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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 1977 estimates, the population of the Territory totalled 126,239. The distribution of the population in the Trust Territory was as follows: Truk, 35,220; Marshall Islands, 27,096; Ponape, 21,187; Northern Mariana Islands, 16,264; Palau, 13,519; Yap, 8,482; and Kosrae 4,471.
3. For administrative purposes, the Territory is divided into six districts: Palau, Yap, Truk, Ponape and Kosrae (all within the Carolines) and the Marshall Islands. Pursuant to Secretarial Order No. 2989 of 24 March 1976, the former Mariana Islands District was separated administratively from the Government of the Trust Territory of the Pacific Islands on 1 April 1976.

4. At the forty-fourth session of the Trusteeship Council, Representative 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 Caroline Islands as the new capital.

5. 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 and the Northern Mariana Islands.

Population movements

6. At its forty-fourth session, the Trusteeship Council noted that funds for the Bikini aerial radiological survey had been approved by the Congress of the United States and had been made available in the supplemental appropriation in 1977/78. This measure had been approved by the President on 4 May 1977. The Council also noted that the Energy Research and Development Administration (ERDA) was committed to provide funds for the necessary research and analysis. It further noted the statement of the Administering Authority that planning was under way for the survey, which it was hoped would begin in September 1977.

7. The Council noted that the United States Department of the Interior had 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 noted with satisfaction that an initial increment of \$4 million ^{1/} had been approved in the supplemental budget for 1977/78, and that the balance of some \$8.4 million had been included in the 1978/79 budget. The Council noted the statement by the Special Representative of the Administering Authority, made at the Council's forty-fourth session that approval of, and final action by, the United States Congress on the 1978/79 budget was expected very shortly. It further noted that the Defense Nuclear Agency had started the first phases of the clean-up of Enewetak and that the Department of the Interior and the Government of the Trust Territory would soon begin the initial phases of the rehabilitation work.

8. The Council noted with satisfaction the progress made in regard to the question of compensation for Rongelap and Utirik. It noted the statement made by the

^{1/} The local currency is the United States dollar (\$US 1.00).

Special Representative of the Administering Authority at the forty-fourth session 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 1977/78 budget proposal. The Council further noted that both the House and the Senate Appropriation Committees of the Congress of the United States had recommended approval of the ex gratia compensation and authorization. It also noted that the United States House of Representatives had passed authorization legislation which was scheduled to be presented in June 1977 to the Senate whose approval was anticipated. The Council noted that, with final approval of the 1978/79 budget, the compensation bill could be implemented by the Department of the Interior.

9. In the annual report under review covering the period from 1 July 1976 to 1 September 1977 (T/1786), the Administering Authority states that the Enewetak rehabilitation programme for which the Defense Nuclear Agency is responsible is already under way. The cleaning up of debris was begun in November 1977 and is expected to be completed by about August 1978. The cleaning up of the soil is scheduled to begin in August 1978 and to be completed by July 1979.

10. According to the current annual report, the Government of the Trust Territory awarded, in January 1978, a primary construction contract for the Enewetak site preparation and rehabilitation project to American International Construction, Inc. of Seattle (Washington). The project, which is expected to cost \$4.4 million includes the construction of family dwellings, schools, power plants, roads, sewers and dock facilities. The entire project is expected to be completed towards the end of 1979; the budget for the total rehabilitation work is \$12.4 million.

11. With regard to the question of compensation for the people of the Bikini, Rongelap and Utirik atolls, the United States Congress passed and the President of the United States signed into law Public Law 95-134 of 15 October 1977, which provides compensation for the people of those atolls as follows: (a) \$25,000 to any exposed individual on Rongelap or Utirik from whom the thyroid glands or neurofibroma in the neck has been surgically removed, or who has developed hyperthyroidism or a radiation-related malignancy, such as leukaemia; (b) \$1,000 to each individual who, at the time of the tests, was a resident of Utirik atoll; (c) an amount not exceeding \$25,000 to any individual who has suffered physical injury or harm resulting from radiation but who is not included in (a) above; and (d) \$100,000 each to be paid to the atolls of Bikini, Rongelap and Utirik. The latter sum is to be used for community purposes designated by the municipal councils of the island communities. The law further provides for continued medical care and for payments to heirs of deceased persons who would have been entitled to compensation. The annual report further states that the Government of the Trust Territory is actively engaged in implementing the provisions of the above law.

War and post-war damage claims

12. 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.

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13. 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.

14. 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 (Title I claims); 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 (Title II claims).

15. 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.

16. At the forty-fourth session of the Trusteeship Council, Senator Ambilos, Iehsi, Special Adviser, said that the subject of war claims had caused considerable concern throughout Micronesia during the preceding year. The Micronesian Claims Commission had completed its work on 30 July 1976 and had recently issued its final report. 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.

17. The Special Adviser further said that, on 2 July 1975, the Congress of Micronesia had adopted House joint resolution No. 6-44, requesting the Governments of the United States and Japan to increase their respective contributions to the Micronesian claims programme so that there might be 100 per cent compensation of total awards.

18. At the same session, Senator Olympio T. Borja, Special Adviser referred to a 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, and asked the Trusteeship Council to use its good offices to resolve both those matters.

19. At the same session, the Trusteeship Council reiterated its previous recommendations that the necessary steps for the final settlement of war damage

claims should be taken quickly. It noted that all the authorizations for the payment of funds allocated by the 1971 Act had been granted and that the final payments had been made. It was gratified to note that the Congress of the United States was considering a bill authorizing full payment of the 50 per cent of the Title I awards and full payment of the Title II awards. The Council noted with satisfaction that the United States House of Representatives had already passed the bill and expressed the hope that the Senate would also act favourably on it.

20. The Council further noted that hope had been 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 hoped that a satisfactory solution to that matter could be found.

21. The current annual report of the Administering Authority states that United States Public Law 95-134 (see para. 11 above), authorizes the appropriation of funds required to satisfy all adjudicated claims and the final awards made by the Micronesian Claims Commission under Titles I and II of the 1971 Act. Although the law authorizes full payment of such awards, it provides that no further payments be made on Title I awards until the Government of Japan has contributed its share to the Trust Territory in goods and services and that payment of awards made under Title II are exclusive of interest from such awards.

B. POLITICAL ADVANCEMENT

General political structure

22. 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.

23. 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.

24. 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.

25. 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.

26. At the forty-third session of the Trusteeship Council, the representative of the Administering Authority stated that, on 8 November 1975, representatives of all six districts had signed a draft constitution for the proposed Federated States of Micronesia. ^{2/} The draft constitution had been translated, reproduced and distributed in 10 local languages and would be put to a referendum in the Trust Territory.

Territorial Government

Legislature

27. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate has 10 members, 2 from each district elected at large for four-year terms. The House of Representatives has 18 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.

28. 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

^{2/} For the text of the draft constitution, see document T/COM.10/L.17⁴, annex 1.

Congress of Micronesia from local revenues and supplemented, upon the request of the Congress of Micronesia, by funds appropriated by the United States Congress.

29. The first general election took place in January 1965, and subsequent general elections have been held biennially in each even-numbered year. The seventh general election took place in November 1976.

30. 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.

31. 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.

32. 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 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-third 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.

33. 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 Seventh Congress held its first regular session at Saipan from 10 January to 28 February 1977 and its special session from 15 to 29 August. During those sessions, important legislation which

became law included: provision for the creation of a new Title 52 of the Trust Territory Code entitled, "Fishery Zones Jurisdiction"; the appropriation of funds for the operating expenses of the Micronesian Commission on Future Political Status and Transition; the establishment of the College of Micronesia under a board of regents; the direction of the High Commissioner of the Trust Territory to designate a date for the referendum on the proposed constitution of the Federated States of Micronesia; the appropriation of funds for the Programme of Education for Self-Government (ESG) in the Trust Territory; and the appropriation of funds for expenses in connexion with the transfer of the Congress of Micronesia to the new capital on Ponape.

34. The Northern Mariana Islands Legislature is a unicameral body consisting of 22 members who are elected from the municipalities of Saipan (and Northern Islands), Rota and Tinian.

35. According to the current annual report of the Administering Authority, organized, registered political parties exist only in the Northern Mariana Islands and Palau District. In the Northern Mariana Islands, two parties have been active since the early 1960s, namely, 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 of organization of such parties, which, in the Northern Mariana Islands and Palau where they exist, are strictly voluntary associations of community members with common interests.

36. At its forty-fourth session, the Trusteeship Council noted with concern that the Administering Authority had still not implemented its previous recommendation that necessary regulations should be adopted which would 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 noted 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.)

37. The Council remained aware, however, that some of the difficulties associated with the use of the veto power, including the instance cited above, 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, the Council recommended that the Administering Authority should give serious consideration to preparing Micronesians for assuming the highest executive functions.

38. According to the current annual report, the Administering Authority holds the view that the veto powers of the High Commissioner should be exercised as sparingly

as possible. In regard to Senate Bill No. 7-69, a veto was considered necessary to protect the integrity of the executive functions in the administration of the Trust Territory.

39. The annual report further states that Trust Territory citizens have been promoted to the highest possible positions since the assumption of office by the new High Commissioner in 1977. The Deputy High Commissioner and the Executive Officer in particular exercise executive powers of the High Commissioner and/or the Deputy High Commissioner when designated to do so in the absence of the latter two officials. The majority of other positions, such as departmental directors, district administrators and other offices, are held by citizens of the Trust Territory. The annual report further states that for the first time, a Micronesian has been appointed as Associate Justice of the Trust Territory's High Court (see para. 78 below).

Executive

40. Working under the High Commissioner is a headquarters staff and the district administrators. All officers function under the Trust Territory Code and the Trust Territory Manual of Administration.

41. 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.

42. The executive authority of the Government of the Northern Mariana Islands is vested in a United States Resident Commissioner appointed by the United States Secretary of the Interior. A Micronesian Executive Officer assists the Resident Commissioner in the administration of the Northern Mariana Islands.

43. The office of the Resident Commissioner consists of the Executive Officer, the Special Assistant, the Special Consultant, the Planning Officer, the Program and Budget Officer, the Attorney-General, and the directors for education, health services, general administration, public affairs, public works, resources and development.

44. At its forty-fourth session, the Trusteeship Council noted with satisfaction the steady increase in the number of Micronesian citizens in senior executive posts and welcomed the fact that the percentage of expatriate and United States civil service personnel in government employment in the Trust Territory had decreased. The Council commended 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, only 6 positions were now held by United States

nationals; 21 were held by Micronesians; and 8 were vacant. The Council reiterated its earlier appeals that the trend towards "micronization" at the executive level should continue.

45. The Council continued to see value in promoting a Micronesian to the second most senior post in the executive branch, while noting the views expressed by the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1976, 3/ about the difficulties which the selection of an individual would pose in the context of interdistrict sensitivities.

46. The current annual report states that, in keeping with its policy of placing Micronesians in senior positions, the Administering Authority has, for the first time in the Territory's history, appointed a Micronesian as Deputy High Commissioner.

47. The annual report further states that the Government of the Trust Territory has begun preparations for its restructuring as the Government expected to become operational at the termination of the Trusteeship Agreement. It will attempt to meet the objectives of effectiveness, efficiency and reasonable size based on the available resources of the Territory. Towards that end, the High Commissioner of the Trust Territory submitted to the Congress of Micronesia at its 1978 session legislation calling for reorganization of the executive branch of the Government. The plan is not yet complete since the necessary structural study and review of the district governments had not been completed at the time the proposal was presented to the Congress. According to the annual report, it is anticipated that those studies will soon be completed and the second half of the reorganization plan submitted to the Congress of Micronesia in the near future.

District government

48. At its forty-fourth session, the Trusteeship Council noted that in the new district of Kosrae, the District Administrator had been sworn into office on 9 January 1977, that a district legislature had been established and that it had convened its first session on 5 April 1977.

49. The Council noted with satisfaction that the High Commissioner had approved laws authorizing district legislatures to draft charters for district governments and that the Administering Authority hoped it would be possible to hold popular elections for district administrators in 1978, shortly after the various district charters had been approved.

50. The current annual report states that the district government of Kosrae is now fully operational.

51. The annual report further states that the chartering of district governments is now in progress. The charter of Truk has been provisionally approved and those

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

of Kosrae, Ponape and Yap are being considered by the Congress of Micronesia. Elections for district governments could take place under the respective charters during 1978. The annual report adds that substantial understanding has been reached among officials of the Congress of Micronesia, the Government of the Trust Territory and the four central districts desiring chartered governments on the methods and procedures for implementing that type of governmental instrument.

52. According to the annual report, the Marshall Islands and Palau districts have decided not to prepare charters, preferring instead to rely on district constitutions or to await the resolution of the status question before taking action. The present administrative structure is to apply to those districts without charters until they reach a decision regarding the form of their local governments.

District administrators

53. 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.

54. In 1976, the Administering Authority informed the Trusteeship Council that, with the implementation of the decentralization policy, increased authority and responsibility had been delegated to the district administrators.

District legislatures

55. 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 Palau, which has a House of Elected Members and a House of Chiefs. In the Marshall Islands District Legislature, which consists of 24 members, eight elected seats are reserved for the Iroij (traditional chiefs).

56. There is no uniform plan for representation in the various district legislatures. Although allocation of representation is generally based on population, the ratio varies from district to district.

57. 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.

Municipal government

58. 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.

59. 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 42 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.

Civil service

60. 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.

61. 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 which would place a heavy burden on the budget of Micronesia.

62. According to the annual report for the preceding year (T/1781), the number of staff in the Trust Territory at 30 June 1976 totalled 6,571 (898 less than in 1975), of whom 6,062 were Trust Territory citizens and 509 were expatriate contract employees. Of the latter number, 125 were United States civil service employees, compared with 136 for the previous period.

63. According to the current annual report, the number of staff in the Government of the Northern Mariana Islands in October 1977 totalled 1,270 (45 less than the preceding year), of whom 1,195 were Trust Territory citizens and 75 were expatriates. Of the latter number, 8 were United States civil service employees, compared with 10 for the previous period. In accordance with the decision taken by the Office of Territorial Affairs of the United States Department of the Interior, all federal civil service positions in the Northern Mariana Islands were to be abolished on 8 January 1978. The necessary process to accomplish that action has begun.

64. Until a Government under the new constitution comes into being, the Northern Mariana Islands is to continue to use the Trust Territory Public Service System. When the constitutional Government comes into existence, however, a civil service commission is to be established which will formulate and administer personnel policies for the Government of the Northern Mariana Islands.

65. With regard to training and employee development in the Northern Mariana Islands, the annual report under review states that two committees on training have been established. The Coordinating Committee on Training, which concentrates on upgrading the administrative section of the Government, provides guidelines for training programmes and establishes training priorities for government employees. The programme of the Middle Management Training Committee is conducted by the Professional Institute of the American Management Association. Courses in management and in the administrative duties related to the handling of federal grants are planned for the future.

Political education

66. The current annual report states that during the period under review, specific guidelines for conducting the ESG programme were established and approved by the Congress of Micronesia, the district legislatures, the parties to the status negotiations and the Government of the Trust Territory. The Administering Authority believes that those developments represent a step in the right direction and that that kind of co-operation will provide a foundation upon which future problems or differences may be resolved.

67. The annual report further states that in continuing its efforts in 1977, the ESG programme disseminated information on the proposed constitution for the Federated States of Micronesia (including 45,000 copies of the draft constitution distributed throughout the Trust Territory in 12 languages and dialects); the law of the sea; economic developments; the democratic process; the chartering of district governments; and constitutional developments. In addition, materials produced in the preceding year were given wide dissemination.

68. In November 1977, the ESG programme provided materials to the Micronesian Conference on the Law of the Sea, held on Truk, and later disseminated information concerning the results of that Conference. The programme covered the activities of the 1977 regular session of the Congress of Micronesia, after which the programme's staff travelled extensively in the districts and held workshops for local task forces entrusted with carrying out the programme at the district level.

69. The annual report states that, while the ESG programme at headquarters deals primarily with training and the dissemination of information, most of the actual education takes place at the district level under the leadership of local ESG staff.

70. Throughout the Territory, local ESG personnel carry out village education programmes, maintain regular and special radio broadcasts in local languages and translate and produce local ESG materials. In many cases, local leaders, members of the Congress of Micronesia and others take part in village meetings throughout the islands where issues are explained and debated.

Decentralization

71. At the forty-fourth session of the Trusteeship Council, the High Commissioner

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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.

72. At the same session, the Trusteeship Council noted with satisfaction that the Administering Authority had 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 commended the training programme for middle management, conducted by the Professional Institute of the American Management Association, in which 112 management supervisory personnel had participated and which had been completed in April 1977.

73. The current annual report states that the United States Department of the Interior also conducted a senior executive course for departmental directors, district administrators, staff officers and their deputies. The aim of the course is to upgrade the quality of management in the Government of the Trust Territory as the degree of local autonomy increases.

Judiciary

74. The Trust Territory has three types of courts: the High Court, district 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. The High Court judges are appointed by the United States Secretary of the Interior. The temporary judges are full-time judges on Guam and are residents of that island. Each district court consists of a presiding judge and may include one or more associate judges appointed for three-year terms by the High Commissioner with the advice and consent of the Congress of Micronesia. The High Commissioner may appoint a special judge of the High Court to serve as presiding or associate judge of a district court. Community courts have one or more judges, all appointed by the appropriate district administrator.

75. Although the Northern Mariana Islands are separated administratively from the rest of the Trust Territory, pursuant to Secretarial Order No. 2989, the district court in those islands remains under the administrative supervision of the Trust Territory High Court.

76. At its forty-fourth session, the Trusteeship Council continued to urge that qualified Micronesians should be given greater opportunities in the judiciary. While recognizing that Micronesians held a number of important posts in that branch of the Government, the Council considered that preference should be given to Micronesian citizens, all other things being equal, as senior posts became available.

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

78. The current annual report states that a Micronesian who had previously served as Deputy Attorney-General of the Trust Territory was appointed Associate Justice of the Trust Territory's High Court on 27 October 1977.

C. ECONOMIC ADVANCEMENT

General economy

79. In the annual report under review (see T/1786), the Administering Authority states that the gross domestic product of the Territory is derived largely from United States expenditures for services and capital improvements from tourism, the production of copra, subsistence and commercial farming and fishing and the sale of handicrafts.

80. A large portion of the gross domestic product of the Northern Mariana Islands is also derived from expenditures for services and capital improvements by the United States. The tourist industry is an important source of revenue in the Northern Mariana Islands, and there are agricultural and fishing activities on a commercial scale. Although imports of food-stuffs and other commodities exceed exports in the Northern Mariana Islands, its development, unlike that of the rest of the Trust Territory, is geared to a money economy with a good infrastructural basis.

81. The value of commodities exported from the Territory (including the Northern Mariana Islands) from October 1976 to September 1977 totalled \$16.5 million. Copra exports were valued at \$1.8 million (\$1.6 million in the preceding year), and exports of fish totalled \$3.8 million (\$3.1 million in the preceding year). Tourism brought an estimated direct income of \$5.6 million into the Territory including the Northern Mariana Islands. Imports during the same period (excluding the Northern Mariana Islands) totalled \$44.2 million.

82. With regard to foreign investments, the current annual report states that during 1976, the Territory received 78 applications from foreign companies for permits to do business in the Territory, and issued 60 foreign business permits. Over-all investments (aggregate assets) amounted to \$72.4 million in 1976.

83. At its forty-fourth session, the Trusteeship Council noted that it was still concerned about the imbalances in the Micronesian economy and its considerable dependence on outside support. It noted with satisfaction that the Administering Authority was aware of the need to promote 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.

84. The current annual report states that the Administering Authority is continuously studying means of stimulating development of the productive sectors; examining ways of keeping unproductive expenditure within reasonable limits; and seeking means of infusing new capital into the economy.

85. The annual report states that in July 1976, the Congress of Micronesia approved the five-year indicative development plan which was later endorsed by the territorial Administration. As specified by the Congress of Micronesia, the major objectives of the plan are the following: (a) to foster an economy which will lead the Territory to self-sufficiency; (b) to develop an economic base to support a

level of government which Micronesia needs and can afford; (c) to outline the development priorities and investment required for continued economic growth; and (d) to prepare a plan leading to decentralization of decision-making powers to the district and municipal levels of government.

86. The annual report also states that, as corollaries to the Trust Territory's indicative development plan, individual district development plans for Ponape, the Marshall Islands, Palau and Yap were adopted by the respective district legislatures in 1977; the plan for Truk District is awaiting approval by the District Legislature; and the plan for Kosrae is being prepared.

87. At its forty-fourth session, the Trusteeship Council welcomed the adoption by the Congress of Micronesia of the five-year indicative development plan and its approval by the Administering Authority. It hoped that the economic policy followed in the Trust Territory would be in keeping with the objectives of the plan and that the necessary means - especially financial means - for its implementation would be available.

88. The Council considered that it would be desirable to promote an increase in exports from the Trust Territory. It recommended 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. 4/

89. The current annual report states that while the Administering Authority generally supports the five-year indicative development plan as a basis for development policy, that support is dependent upon many factors, such as the formulation of new projects that are both feasible and sources of revenue. The annual report indicates that in order to stimulate development, difficult choices have to be made with a view to establishing priorities for projects that will have great impact on all aspects of the cultural, social and economic structure of the Territory.

90. The annual report further states that the Administering Authority extended the Generalized System of Preferences of the United States to the Trust Territory in 1975 and that it is assisting the Territory to become eligible for preferential tariff treatment by other countries. The Administering Authority considers it possible that the extension to the Territory of United States tariff advantages comparable to those enjoyed by other United States Territories could further stimulate the development of industrial products for export, particularly those related to marine resources and copra. However, the type of tariff advantages to be extended to the Trust Territory by the United States will depend on the nature of the final political status of the Trust Territory.

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

Public finance

91. The costs of Trust Territory operations are met by grants from the Administering Authority in the form of annual appropriations and federal programme grants, as well as by local reimbursable revenue collections. Appropriation requests are subject to limits fixed by the United States Congress.
92. The grant from the Administering Authority for 1976/77 was \$98.0 million compared with \$85.0 million for the preceding year. Programme grants from United States federal agencies for the same period totalled more than \$25.0 million. The revenue raised within the Trust Territory totalled \$9.8 million, excluding taxes collected by district legislatures and municipal councils, compared with \$7.9 million for the previous year.
93. The current annual report states that since the Government of the Northern Mariana Islands is administered separately from the rest of the Trust Territory, it is responsible for maintaining the account of its budget operations. The grant from the Administering Authority is provided to the Northern Mariana Islands Government through the High Commissioner of the Trust Territory, who subsequently incorporates its report into the report of the Trust Territory Government for submission to the Administering Authority.
94. According to the annual report, 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 Secretarial Order No. 2918, the High Commissioner then adopts those recommendations of the Congress which he deems appropriate; he must also transmit to the United States Secretary of the Interior all recommendations he does not adopt.
95. District governments administer and control budgetary operations at the district level. Each district administrator is required by law to submit to the district legislature estimates of his annual budget based on anticipated district and territorial revenues from taxes. Following consideration of those estimates, the legislature concerned adopts an annual budget which is transmitted to the district administrator for action. Control of fiscal operations at the municipal level rests with the municipal administration, but the district administrator concerned has certain powers of supervision and approval.
96. At its forty-fourth session, the Trusteeship Council reaffirmed its desire to see the Congress of Micronesia given greater influence with respect to the budget process. It noted with satisfaction that the Joint Committee on Program and Budget Planning of the Congress of Micronesia had been recognized as the primary review body for the request for the annual grant from 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.

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97. The Council also noted that an automated accounting system was in the process of being implemented at Trust Territory headquarters and would be used to attain the goal of greater financial responsibility for the districts.

98. The current annual report states that the Congress of Micronesia has attained a great measure of influence with respect to the budget process of the Trust Territory Government as a result of the role it plays in reviewing the annual budget estimates and of its participation in the budget appropriation hearings held by the committees of the United States Congress. The report further states that that influence will be further expanded when the Congress of Micronesia increases its participation in financing the operational costs of the Trust Territory Government from the growing tax revenues available to it for appropriation.

99. The annual report points out that a basic automated accounting system was installed at Trust Territory headquarters in 1977, and in all districts, except Kosrae, in 1978. The system will provide the basis for the decentralization of authority from the Government of the Trust Territory to the districts in connexion with the administration of grants and local revenues. It will further provide the basis for a review of the budget process at the district level and for an automatic summary of data entered by the districts for reporting purposes. The measures being taken to standardize and thus expedite accounting methods have also provided the basis for training Micronesia accountants working at the district level in the procedures that will be required when government accounting responsibility eventually devolves on the district governments.

Assistance from international institutions

100. At its forty-fourth session, the Trusteeship Council again expressed the hope that the Trust Territory would continue to develop its contacts with, and involvement in, international and regional bodies for developmental assistance. It noted with satisfaction that a request for assistance from the World Food Programme (WFP) was being prepared.

101. It also noted with satisfaction that a country programme had been prepared and that three project requests had been approved and transmitted to the United Nations Development Programme (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).

102. The current annual report states that the Trust Territory has continued to develop its contacts with international and regional agencies, in particular with those agencies which offer training opportunities. Several officials from headquarters and from the districts participated in a number of conferences sponsored by United Nations agencies. Notable among those was the participation by representatives of the Trust Territory in the preparation of a plan of action for integrated rural development for Asia and the Pacific which will be undertaken in 1978 and 1979, under the sponsorship of the Economic and Social Commission for Asia and the Pacific (ESCAP).

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103. With regard to the request for assistance from WFP intended to benefit the residents of some of the outer islands in Truk which were damaged by typhoon Pamela, the annual report states that inasmuch as those islands were already receiving food assistance from other sources they were not eligible for WFP assistance.

104. UNDP continues to provide technical and financial assistance to the Trust Territory under a country programme which has made available \$1 million over a five-year period ending in 1981. During 1976/77, UNDP made available to the Trust Territory the services of a senior economic planning adviser, 6 other planning advisers and 18 short-term consultants.

105. The current annual report states that in addition to the three projects being implemented under the UNDP country programme (see para. 100 above) UNDP has made available an expert in statistics to assist in the planning project, an expert from the Food and Agriculture Organization of the United Nations (FAO) to manage a feed-mill/livestock project in Palau and an expert from the International Labour Organisation (ILO) to assist with a manpower development project.

106. In addition to long-term assistance, UNDP has recruited a number of experts for shorter periods. Experts in youth development, handicraft and project development have been made available and another expert was expected in the Territory to study the prospects of citrus development in Yap and Kosrae districts.

107. The Trust Territory has continued to participate as an observer in the work of the Third United Nations Conference on the Law of the Sea. In 1977, a Micronesian delegation attended the sixth session of the Conference held at New York. As an associate member of ESCAP, a Micronesian delegation attended the Commission's thirty-third session in April 1977. Micronesia also participated in numerous other meetings and training programmes sponsored by the Commission.

108. The annual report further states that the Trust Territory receives each year valuable assistance from the various programmes of the South Pacific Commission. The Commission advises participating Governments on ways of improving the well-being of the peoples of the region in the economic, health and social fields. The Trust Territory has become a member of the Committee for Co-ordination of Prospecting for Mineral Resources in Asian Offshore Areas (CCOP).

Credit

109. 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. The current annual report states that, as from 13 November 1975, a moratorium was placed on granting new loans, to remain in effect until final agreement is reached on division of funds between the Government of the Northern Mariana Islands and the Trust Territory Government.

110. Other sources of credit are provided by credit unions. By the end of 1976, 43 chartered credit unions were operating in the Territory (excluding the Northern

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Mariana Islands). 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 9,645 members with assets of \$5.7 million (\$4.9 million in the previous year). During 1976, loans granted by credit unions aggregated \$5.3 million (\$4.8 million in the previous year). About 10 per cent of the population participates in credit union and co-operative programmes in the Territory.

111. At its forty-fourth session, the Trusteeship Council considered that lack of capital constituted an important obstacle to the economic advancement of the Trust Territory and therefore considered it desirable to develop local credit facilities. The Council hoped that the Micronesian Development Bank, to which various loans made to the Trust Territory had been transferred, would be able to provide the necessary capital.

112. The current annual report states that the Trust Territory shares that desire and recognizes that the lack of capital constitutes an important obstacle to the economic advancement of the Territory. The report states that credit unions have continued to build share capital at the rate of 16 per cent annually and have total assets of more than \$5.0 million. It also states that the Micronesian Development Bank is, unfortunately, not yet operational.

Land

113. According to the current annual report of the Administering Authority, the land area of the Trust Territory comprises 83,305 hectares classified as arable land and 99,479 hectares classified either as grazing land and forest or as swamps, rock and built-up land. Of the total area, 73,647 hectares are privately owned and 109,584 hectares are classified as public lands. Some 6,489 hectares of land are under cultivation in the Trust Territory. About 33,553 hectares are planted with tree crops - primarily coconut, bread-fruit, banana and pandanus.

114. 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 appropriate 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.

115. The current annual report states that in 1976 and 1977, the district legislatures of Palau, Yap and Ponape adopted laws creating legal entities to hold and administer public lands to be transferred to district control in accordance with Secretarial Order No. 2969. The report further states that the Government of the Trust Territory has transferred to the Palau District Public Lands Authority title of most of the public lands located on Babelthuap and other outer islands and the greater portion of such lands in Koror municipality. In July 1977, the Ponape District Public Lands Authority requested the Government of the Trust Territory to

transfer certain public lands to the district. Although no land has been transferred to date, substantial progress in that respect is anticipated during 1978. The Yap District Public Lands Authority has not yet filed such a request with the Government of the Trust Territory but is expected to do so in the near future. According to the annual report, the legislature of the newly created district of Kosrae may initiate measures to create a public lands authority. The other districts have not yet indicated whether they plan to enact legislation paving the way for the transfer of public lands.

116. At its forty-fourth session, the Trusteeship Council noted that land identification and survey work was now in progress and should be completed by the end of 1977. It hoped that that work would 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 might soon be made available. The Council hoped that the discussions begun between the members of the Congress of Micronesia and the Trust Territory Administration concerning indefinite land-use agreements would produce satisfactory solutions as soon as possible.

117. The current annual report states that the land identification programme, especially the public land survey project, has resulted in the determination of 777 square kilometres of public and about 180 square kilometres of private land parcels. Eighty per cent of the land area of the Trust Territory, covering 680 islands, was photographed and orthophoto maps of 1,437 square kilometres of land area were compiled. Those maps and the aerial photographs are being used for the identification of land parcels required for the acquisition of rights for purposes of economic development and planning as well as capital improvements.

118. The report further states that in 1977, a study group of eight members made an intensive study concerning privately owned land held by the Trust Territory under indefinite land-use rights. The group's report containing the background to the decision taken by the Government of the Trust Territory to utilize the indefinite land-use agreements together with its recommendations for the settlement of the problem was submitted to the Trust Territory Government, the Congress of Micronesia and the United States Department of the Interior.

Agriculture and livestock

119. Copra is the principal commercial agricultural product of the Territory. On Ponape, black pepper, rice and vegetables are being developed on a commercial scale. Taro, arrowroot, yams, sweet potatoes, cassava, bread-fruit, 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 1977 was estimated at 39,000 hectares.

120. The current annual report states that the major economic developments in the Trust Territory during 1976/77 were the opening of two coconut oil plants, the Micronesian Industrial Corporation, a \$3.4 million privately financed facility located on Koror, Palau; and the Tobolar Copra Processing Plant, a \$1.8 million

facility at Majuro, Marshall Islands, which is designed to crush 15,000 tons of copra into oil annually. At present, locally produced copra is inadequate to meet the needs of the two plants when they are in operation at maximum capacity. Each supplements its requirements by purchasing copra from outside the Trust Territory.

121. The current annual report indicates that in 1977, exports of coconut oil were valued at \$4.2 million and copra cake at \$786,000.

122. The principal livestock in the Territory are swine and poultry. Cattle, goats and carabao are found on the high islands. Cattle, the third most important type of livestock, are concentrated mainly in the Northern Mariana Islands, which in 1977 had 7,250 head out of a total of 7,450 head in the Territory. The carabao is used as a draft animal on Palau and Ponape.

123. At its forty-fourth session the Trusteeship Council reiterated its recommendation that the Administering Authority should expand production of food-stuffs to enable the Territory to become more nearly self-sufficient. However, that priority should be without prejudice to current efforts to diversify crops, develop agriculture on a commercial scale and establish an agriculture-based industry. In that connexion, it was important to develop copra production so as to provide sufficient supplies for the two processing plants envisaged, when those become fully operational. In particular, the Council noted with interest that the Micronesian Industrial Corporation in Palau had exported oil valued at \$3.4 million and copra cake valued at \$445,000 in 1976.

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

125. In its current annual report, the Administering Authority states that the 1978 budget for agricultural development was double that of the preceding year. The Trust Territory has, as a result, made progress in the improvement of the livestock programme. It acquired 38 head of swine-breeding stock from California. and 28 Santa Gertrudis cattle as an initial breeding stock for the integrated feed-mill/livestock project located on Palau. During 1976/77, the Trust Territory Government recruited livestock specialists to assist in the implementation of livestock programmes in Truk and Ponape.

126. In 1977, the Northern Mariana Islands produced both for export and for domestic consumption 974,518 kilograms of vegetables, valued at \$402,527; 796,361 litres of fresh milk, valued at \$312,906; 138,910 kilograms of beef valued at \$195,151; and 161,539 kilograms of staple crops, valued at \$100,348. The value of those and other agricultural products in the Northern Mariana Islands totalled \$1.3 million.

Marine resources

127. The current annual report points out that while the major potential for economic development based on marine resources is dependent on tuna catches in the

oceanic area, the required capital, skill and the necessary infrastructure to exploit those resources successfully are not yet available. Many of the districts have, therefore, given top priority to the development of small-scale fisheries operations by exploiting the marine resources of the reefs and lagoons, with a view to supplying fish to local markets and to introducing a commercial fisheries programme.

128. The annual report further states that seven 26-metric ton skipjack fishing vessels, obtained as part of the war claims agreement between Japan and the United States, have been leased to companies in the private sector. One of the vessels, leased to a fishing company in Ponape, has demonstrated that with proper management and adequate technical aid, the vessels could contribute significantly to the development of a Micronesian tuna industry. At present, three of the fishing vessels are operating out of Palau and one each out of Truk, Ponape and the Marshall Islands.

129. According to the annual report, the bêche-de-mer (sea cucumber) fishery processing programmes in Palau and Truk have stimulated interest in developing a cottage industry. A successful small processing operation which exported 1,770 kilograms of bêche-de-mer in 1977 led to the establishment of a camp on Helen's Reef in Palau which now cultivates that fishery.

130. During the period under review, the Micronesian Mariculture Demonstration Center on Palau continued its experimental and research work pertaining to the application of mariculture technology to conditions in the Trust Territory. The Center is currently working on a number of demonstration projects to ascertain the potential and economic viability of the various species of fish under observation.

131. The annual report states that as part of its over-all economic goal, the Government of the Northern Mariana Islands places emphasis on the conservation and careful use of marine resources. During 1977, the Northern Marianas Fishing Authority implemented development programmes to assist fishing co-operative associations and private organizations.

132. The annual report also indicates that it is the policy of the Government of the Northern Mariana Islands that reef fishery should be limited to local fishermen to prevent overfishing of marine reef resources. The Trust Territory Government has deployed one of its seven 26-metric ton skipjack fishing vessels to the Northern Mariana Islands.

133. At its forty-fourth session, the Trusteeship Council reaffirmed that marine resources were crucial to the economy of Micronesia and urged the Administering Authority to do everything possible to protect and develop those resources, while continuing to improve equipment and training. It noted with satisfaction that the Administering Authority had reaffirmed that it did not contest the fact that all benefits derived from Marine resources located off the coasts of Micronesia belonged to the people of the Trust Territory and not the United States. The Council also noted that the United States had indicated that it was prepared to work with the Micronesians in order that Micronesian jurisdiction over marine

resources might be extended to 200 miles, and to establish institutions that would enable the Micronesians to administer those resources.

134. The current annual report states that the Administering Authority is giving priority to programmes which will facilitate the establishment of viable businesses aimed at the maximum exploitation of marine resources with a view to fostering the growth of local markets. To this end, essential support facilities have been established in all districts; new techniques have been introduced and equipment provided at preferential rates; and a number of training programmes have been initiated.

135. The annual report further states that the Micronesian Maritime Authority was established on 19 October 1977 under Public Law 7-71. The Authority is empowered to adopt regulations for the conservation, management and exploitation of marine resources within a 200-mile zone surrounding the Territory. The object of the regulations is to ensure the conservation of those marine resources for the economic development of the Trust Territory, by limiting their exploitation, inter alia, through the issuance of foreign fishing permits.

Third United Nations Conference on the Law of the Sea

136. At its forty-fourth session, the Trusteeship Council noted with satisfaction that representatives of the Congress of Micronesia were 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 was expected to continue. The Council noted 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 had 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 noted that the interests of Micronesia might not necessarily coincide with the interests of the Administering Authority.

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

138. The current annual report states that during its special session in 1977, the Congress of Micronesia enacted legislation establishing a 200-mile fishing zone for Micronesia which will become effective on 1 July 1979. According to the annual report, the legislation was acceptable to the Administering Authority and has been signed into law. The law allows the districts of the Trust Territory to opt for the enactment of fishing-zone legislation of their own. The Marshall Islands and Palau districts have indicated that they plan to avail themselves of this provision of the law.

139. Referring to the establishment of the Micronesian Maritime Authority (see para. 135 above), the annual report states that the Administering Authority looks forward to co-operating with that Authority and with any separate agency that may be established by the Palau and Marshall Islands districts with a view to achieving appropriate management of marine resources within the 200-mile fishing zone.

140. The current annual report also states that at the invitation of the United States Government, representatives from the Trust Territory (including Palau and the Marshall Islands) and from the Northern Mariana Islands participated in a conference held at Suva in November 1977, as members of the United States delegation. The conference considered a proposal relating to the establishment of a South Pacific regional fisheries organization.

Industry and tourism

141. 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 capital, poor management and an untrained labour force. Boat-building is widespread but, except for the Palau shipyard, it is usually carried on by individual craftsmen working in their own homes. The demand for Micronesian handicrafts is high, owing mainly to the growing number of visitors to the Territory. Although some small-scale handicrafts are available for export, production in the desired quantities and at reasonable prices needs stimulation.

142. At its forty-fourth session, the Trusteeship Council recommended 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 that connexion, the Council welcomed the report by the Special Representative that the tourist industry was largely in the hands of local entrepreneurs rather than outside investors and that Micronesians owned 26 of the 29 hotels, 23 of which had Micronesian managers.

143. The Council noted with satisfaction the report by one of the special representatives that tourism was 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 noted that during the first quarter of 1977, the tourist industry had shown a 27 per cent increase compared with the same period in 1976.

144. The Council also noted with satisfaction that growth in that sector was steady and did not exceed the capacity of the districts to accommodate tourists. It recommended that tourism training and workshops should continue to be expanded.

145. The current annual report states that the recommendations of the Trusteeship Council closely parallel the objectives of the Territory's tourism programme, which emphasizes the need to utilize local products whenever possible, in the construction and operation of tourist facilities. The district of Ponape has already taken steps in that direction and other districts plan to follow suit.

146. The tourism programme of the Trust Territory calls for gradual growth consistent with the capacity of each district to expand its tourist industry. According to the programme, the task of raising the standard of tourism is primarily the responsibility of the Trust Territory Government. The private sector, on the other hand, is entrusted with the primary responsibility of attracting a larger number of tourists according to the capacity of each district. Districts are given the responsibility for maintaining the pace and direction of tourism development within their respective districts.

147. In 1976/77, of the existing 29 hotels in the Territory, 24 were owned by Micronesians and 25 had Micronesian managers. The annual report states that tourism has grown since its inception in 1968 to become the Territory's second leading export earner after copra. There has been an average annual increase of 22 per cent in earnings from tourism in the past seven years and 15 per cent in 1976/77. Well over 500 Micronesians are employed by the tourist industry and another 500 Micronesians are benefiting indirectly from that industry.

148. In 1976/77, 20,579 visitors entered the Territory and spent an estimated \$2.1 million. These figures do not include the Northern Mariana Islands, which in 1976/77 had about 51,000 visitors who spent an estimated \$2.2 million.

149. The current annual report states that opportunities for training in the field of tourism are available through the Trust Territory's membership in the Pacific Area Travel Association (PATA) and the Pacific Islands Tourism Development Council (PITDC). Micronesia actively participates in the seminars, conferences and workshops organized by these two regional bodies.

Transport and communications

150. Road maintenance is difficult in the Trust Territory, especially on the high islands where heavy rainfall washes out road-beds, and limited budgets make upkeep difficult on 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 kilometres of road each year.

151. 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, Tokyo, Honolulu and Okinawa.

152. At its forty-fourth session, the Trusteeship Council noted with approval that since the promulgation by the Administering Authority of Executive Order No. 113 (April 1976), logistic shipping services, direct or indirect, to Micronesian ports from the United States, Asia and Australasia had greatly improved as a result of the semi-controlled and competitive shipping system established under the order. As a result, despite rising costs, Micronesians enjoyed imported commodities at

more reasonable prices than hitherto. The Council further noted that two new multipurpose landing vessels, acquired in 1976, were in full service in the districts and that seven new interisland ships under contract with a Japanese firm should be completed by December 1978.

153. The Council noted that negotiations had 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 had participated in the negotiations. The Council attached importance to a satisfactory resolution of that issue and welcomed the statement of the Administering Authority that that question must be dealt with ahead of other bilateral questions under discussion. The Council also noted with approval further developments reported by the High Commissioner in the general context of airport development.

154. The current annual report states that the transport system in the Trust Territory will be closely monitored in the next few years to ensure compliance with Executive Order No. 113, which governs logistic shipping in Micronesia and protects shipping interests owned and operated by Micronesians (see also para. 152 above).

155. The annual report further states that the number of field-trip vessels in the Trust Territory has been increased by two and that another five will be delivered in the near future.

156. The new Koror-Babelthaup bridge, constructed at a cost of \$5.2 million, was opened to traffic in April 1977. The bridge will enable hundreds of workers to commute easily to work in Koror. It will also enable Babelthaup to develop its considerable agricultural potential, not only for Palau, but also for the benefit of other districts.

157. Referring to the question concerning air links between Saipan and Tokyo, the annual report states that the negotiations on Tokyo-Saipan air services have been successfully concluded. Accordingly, on 1 October 1977, Continental Airlines began air services between the two centres with continuing flights to the eastern and western districts of Micronesia.

158. The annual report points out that airport development is a major concern of the Trust Territory Government. A good portion of the capital improvement projects currently planned for the Trust Territory are concerned with airport development. In this respect, the Government of the Trust Territory has set the proposed date for the termination of the Trusteeship Agreement as a target for the completion of all the development projects relating to airport work programmes.

159. According to the annual report, maximum effort is being concentrated on improving the five existing airports at district centres and on constructing a new airport in Kosrae. The proposed changes are planned to meet the minimum safety requirements established for an air carrier airport, with design considerations based on the minimum length, paving and the installation of navigational aids required for a B-727 air carrier.

Proposal for a super-port at Palau

160. At its forty-fourth session, the Trusteeship Council reiterated its belief that attention should be given to the environmental impact of such a port. It had 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 wished 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 was put to the people of Palau. The Council further noted the statement of the Administering Authority that under United States law, a federal environmental impact study would also be necessary to assess the environmental implications prior to the adoption of the proposal.

161. The Council noted 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 were opposed by the people of Palau. The Council recommended that the Administering Authority should give careful consideration to the views of the Congress of Micronesia on that matter.

162. According to the current annual report, the Administering Authority has reaffirmed its position that an objective, non-profit-making institution should undertake a study of the impact of the proposed super-port on the environment of Palau. Such a study should address itself not only to the environmental issues but also to the social, human and economic factors. The annual report states that the Palau District Legislature has retained a private consulting firm to undertake a preliminary study of the project.

163. In its annual report under review, the Administering Authority reiterates its commitment to consider the possible impact of the proposed super-port on the general welfare of the people, the security of the area and the effects it might have on the physical and social environments of Palau. The Administering Authority reiterates its commitment not to approve development of the super-port project if it is opposed by the people of Palau.

Co-operatives

164. In 1976, 73 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 \$11.6 million in 1976. Merchandise sales predominated, followed by sales of copra. At the end of 1976, co-operatives had 12,528 members, showed net savings of \$606,589 and had paid \$283,560 in dividends and patronage refunds.

165. At its forty-fourth session, the Trusteeship Council reiterated 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.

166. The current annual report states that although the Administration has continued its effort to explain to the people of the Trust Territory the advantages of co-operative development, ventures in co-operative farming and the shared use of machinery have not yet been fully accepted by the Micronesian farmers, possibly because of their land tenure system and traditionally independent way of life.

D. SOCIAL ADVANCEMENT

Human rights

167. 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.

168. 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. The Universal Declaration of Human Rights has been translated into the Territory's nine major languages and copies have been distributed to local government institutions, schools and various community groups.

Medical and health services

169. The Department of Health Services has responsibility for planning, organizing and administering all medical and health programmes. The Trust Territory Health Co-ordinating 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.

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

171. There are seven main hospitals in the Territory and two subdistrict hospitals, one at Rota (Northern Mariana Islands) and the other at 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 early 1978. A new 20-bed hospital was completed on Ebeye in 1974, and construction of a new 35-bed hospital on Kosrae was scheduled for completion by the end of 1978. In addition, there are 170 dispensaries and medical aid posts scattered throughout the Territory.

172. At the forty-fourth session of the Trusteeship Council, the High Commissioner and Special Representative stated that the new 116-bed hospital at 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.

173. The current annual report states that in June 1976, there were 1,295 persons on the staff of the Department of Health Services (including those employed in the Northern Mariana Islands), 1,238 in the districts and 57 at headquarters. Of this number 52 were physicians, 53 were physician's assistants (trained under the MEDEX programme), 24 were dentists, 10 registered or university trained nurses, 179 graduate nurses and 398 health assistants and practical nurses.

174. The organization of the Department of Health Services of the Northern Mariana Islands still reflects the administrative pattern employed of the district health services throughout the Trust Territory of the Pacific Islands. Most of the in-patient service in the Northern Mariana Islands is provided at Dr. Torres Hospital on Saipan, which in 1977, had a staff of 8 physicians, 3 physician's assistants, 54 nurses, of whom 2 were registered nurses, 32 graduate nurses and 20 practical nurses. Small subhospitals serve the islands of Rota and Tinian, each of which has a full-time physician. Rota has seven nurses, including one practical nurse and one physician's assistant. The personnel on Tinian consists of two graduate nurses and three practical nurses. There are four dispensaries on Saipan and one each on the islands of Pagan and Agrihan. Dental care in Northern Mariana Islands is provided by three dentists and three dental nurses. The Division of Mental Health in the Northern Mariana Islands provides services through close co-operative efforts with the Trust Territory Division of Mental Health.

175. At its forty-fourth session, the Trusteeship Council noted with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory. The Council also noted with satisfaction that considerable progress had been made in modernizing the Ebye hospital and that the medical staff had been strengthened. It recommended that these efforts should be continued, primarily with a view to improving health facilities in the periphery of the Trust Territory. The Council noted with interest the results obtained in connexion with the programme for training Micronesian health assistants.

176. The current annual report states that there are 186 health assistants serving in various dispensaries in the districts of the Trust Territory, of whom 146 have been trained under the training programmes of the Department of Health Services. During the year under review, an evaluation made of the success of the training programme showed a significant improvement in the area of health care delivery in the outer islands. A territory-wide continuing education programme for nurses has been implemented.

177. The annual report further states that the Department of Health Services has become eligible for grants under the Clean Water Act for projects to improve clean

water supplies and waste water disposal. The territorial immunization level has improved, and is equal to that of many developed countries.

178. According to the annual report, the services of a number of consultants are made available to the Trust Territory by the United States Public Health Services, the Energy Resources Development Agency, (ERDA), the World Health Organization (WHO), the South Pacific Commission, Tripler Army Medical Center (Guam) and several universities in the United States. These organizations also offer training opportunities through fellowships, in-service training and seminars.

179. Recurrent expenditure on public health in the Trust Territory, excluding the Northern Mariana Islands, totalled \$8.2 million in 1976/77. Expenditure for construction purposes amounted to \$10.0 million for the same period.

Community development

180. The principal organizations involved in community development in the Trust Territory are the Community Development Division and the community action agencies. 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.

181. 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, docks, dispensaries, buses, ferry-boats and electric power plants.

182. The current annual report states that since 1967, some 384 communities or organizations have received needed facilities valued at about \$2.9 million through grants-in-aid. Facilities provided in 1976/77 were estimated to be worth about \$146,000.

183. Four of the six districts have a community action agency. The agencies continue to play an important role in the communities, providing comprehensive social services rather than specialized services. The Community Services Administration provides over \$750,000 a year in grants to the community action agencies. 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 pre-school children.

184. The Division of Community Development of the Government of the Northern Mariana Islands is responsible, among others, for the family food distribution and the grant-in-aid programmes. It provides advice to community groups such as women's and youth organizations. The Division assists the elderly by identifying their basic needs and initiating appropriate programmes to meet such needs. During 1976/77, the Administration of the Northern Mariana Islands received \$17,600 through grants-in-aid from the legislature of those islands.

Labour

185. According to the current annual report, it is the policy of the Trust Territory Government to give employment preference to qualified Trust Territory citizens in employment at all levels. It is also the Government's policy to further its programme of "micronization" through more intensified training of executive, managerial and supervisory personnel. Alien workers are employed only when skilled Micronesians are not available to fill vacancies.

186. The number of Micronesian wage-earners employed during the year under review was 17,058. Of this number, 9,345 were employed by the Administration or by United States government agencies, and 7,713 were employed in the private sector.

187. The annual report under review states that the Government of the Northern Mariana Islands remains the largest employer in the Islands with a total of 1,217 employees, of whom 41 are non-Micronesians. Mariana residents still employed by the Government of the Trust Territory are given precedence for recruitment when vacancies exist in the government service of the Northern Mariana Islands. Efforts are being made, however, to place those employees in the private sector where employment opportunities will be increasingly realized.

188. At its forty-fourth session, the Trusteeship Council continued to be concerned at the imbalance between wage-earners employed in the public sector and those employed in the private sector. It noted that the Administering Authority had stated that it intends to continue reducing the number of officials employed by the Government of the Trust Territory. The Council hoped that further progress towards an improved employment situation would be made as a result of the two-year survey projecting manpower needs which was being prepared, and of the training and advanced training activities provided under the Comprehensive Employment and Training Act (CETA), for which \$3.9 million had been made available.

189. The current annual report states that manpower needs will be greatly increased over the next two years as a result of construction work due to begin in all districts under contractual arrangements with the Officer in Charge of Construction of the United States Naval Facilities Engineering Command. Every effort is being made to reduce the number of alien workers in the Trust Territory and a 15 per cent reduction was achieved during the period under review. There were, during the same period, 2,136 alien workers in the Northern Mariana Islands and 883 in the rest of the Trust Territory. However, the lack of skilled Micronesian workers is still a difficult problem that can be solved only through apprenticeship training leading qualified Micronesians to journeymen status in all trades. In this regard, the Division of Labor of the territorial Department of Resources and Development is making every effort to introduce and implement a viable apprenticeship programme.

190. The annual report further states that in 1977, the Division of Labor, in co-operation with the Training Division and UNDP, conducted a comprehensive occupational and skills survey throughout the Trust Territory. It is believed that the results of such a survey will help identify the hitherto untapped Micronesian skilled workers, thus contributing to the efforts being made to reduce the number of alien workers in the Trust Territory.

191. According to the annual report, the programme originated under the United States Occupational Safety and Health Act (OSHA) which was cancelled in the Trust Territory in 1975, was re-established by the Division of Labor in 1977. As a result, significant progress is anticipated with regard to occupational safety and health standards during 1978/79.

Housing

192. 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 Commission focuses on ways to provide low-cost housing for low-income families. The Commission and six district housing authorities were established in 1974.

193. At its forty-fourth session, the Trusteeship Council welcomed the assistance afforded in 1976 by UNDP and ESCAP to the Territorial Housing Commission. It expressed the hope that the efforts to construct or renovate housing would be actively continued and that the necessary resources, particularly financial resources, would be made available for the implementation of the long-term, low-cost building programme.

194. The current annual report states that in 1977 the Trust Territory received from the United States Department of Housing and Urban Development (HUD) grants totalling \$950,000 for housing development; \$250,000 for rent subsidies for lower income families; and a loan of \$160,000 for housing improvements by homeowners. The United States Department of Health, Education and Welfare (HEW) made an estimated \$300,000 available to the Trust Territory for housing renovation projects. In 1977, 131 housing units were completed and over 350 private houses were renovated with funds received from HEW.

195. The annual report further states that in 1977 the Territorial Housing Commission appointed an executive director and that it is expecting to obtain the services of a Micronesian who will oversee the financial management of all housing programmes.

196. The Mariana Islands Housing Authority (MIHA), a public corporate entity entrusted with housing development, has made available home-ownership loans to some 230 families and has assisted them in the construction of safe and sanitary homes. The annual report states that with the enactment of the Housing and Community Development Act of 1974, the Northern Mariana Islands became eligible for assistance under the United States Housing Assistance Program which provides housing subsidy payments on behalf of low-income families. Further, HUD makes housing assistance payments to the Government of the Northern Mariana Islands on behalf of eligible families.

Public safety

197. The current annual report states that although juvenile delinquency has not

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been a major problem in the Trust Territory, the number of offences 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.

198. 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. In several districts, community development offices have been active in organizing panels of citizens to discuss and analyse juvenile problems.

199. At its forty-fourth session, the Trusteeship Council again welcomed the efforts made to combat delinquency in general and juvenile delinquency in particular. It recommended that preventive efforts should be continued.

200. The current annual report states that in August 1977, public safety operations in the Territory took a step forward when four of the six districts agreed to participate in acquiring the services of two experienced expatriate police officers to administer the district departments. Moreover, nine police officers from Honolulu were recruited on two-year contracts. The presence of the officers in the four districts along with an adviser in the Division of Public Safety at headquarters is intended to help improve all aspects of public safety operations. In addition, departments have been reorganized; community-oriented programmes initiated; new operating standards and procedures prepared; and improved and sophisticated policy techniques developed. Training programmes are also being given.

201. The annual report further states that with the help of the federal Law Enforcement Administration Assistance programme, the training programme and the administrative evolution of public safety in the Trust Territory will be greatly accelerated.

Peace Corps

202. Peace Corps volunteers have continued to serve in education as well as a number of other areas. They provide architects, engineers, lawyers, health professionals, accountants, constructive workers, etc.. According to the Administering Authority, the most significant contribution of the Peace Corps continues to be in the field of education.

203. In 1977, Peace Corps trainees and volunteers in Micronesia numbered 151, of whom 73 were serving in an educational capacity. The current annual report states that, as Micronesians continue to assume responsibility for their own affairs, the number of needed Peace Corps volunteers will be reduced. Micronesian programmes will be supported in the future by the Peace Corps as long as the volunteers and their Micronesian hosts benefit mutually from the association.

E. EDUCATIONAL ADVANCEMENT

General

204. 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.

205. 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.

206. 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 1 expatriate. The Council advises the High Commissioner, through the Director of Education, on manpower training needs for all of Micronesia.

207. 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.

208. 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, enrolment and curricula as those submitted by public schools to the Director of Education.

209. 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.

210. The current annual report states that inasmuch as the 1976/77 school year has been a period of transition in the administration of the Northern Mariana Islands, those islands have continued to maintain ties with the Department of Education of the Trust Territory Government. The educational policies followed by the Government of the Trust Territory have therefore continued to serve, in most cases, as a framework for the administration of education in the Northern Mariana Islands.

211. According to the annual report under review, recurrent expenditure by the Trust Territory Government for education in 1976/77 totalled \$12.7 million, including \$1.2 million for construction.

212. At its forty-fourth session, the Trusteeship Council reaffirmed 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 welcomed the fact that students in the Trust Territory could obtain grants and loans from the Government of the United States for higher education.

213. The Council noted with interest the ideas expressed by the Administering Authority to the effect that the educational system in the Trust Territory did not need to be changed substantively but that it should develop greater emphasis on the disciplines that would best prepare students for life in Micronesian society, with special reference to language, culture and vocational activity. The Council shared that point of view, particularly with regard to the need to emphasize vocational training; it looked 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.

214. The current annual report points out that there is a continuing increase in the number of students going abroad for post-secondary education. The number is expected to exceed 3,000 in 1977/78. Recent follow-up studies indicate that two thirds of the students are following vocational studies which have direct relevance to the needs of the Trust Territory. The Government of the Trust Territory continues to make available grants and loans with the object of providing broader training programmes and opportunities to Micronesians prior to the termination of the Trusteeship Agreement.

215. The annual report states that in the area of elementary and secondary education, a group of curriculum specialists from all districts of the Trust Territory have begun a two-year project at the Pacific Area Language Materials Development Center at the University of Hawaii that will eventually produce classroom materials for all elementary and secondary grades in the local languages of the Territory. The Micronesian specialists will work with language experts and other specialists to develop structural materials for school use. Also in the area of language studies, a dictionary and a reference grammar in the Ponapean language and in Trukese have been prepared. The annual report further states with the publication of the three works, a total of 18 grammar books and dictionaries in Micronesian languages will be available for the Territory's educational programme.

216. The annual report states that the general level of instruction in both elementary and secondary schools is being substantially raised in terms of cultural relevance through the extensive use of bilingual materials. Those instructional materials are broadly based on orthographically consistent vernacular language texts which are now being tested at the University of Hawaii by Micronesian teachers affiliated with the Trust Territory's special bilingual programme. The social studies programme co-ordinator has, simultaneously, established a method for undertaking, in co-operation with the curriculum staff of each district, the translation into the vernacular languages of existing materials in the area of historical and social studies, with a view to integrating them into the present curricula. Furthermore, a major work of Micronesian history covering the period from the Territory's first contact with Western civilization up to 1960 should be completed in 1979 for secondary school use.

Primary and secondary education

217. According to the annual report of the Administering Authority, there were 234 public and 18 non-public schools in the Territory in 1977. Pupils enrolled in public and non-public schools numbered 30,923, of whom 27,789 were attending public elementary schools.

218. The teaching staff in public elementary schools consisted of 1,280 Micronesian teachers and 125 non-Micronesian teachers. The teaching staff in non-public elementary schools consisted of 101 Micronesian teachers and 51 non-Micronesian teachers.

219. Secondary education was provided in 18 public and 12 non-public schools. There were four public schools in the Northern Mariana Islands, six in Truk, three in Yap, two in the Marshall Islands, and one each in Palau, Ponape and Kosrae. Of the non-public schools, there were five in Palau, four in the Marshall Islands and one each in the Northern Mariana Islands, Ponape and Truk.

220. Secondary school enrolment in 1977 totalled 6,145 in public schools and 1,562 in non-public schools, compared with 6,276 and 1,675 respectively in the previous year. The secondary school staff consisted of 520 teachers (383 in public schools and 137 in non-public schools). Of the total number of secondary school teachers, 337 were Micronesians and 183 were non-Micronesians.

221. According to the current annual report, 933 new students were enrolled in public elementary schools in 1977. Private elementary schools enrolled 473 new students in the same period. Public secondary schools reported an increase of 84 students in 1977, while private secondary schools showed a decrease of 13 students.

222. The annual report states that a high school complex in Kosrae, to accommodate 400 students, is scheduled to be completed in 1978/79.

Higher education

223. According to the current annual report, Public Law 7-29, establishing the College of Micronesia under a Board of Regents, was enacted in 1977. That law integrated the educational institutions formerly known as the Community College of Micronesia (including the School of Nursing) and the Micronesian Occupational Center.

224. The law provides for the transfer of all properties currently used by the three institutions to the new College of Micronesia. It further provides for the appointment by the Board of Regents of a Chancellor of the College who, as chief administrative officer of the new institution, will carry out the goals, objectives and policies established by the Board. The College, under its Board of Regents, will operate as an entity independent of the executive, legislative and judicial branches of the Trust Territory Government.

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225. The annual report states that the various schools of the College of Micronesia will place strong emphasis on vocational studies. Sixteen of the major programmes to be offered by the College will prepare students for careers in trades, as well as in the social and business fields.

226. According to the annual report, the Community College of Micronesia and the Micronesian Occupational Center continued their respective educational programmes during the period under review. In 1977, the Micronesian Occupational Center was granted full accreditation by the Western Association of Schools and Colleges. Final review towards granting full accreditation to the Community College of Micronesia will be made in the course of 1978.

227. 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. In 1976/77, the College had a co-educational enrolment of 231 students, of whom 191 were studying at the campus at Kolonia, 31 were at the nursing school on Saipan (which is affiliated with the College), and 9 were following courses at the Ponape Agriculture and Trade School. There were also 193 students enrolled at the extension centres in the Marshall Islands, Palau, Ponape, Truk and Yap districts. The number of students who completed their studies at the College in 1976/77 was 130.

228. The Northern Mariana Islands Community College was established in 1976. The College, which is a two-year institution, is administered by the Department of Education of the Northern Mariana Islands. The Community College, through the Community Career College of the University of Guam, grants associate of arts degrees in elementary, secondary and special education.

229. Micronesian students attending institutions of higher learning abroad in 1976/77 numbered 1,468. Of this number, 322 were pursuing studies in business administration, 234 were following courses in the field of education, 184 were studying political and social sciences and 152 were pursuing studies in the field of medicine and health care.

Vocational education

230. The Micronesian Occupational Center, located on Koror in Palau District, 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.

231. In 1976/77, the Micronesian Occupational Center had an enrolment of 323 students. During the year, 143 students completed certificate or diploma courses which brought to 860 the number of graduates of the Center since its inception.

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

233. The Community College, 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.

234. The current annual report states that during 1977, 63 vocational education teachers took summer courses in the Trust Territory in masonry, business, engine repair and home economics. During the same period, four other courses were offered in the field of vocational studies.

235. According to the annual report, the Micronesian Board of Education has approved a proposal submitted by the Vocational Advisory Council on the integration of academic and vocational programmes in secondary schools. The Director of Education has requested all district directors of education, in co-operation with their district boards of education, to submit plans for such integration designed to meet the needs of each district.

236. The annual report states that vocational education programmes in the Northern Mariana Islands have been established and that they are steadily improving. An increasing number of students are being admitted to the programmes. In 1977, the number of students in vocational education totalled 902. Some 135 students graduate each year after completion of a three-year vocational education programme at the secondary-school level. In addition to the regular vocational education classes, co-operative education was integrated into the vocational studies programme which offers on-the-job training in several occupational areas such as hotel services, radio communication and nursing.

237. The annual report further states that as a result of the separation of the Northern Mariana Islands from the Government of the Trust Territory, the Vocational Education Act of 1963 has been amended to include the Northern Mariana Islands and to qualify it for federal funds in the order of \$200,000. Further, on 27 September 1977, a five-year state plan for vocational education for the Northern Mariana Islands was submitted to the Resident Commissioner of those islands for approval. The approval of the state plan will make it possible for the Northern Mariana Islands to receive funds which can be used to implement existing programmes and to improve and expand programmes in construction work, trades and agriculture.

Teacher training

238. According to the current annual report, in addition to the students enrolled at the Community College of Micronesia, 234 students attending institutions of higher learning abroad are reported to be pursuing studies in the field of education.

239. A one-year programme for persons with previous teaching experience is offered by the Community College of Micronesia extension centres in all districts except the Northern Mariana Islands. The latter has its own series of college-level courses. During the summer of 1977, college-level courses were also offered in all districts for in-service teachers.

240. According to the annual report, in-service teacher education in the Northern Mariana Islands is offered primarily by the Northern Marianas Community College in co-operation with the University of Guam. The Community College of Micronesia and the University of Guam also offer in-service teacher training in the Northern Mariana Islands. In 1977, several teachers and other personnel serving in the Department of Education of the Northern Mariana Islands attended institutions of higher studies in Guam, Hawaii and mainland United States.

241. At its forty-fourth session, the Trusteeship Council again noted with satisfaction the progress made by the Administering Authority in increasing the number of Micronesian teachers currently working in the Territory.

242. The annual report states that efforts are being made in a continuous and consistent pattern to replace expatriate teachers and administrators by Micronesian college graduates. The Trust Territory's elementary schools are now almost entirely staffed by Micronesians. Expatriates still hold teaching positions in secondary schools and continue to work in programme development. A serious effort is being made, however, to replace them with qualified Micronesians.

Dissemination of information on the United Nations

243. The current annual report of the Administering Authority states that information on the activities of the United Nations is widely disseminated in the Trust Territory. As in the preceding years, the proceedings of the Trusteeship Council at its session in 1977 were broadcast on all Trust Territory radio stations. A summary of the statements made during the Trusteeship Council by the High Commissioner of the Trust Territory and the special advisers from the Congress of Micronesia was reprinted and distributed throughout the Trust Territory. The UN Monthly Chronicle and the UNESCO Courier are among the publications supplied to all school libraries and to public libraries in the Trust Territory.

244. The annual report further states that United Nations radio programmes including "Scope" and "This Week at the United Nations" as well as United Nations Day messages are broadcast on all district radio stations. The Trust Territory film library is the depository of some 50 United Nations films which are made available to all districts through the Trust Territory's Department of Education.

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

245. At its forty-fourth session, the Trusteeship Council reaffirmed the inalienable right of the people of Micronesia to self-determination, including the right to independence in accordance with the Charter of the United Nations and the Trusteeship Agreement.

246. The Council noted with satisfaction that the Administering Authority had 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 was their expressed wish.

247. While recognizing that it was ultimately for the Micronesians themselves to decide upon their future relations with each other, the Council recalled its earlier conviction that the political unity of the Caroline Islands and the Marshall Islands should if possible be maintained. It also noted the expressed desire of the Palau and Marshall Islands districts for separate political status negotiations with the United States. It noted 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 expressed the hope that the Administering Authority would continue its efforts to seek practical and mutually beneficial relationships among the districts.

248. The Council noted with satisfaction the convening by the Administering Authority of an informal meeting at Honolulu in May 1977 which had been attended by representatives of the Congress of Micronesia, the Executive Branch of the Trust Territory Government and representatives of the districts of the Caroline Islands and the Marshall Islands, at which subjects of common interest had been discussed, including the manner of proceeding with future status negotiations.

249. Like the 1976 Visiting Mission, the Council did not wish to make precise recommendations on the future status best suited to the Caroline Islands and the Marshall Islands, or to commit itself on the question of free association. It simply noted that the status of free association at present under consideration, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement.

250. The Council welcomed the invitation issued by the Administering Authority to observe the constitutional referendum in the Marshall Islands and the Caroline Islands scheduled for 12 July 1978. The Council noted, however, that negotiations on the future political status of the Marshall Islands and the Caroline Islands could affect issues to be decided by the referendum and also the precise timing. The Council continued to hope that the Congress of Micronesia would do its utmost to ensure that when the draft constitution was put to a popular referendum, it would 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.

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

252. The Council noted the statement by the Special Adviser that the constitution established a governmental structure which would serve the people of the Northern Mariana Islands effectively, efficiently and economically and that the constitution reiterated traditional guarantees of civil liberties, recognized the vital importance of the scarce natural resources of the Northern Mariana Islands, respected the rights of the people of each island and protected the ethnic groups in the islands.

253. The Council noted the statement by the representative of the United States 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 of America and that, unless it was rejected as a result of that review, it would be deemed fully approved not later than 23 October 1977.

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

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

256. The Council welcomed 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.

257. The current annual report of the Administering Authority states that based on the discussions with Micronesian leaders at Guam in July 1977, the delegation of the United States proposed, and the Micronesian parties agreed to, the resumption of negotiations on future political status on a "two-tier" basis under which multilateral negotiations would focus on those aspects of the relationship between Micronesia and the United States such as defence, foreign relations and the over-all question of the status of free association, which were common to all six districts. A bilateral tier would include negotiations between the delegation of the United States and Palau, the delegation of the United States and the Marshall Islands, and the delegation of the United States and the four central districts which are represented by the Congress of Micronesia.

258. The annual report further states that a negotiating session took place at Molokai, Hawaii, in October 1977, followed by a meeting of heads of delegation in San Diego, California, in January 1978. Those meetings provided the opportunity for a helpful exchange of views among the parties. At Molokai, the Micronesian

parties had agreed that an all-Micronesian entity should exist following the termination of the Trusteeship Agreement, which should have those powers that the Micronesian parties agree to vest in it. The Government of the United States welcomed that progress toward agreement on the maintenance of a form of unity which has been recommended by the Trusteeship Council. It intended to encourage continued discussion on that subject leading towards full agreement among the representatives of the peoples of Micronesia.

259. According to the current annual report, at the meeting in San Diego, the United States delegation submitted as a working paper a revised draft compact of free association. Although it became evident that the working paper was not acceptable to all parties, the Government of the United States looked forward to continued progress in the negotiations with a view to reaching an agreement during 1978 and to terminating the Trusteeship Agreement in 1981. Negotiations had proceeded on the basis of free association, while the Administering Authority had continued to make it clear that the peoples of Micronesia, in the exercise of their right of self-determination, would be free to choose other types of political status, including independence.

260. The current annual report states that the United States Government has repeatedly expressed its concern over aspects of the draft constitution of the Federated States of Micronesia which, if applied immediately following the termination of the Trusteeship Agreement, would be incompatible with the contemplated relationship of free association. According to the report, the United States Government regrets that the Congress of Micronesia has so far declined to set up procedures for the modification of the draft constitution which would be in a form likely to be acceptable to Palau and the Marshall Islands or to hold in abeyance the implementation of those portions of the draft constitution which would be inconsistent with the concept of free association that had formed the basis of the negotiations between representatives of the United States and Micronesia.

261. Concerning the Marshall Islands and Palau, the annual report states that in September 1976, the latter held a non-binding referendum on the question of whether or not the Palauans should seek a separate political status from the remaining districts of the Trust Territory. The results were in favour of separation. In July 1977, the Marshall Islands Legislature sponsored a referendum on the question of separation from the rest of the Trust Territory. The results were in favour of separation. In August 1977, the Marshalls Constitutional Convention was convened and it had drafted a constitution. According to the annual report, in its present form that draft constitution appears to be incompatible with the concept of free association towards which the parties have been negotiating. The Marshalls Constitutional Convention reconvened in February 1978, to consider possible modifications of the constitution and the question of a referendum on the question.

262. The current annual report points out that the Administering Authority continues to attach importance to the ESG programme, which is intended to provide the people of Micronesia with the fullest possible information about political status and constitutional alternatives. Following the status negotiations which took place at Molokai, Hawaii, in October 1977, representatives of the Micronesian parties and of the United States met and agreed on new guidelines to ensure fairness and accuracy in the ESG programme.

263. The annual report states that political education is continuing throughout the Territory with the sponsorship of the Administering Authority. In addition, a greater independent effort is being made by the parties to present the issues to the people of Micronesia, especially on the political status questions and the draft constitution for the Federated States of Micronesia. The Administering Authority has made available to all recognized political groups radio facilities and other news services operated by the Government of the Trust Territory. As a result of a policy planning meeting, held on Saipan in November 1977, the district ESG programmes have been given greater autonomy in the formulation of political education programmes to meet local needs.

264. The annual report under review states that on 23 October 1977 the Government of the United States approved the Constitution of the Commonwealth of the Northern Mariana Islands. In accordance with that Constitution, a Governor, a Lieutenant-Governor, legislators and other officials were elected in December 1977 and were sworn into office on 9 January 1978. Certain sections of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States became effective when the Constitution came into force.

265. In its annual report, the Administering Authority states that it still intends to terminate the Trusteeship Agreement simultaneously for the Northern Mariana Islands and the rest of the Trust Territory, and that pending such termination certain sections of the Covenant will not come into effect. Thus, United States sovereignty will not extend to the Northern Mariana Islands and its people will not acquire United States citizenship or nationality until the termination of the Trusteeship Agreement. In the interim, however, the people of the Northern Mariana Islands will enjoy the privileges and immunities of United States citizenship.

266. The current annual report states that the United States Government looks forward to continued co-operation and the maintenance of social, economic and cultural links between the Northern Mariana Islands and the remainder of the Trust Territory, as well as between the Northern Mariana Islands and neighbouring Pacific areas. It believes that the elected Government and people of the Northern Mariana Islands share that objective, which the Administering Authority will continue to foster.

267. The annual report states that the United States Government has reaffirmed its intention to complete agreements on future political status and on the transition process in time to permit the termination of the Trusteeship Agreement by 1981.
