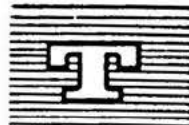


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Agenda item 4

OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF  
THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Addendum

Note: Draft amendments to the working paper on conditions in the Territory (T/L.1205, based on supplementary information supplied to the Trusteeship Council at its 1460th and 1461st meetings.

A. GENERAL

Population movements

1. After paragraph 7, add the following three new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative of the Administering Authority, stated that funds for the Bikini aerial radiological survey had been approved by the Congress of the United States and made available in 1976/77. A supplemental appropriation had been approved by the President on 4 May 1977. ERDA was committed to finance the research and analysis needed. Planning for the survey was under way, and it was hoped that the survey would begin in September 1977.

In regard to the rehabilitation and resettlement programme for Enwetak, the Special Representative said that an initial increment of \$4 million had been approved in the 1977 supplemental budget and that the balance of some \$8.4 million had been included in the 1978 budget. The Defense Nuclear Agency had started the first phases of the clean-up of Enwetak and the United States Department of the Interior and the Government of the Trust Territory would shortly begin the initial phases of the rehabilitation work.

Referring to Rongelap and Utirik, the Special Representative stated that an ex gratia compensation bill had been presented to the Congress of the United States

by the Department of the Interior as part of its 1978 budget proposal. The proposed bill was largely taken from a proposed ex gratia bill which had been drawn up by a Special Joint Committee of the Congress of Micronesia concerning Rongelap and Utirik. Both the House and Senate Appropriation Committees of the Congress of the United States had recommended approval of the ex gratia compensation and authorization. The United States House of Representatives had passed authorization legislation and it was now pending before the United States Senate. With final approval of the 1978 budget, the compensation bill could be implemented by the Department of the Interior.

#### War and post-war damage claims

#### 2. After paragraph 14, add the following seven new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, said that the Micronesian Claims Commission had completed its work in accordance with the provisions of United States Public Law of 1 July 1971 (92-39). Over 11,000 claims had been filed and processed, twice as many as originally envisaged. Awards under Titles I and II totalled \$34,349,509 and \$32,634,403 respectively. All the funds that had been authorized by the Micronesian Claims Act of 1971 had been expended and final payments of the awards had been made. A case was now pending in a United States District Court concerning a Micronesian war damage claim. Further, a bill was pending in the Congress of the United States authorizing full payment of the United States share of 50 per cent under Title I awards and full payment of the awards under Title II. It was not possible at this time to forecast the effect, if any, of either or both of those events on the programme of the Micronesian war claims.

At the same session, Senator Iehsi, Special Adviser, said that the subject of war claims was one which had caused considerable concern throughout Micronesia during the period under review. The Micronesian Claims Commission had completed its work on 30 July 1976 and had issued its final report recently. In that report, the total amounts awarded and certified by the Commission were \$34,349,509 under Title I and \$32,634,403 under Title II, leaving unpaid balances of about \$24.3 million and \$12.6 million respectively.

On 2 July 1975, the Congress of Micronesia had adopted House Joint Resolution No. 644, requesting the Governments of the United States and Japan to increase their respective contributions to the Micronesian claims programme so that there might be a 100 per cent compensation of total awards.

The Special Adviser further said that the Congress of Micronesia had created a Joint Committee on Micronesian Claims in February 1977 with a mandate to work closely with district legislatures and their appropriate committees on war claims, including the Northern Marianas Legislature, and to seek full compensation for the awards under the Micronesian Claims Act of 1971. In May 1977, a territory-wide conference on war claims, held on Saipan, had been attended by representatives of the Palau and Marianas committees on the settlement of war damage claims, the legislatures of Ponape and Truk and the Joint Committee on Micronesian Claims of

the Congress of Micronesia. It was concluded at the end of the conference that it should be the primary responsibility of the existing committees on war claims and of the district legislatures, including the Northern Marianas Legislature, to seek full compensation for the awards under Title I and Title II.

The Special Adviser stated that if full compensation was to be paid to claimants, necessary legislation would have to be passed by the United States appropriating additional funds for awards under both titles. In this regard, they were most encouraged to note that a bill had been passed by the United States House of Representatives and was now before the United States Senate, the effect of which would be to authorize appropriations to satisfy fully all awards under Title II and to authorize appropriation of one half of the unpaid balance of the awards under Title I. However, should that bill become law, it would still be necessary to seek additional funds under Title I from the Government of Japan, either in the form of a unilateral contribution or by renegotiation of the 1969 executive agreement between the United States and Japan.

The Special Adviser pointed out that it was the hope of the people of the Trust Territory that the United States Senate would act favourably on that bill. It was also their sincere hope that the Government of Japan would respond favourably concerning the unpaid balance of the awards under Title I.

At the same session, Senator Borja, Special Adviser, said that the people of the Northern Mariana Islands and Micronesia still awaited full payment of their war damage claims arising from the hostilities of the Second World War and the period immediately thereafter. The Special Adviser, in referring to the bill on war damage claims adopted by the United States House of Representatives and to the fact that the Government of Japan had yet to take a substantial step to meeting its obligations under Title I, asked the Trusteeship Council to use its good offices to resolve both those matters.

## B. POLITICAL ADVANCEMENT

### General political structure

3. After paragraph 19, add the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Congressman Raymond Setik, Special Adviser, stated that one of the important developments relating to reorganization of the Government was the signing into law on 15 September 1976 of Senate Bill No. 6-277 which represented the culmination of several years of study and deliberation by the Congress of Micronesia as to where the permanent capital of Micronesia should be. With the separate administration of the Northern Mariana Islands, it had now become increasingly important to make that decision. Therefore, Public Law No. 6-133 designated Ponape in the Eastern Carolines as the new capital.

The Special Adviser further stated that informal indications had been made that funds for the facilities of the permanent capital would not be forthcoming from the Government of the United States until the issue of future political status had been resolved. Now that the new Administration was taking shape, they would welcome a statement by the United States Government outlining its policy on the immediate move to temporary quarters, as well as a statement on financing and supporting the construction of the facilities of the permanent capital.

### Territorial Government

#### Legislature

4. Replace last sentence of paragraph 37 by the following:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that of the 35 posts filled subject to the advice and consent of the Congress of Micronesia, only 6 were held by United States citizens. The remaining 62 per cent were held by Trust Territory citizens and 8 posts, or 22 per cent, were vacant.

5. After paragraph 37, add the following four new paragraphs:

At the same session, Senator Iehsi, Special Adviser, said that the need to improve government efficiency deserved attention. In 1976, the Office of Territorial Affairs of the United States Department of the Interior had initiated a decentralization and transition study which had focused attention on the need to reconstitute the structure of Government at headquarters, to promote efficiency and to continue the progressive movement towards greater control by Micronesia over its Government. A specific need expressed by the Deputy Director of the Office of Territorial Affairs was the elimination of inefficient employees in the Executive Branch who would be placed in positions commensurate with their ability or would be removed from the public employment rolls.

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The Special Adviser further said that to assure continued satisfactory performance by high public officials in the Executive Branch, the Congress of Micronesia had enacted Senate Bill No. 7-69 in February 1977. The bill provided that certain members of the Office of the High Commissioner whose appointments were subject to the advice and consent of the Congress of Micronesia should be subject to reconfirmation whenever a new High Commissioner assumed office.

Under the present system, a public official whose nomination by the High Commissioner had been approved by the Congress of Micronesia never again had to account for his job performance. Since the High Commissioner was not elected by the people, there was no effective way to assure continued satisfactory performance by those high public officials.

The Special Adviser regretted that that bill had been vetoed by the Acting High Commissioner and that the Secretary of the Interior had affirmed the veto of that constructive legislation. It could not be agreed that the bill constituted interference in the Executive Branch. As long as the High Commissioner was not elected by the people, the bill could only be viewed as a modest means whereby the people, through their elected representatives, could effectively ensure continued satisfactory performance by high public officials. Past High Commissioners had given assurances that the veto power would be exercised only when necessary, that was, when an enacted bill was in conflict with existing laws or when it was legally deficient.

#### District Government

6. After paragraph 44, add the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative said that the first session of the Kosrae District Legislature had convened on 5 April 1977.

At the same session, Representative Setik, Special Adviser, reported that some district legislatures had begun the process of drafting proposed charters for their Governments. The Congress of Micronesia would review completed charters for district Governments at the next special session in August 1977. He said that they would be interested in being informed of the new proposals by the Administration in that area and in working closely with it to implement decentralization in an appropriate fashion.

#### District administrators

7. After paragraph 46, add the following new paragraph:

At the forty-fourth session of the Trusteeship Council, the representative of the United States stated that, separately from the question of the future status of the Marshall Islands and the Caroline Islands, the Administering Authority was

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moving to facilitate a greater degree of self-government in the Trust Territory while the Trusteeship Agreement remained in effect. In that regard, it hoped that it would be possible to hold popular elections for district administrators in 1978. The Administering Authority had raised the question at the Honolulu Conference and had indicated its desire to consult with the Micronesians on the subject. It anticipated that those elections would take place soon after the approval of the district charters to be created by the various district legislatures, in accordance with existing legislation of the Congress of Micronesia.

#### Decentralization

8. After paragraph 64, add the following six new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative, said that the major focus of decentralization would be the development of district charters which would lead to greater district autonomy and the election of district administrators. Greater financial responsibility was also a goal for the districts. Efforts to improve the quality of management and performance were not limited to the financial management system. A training programme for middle management, conducted by the American Management Association, had been completed in April 1977. A total of 112 management supervisory personnel had completed the programme which had been conducted in all districts except Kosrae.

The Special Representative further said that a workshop for district personnel officers had been held in April 1977 to review the progress of the delegation of authority to the districts on personnel matters. The Government of the Trust Territory was preparing to conduct a complete review of the government salary structure at the request of the Congress of Micronesia.

At the same session, Congressman Setik, Special Adviser, said that in a report of the Executive Branch entitled "Trust Territory Administration, Transition and Decentralization", a recommendation had been made to decentralize government responsibility and authority. The Five-Year Indicative Development Plan also recommended the devolution of decision-making power to the district governments. Recognizing the growing demand of all districts for such a devolution of decision-making power, the Congress of Micronesia had enacted House Bill 6-597 in 1976 in which it authorized district legislatures to propose charters for their district governments. The then Acting High Commissioner had signed the bill into Public Law 6-130. The executive and judicial branches of the district governments existed as administrative subdivisions of the Government of the Trust Territory and not as legal entities like the district legislatures.

The Special Adviser further said that, in approving the bill, the Acting High Commissioner's approval of the bill was made dependent on the resolution of the future political status of the Trust Territory. The intent of Public Law 6-130 was, however, only to effect a step towards self-government. Provision

for the legal existence of district governments was neutral with regard to future political status under Public Law 6-130. It was gratifying to note that the Executive Branch had since changed its earlier position and now regarded the intent of Public Law 6-130 as one of making an important step towards self-government.

At the same session, Congressman Setik, Special Adviser, said that another issue of importance in relation not only to decentralization but to increasing self-government had been that of the control of the Territory's affairs from Washington, D.C. In that connexion, they understood that the Office of Territorial Affairs, of the United States Department of the Interior had already taken steps to remove certain restrictive controls instituted by the past Administration. Therefore they would be pleased to learn of any planned or proposed steps to expand the autonomy and decision-making authority of the Trust Territory Administration.

In regard to government organization and management, Congressman Setik, Special Adviser, acknowledged that the Congress of Micronesia had been in broad agreement with the general principle. He believed, however, that it was only appropriate that organization and management be approved by the Congress; that it should be gradual and consistent with the Micronesian Constitution; that it should encourage economic growth; and that relocation of departments to districts should be a prerequisite of the future Government.

### C. ECONOMIC ADVANCEMENT

#### General economy

9. After paragraph 71, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Congressman Setik, Special Adviser, stated that an import tax bill and an economic development incentives act had been passed by the Senate of the Congress of Micronesia during the first regular session in 1977, and that those measures were now under study by the House of Representatives of the Congress of Micronesia.

10. After paragraph 72, insert the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, in referring to the question of foreign investment, stated that there had been a growing interest in fisheries, and that four applications had been received for foreign business permits to invest in Truk and Ponape.

Prospectuses were being prepared on various development projects in order to attract foreign investors to Micronesia, and had been completed for a pepper industry, a 40-acre vegetable farm and a commercial piggery. Other projects under discussion included a soap factory and a transshipment facility for containers to ship frozen fish.

11. After paragraph 76, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Congressman Setik Special Adviser, stated that although progress had been made on the development plan, one concern on which no progress could be reported was in the question of restrictive United States tariffs on some key Micronesian goods.

12. After paragraph 79, insert the following four new paragraphs:

At the forty-fourth session of the Trusteeship Council, Congressman Raymond Setik, Special Adviser, stated that the economy showed an imbalance in favour of the government sector, with few local resources to support it. Generous grants from the Administering Authority were geared mostly to social service and welfare-type programmes, and there was a need to shift those expenditures towards the completion of the infrastructure and to income-producing activities. Past government spending, for both capital improvement and operations, had gone almost entirely to encourage consumption, mainly imported. It was because of the growing awareness of Micronesia's increasing dependency that the Congress of Micronesia, with the assistance of the United States, had enacted legislation calling for a development plan. That plan had been formulated by the Congress, the districts and the Administration, with the assistance of the United Nations Development Programme (UNDP).



The Special Adviser further stated that the Five-Year Indicative Development Plan placed a high priority on the development of agriculture, marine resources and small-scale industry and tourism.

The plan also emphasized and encouraged the private sector. However, the required infrastructure should be in place before Micronesia could become attractive to private investors.

The Special Adviser also said that the plan called for the reorganization of the present governmental structure; the establishment of new institutions to promote marketing, tourism, banking, community development and traditional culture and values; and for the strengthening of the planning process, at both the headquarters and the district level. Despite efforts by the Congress of Micronesia, neither the Government of the United States nor the Administration of the Trust Territory had done anything meaningful to reduce a top-heavy central Government which absorbed 40 per cent of the operating budget for the entire Trust Territory.

13. After paragraph 80, insert the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that plans had been made for ensuring an effective implementation and administration of the new progressive income tax law enacted during the first regular session of the seventh congress of Micronesia in 1977. Following the enactment of the law, the Internal Revenue Service of the United States had conducted an initial survey in the Trust Territory, and had stated that it would provide professional advisory assistance during the implementation and initial administration of the law.

At the same session, Congressman Setik, Special Adviser, referring to the territory-wide plan, stated that one of the major achievements during 1976/77 and one consistently endorsed by the Trusteeship Council, had been the enactment by the Congress of Micronesia of a graduated and progressive income tax which would take effect in January 1978. The major thrust of the act was to provide greater revenues to the districts, and was consistent with the territory-wide plan with respect to decentralization and increased local self-government, since it provided needed revenues for the districts for the implementation of their own development plans.

14. After paragraph 81, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Congressman Setik, Special Adviser, stated that the indicative development plans for the Marshalls, Ponape and Yap districts had been approved. The plans for the districts of Truk and Palau had been presented to their respective legislatures for adoption and the plan for the district of Kosrae had been completed and might be presented for consideration to the legislature later in 1977.

15. After paragraph 82, add the following three new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that a Trust Territory Country Programme had been completed and that three project requests had been approved and transmitted to UNDP. In that connexion, he noted that a Senior Economic Adviser and a Statistics Adviser from UNDP were already in Saipan and that associate experts would be assigned to other districts.

The Special Representative added that although the major efforts of the Trust Territory Government would be devoted to the implementation of the development plans, efforts would be continued towards devising suitable plans for the outer islands. A request for assistance from the World Food Programme (WFP) was being prepared to provide food resources for development projects in the remote areas.

At the same session, Congressman Setik, Special Adviser, stated that it had been clearly demonstrated through an economic analysis developed for and contained in the Five-Year Indicative Development Plan that the economy of Micronesia could undergo very little development without the emplacement of a basic infrastructure. The Congress of Micronesia supported an accelerated five-year infrastructure programme as set forth by the United States Navy, which had been given full responsibility for the Trust Territory capital improvement programme. Although the five-year programme was viewed as inadequate and based on an arbitrary and future political status concepts, it was endorsed as a solid first increment of what was felt to be an economic development commitment by the Administering Authority.

Public finance

16. After paragraph 90, add the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Congressman Setik, Special Adviser, stated that the Congress of Micronesia was pleased to report that during 1976/77, the High Commissioner's Office had continued to rely on the Joint Committee on Programme and Budget Planning as the primary review body for the annual grant request to the United States Government. The Office of the High Commissioner had been extremely responsive in accepting recommendations set forth by that committee.

He pointed out, however, that that process usually suffered reversals after the budget request was received by the United States Department of the Interior.

Land

17. After paragraph 105, insert the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Senator Ieshi, Special Adviser, stated that one problem which had been overlooked for some time concerned indefinite land-use agreements, whereby the United States had obtained the use and occupancy of private lands following the Second World War and in the early days of the trusteeship period. Those lands had been given up as sites for public facilities. Members of the Congress of Micronesia had discussed the problem with the Trust Territory Administration, but had been informed that the United States Department of the Interior intended to return such lands, along with those returned under Secretarial Order No. 2969, to district land-holding entities. The Special Adviser referred to a communication from the Chairman of the House Committee on Resources and Development of the Congress of Micronesia, addressed to the Department of the Interior, in which the Chairman had stated that the Congress of Micronesia would view any attempt to transfer those lands to charter governments with great concern. The Chairman had pointed out that if compensation was not resolved prior to transfer, he could well foresee increased resistance by the landowners.

The Special Adviser indicated that there was a serious question as to the authority of the Trust Territory Government to transfer those lands pursuant to Secretarial Order 2969, since they were not public lands. He believed that it would be proper for the Administering Authority to make a clear statement of policy in the Trusteeship Council and also to bring the matter to the Council's consideration for possible study and comment by the next visiting mission.

Agriculture and livestock

18. After paragraph 114, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council Mr. Winkel, the High Commissioner and Special Representative, stated that training programmes in extension techniques, livestock production, farm management, weed control, quarantine laws and regulations, pesticide usage and atoll cultivation had been conducted for 72 agriculture personnel.

19. After paragraph 117, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that the Micronesian Industrial Corporation in Palau had exported oil valued at \$3.4 million and copra cake valued at \$445,000 in 1976. When fully operational, the mill's gross exports would range from \$800,000 to \$1 million per month.

20. After paragraph 121, add the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that an integrated feedmill/livestock project would be established on Palau in July 1977 with UNDP providing assistance for a project manager, and the Trust Territory providing capital and operating costs. The mill was intended to use copra cake from the copra mill and fish-meal from the katsuobushi (dried fish flakes) plant, and if it succeeded it would be turned over to the private sector.

Marine resources

21. After paragraph 130, insert the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that in 1976, Micronesian co-operative fishermen had landed about 1 million pounds of tuna and reef fish and about 28,618 pounds of shellfish for local sale, inter-district sale and export to Guam. He further stated that the bêche-de-mer (sea cucumber) fishery was being revitalized in Palau and Truk Districts. Prior to the Second World War, the fishery had been well established in Truk District by the Japanese.

In Yap District, a ferro-cement fishing vessel for bottom line fishing and trolling, had been purchased from the Solomon Islands with grants from the Congress of Micronesia. During 1976, the vessel had landed more than 30,000 pounds of tuna and other pelagic fish. Truk and Yap had included financial provisions in their budget for the construction of fishery complexes.

Third United Nations Conference on the Law of the Sea

22. After paragraph 135, add the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Senator Iehsi, Special Adviser, expressed the belief that the marine resources in the area now belonged to Micronesia, just as the land resources belonged to Micronesia. The seas were a part of its history and in its future would be at least as important as the land to its survival and development.

The Special Adviser pointed out that Micronesia, following the example of many nations and peoples of the world, including the United States, had now moved to protect the fish within its 200-mile fishing zone. The Congress of Micronesia had enacted legislation only after years of unsuccessful efforts to work out with the United States mutually acceptable ways to protect the tuna in its territorial waters. The United States, however, had vetoed Senate Bill No. 7-18 which had provided for marine-space jurisdiction in Micronesia on the ground that it protected Micronesian tuna and contemplated direct foreign commercial dealing in tuna. The Special Adviser said that the Congress of Micronesia considered that the veto had not only been unwise but illegal. Even so, at the Honolulu meeting in May 1977, the Micronesian delegation had once again offered to seek to work out the differences through the negotiating process. If necessary, the Congress of Micronesia would be willing to submit the difference to adjudication under the rule of law, but it still hoped that such a solution would not be necessary. The Micronesian delegation to the Third United Nations Conference on the Law of the Sea was the body legally established to negotiate for Micronesia's protection of its marine resources.



Tourism and industry

23. After paragraph 137, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Adviser, referring to the tourist industry, stated that an estimated 27 per cent increase had been recorded during the first quarter of 1977, compared with the same period in 1976.

24. Replace the second sentence of paragraph 138 with the following new sentence:

Micronesians owned 29 of the hotels and 23 others have Micronesian managers.

Transport and communications

25. After paragraph 148, insert the following six new paragraphs:

At the forty-fourth session of the Trusteeship Council, Senator Borja, Special Adviser, stated that the Governments of the United States and Japan were currently negotiating the early implementation of the air route between Saipan and Japan. On 21 June 1976, the United States had approved the application of Continental Airlines to service that route. Much to the disappointment of the leaders and people of the Northern Mariana Islands, however, the Government of Japan had withheld its approval. A functioning air route was crucial to the economic self-sufficiency of the Northern Marianas, since tourism played a major role in the financial life of the islands. The Government of the Northern Marianas, in co-operation with the private sector, had constructed a modern international airport and had made investments in tourism and related facilities totalling over \$50 million.

At the same session, Senator Ieshi, Special Adviser, stated that, despite the determined efforts and support of the Administering Authority, the Government of Japan had steadfastly refused to allow full implementation of the air route.

The Special Adviser further stated that representatives of the Congress of Micronesia had personally met with officials of the Government of Japan to explain why that matter should not become linked with larger issues of no concern to Micronesia, and that it should be considered on its own merits. Unfortunately, the Government of Japan had not been willing to allow Micronesian carriers to operate frequently enough to allow this service to be run profitably and had resolutely continued to link the matter to larger issues of capacity and the like.

The Special Adviser also said that assurances by officials of the Administering Authority that they would escalate their efforts in the matter were appreciated. At the same time it was requested that the Trusteeship Council give its strong



support to the cause in its report to the Security Council. The President of the Council was also asked to use his good offices to convey to the appropriate representatives of the Government of Japan the desperate need for immediate implementation of that service, which was so crucially important to Micronesia, and the need for Japan to respect its international responsibility in that regard.

At the same session, Mr. Winkel, the High Commissioner and Special Representative, stated that a sum of \$10 million had been approved for the construction of the Truk International Airport. The Environmental Impact Statement for Yap Airport was still in progress, and target date for the beginning of construction had been scheduled for March 1978. The Environmental Impact Statement for the development of an airport on Kosrae had been forwarded to the Federal Aviation Agency for final review and approval, and construction was scheduled for October 1978. The draft Environmental Impact Statement for the Palau Airport had been completed in May 1977, and once the statement was approved, construction would begin in December 1979. A plan for the extension of the Ponape runway was presently under consideration, the target date for construction scheduled for November 1979.

He also noted that the Koror-Babelthaup Bridge had been opened to traffic in April 1977 and that that bridge would enable hundreds of workers to easily commute to work in Koror. It would also enable Babelthaup to develop its considerable agricultural potential, not only for Palau, but also for the benefit of the other districts.

26. At the end of paragraph 150, add the following sentence:

The delivery date for the first vessel was scheduled for October 1977.

27. After paragraph 152, add the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, said that a study and plan for aids to navigation feasibility for the Marshalls, Ponape, Kosrae, and Truk Districts had been completed, which would result in the construction and installation of navigation lights in the outer islands of those districts. Studies for Yap and Palau were 50 per cent complete. Construction and installation of navigation lights in the Marshalls had been completed in 19 of the 22 major atolls and islands.

#### Co-operatives

28. Replace paragraph 157 with the following paragraph:

157. In 1976, 72 co-operatives and 43 credit unions were active in the Territory, excluding the Northern Mariana Islands, primarily in importing, retailing, copra, handicrafts and the marketing of fish. Sales and revenue of co-operatives aggregated \$12 million in 1975. Merchandise sales predominated, followed by sales of copra. At the end of 1975, co-operatives had 13,000 members, showed net savings of \$850,000 and had paid \$300,000 in dividends and patronage refunds.

D. SOCIAL ADVANCEMENT

Medical and health services

29. Replace paragraph 164, with the following three new paragraphs:

There are seven main hospitals in the Territory and three subdistrict hospitals located as follows: Rota (Mariana Islands), Kolonia (Ponape), Kosrae and Ebeye (Marshall Islands). Construction of a 116-bed hospital has been completed on Ponape. The construction of a new 50-bed hospital on Yap was started in 1976, and is scheduled to be completed in January 1978. A new 20-bed hospital was completed on Ebeye in 1974, and construction of a new 35-bed hospital on Kosrae is 95 per cent complete. In addition, there are 172 dispensaries and medical aid posts scattered throughout the Territory.

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that the new 116-bed hospital on Kolonia had been designed to serve as a "referral and training centre" for the rest of the Trust Territory; it was anticipated that after the hospital had been fully staffed with the appropriate specialists, it would become the nucleus of an in-service medical training programme.

The High Commissioner and Special Representative further stated that the new addition to the Palau Hospital was 70 per cent complete and should be ready for occupancy by August 1977; a new hospital plant had also been planned for Marshall Islands District. In addition, considerable progress had been made in improving conditions at the Ebeye Sub-Hospital. The medical staff had been strengthened and there were now two physicians and one medical officer stationed on Ebeye. Thirty-two new dispensaries were expected to be constructed in the latter half of 1977 and early 1978.

30. After paragraph 165, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that continued stress was being placed on the retraining programme for health assistants and that the current programme had already retrained 72 primary health care providers on the outer islands. Forty-three health assistants were studying at district hospitals. A further 56 health assistants were scheduled to begin a six-month programme. By January 1978, the date of completion of the programme, at least 95 per cent of the health assistants in the Trust Territory would have been trained under that programme.

Labour

31. After paragraph 177, add the following new paragraph:

At the forty-fourth session of the Trusteeship Council Mr. Winkel, the High Commissioner and Special Representative, stated that a two-year manpower projection survey had been initiated in February 1977 and was still incomplete, but it had been indicated that possible business expansion in the private sector might result in significant demands for jobs in the construction field. Some development might also be anticipated in the area of marine resources, especially in fisheries.

32. After paragraph 178, add the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that, in addition to its standard training functions, the territorial Training and Employee Development Division had been involved in the programme being carried out under the Comprehensive Employment and Training Act (CETA), which was concerned with the training and development of employees of both the public and private sectors. The programme would focus particularly on those who were unemployed or were at the lower end of the wage scale. Funds available to the Trust Territory under CETA totalled \$3.9 million.

## E. EDUCATIONAL ADVANCEMENT

### General

33. After paragraph 200, insert the following two new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that the Government of the Trust Territory had received a territory-wide leadership training grant under the United States "Right to Read" programme. The grant would finance a three-year project to assess the state of literacy at all levels in all the vernacular languages and in English. The grant would also finance the development of a comprehensive plan to enhance literacy achievement at all levels in those languages.

The Special Representative further stated that, early in May 1977, a workshop for mathematics specialists had been held in the Territory under a three-year, federally financed programme to develop curriculum materials for the Trust Territory Metric Education Program. Two schools in each district now had pilot projects where curriculum materials were being tested for effectiveness before they were extended to all schools.

### Higher education

34. After paragraph 214, insert the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Congressman Setik, Special Adviser, stated that the Congress of Micronesia had enacted a measure incorporating the Community College of Micronesia under a Board of Regents which was a necessary first step in the reorganization of post-secondary education in the Trust Territory.

### Vocational education

35. After paragraph 222, insert the present paragraph 215 and add the following new paragraph:

At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that a training workshop on vocational rehabilitation and on food services had been held recently for the purpose of strengthening management capabilities in those two areas. In March, representatives of the Western Association of Schools and Colleges had paid their final visit to the Micronesian Occupational Center (MOC) prior to deciding whether to give the Center full accreditation. It was anticipated that the decision would be in the affirmative.

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

36. After paragraph 242, insert the following nine new paragraphs:

At the forty-fourth session of the Trusteeship Council, the representative of the United States said that in the Marshall Islands and the Caroline Islands, the question of future status had yet to be resolved, and that the Administering Authority was actively working with the Micronesians to resume formal negotiations in the near future towards that end.

In accordance with legislation by the Congress of Micronesia calling for a referendum on the draft Micronesian constitution between 15 June and 15 September 1978, the Acting High Commissioner had set 12 July 1978 as the date for the vote. According to the terms of Congress of Micronesia Public Law 5-60, as amended, the constitution would be ratified if it was approved by a majority of the districts of the Trust Territory existing on the date of the referendum but not in any district where it was rejected by a majority. In view of the importance of the constitutional referendum, the Administering Authority believed that it would be desirable for the Trusteeship Council to dispatch a visiting mission to observe the voting itself and the period of political education that would precede it.

The representative of the United States further said that no formal negotiating sessions had been held since June 1976 between the Micronesian and United States delegations concerning the future status of the Trust Territory. A policy review by the new United States Administration had been completed, and the Administration had invited representatives from the Marshall and the Caroline Islands to participate in a round-table conference with the United States in Honolulu from 18 to 21 May 1977 to discuss a range of subjects of mutual interest. At that conference, the United States had reaffirmed its desire to find a mutually satisfactory basis for the termination of the Trusteeship Agreement by 1981 and had pressed for an early resumption of formal negotiations. The United States had expressed its belief that free association along the general lines negotiated over the past six years provided the most promising basis for ensuring a mutually satisfying relationship between the United States and the peoples of the Marshall Islands and the Caroline Islands. The Administering Authority had stated that its basic aim was to help the peoples of Micronesia to move rapidly and successfully towards a new status based on self-determination and that it had not excluded the possibility of talks leading to forms of government other than free association, including independence, if that were the expressed wish of the peoples of Micronesia. It expressed its belief that the interests of the peoples of Micronesia would best be served by the maintenance of some form of unity. The meeting at Honolulu concluded with an agreement by all parties to meet again no later than July 1977 for further discussions.

The representative of the United States pointed out that the issue of marine resources had become inextricably linked with, and part of, the political status



negotiations, and it, as the Administering Authority, believed that it should be dealt with in that context. Micronesia had proposed that it be given separate international standing in the field of marine resources: that it be allowed to negotiate in its own right and to sign treaties in its own name. In the opinion of the Administering Authority, that was not in reality a marine resources issue, but rather flowed from the relationship that existed or that would be established in the future. It would also include in that category the issues involved in the Law of the Sea Conference signatory status. He also stated that any mutually agreeable arrangement must provide a balance between the authority of Micronesia and the responsibility of the United States for Micronesian action. Whatever arrangements would be concluded any solution to the problem of maritime resources must be found within the context of the status negotiations between the United States and Micronesia.

At the same session, Senator Iehsi, Special Adviser, stated that one of their concerns in approaching the round-table conference in Honolulu in May 1977 was the fact that the Commission on Future Status and Transition of the Congress of Micronesia had not been a direct invitee to that conference. The Commission was the Micronesian body legally mandated to conduct status negotiations, informal or otherwise. They believed that that position was in full accord with the provisions of the Charter of the United Nations, the Trusteeship System and declarations of the United Nations which respected and supported territorial integrity and guaranteed non-interference in the internal affairs of all States, including the Trust Territory of the Pacific Islands. Consequently, their position at the conference, which representatives of the Commission had attended at their invitation, had been to reiterate that Micronesia's legal institutions were the only proper instruments or channels through which such negotiations might be conducted.

The Special Adviser quoted from a statement by the President of the Senate of the Congress of Micronesia, who at the conference in Honolulu, had stated that their discussions had dealt very little with basic issues. Nevertheless, they left that meeting very hopeful that what had happened there signalled a new beginning. They had gained some understanding of the new Administration's point of view, and they hoped that many of the representatives of the United States better understood not only their problems but their Micronesian way of approaching those problems.

The Special Adviser pointed out that they had hoped that they could obtain specific undertakings from the United States on certain fundamental points affecting Micronesia's future. Although that had not happened, he was sure that all the participants had benefited from the exchange of views.

The Special Adviser stated that at the conference they had stressed that the rule of law must be followed with regard to the negotiations and the Commission on Future Status and Transition, and concerning the Micronesian delegation to the Third United Nations Conference on the Law of the Sea and issues concerning the law of the sea. They had further stressed that the territory-wide referendum on the constitution of the federated States of Micronesia which would take place on 12 July 1978 was the appropriate vehicle for the expression of the will of the

people of Micronesia with regard to their future relationships, and that lawful procedure must thus be followed. In that connexion, the Congress of Micronesia wished to raise the possibility that it might formally request that representatives of the United Nations - probably of the Security Council - be made available to supervise closely the 1978 referendum throughout the six districts.

The Special Adviser said that they were pleased in Honolulu to see that representatives of the Government of the United States had reaffirmed in a more positive fashion than previously that independence as a status alternative was not excluded if that was the wish of the people of Micronesia. There had been other, more positive accomplishments which had come from the meeting, including statements from representatives of the United States listing various reasons why the Administering Authority supported a unified Micronesia. There had also been general agreement that Micronesian representatives should meet among themselves soon to discuss their internal relations.

37. After paragraph 247, add the following seven new paragraphs:

At the forty-fourth session of the Trusteeship Council, Mr. E. Canhan, Resident Commissioner and Special Representative, stated that the completed constitution had been signed by the delegates on 5 December 1976 and that a campaign of political education had then been organized and carried out. On 6 March 1977, the voters adopted the constitution by a margin of 93.2 per cent, with 58.2 per cent of the registered voters casting ballots.

At the same session, Senator Borja, Special Adviser, further stated that an Office of Transitional Studies and Planning had been created by the United States/Marianas Joint Commission on Transition. Its duties included the comprehensive study of transitional matters and preparation for the orderly transition to self-government. It was expected that the work of the Office would be completed by 1978.

Referring to the Constitution, the Special Adviser said that it established a governmental structure which would serve the people effectively, efficiently and economically; it reiterated traditional guarantees of civil liberties; it recognized the vital importance of the scarce natural resources of the Marianas and ensured their wise use; it promoted the efficiency generated by a unified central Government which respected the rights of the people of each island; and it met the need to protect the ethnic groups in the Mariana Islands.

At the same session, the representative of the United States stated that the Constitution was now under review in Washington, D.C. in accordance with Section 202 of the Covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States. According to that section the constitution would be submitted to the Government of the United States for approval on the basis of its consistency with the Covenant and those provisions of the Constitution, treaties and laws of the United States to be applicable to the Northern Mariana Islands.

The representative of the United States further stated that unless it was rejected as a result of that review, the constitution would be deemed fully approved not later than 23 October 1977. It was the expectation of the Administering Authority that elections under the constitution would be held by the end of 1977 and that there would be an elected Government in the Northern Mariana Islands in early 1978.

He further stated that in section 1003, the Covenant provided that much of the agreement would come into effect not later than 180 days from the final approval of both the Covenant and the constitution. By its own terms, however, the Covenant also provided that certain sections would be held in abeyance until the termination of the Trusteeship Agreement. His Government expected the termination of the Trusteeship Agreement not later than the end of 1981, and it was its intention to terminate the agreement simultaneously for the entire Trust Territory.

At the same session, Senator Borja, Special Adviser, stated that the people of the Northern Mariana Islands were grateful to the United Nations for its many years of guidance and support. The readiness and desire for self-government by Northern Marianas demonstrated the success of their efforts. The Special Adviser urged the early termination of the Trusteeship Agreement and he hoped not later than the end of 1981.

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