 56 Micronesians had been trained under the MEDEX programme and agreed with the Administering Authority that the MEDEX programme should be temporarily phased out to ensure that a sufficient number of Micronesians would study in other medical training fields. It recommended that consideration be given to maintaining a satisfactory level of students in each of the related medical and health fields.

197. According to the annual report under review, about 46 per cent of the people have direct access to district and subdistrict hospitals. A further 36 per cent are within a one-day reach of such facilities, with dispensaries serving the remaining 18 per cent of the people who reside on the outer islands. The latter receive additional medical services from the field trip ships which visit the islands regularly, or from aircraft. Special trips are arranged when emergencies arise. More than 200 small radio stations outside district centres are available to transmit information to district centres and are especially helpful during emergencies.

198. In its report, the 1976 Visiting Mission considers that the Administering Authority should be given credit for the progress made in improving the medical facilities of the Territory. The Mission notes, however, that there is a marked contrast between the well-equipped facilities in the district capitals and the poorly equipped facilities in the more remote areas. The number of medical staff has increased since the last United Nations Visiting Mission; however, the number of Micronesian physicians has not changed in the past three years.

Community development

199. The principal organizations involved in community development in the Trust

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Territory are the Community Development Division, the community action agencies and the civic action teams.

200. The Community Development Division co-ordinates the activities of various governmental programmes, provides technical advice for self-help activities and gives support to various community groups such as women's and youth organizations. The grant-in-aid programme represents one of its main activities.

201. Through the grant-in-aid programme, the Administration extends financial and technical assistance to local communities for public projects where local cash resources are inadequate. These projects may involve the construction of facilities, such as roads, schools, dispensaries, ferry-boats and electric power plants. There is a community action agency in five of the six districts.

202. The programme of the Micronesian Legal Services Corporation began its fifth year of operation in 1975 with funds from the United States Office of Economic Opportunity (OEO). In 1974, it received \$600,000 to continue operating a legal office in each district with two United States attorneys and several Micronesian lawyer trainees. This programme provides legal services to Micronesians in civil actions.

203. OEO provides grants-in-aid to the community action agencies, totalling over \$800,000 per year. An additional \$700,000 is made available by the United States Department of Health, Education and Welfare (HEW), for the operation of head start programmes designed for preschool children.

204. In its report, the 1976 Visiting Mission states that it is impressed by the contributions of the civic action teams to local communities and is disappointed that lack of funds has led to a cut-back in their activities. The report further states that people stress the importance of the activities of the Micronesian Legal Services Corporation. The Mission hopes that the services of the Corporation will continue to be available. However, there continues to be in the Territory too heavy a reliance on external aid for financing community activities. The Government is expected to pay for services which should be provided voluntarily by members of the community. The Mission hopes that this attitude will change and that the people will participate more actively in community projects.

Labour

205. The Protection of Resident Workers Act (Public Law 3C-44 of 1 January 1970) provides for the establishment of a Labour Division within the Department of Resources and Development. The Act accords employment preference to Trust Territory citizens and regulates the employment of non-citizens in order not to impair the wages and working conditions of Trust Territory workers.

206. The number of Micronesian wage earners employed during the year under review was 15,786. Of this number, 8,385 were employed by the Administration or by United States government agencies, and 7,401 were employed in the private sector. There are at present 2,237 alien workers employed in the private sector, mainly in

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fisheries and construction work. Skilled alien workers may be authorized for employment only provided qualified Micronesians are not available.

207. At its forty-second session, the Trusteeship Council noted with concern the continuing imbalance of wage earners employed in the public sector compared with the number employed in the private sector. In that regard, it also expressed concern at the large number (2,237) of alien contract workers employed in 1974 in the private sector. The Council acknowledged the problem, referred to by one of the special advisers, concerning the ability of the Micronesian Government to employ an increasing number of persons in the public sector inasmuch as it already had difficulty in meeting the current payroll.

208. The Council considered that the survey of manpower needs which had been requested by the Congress of Micronesia early in 1974 was a prerequisite for providing remedies to that problem and urged the Administering Authority to ensure the completion of the study as soon as possible, as a matter of high priority.

209. The annual report under review states that the Administering Authority shares the Council's concern about the imbalance of wage earners in the public sector as compared with those in the private sector. It also shares the concern expressed by the Council over the large number of aliens employed in the private sector. Every effort is being made to achieve economy in the public employment sector. Aliens are employed only when skilled Micronesians are unavailable to fill a post.

210. The annual report further states that a survey of manpower needs will be made in 1977 as part of a master plan for economic development being prepared with the assistance of UNDP.

Housing

211. In 1973, the Congress of Micronesia passed the Community Housing Act, which established a Territorial Housing Commission with power to participate in major United States housing programmes. The Housing Commission will focus on ways to provide low-cost housing for low-income families. The Commission and six district housing authorities were established in 1974.

212. According to the annual report under review, the district housing authorities had assets from loans at 31 December 1974 totalling \$3.2 million, of which \$2.4 million has been utilized to finance the construction or renovation of 444 homes. It is reported, however, that the total loan fund available is insufficient to meet the needs of the applicants, who now number 1,921.

213. At its forty-second session, the Trusteeship Council noted with concern the statement of the Special Representative that the construction industry employed 1,500 alien workers. Taking into account the fact that the Trust Territory had an important need for a long-term, low-cost housing programme, it recommended that the Administering Authority accelerate its training of Micronesians for that purpose.

214. In its annual report, the Administering Authority states that from its inception in 1971, the Territorial Low-Cost Housing Program has stressed the training and preparation of Micronesians to administer and operate the programme. The Housing Commission co-ordinates and assists in the development of an over-all housing programme while the district housing authorities organize and implement the low-cost housing programme.

215. The 1976 Visiting Mission notes that housing experts from the agencies of the United Nations and the United States have both emphasized the need for territory-wide planning in housing. It appreciates the problems confronting the Territorial Housing Commission through lack of funds, but considers that much can be accomplished by the people themselves towards easing the serious shortage in housing. As a first step, greater use could be made of locally produced construction material which would in turn help to develop the local construction industry.

Public safety

216. The current annual report states that although juvenile delinquency has not been a major problem in the Trust Territory, the number of offenses committed by young people is now increasing. This is most noticeable in district centres, where traditional and social sanctions are rapidly breaking down and, consequently, family controls are weakening.

217. According to the same report, an intensified effort is being made to prevent crimes involving juveniles. One police officer has been assigned to each district to deal with this particular problem. Local legislative bodies, citizens' organizations, Peace Corps volunteers and other groups are striving to meet the needs of youth and to draw up programmes aimed at utilizing the resources of youth. The Palau, Marshall Islands and Yap district legislatures have created interagency planning boards to develop district youth services bureaux aimed at developing comprehensive delinquency prevention programmes. They have received a \$25,000 grant from the United States Office of Youth Development of HEW.

218. At its forty-second session, the Trusteeship Council noted its request, made at the forty-first session, for a report on the need for judicial and penal reform, and again recommended to the Administering Authority that such a report should be prepared.

219. The annual report under review states that penal reform legislation is continuously reviewed and up-dated by the legislative branches of government at the territorial and local levels. The executive branch plans to introduce a bill in the Congress of Micronesia which would set penalties for certain offences not covered by existing legislation.

Peace Corps

220. Peace Corps volunteers have continued to serve in education as well as a

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number of other areas. They provide lawyers, architects, engineers, business advisers, specialists in laboratory technology, communications, ecology etc. According to the Administering Authority, the most significant contribution of the Peace Corps continues to be in the field of education.

221. In 1975, Peace Corps trainees and volunteers in Micronesia numbered 200, of whom 141 were serving in an educational capacity. The annual report states that, as Micronesians continue to assume responsibility for their own affairs, the number of needed Peace Corps volunteers will be reduced.

222. The report of the 1976 Visiting Mission states that the people of the Territory voiced expressions of concern about the decline in the number of volunteers at a time when reinforcements were needed to supplement the work of those already serving in the Territory. The Mission recommends that serious reconsideration be given to the Peace Corps programme in Micronesia, with a view to retaining the services of volunteers, particularly teachers, pending their replacement by trained Micronesians.

E. EDUCATIONAL ADVANCEMENT

General

223. The educational framework for the Trust Territory is defined in Public Law 3C-36 of 10 October 1969. According to this law, the purpose of education in the Territory is, inter alia, to develop the human resources of Micronesia in order to prepare the people for self-government and to provide them with skills which will be required in the development of the Territory.

224. Boards of education have been established at the territorial and district levels in accordance with the same law. The Micronesia Board of Education, appointed by the High Commissioner with the advice and consent of the Congress of Micronesia, is composed of one Micronesian member from each of the six districts plus the Director of Education, who is a non-voting member.

225. Under the provisions of the United States Vocational Education Act and the Manpower Development and Training Act, as amended, a Trust Territory Manpower Advisory Council was established in 1969, consisting of 11 Micronesians and one expatriate. The Council advises the High Commissioner, through the Director of Education, on manpower training needs for all of Micronesia.

226. An advisory council established under provisions of the United States Elementary and Secondary Education Act sets priorities in education, reviews existing programmes and approves new ones. A student assistance committee, established by the Micronesian Board of Education in 1975, reviews applications for scholarships in higher education.

227. In accordance with Public Law 3C-36, non-public schools may be established in the Trust Territory. They are required to submit the same reports concerning attendance, enrolments and curricula as those submitted by public schools to the Director of Education.

228. Under the provisions of the law, attendance at public and non-public schools is required of all children between the ages of 6 and 14 years, or until graduation from elementary school. Free education is provided in elementary and secondary public schools.

229. At its forty-second session, the Trusteeship Council noted with pleasure 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 satisfactory number of post-graduate students. The Council also noted with satisfaction the progress in the field of political education, in particular, the specific courses being offered relating to Micronesia's future political status. It recommended however, that the Administering Authority should consider introducing a programme especially related to the economic situation in the Territory as a means of preparing Micronesians for more meaningful self-government.

230. Referring to the programme concerning political education for self-government, the current report under review states that material produced by the Trust Territory Department of Public Affairs dealing with economics in Micronesia includes a publication entitled Economic Briefing Materials, An Introduction to Economics in Micronesia, and some simple charts and graphs prepared by the Division of Economic Development. Economic reference material available for broadcasts includes radio programmes such as "Dialogue for Micronesia" and "Report to the People". The programme on education for self-government also invited officials involved in the preparation of the comprehensive development plan for interviews on "Dialogue for Micronesia". Film strip programmes and material with information on the economies of the districts are being selected for a programme dealing exclusively with the Micronesian economy.

231. According to the current annual report, 45 Micronesian students undertaking secondary education courses at the post-secondary level are being helped in part by loans from the Congress of Micronesia. It further notes that the percentage of indigenous secondary school teachers in 1974/75 rose to nearly 60 per cent (4 per cent in 1970/71).

232. Recurrent expenditure for education in 1974/75 totalled \$10.9 million, including \$6.0 million for elementary education and \$3.8 million for secondary education.

Primary and secondary education

233. According to the annual report of the Administering Authority, there were 248 public and 31 non-public schools in the Territory at 30 June 1975. Pupils enrolled in public and non-public schools numbered 38,909, of whom 28,332 were attending public elementary schools. Public school facilities were made available for 605 new students. During the same period, there was a decrease of 412 in non-public school enrolment.

234. The teaching staff in public elementary schools consisted of 1,074 Micronesian teachers (996 certified and 78 non-certified) and 67 non-Micronesian teachers (all certified). The teaching staff in non-public elementary schools consisted of 82 Micronesian teachers (59 certified and 23 non-certified) and 41 non-Micronesian teachers (35 certified and 6 non-certified).

235. Secondary education was provided in 17 public and 14 non-public schools. There were four public schools in Mariana Islands District, one in the Marshall Islands, two in Palau (including the Community College of Micronesia which has both secondary and post-secondary programmes), two in Ponape, six in Truk and two in Yap. Of the non-public schools, one was located in Ponape District, one in Truk, five in Palau, six in the Marshalls and one in Mariana Islands District.

236. Secondary school enrolment totalled 6,202 in public schools and 1,768 in non-public schools, compared with 5,638 and 1,720 respectively in the previous year. In addition, 99 students were enrolled in secondary schools abroad. The number of students who completed their secondary school education in the Territory was 1,538

(1,200 in public schools and 338 in non-public schools). The secondary school staff consisted of 497 teachers (360 in public schools and 137 in non-public schools). Of the total number of secondary school teachers, 263 were Micronesians and 234 were non-Micronesians.

237. According to the current annual report, virtually all public elementary classrooms in the Territory are in "standard" condition. In 1976, a total of \$200,000 was allocated for construction of 8 public elementary classrooms in the outer islands of Truk District, and \$265,000 for 12 classrooms in the outer islands of Ponape District.

Higher education

238. The Community College of Micronesia, located at Kolonia Town, Ponape, offers a two-year programme leading to an Associate of Science Degree in Elementary Education. At 30 June 1975, the Community College had a student body of 155 men and women from all districts of the Territory. Forty-five students received their degrees in elementary education in June 1975.

239. The Community College has instituted an extension programme under which off-campus courses can be taken for credit. In 1974/75, 108 full-time and 64 part-time students were enrolled in the extension courses. During the summer of 1974, some 1,121 students, mainly teachers, were taking courses in their home districts.

240. Micronesian students attending institutions of higher learning abroad numbered about 1,240. Of this number, 674 were on scholarships from the Trust Territory Government, 166 were on scholarships from the Congress of Micronesia and some 400 were supported by other scholarship programmes or private funds.

Vocational education

241. The Micronesian Occupation Center, located on Koror (Palau), is a boarding school offering vocational and technical training to students from all districts of the Territory. In all courses, students may be enrolled in secondary, post-secondary and adult classes, depending on previous education and individual programme objectives. The Center also provides each district in the Territory with a vocational education supervisor who co-ordinates pre-vocational, vocational and industrial arts programmes in the district.

242. In 1975, the Center had an enrolment of 260 students, of whom 52 were secondary, 182 post-secondary and 26 adult students. During the year, 89 students completed certificate or diploma courses which brought to 609 the number of graduates of the Center in the few years of its operation.

243. Vocational courses are offered in all public secondary schools. Most secondary schools also offer an industrial arts programme.

244. The Community College of Micronesia, in co-operation with the Ponape Agriculture and Trade School, offers teachers a two-year programme leading to an Associate of Science Degree in Secondary Vocational Education.

245. At its forty-second session, the Trusteeship Council was concerned that the supply of educated people in the Territory might soon outpace the number of suitable jobs available to them and accordingly recommended that there should be continuing emphasis on vocational rather than purely academic training. It noted that courses in 19 specific vocational areas were being offered by the Micronesian Occupational Center. In the light of the continuing dependence of the Territory on communications by air, sea and on land, it recommended that further specific training be instituted in the fields of engineering, as well as aeronautical and marine navigation.

246. According to the present report under review, in response to recommendations from the Trust Territory Manpower Advisory Council, the State Plan for Vocational Education for 1976 outlined plans to foster the development of vocational education programmes for students who could not complete high school; to promote training for vocational counsellors; to develop vocational education curriculum for Trust Territory schools in outlying islands; and to study and re-evaluate teacher-training in the field of vocational education.

247. The State Plan also indicated an expansion in the area of career education programmes in grades 1 through 8 which it envisaged would reach 20 per cent of elementary children in 1976 and 80 per cent by 1980.

248. Five additional vocational education teachers will be placed in secondary schools in the Territory in 1976, and vocational education facilities will be made available for an additional 500 secondary students. A total of \$639,000 was allocated in 1975 for the construction of vocational education facilities at Ponape Island Central School and at the newly opened Jaluit High School in the Marshall Islands. A further \$250,000 was earmarked for the construction of additional facilities for post-secondary vocational education at the Micronesian Occupational Center. The budget for all vocational education programmes in the Territory for 1976 is estimated at \$1.9 million, and is expected to rise to almost \$2.3 million by 1980.

Teacher training

249. According to the current annual report, in addition to the students enrolled at the Community College of Micronesia (see above), 183 students, attending institutions of higher learning abroad are reported to be pursuing studies in the field of education.

250. The Marshall Islands, Palau, Ponape and Truk districts each has an in-service teacher-training centre offering a nine-month programme to persons with previous teaching experience in the elementary schools of their district. These in-service centres trained 304 elementary school teachers during the year under review. In

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the same period, 1,177 teachers attended teacher-training courses in five districts and 724 teachers in four districts have been enrolled in college extension courses offered by the Community College and institutions abroad.

251. At its forty-second session, the Trusteeship Council noted that there was an improved proportion between the number of indigenous and expatriate teachers and that the varied levels of salary scales did not present a problem. It felt, however, that further consideration should be given to increasing the number of indigenous teachers at the secondary level and that the programme for retraining teachers should be extended.

252. In its report, the 1976 Visiting Mission expresses its appreciation of the assurances offered by the authorities that the training and retraining of teachers is a matter of primary concern to them. Important work is reportedly being done in that regard by the Micronesian Community College and its district branches.

253. The Mission is mindful of the Trusteeship Council's recommendation that emphasis should be placed on vocational education. Nevertheless, it shares the misgivings which some have expressed on the advisability of developing skills for which there is little demand in the Territory; it considers that vocational and technical training should be promoted in such sectors as fisheries, agriculture, construction, carpentry and simple mechanical trades.

Dissemination of information on the United Nations

254. The current annual report of the Administering Authority states that the work of the United Nations and the International Trusteeship System is part of the social studies curriculum in elementary and high schools. The UN Monthly Chronicle and The UNESCO Courier are supplied to all school libraries and to the two public libraries in the Trust Territory. United Nations picture and poster sets are also supplied to the schools. Movies and filmstrips about the United Nations are available for school use through community development film libraries.

255. According to the report, copies of the recommendations of United Nations visiting missions to the Trust Territory are distributed through the library services of the Department of Education to all district offices of education and to all public and private high schools. The annual report of the Administering Authority on conditions in the Trust Territory is also widely distributed.

256. The report of the 1976 Visiting Mission notes that young Micronesians are interested in the prospects for the Territory's future political development but that they are generally ill-informed about recent events, such as the plebiscite held in the Mariana Islands in June 1975. The Mission considers that the report published on this subject should be widely distributed in secondary and vocational schools. In general, now that the Territory is embarking on a particularly delicate phase of its political existence, educational programmes for teachers should include instruction on the role of the United Nations, including its responsibilities in Micronesia.

F. ESTABLISHMENT OF INTERMEDIATE TARGET DATES AND FINAL
TIME-TABLE FOR THE ATTAINMENT OF SELF-DETERMINATION
OR INDEPENDENCE

257. At its forty-second session, the Trusteeship Council noted with concern that the negotiations with the Joint Committee on Future Status of the Congress of Micronesia had been suspended. However, it welcomed the statement by the Administering Authority of its readiness to resume negotiations with the Committee. The Council urged both parties to exercise their best efforts to reach agreement on all outstanding matters.

258. The Council noted that an advisory referendum, offering all possible options, including independence, and designed to elicit an indication of the wish of the people of Micronesia concerning their future political status, would be held on 8 July 1975, and noted also that a Constitutional Convention was scheduled to convene on 12 July 1975. It expressed the hope that the results of the advisory referendum would provide a clear framework enabling the Constitutional Convention to give due regard to the aspirations of the people of Micronesia concerning their common future political status as well as their internal constitutional structure.

259. The Council regretted that it had not been possible to hold simultaneous consultations in the Mariana Islands District and in the other districts of Micronesia. It took into account the statement of the Administering Authority on the Mariana Islands and further took note of the provisions contained in the Covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States of America. The Council noted that the Administering Authority, prior to termination of the Trusteeship Agreement, would implement the provisions of the Covenant, if it were approved, in a manner consistent with its international obligations under the Trusteeship Agreement. It further welcomed the assurances by the Administering Authority that it intended to terminate the Trusteeship Agreement for all districts simultaneously for all parts of Micronesia and not for one part separately. In the light of the statements of the representative of the United States, the Council understood that it was the policy of the Administering Authority to continue to apply, and in the future to terminate, the terms of the trusteeship in accordance with the Trusteeship Agreement and the relevant provisions of the Charter of the United Nations.

260. The Council recommended that, as far as possible, the Administering Authority ensure that development in all districts of the Trust Territory proceed at an equitable rate, that the closest possible links in all fields should be maintained among all districts in the Territory, and that the Administering Authority should seek to preserve, so far as separate constitutional arrangements might permit, equality of treatment for inhabitants of the Mariana Islands and inhabitants of the other districts of Micronesia. Accordingly, the Council expressed the hope that it would be possible for the Mariana Islands to rejoin the other districts of Micronesia at any time if the people of the Marianas expressed a desire for reunification.

261. The Council reaffirmed the inalienable right of the people of Micronesia to self-determination, including the right to independence, in accordance with the

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Charter, the Trusteeship Agreement and General Assembly resolutions 1514 (XV) and 1541 (XV) of 14 and 15 December 1960, respectively.

262. The Council noted with satisfaction that representatives from all districts had participated in meetings on Palau in February 1975, convened for the purpose of discussing the promotion of the unity of Micronesia. The Council felt that such meetings were a useful ingredient in the political education programme designed to prepare the people for self-government and urged that such practice should be encouraged. However, the Council again noted with concern the continuing separatist tendencies in the Marshall Islands District and the recent separatist trend in Palau District. It noted that the Administering Authority had reiterated its desire to preserve the unity of the Marshall Islands and Palau districts.

263. The Council noted that the Administering Authority hoped to be able to propose to terminate the Trusteeship Agreement in 1980 or 1981. The Council reiterated its hope that the termination of the Trusteeship Agreement would occur prior to that date, and urged the Administering Authority to make efforts in that regard should that be the wish of the people.

264. The Council recalled its recommendation at its forty-first session that the consultations in Mariana Islands District should take place in the presence of the United Nations, and consequently accepted with appreciation the invitation by the Administering Authority to send a visiting mission to observe the campaign for and the conduct of the plebiscite in Mariana Islands District.

265. The Council recalled its resolution 2160 (XLII) of 4 June 1975 which directed the Mission to observe the plebiscite, including the campaign and polling arrangements, the casting of votes, the closure of voting, the counting of ballots and the declaration of results, and requested the Mission to submit to the Trusteeship Council as soon as practicable a report on its observations of the plebiscite, containing such conclusions and recommendations as it might wish to make.

266. The current annual report of the Administering Authority states that, at a meeting held in Hawaii in October 1974, a provisional agreement was reached between the heads of the Joint Committee on Future Status and the United States delegation on the remaining articles of the draft compact of free association. The draft compact was submitted to the Congress of Micronesia in February 1975 for its consideration. According to the annual report, the Congress of Micronesia adopted a joint resolution on 3 March 1975 rejecting Title IV of the draft compact dealing with finance, and directed its Joint Committee to renegotiate new terms. Informal contact was maintained between the negotiators during the first half of 1975, but talks were not actively pursued because of a mutual decision to defer further discussion pending the outcome of the territory-wide referendum, and the conclusion of the Micronesian Constitutional Convention.

267. With regard to the question of Mariana Islands District, the current annual report states that an estimated 95 per cent of the registered voters of Mariana Islands District voted in the plebiscite held in that district on

17 June 1975 relating to the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States. The Covenant was endorsed by 78.8 per cent of those voting.

268. The United Nations Visiting Mission to Observe the Plebiscite in the Mariana Islands District notes in its report 6/ that the people of the Northern Mariana Islands, in a well-organized and well-attended poll, voted by a majority of almost 80 per cent to become a commonwealth of the United States. There was no improper interference by the Administering Authority. The campaign was freely fought. The poll was free and seen to be free. The decision to hold the plebiscite as early as mid-June was open to criticism, but, in the view of the Visiting Mission, the timing was unlikely to have affected the results appreciably. In the continuing uncertainty about the political evolution of the Trust Territory as a whole, the voters were necessarily unclear about alternatives to commonwealth status which might have eventually become available. However, they had had ample opportunity to familiarize themselves with and assess the terms of the Covenant, which set out the way in which the Commonwealth was to be established. Moreover, large numbers of the voters had family ties with and personal experience of Guam, and therefore had first-hand knowledge of the implications of belonging to the United States political family. Among those who opposed the Covenant were a considerable number of the Carolinian minority. The Mission welcomed assurances that the Chamorro majority realized the importance of demonstrating that progress towards self-government would not mean discrimination against the minority.

269. In its report, the 1976 Visiting Mission notes that as a matter of principle, it is in favour of the unity of the Territory. The Mission considers, however, that it is for the Micronesians themselves to define the nature of their future relations with each other. It recognizes that certain realities cannot be overlooked.

270. The Mission's report states that, in view of the reservations expressed in certain districts regarding the provisions of the draft constitution, the Mission will refrain from making specific recommendations. It wonders, however, whether it would not be desirable, in order to preserve the unity of Micronesia, for the draft constitution to be modified in such a way as to make it acceptable to all the districts, if it is submitted to a referendum during 1977. To accomplish that purpose, the draft constitution should perhaps provide for a fairly flexible federative formula with a central Government exercising its authorities in matters of common interest but delegating to districts more extensive powers than those which they have under the present system of administration.

271. The report further states that all options, including that of independence, should remain open to the Territory, in accordance with the basic aims of the Trusteeship System as defined in Article 76 of the United Nations Charter and in article 6 of the Trusteeship Agreement. It is for Micronesians to make up their minds freely in this respect. The Mission, like the 1973 Visiting Mission,

6/ Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 2 (T/1771), para. 131.

considers that if one of the parties concerned wishes to examine the question of independence as a possible option, the other party should be prepared to do the same.

272. The Mission observes that the basic objectives of the Trusteeship System are not only to promote the progressive development of the inhabitants of the Trust Territories towards self-government or independence, but to do so in such a way that the different political alternatives take into account the particular circumstances of each Territory and of its people. The Trusteeship Agreement is expressed in the same way. The Mission does not wish to make precise recommendations on the future status best suited to Micronesia or to take a stand on the question of free association; it simply notes that the status of free association, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship System.

273. The Mission points out that, subsequent to its visit to the Territory, an eighth round of status negotiations took place on Saipan from 28 May to 2 June 1976 between the Joint Committee on Future Status and a United States delegation. This appears to have gone well. In a letter dated 11 June 1976 to the President of the Trusteeship Council, the United States representative on the Trusteeship Council stated that on 2 June 1976, a nearly complete draft Compact of Free Association had been initialled by the chief United States negotiator and the members of the Congress of Micronesia's Joint Committee on Future Status. Agreement had been reached by the negotiators on virtually all questions except control of marine resources, and those matters would be actively pursued in further talks between specialists on both sides. He further stated that, at the forthcoming session of the Trusteeship Council, the United States would discuss the matter at greater length.

274. The Mission hopes that progress will be maintained and that the wishes of all those who look for a rapid conclusion of the negotiations begun several years ago with a view to reaching a definition of the future political relations between Micronesia and the United States will not once again be disappointed. It feels that if the Trusteeship Agreement is to be terminated in 1980 or 1981, as the Administering Authority itself has envisaged, the transition should be made in the most orderly possible manner and, consequently, the future political status of the Territory should be known sufficiently in advance.

275. The Mission considers that any referendum on an instrument defining the relations between the United States and Micronesia should be preceded by a very intensive political education campaign. The people of the six districts (including Kusaie) should be given the opportunity to familiarize themselves not only with the prospects offered by a compact of free association but also with the other alternatives, including independence.
