

UNITED NATIONS TRUSTEESHIP COUNCIL



Distr.
LIMITED

T/L.1206
17 June 1977
ENGLISH
ORIGINAL: ENGLISH/FRENCH

Forty-fourth session
Agenda item 4

CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Report of the Drafting Committee

1. At its 1466th meeting, on 13 June 1977, the Trusteeship Council appointed a drafting committee composed of the representatives of France and the United Kingdom of Great Britain and Northern Ireland to propose, on the basis of the discussions which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory of the Pacific Islands, and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the next report of the Trusteeship Council to the Security Council.
2. The Drafting Committee held 3 meetings. It had the benefit of the assistance of representatives of the Administering Authority.
3. In the light of the general discussions in the Trusteeship Council on conditions in the Territory, the Committee drafted a number of conclusions and recommendations which it considered as reflecting the opinions of the majority of the members of the Council and which are set forth in the annex to the present report.
4. The Committee recommends to the Trusteeship Council that it adopt the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1205 and Add.1 and 2) as the basic text for the chapter on conditions in that Territory to be included in the next report of the Trusteeship Council to the Security Council.
5. The Committee also recommends that the Trusteeship Council adopt the conclusions and recommendations set out in the annex and include them at the end of the report.

Annex

DRAFT CONCLUSIONS AND RECOMMENDATIONS

A. GENERAL

Population movements

1. The Trusteeship Council is pleased to note the progress made in 1976/1977 on the long-standing issues relating to displaced population groups in the Marshall Islands District.
2. The Council notes that funds for the Bikini aerial radiological survey were approved by the Congress of the United States and made available in the supplemental appropriation 1977/1978, approved by the President on 4 May 1977. It also notes that the Energy Research and Development Administration (ERDA) is committed to provide funds for the necessary research and analysis. The Council further notes the statement of the Administering Authority that planning for the survey is under way which it is hoped will begin in September 1977.
3. The Council notes that the United States Department of the Interior submitted a request for funds for the rehabilitation and resettlement part of the Enewetak project to the Congress of the United States early in 1977. It notes with satisfaction that an initial increment of \$4 million has been approved in the supplemental budget for 1977/1978, and that the balance of some \$8.4 million has been included in the 1978/1979 budget. The Council notes the statement by the Special Representative of the Administering Authority, made at the Council's current session that approval of, and final action by, the United States Congress on the 1978/1979 budget is expected very shortly. It further notes that the Defence Nuclear Agency has started the first phases of the clean-up of Enewetak and that the Department of the Interior and the Government of the Trust Territory will soon begin the initial phases of the rehabilitation work.
4. The Council notes with satisfaction the progress made in regard to the question of compensation for Rongelap and Utirik. It notes the report made by the Administering Authority at the current session that an ex gratia compensation bill has been presented to the Congress of the United States by the Department of the Interior as part of its 1977/1978 budget proposal. The Council further notes that both the House and the Senate Appropriation Committees of the Congress of the United States have recommended approval of the ex gratia compensation and authorization. It also notes that the United States House of Representatives has passed authorization legislation which is scheduled to be presented in June to the Senate whose approval is anticipated. The Council notes that, with final approval of the 1978/79 budget, the compensation bill can be implemented by the Department of the Interior.

War and post-war damage claims

5. The Trusteeship Council reiterates its previous recommendations that the necessary steps for the final settlement of war damage claims should be taken quickly. It notes that all the authorizations for the payment of funds allocated by the 1971 law have been granted and the final payments made. The Council is gratified to note that the Congress of the United States is considering a bill authorizing full payment of the 50 per cent share of the Title I awards owed by the United States, and full payment of the Title II awards. It notes with satisfaction that the United States House of Representatives has already passed the bill and expresses the hope that the Senate will also act favourably on it.

6. The Council further notes that hope was expressed by the special advisers and by petitioners in both oral and written statements that the Government of Japan would follow the example of the United States and consider supplementing its earlier *ex gratia* payment in respect of Title I awards. The Council hopes that a satisfactory solution to this matter can be found.

B. POLITICAL ADVANCEMENT

Territorial Government

Legislature

7. The Trusteeship Council notes the active role which continues to be played by the Congress of Micronesia Commission on Future Political Status and Transition and the Micronesian delegation to the Third United Nations Conference on the Law of the Sea.

8. The Council notes with concern that the Administering Authority has still not implemented its previous recommendation that necessary regulations should be adopted which will distinguish between the special interests of the Territory and the international obligations of the Administering Authority, with the ultimate objective of restricting as far as possible the occasions for the exercise of the power of veto by the High Commissioner. The Council notes the concern expressed by the Special Adviser at the veto by the Administering Authority of Micronesian Senate Bill No. 7-69, enacted by the Congress of Micronesia in February 1977. (The bill provided for reconfirmation of those members of the office of the High Commissioner whose appointments were subject to the "advice and consent" of the Congress of Micronesia upon the appointment of each new High Commissioner.)

9. The Council remains aware, however, that some of the difficulties associated with the use of the veto power, including the instance cited above, result from the separation of powers between the legislative and executive branches, and that these difficulties are further exacerbated because this power is exercised by an appointed rather than an elected Chief Executive. Accordingly, the Council recommends that the Administering Authority give serious consideration to preparing Micronesians for assuming the highest executive functions.

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Executive

10. The Council notes with satisfaction the steady increase in the number of Micronesian citizens in senior executive posts; it is to be welcomed that the percentage of expatriate and United States civil service personnel in government employment in the Trust Territory has decreased, both absolutely and relatively. The Council commends the report by the High Commissioner that, of the 35 positions in the Trust Territory Government subject to the advice and consent of the Congress of Micronesia (department heads, their deputies, district administrators, their deputies and special officers performing certain functions), only 6 positions are now held by United States nationals; 21, or 62 per cent, are held by Micronesians; and 8, or 22 per cent, are vacant at the moment. The Council reiterates its earlier appeals that this trend towards "micronisation" at the executive level should continue.

11. The Council continues to see value in promoting a Micronesian to the second most senior post in the executive branch, while noting the views expressed by the 1976 Visiting Mission about the difficulties which the selection of an individual would pose in the context of interdistrict sensitivities. The Council notes with satisfaction that a Micronesian served as Acting High Commissioner for the month of June.

District government

12. The Council notes that in the new district of Kosrae, the District Administrator was sworn into office on 9 January 1977, that a district legislature has been established and that it convened its first session on 5 April 1977.

13. The Council notes with satisfaction that the High Commissioner has approved laws authorizing district legislatures to draft charters for district governments. Some district legislatures have begun the process of drafting. The completed charters will be reviewed by the Congress of Micronesia at its next special session in August 1977. They will then be reviewed and (if approved) promulgated by the High Commissioner. The Council notes with satisfaction that the Administering Authority hoped that it will be possible to hold popular elections for district administrators in 1978, soon after the various district charters had been approved.

Decentralization

14. The Council notes with satisfaction that the Administering Authority has undertaken a systematic programme of decentralization designed to increase local autonomy and streamline the government bureaucracy. In addition to the steps already noted giving greater autonomy to the districts, the Council commends the training programme for middle management, conducted by the American Management Association, in which 112 management supervisory personnel participated and which was completed in April 1977.

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Judiciary

15. The Council continues to urge that qualified Micronesians should be given greater opportunities in the judiciary. While recognizing that Micronesians now hold a number of important posts in this branch of the Government, the Council considers that preference should be given to Micronesian citizens, all other things being equal, when senior posts become available.

16. The Council reaffirms the need for the Congress of Micronesia to be consulted before the appointment or removal of judges of the High Court.

C. ECONOMIC ADVANCEMENT

General economy

17. The Trusteeship Council is still concerned about the imbalances in the Micronesian economy and its considerable dependence on outside support. It notes with satisfaction that the Administering Authority is aware of the need to stress the development of the productive sectors and of basic infrastructure, including transport and communications; programmes entailing unproductive expenditure, on the other hand, should be kept within reasonable limits.

18. The Council welcomes the adoption by the Congress of Micronesia of the Five-Year Indicative Development Plan and its approval by the Administering Authority. It hopes that the economic policy followed in the Trust Territory will be in keeping with the orientations of the plan and that the necessary means - especially financial means - for its implementation will be available.

19. The Council considers that it would be desirable to promote an increase in exports from the Trust Territory. It recommends that the Administering Authority examine carefully the possibility of extending to the Territory as a whole tariff advantages comparable to those envisaged for the Northern Mariana Islands under the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

Public finance

20. The Trusteeship Council reaffirms its desire to see the Congress of Micronesia given greater influence with respect to the budget process. It notes with satisfaction that the Joint Committee on Programme and Budget Planning of the Congress of Micronesia has been recognized as the primary review body for the request for the annual grant to the United States; moreover, representatives of the Congress of Micronesia were given a hearing by the budgetary committees, of the Congress of the United States, on which occasion they were able to express their views on the budget of the Trust Territory.

21. The Council also notes that an automated fund accounting system is in the process of being implemented at Trust Territory headquarters and will be used to attain the goal of greater financial responsibility for the districts.

Assistance from international institutions

22. The Trusteeship Council once again urges the Trust Territory to develop its contacts with international and regional bodies with a view to participating in their activities and receiving development assistance. It notes with satisfaction that a request for assistance from the World Food Programme (WFP) is being prepared.

23. It also notes with satisfaction that a UNDP Country Programme has been prepared and that three project requests have been approved and transmitted to UNDP (a seed-mill/livestock project, a survey of the skills required to carry out the development programme and a project relating to the provision of the services of United Nations experts to assist in development efforts).

Credit

24. The Trusteeship Council considers that lack of capital constitutes an important obstacle to the economic advancement of the Trust Territory and therefore considers it desirable to develop local credit facilities. The Council hopes that the Micronesian Development Bank, to which various loans made to the Trust Territory have been transferred, will be able to provide the necessary capital.

Land

25. The Trusteeship Council notes that land identification and survey work is now in progress and should be completed by the end of 1977. It hopes that this work will be completed within the envisaged time-limits so that, in accordance with the view of its 1976 Visiting Mission, complete and up-to-date records of land ownership may soon be made available.

26. The Council hopes that the discussions begun between the members of the Congress of Micronesia and the Trust Territory Administration concerning indefinite land-use agreements will produce satisfactory solutions as soon as possible.

Agriculture and livestock

27. The Trusteeship Council reiterates its recommendation that the Administering Authority should expand production of food-stuffs to enable the Territory to become more nearly self-sufficient. However, this priority should be without prejudice to current efforts to diversify crops, develop agriculture on a commercial scale and

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establish an agriculture-based industry. In this connexion, it is important to develop copra production so as to provide sufficient supplies for the two processing plants envisaged, when these become fully operational. In particular, the Council notes with interest that the Micronesian Industrial Corporation in Palau exported oil valued at \$3.4 million and copra cake valued at \$445,000 in 1976.

28. The Council also recommends that careful consideration should be given to the possibilities of exploiting forestry resources and means of improving livestock production.

Marine resources

29. The Trusteeship Council reaffirms that marine resources are crucial to the economy of Micronesia and urges the Administering Authority to do everything possible to protect and develop these resources, while continuing to improve equipment and training. It notes with satisfaction that the Administering Authority has reaffirmed that it does not contest the fact that all benefits derived from marine resources located off the coasts of Micronesia belong to the people of the Trust Territory and not the United States. The Council also notes that the United States has indicated that it is prepared to work with the Micronesians in order that Micronesian sovereignty over marine resources may be extended to 200 miles, and to establish institutions that would enable the Micronesians to administer these resources.

Third United Nations Conference on the Law of the Sea

30. The Trusteeship Council notes with satisfaction that representatives of the Congress of Micronesia are again participating as observers in the Third United Nations Conference on the Law of the Sea with the sponsorship of the Administering Authority, and that such participation is expected to continue. The Council notes the strong views expressed by representatives of the Congress of Micronesia about Micronesian participation, and the statement made at the forty-fourth session by one of the special advisers who expressed concern at the veto by the Administering Authority of a bill passed by the Micronesian Senate which had provided for marine-space jurisdiction in Micronesia. The Council notes that the interests of Micronesia may not necessarily coincide with the interests of the Administering Authority.

31. The Council welcomes the offer made by the Micronesian delegation at the recent Honolulu round-table discussions in May 1977, to work out their differences with the Administering Authority through negotiations. The Council also welcomes the statement by the Administering Authority that it would continue to exercise vigilance in the protection of Micronesian waters from foreign illegal exploitation.

Tourism

32. The Trusteeship Council recommends that, in both the construction and operation of tourist facilities, local products should, whenever possible, be given preference over imports. Local products should be used more often in the restaurants of tourist hotels. In this connexion, the Council welcomes the report by the Special Representative that the tourist industry is largely in the hands of local entrepreneurs rather than outside investors and that Micronesians own 26 out of 29 hotels of which 23 have Micronesian managers.

33. The Council also notes with satisfaction the report by one of the special representatives that tourism is developing as a major territory-wide income producer, which during 1976 produced invisible export earnings of almost \$2 million and employed well over 500 Micronesians. The Council further notes that during the first quarter of 1977 the tourist industry has shown a 27 per cent increase compared with the same period in 1976.

34. The Council notes with satisfaction that growth in this sector is steady and does not at the present time exceed the capacity of the districts to accommodate tourists. It recommends that tourism training and workshops should continue to be expanded.

Transport and communications

35. The Trusteeship Council notes with approval that since the promulgation by the Administering Authority of Executive Order No. 113, logistic shipping services, direct or indirect, to Micronesian ports from the United States, Asia and Australasia have greatly improved as a result of the semi-controlled and competitive shipping system established under the order. As a result, despite rising costs, Micronesians enjoy imported commodities at more reasonable prices than hitherto. The Council further notes that two new multipurpose landing vessels, acquired in 1976, are now in full service in the districts and that seven new interisland ships under contract with a Japanese firm should be completed by December 1978.

36. The Council notes with approval that the Koror-Babelthuap Bridge was opened to traffic in April 1977 which would link these two areas, thereby facilitating communication and development.

37. The Council notes that negotiations have taken place in both Washington, D.C. and Tokyo on instituting the Tokyo-Saipan air services. Representatives of the Congress of Micronesia and the Northern Mariana Islands participated in the negotiations. The Council attaches importance to a satisfactory resolution of this issue and welcomes the statement of the Administering Authority that this question must be dealt with ahead of other bilateral questions under discussion.

38. The Council further notes the statement by the special advisers that despite the efforts and support of the Administering Authority, the Japanese Government has so far withheld its approval. One of the special advisers has requested the Trusteeship Council to give its strong support to this project in its report to the Security Council, and has requested the President of the Trusteeship Council to use his good offices to convey to the appropriate representatives of the Government of Japan the crucial importance of the projected airline to the peoples of Micronesia.

39. The Council also notes with approval further developments reported by the High Commissioner in the general context of airport development.

Proposal for a super-port at Palau

40. The Trusteeship Council, recalling its recommendations that consideration should be given to the possible effect of the development of a super-port on Micronesian unity, notes the statement by one of the petitioners from Palau that the question of a super-port is not related to their quest for separation.

41. The Council continues to believe that attention should also be given to the environmental impact of such a port. It has noted a number of critical statements by representatives and petitioners from Palau opposing the project, as well as the protests of international environmentalists. The Council wishes to endorse once again the proposals made by the 1976 Visiting Mission that following completion of the contractors' feasibility study, there should be a further study of the project by a body of experts having no vested interest in the matter before the proposal is put to the people of Palau. The Council further notes that the Administering Authority believes that under United States law, a federal environmental impact statement would also be necessary to assess the environmental questions prior to the adoption of the proposal.

42. The Council notes with satisfaction the commitment of the Administering Authority to consider the possible impact of the proposed super-port on the general welfare of the people, the security of the area and the physical and social environment, and the commitment of the Administering Authority not to approve development of the super-port if it is opposed by the people of Palau.

43. The Council recommends that the Administering Authority should give careful consideration to the views of the Congress of Micronesia on this matter.

Co-operatives

44. The Trusteeship Council reiterates the hope that the Administration will 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.

D. SOCIAL ADVANCEMENT

Medical and health services

45. The Trusteeship Council notes with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory (the completion of a 116-bed hospital on Ponape; the construction of a hospital on Yap, scheduled to be completed in January 1978; the forthcoming establishment of a medical training centre in the new hospital on Kolonia; the construction of 32 new dispensaries between the second half of 1977 and the beginning of 1978). The Council also notes with satisfaction that considerable progress has been made in modernizing the Ebeye hospital and that the medical staff has been strengthened. The Council recommends that these efforts should be continued, primarily with a view to improving health facilities in the periphery of the Trust Territory.

46. The Council notes with interest the results obtained in connexion with the programme for training Micronesian health assistants.

Labour

47. The Trusteeship Council continues to be concerned at the imbalance between wage-earners employed in the public sector and those employed in the private sector. It notes that the Administering Authority has stated that it intends to continue reducing the number of officials employed by the Government of the Trust Territory. The Council hopes that further progress towards an improved employment situation will be made as a result of the survey projecting manpower needs over two years, which is currently being prepared, and of the training and advanced training activities provided under the Comprehensive Employment and Training Act (CETA), for which an amount of \$3.9 million has been made available.

Housing

48. The Trusteeship Council welcomes the assistance afforded in 1976 by UNDP and ESCAP to the Territorial Housing Commission, which focuses on ways to provide housing for low-income families. It expresses the hope that the efforts to construct or renovate housing will be actively continued and that the necessary resources, particularly financial resources, will be made available for the implementation of the long-term, low-cost building programme.

Public safety

49. The Trusteeship Council again welcomes the efforts made to combat delinquency in general and juvenile delinquency in particular. It recommends that preventive efforts should be continued.

E. EDUCATIONAL ADVANCEMENT

50. The Trusteeship Council reaffirms its satisfaction with the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the satisfactory number of post-graduate students in the Trust Territory. It welcomes the fact that students in the Trust Territory can obtain grants and loans from the Government of the United States for higher education.

51. The Trusteeship Council notes with interest the ideas expressed by the Administering Authority to the effect that the educational system in the Trust Territory does not need to be changed substantively but that it should develop greater emphasis on the disciplines that will best prepare students for life in Micronesian society, with special reference to language, culture and vocational activity. The Council shares this point of view, particularly with regard to the need to emphasize vocational training; it looks forward to receiving at its next session information on the measures envisaged for a better adaptation of education to the cultural realities and economic needs of the Trust Territory.

52. The Council again notes with satisfaction the progress made by the Administering Authority in increasing the number of Micronesian teachers currently working in the Territory.

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

General

53. While recognizing that it is ultimately for the Micronesians themselves to decide upon their future relations with each other, the Trusteeship Council recalls its earlier conviction that the political unity of the Caroline Islands and the Marshall Islands should if possible be maintained. It also notes the expressed desire of Palau and Marshall Islands districts for separate political status negotiations with the United States. It notes with satisfaction the view of the Administering Authority that the interests of the peoples of Micronesia would best be served by the maintenance of some form of unity, and expresses the hope that the Administering Authority will continue its efforts to seek practical and mutually beneficial relationships among the districts.

54. The Council notes with satisfaction the convening by the Administering Authority of an informal meeting at Honolulu in May 1977 which was attended by representatives of the Congress of Micronesia, the Executive Branch of the Trust Territory Government and representatives of the districts of the Caroline and Marshall Islands, at which subjects of common interest were discussed, including the manner of proceeding with future status negotiations. The Council welcomes the fact that the parties agreed to hold a further meeting not later than July 1977 to continue these discussions.

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55. While the Council does not wish to make precise recommendations at this stage on the future political status of the Trust Territory, before the people of the Caroline and the Marshall Islands have expressed their opinion, it reaffirms its earlier view that the status of free association, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement. In this context, the Council notes that free association might have the advantage of providing a transitional period that would allow the people time to evaluate the relationship; it would also provide time for further economic development while keeping open the possibility of altering their political status at a future date.

56. The Council also notes with satisfaction that the Administering Authority has affirmed its intention to help the peoples of Micronesia to move swiftly towards a new status based on self-determination, not excluding independence if that is their expressed wish.

57. The Council considers that the peoples of Micronesia should meanwhile be given the fullest opportunity to inform themselves about the future political status and constitutional alternatives open to them.

58. The Council welcomes the invitation issued by the Administering Authority to observe the constitutional referendum in the Marshall and Caroline Islands scheduled for 12 July 1978. The Council notes, however, that negotiations on the future political status of the Marshall and Caroline Islands could affect issues to be decided by the referendum and also the precise timing. The Council continues to hope that the Congress of Micronesia will do its utmost to ensure that when the draft constitution is put to a popular referendum, it will be in a form likely to be acceptable to all the districts in the Caroline Islands and the Marshall Islands, and calculated to preserve a degree of unity among them.

59. The Council notes with satisfaction that delegates of the Northern Mariana Islands signed a completed constitution on 5 December 1976, and that, following a campaign of political education, 58.2 per cent of the registered voters approved the constitution by a margin of 93.2 per cent on 6 March 1977.

60. The Council notes the statement by the Special Adviser that the constitution establishes a governmental structure which will serve the people of the Northern Mariana Islands effectively, efficiently and economically and that the constitution reiterates traditional guarantees of civil liberties, recognizes the vital importance of the scarce natural resources of the Northern Mariana Islands, respects the rights of the people of each island and protects the ethnic groups in the islands.

61. The Council notes the statement by the representative of the United States that the constitution is 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 of America and that, unless it is rejected as a result of that review, it will be deemed fully approved not later than 23 October 1977.

62. The Council notes that certain sections of the constitution will be held in abeyance until the termination of the Trusteeship Agreement, and welcomes the statement by the representative of the Administering Authority of its intention to terminate the Trusteeship Agreement simultaneously for the entire Trust Territory.

63. The Council urges that social, economic and cultural links be maintained between the Northern Mariana Islands and the other districts and, in this context, commends the statements made by the Administering Authority and by the Resident Commissioner of the Northern Mariana Islands in support of such future collaboration.

64. The Council welcomes the reaffirmation by the Administering Authority of its desire to find in consultation with the Micronesians, a mutually satisfactory basis for the termination of the Trusteeship Agreement by 1981.
