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CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Report of the Drafting Committee

1. At its 1477th meeting, on 23 May 1978, the Trusteeship Council appointed a drafting committee composed of the representatives of France and the United Kingdom of Great Britain and Northern Ireland to propose, on the basis of the discussions which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory of the Pacific Islands, and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the next report of the Trusteeship Council to the Security Council.
2. The Drafting Committee held four meetings. It had the benefit of the assistance of representatives of the Administering Authority.
3. In the light of the general discussions in the Trusteeship Council on conditions in the Territory, the Committee drafted a number of conclusions and recommendations which it considered as reflecting the opinions of the majority of the members of the Council and which are set forth in the annex to the present report.
4. The Committee recommends to the Trusteeship Council that it adopt the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1208 and Add.1 and 2) as the basic text for the chapter on conditions in that Territory to be included in the next report of the Trusteeship Council to the Security Council.
5. The Committee also recommends that the Trusteeship Council adopt the conclusions and recommendations set out in the annex and include them at the end of the report.

Annex

DRAFT CONCLUSIONS AND RECOMMENDATIONS

A. GENERAL

Land and people

1. The Trusteeship Council notes the statements by Senator Olter, Special Adviser, regarding the lack of progress in transferring the executive and judicial branches of the Government to Ponape. It believes that, in the interests of efficiency and good management, all government bodies should be located in the same place. Accordingly, it recommends that, after the referendum to be held on 12 July 1978, the Administering Authority should take all appropriate steps to ensure that the legislative, executive and judicial branches of the Government are set up close to one another.

Population movements

2. The Trusteeship Council notes with satisfaction the progress made in 1977-1978 with regard to the long-standing problems created in the Marshall Islands district by the situation of the displaced population groups.

3. The Council regrets, however, that the earlier statements by the Administering Authority to the effect that Bikini Island was once again fit for habitation have been contradicted by the latest analyses, which have revealed the presence of radio-active elements in crops, that render the latter unfit for consumption. The Council takes note of the Administering Authority's position that normal community life cannot be maintained on Bikini Island.

4. The Council notes with interest that the United States Congress has before it a request for \$15 million to permit the resettlement of the population concerned. It notes that the Administering Authority envisages the possibility of using other islands of the Bikini atoll for this purpose and, in particular, of improving existing facilities on Kili Island. The Council urges the Administering Authority to take all necessary steps to ensure that the health of the present inhabitants of Bikini is not otherwise endangered.

5. The Council takes note of the information that, under the direction of the Defense Nuclear Agency, the programme for the clean-up of Eniwetok is proceeding according to schedule and that the rehabilitation and resettlement work being carried out under the direction of the United States Department of the Interior and the Government of the Trust Territory is progressing smoothly. It notes with satisfaction the statement by the Administering Authority that all such work will be completed in 1980.

6. The Council also notes with satisfaction the adoption of Public Law 95-134, which provides compensation for the inhabitants of the Bikini, Rongelap and

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Utirik atolls who have been exposed to radiation, as well as for the payment of such compensation to the heirs of those who have died, and for continued medical care. The Council is pleased to learn that the departments under the direction of the High Commissioner are engaged in implementing this Law and hopes that all those concerned will soon receive compensation.

War and post-war damage claims

7. The Trusteeship Council reiterates its concern over the fact that war and post-war damage claims have not yet been settled as requested by the Micronesian Claims Commission. It notes with satisfaction, however, that the United States Congress has passed and the United States President has approved Public Law 95-134, which authorizes the United States Government to pay 50 per cent of the balance outstanding under Title I and 100 per cent of the balance outstanding under Title II.

8. The Council welcomes with satisfaction the statement by Mr. Setik, Special Adviser, that the United States Senate recently allocated the sum of \$12 million for payment in full of claims under Title II. It hopes that the United States House of Representatives will approve this decision very soon.

9. With regard to claims under Title I, the Council notes with concern that the United States will pay the outstanding balance only when the Japanese Government has supplied the Government of the Trust Territory of the Pacific Islands with goods and services the value of which is estimated by the Secretary of the United States Department of the Interior to be equivalent to half the balance outstanding under Title I. Similarly, it notes, in this connexion, that the United States does not regard Japan as legally bound to make these payments. Nevertheless, it hopes that the United States Government will pursue its efforts to resolve this problem satisfactorily.

10. Moreover, the Trusteeship Council, noting the serious concern expressed by the Special Advisers in this connexion, requests the President of the Trusteeship Council to contact the parties concerned in order to ensure that they settle this issue in one way or another, in the best interests of the population.

B. POLITICAL ADVANCEMENT

Territorial government

Legislature

11. The Trusteeship Council reaffirms its satisfaction that the Congress of Micronesia continues to play an active role in the affairs of the Trust Territory of the Pacific Islands. In particular, the Council notes the important role being played by the Commission on Future Political Status and Transition of the Congress of Micronesia and by its delegation to the Third United Nations Conference on the

Law of the Sea. The Council commends the preparations being made by the Congress of Micronesia for the referendum on 12 July on the draft constitution for a Federated States of Micronesia, including the establishment of a Constitutional Referendum Board to oversee the arrangements.

12. The Council notes with continued concern that the Administering Authority has not acted on the Council's previous recommendation that regulations should be adopted which have the effect of restricting as far as possible the use of the veto power by the High Commissioner. While the Council is aware that it is the stated policy of the Administering Authority that the High Commissioner's veto authority should be used as sparingly as possible, it also draws attention to the comments of the Special Adviser to the United States delegation to the present session of the Trusteeship Council session (T/PV.1471) which reported additional cases of its use.

13. The Council remains aware, however, that some of the difficulties associated with the use of the veto power result from the separation of powers between the legislative and executive branches and that these difficulties are further exacerbated because this power is exercised by an appointed rather than an elected Chief Executive. The Council notes that the draft constitution of the Federated States of Micronesia provides for an elected Chief Executive which could help to reduce the use of the veto.

14. The Council notes with satisfaction that, pursuant to the Constitution of the Northern Mariana Islands, an elected legislature was installed on 9 January 1978.

Executive

15. The Council commends both the increase in the number of Micronesian citizens who hold senior posts in the executive branch of government and the over-all reduction in staff at Headquarters. It notes with satisfaction that the stated target of the High Commissioner is to reduce the staff of his Headquarters by at least 100 posts. The Council further notes the statements of both the High Commissioner and Senator Olter, Special Adviser, with regard to the approval of House Bill 7-402, which is designed to reorganize and streamline the executive branch of government at Headquarters by amalgamating and restructuring existing departments.

16. The Council is pleased to hear of the High Commissioner's intention to appoint Micronesian citizens to head two of the three newly created major government departments resulting from the reorganization. The Council notes that these developments should lead to a further reduction in the number of expatriate staff in the Government of the Trust Territory. In view of the approach of the termination of the Trusteeship Agreement, the Council reiterates its appeals that this trend towards "micronization" in the executive level should continue. The Council further notes the statement by Senator Olter, Special Adviser (T/PV.1471) urging implementation of the report entitled Organization and Administration of the Central Executive Branch in Micronesia during Transition, following the referendum in July 1978.

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17. The Council warmly welcomes the election and appointment of a Trust Territory citizen as Deputy High Commissioner, the second highest executive position in the Territory and his participation in the work of the forty-fifth session of the Trusteeship Council.

18. The Council notes with satisfaction the installation of an elected Governor and Lieutenant Governor of the Northern Mariana Islands and welcomes the former's participation in the work of the forty-fifth session of the Council.

District government

19. The Trusteeship Council notes with satisfaction the approval by the High Commission of charters for the districts of Truk, Ponape, Kosrae and Yap and notes that elections will be held for district chief executives beginning in 1978. While there would be advantage in this transition to elected district governments taking place uniformly throughout the Trust Territory, the Council recognizes that the district legislatures of Palau and the Marshall Islands have decided not to exercise their prerogatives to enact district charters. They have chosen instead to draft district constitutions and to postpone organization of new district governments until after the constitutional referendum on 12 July. The Council regretfully accepts that this choice is one for the districts themselves to make.

Decentralization

20. The Council notes with continued satisfaction the efforts of the Administering Authority to devolve progressively greater authority on the district governments, thereby increasing local autonomy, and urges continuation of this policy. Following the approval of four districts charters and the continuation of management training courses, the Council hopes that the Administering Authority, in consultation with elected Micronesian representatives, will be able to achieve a reduction in the size of the headquarters governmental function.

Judiciary

21. The Council notes with satisfaction that a Micronesian has been appointed to the position of Associate Justice of the High Court and that the intermediate and lower levels of the judicial branch are now fully staffed by Micronesian citizens. The Council urges the Administering Authority to continue to give preference to Micronesian candidates for senior posts in the judiciary, when other qualifications are equal.

C. ECONOMIC ADVANCEMENT

General economy

22. The Trusteeship Council reiterates its concern over the imbalances in the Micronesian economy and its considerable dependence on outside support. It notes with satisfaction that the Administering Authority is aware of the need to promote the development of the productive sectors and of basic infrastructure, including transport and communications, and to keep unproductive expenditure within reasonable limits. The Council therefore hopes that the Administering Authority will encourage both local and foreign capital investment.

23. The Council notes with concern the statement made by a special adviser to the effect that the implementation of the five-year indicative development plan was behind schedule. It notes that the Administering Authority still considers the plan the basis for the Territory's development policy. While realizing that the implementation of the plan depends on factors that cannot always be foreseen, the Council nevertheless requests the Administering Authority to do all in its power to achieve the objectives set within the established time-limit.

24. The Council still considers that it would be desirable to promote an increase in exports from the Territory. It therefore recommends that the Administering Authority extend to the Territory as a whole the tariff advantages accorded to the Northern Mariana Islands under the Covenant to establish a Commonwealth in Political Union with the United States of America. It urges the Administering Authority to try to secure preferential tariffs for the Territory from other countries.

Public finance

25. The Trusteeship Council reaffirms its earlier recommendations to the effect that the Congress of Micronesia should be allowed to participate to a greater extent in the preparation of the budget. While taking note with satisfaction of the fact that it is effectively consulted in the preparation of the budget estimates and that it can be given hearings by the budgetary committees of the Congress of the United States, the Council notes, however, that in this area the Congress of Micronesia only plays an advisory role.

26. The Council notes that a computerized accounting system has been instituted in the capital of the Territory and in all the districts except Kosrae. It notes that, according to a special adviser, the computer at present in operation is not proving satisfactory, and it also notes the statement made by a special representative to the effect that plans are being made to install computers better suited to the Territory's needs.

27. The Council recalls that, in order to facilitate the promotion of local products and increase the Territory's revenue, it suggested earlier that the Congress of Micronesia might consider increasing duties on non-essential imports (food-stuffs, beverages and tobacco).

Assistance from international institutions
and other countries

28. The Trusteeship Council again expresses the hope that the Territory will continue to develop its contacts with regional and international bodies with a view to participating in their activities and receiving assistance for its development.

29. It notes with satisfaction that representatives of the Territory participated in the preparation of a plan of action for integrated rural development for Asia and the Pacific under the sponsorship of the Economic and Social Commission for Asia and the Pacific (ESCAP). It is pleased to note that the Territory has become a member of the Committee for Co-ordination of Prospecting for Mineral Resources in Asian Offshore Areas.

30. The Council notes with satisfaction that UNDP is continuing to provide technical and financial assistance to the Territory and that the three projects (a seed-mill/livestock project, the provision of expert services and a survey of the skills required to carry out the development programme) financed by the Programme are in the process of implementation. It hopes that UNDP will be able to proceed promptly with the appointment of a new representative in the Territory.

31. The Council notes with interest the statement made by a Special Representative to the effect that the Administering Authority recently devised a policy enabling other countries to provide loans and technical assistance to the Territory.

Credit

32. The Trusteeship Council considers that lack of capital continues to constitute an important obstacle to the economic advancement of the Territory. It therefore considers it desirable to develop local credit facilities. It notes that a new economic development loan fund has been planned and is currently under consideration in Washington, D.C. The Council notes with regret that, four years after the adoption by the Congress of Micronesia of the law establishing a development bank, the bank has not yet become operational.

33. The Council notes with satisfaction the increase in share capital in credit unions in the Territory.

Land

34. The Trusteeship Council notes with satisfaction that land identification and survey work have resulted in the delimitation of large areas of public and private land.

35. The Council also notes with satisfaction that a procedure for the settlement of disputes between the landowners and the Government concerning indefinite land

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use was unanimously adopted by the members of the study group set up for the purpose by the Congress of Micronesia. It notes the statement by the Special Representative that the entire question could be settled towards the end of the following year.

Agriculture and livestock

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

37. The Council notes with satisfaction that two copra processing plants began operating in 1976/1977. It recommends that the Administering Authority encourage copra production so that supplies for these two plants can be provided entirely by the Territory. The Council notes with interest that coconut oil exports are valued at \$4.2 million for 1977 and exports of copra cake are valued at \$786,000.

38. The Council reiterates its recommendation that particular attention should be paid to the possibilities of exploiting forestry resources.

39. The Council notes with satisfaction that the Northern Mariana Islands produced vegetables, fresh milk and other agricultural products amounting, in 1977, to an estimated value of \$1.3 million, both for local consumption and for export.

Marine resources

40. The Trusteeship Council reaffirms that marine resources are crucial to the economy of Micronesia and urges the Administering Authority to do everything possible to protect and develop these resources, while continuing to improve equipment and training.

41. The Council notes with satisfaction that the Administering Authority has given high priority to programmes designed to promote a financially viable fishing industry in the Trust Territory and that basic support facilities have been established in all districts. It commends the various steps taken by the Administering Authority in this context, including the provision of new equipment and the organization of training programmes to develop the technical skills required for a modern fishing industry.

42. The Council notes with satisfaction the adoption by the Congress of Micronesia of Public Law 7-71, which establishes a fisheries management and conservation zone of 200 miles surrounding the Territory and which establishes a Micronesian Maritime Authority for the purpose of establishing regulations regarding the exploitation of Micronesian marine resources. The Council notes that the districts of Palau and the Marshall Islands have exercised their

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prerogatives to remove themselves from the jurisdiction of Public Law 7-71. The Council hopes that these two districts will nevertheless co-operate with the Micronesian Maritime Authority in their efforts.

43. The Council notes with satisfaction the participation, at the invitation of the Administering Authority, of representatives of the Trust Territory as members of the United States delegation to a November 1977 meeting in Suva to discuss the organization of a South Pacific regional fisheries association.

44. The Council further notes with interest the statement by Representative Setik favouring Micronesian membership of the projected South Pacific regional fisheries association and the statement by the representative of the Administering Authority that in view of the principles set out at the meeting at Hilo, it appeared to be logical for the United States to support the Micronesian applications for status as an observer, or other status, in appropriate international bodies and forums, but that it would be inappropriate to take a decision until the results of the referendum to be held on 12 July are known.

45. The Council notes with interest the steps taken by the Northern Mariana Islands to prevent overfishing of marine reef resources.

46. The Council recalls with satisfaction that the Administering Authority has reaffirmed that it does not contest the fact that all benefits derived from marine resources located off the coasts of Micronesia belong to the people of the Trust Territory and not the United States.

Third United Nations Conference on the Law of the Sea

47. The Trusteeship Council notes with satisfaction that representatives of the Congress of Micronesia are again participating as observers in the Third United Nations Conference on the Law of the Sea with the sponsorship of the Administering Authority. The Council notes that the interests of Micronesia at the Conference may not necessarily coincide with the interests of the Administering Authority.

Industry

48. The Trusteeship Council notes with concern the almost complete absence of industries in the Trust Territory. It notes that, although boat-building by individual craftsmen working in their homes is widespread, there is only one shipyard. It further notes that the few existing cottage-type industries are for the most part short of capital, badly managed and dependent on untrained labour, and that, although handicrafts exist in the Trust Territory, they are not available for export in sufficient quantities to attract foreign markets. The Council recommends that further efforts should be made to establish light industries in the Territory.

Tourism

49. The Trusteeship Council reiterates its recommendation that, in both the construction and operation of tourist facilities, local products should, whenever possible, be given preference over imports. Local products should be used more often in the restaurants of tourist hotels. In this regard, the Council notes with satisfaction that the objectives of the Trust Territory tourism board closely parallel the Council's recommendations and that the district of Ponape has taken steps in this direction, and other districts are planning to follow.
50. The Council welcomes the fact that the tourist industry in Micronesia is largely in the hands of local entrepreneurs rather than outside investors: 24 of the 29 existing hotels are owned by Micronesians and 25 are managed by Micronesians.
51. The Council also notes with satisfaction the statement by one of the special representatives that tourism has become the second leading export industry in Micronesia; 22,260 visited the Territory in 1977 and spent approximately \$2.3 million. It notes that earnings from tourism increased by 15 per cent in 1977, and that well over 500 Micronesians are directly employed in the industry, with another 500 estimated to be benefiting indirectly from tourism.
52. The Council also notes with satisfaction that continuing steps are being taken to ensure that growth in this sector is steady and does not exceed the capacity of the districts to accommodate tourists. It notes with interest that each district is responsible for the pace and direction of its own tourism. It recommends that training and workshops in tourism should continue to be expanded. While favouring the expansion of the tourist industry, the Council expresses the hope that care will be taken to safeguard the interests of the population.

Transportation and communications

53. The Trusteeship Council commends the continuing efforts of the Administering Authority to improve further the transportation system in Micronesia pursuant to Executive Order No. 113. It notes that the Trust Territory has taken delivery of the first two of seven new ships and that the other five will be delivered in the near future. It notes with interest that part of the capital improvement programme is designed to provide cargo and passenger service to all islands and atolls with sufficient population or productive service to warrant service. The Council further notes that construction contracts have been awarded for new wharves on Majuro and Yap, that designs were completed for a new dock at Kosrae and that design work has begun on new wharf facilities in Truk and Palau.
54. The Council notes with satisfaction that negotiations on the Tokyo-Saipan air service were successfully concluded and that Continental Airlines began air service between Tokyo and Saipan, with continuous flights to the eastern and western districts of Micronesia beginning on 1 October 1977.
55. The Council further notes with approval the continuing attention of the Administering Authority to the question of airport development, in particular the establishment of a target date for the completion of all proposed projects.

Proposal for a super-port at Palau

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

57. The Council continues to believe that attention should be given to the environmental impact of such a port. The Council welcomes the statement by the High Commissioner that a feasibility study would be a necessary preliminary step, that the approval of the people of Palau would be required and that the processing of any request for a super-port would have to be in full compliance with the applicable laws of the Palau District Legislature, the Trust Territory Code and applicable United States laws. The Council notes the continuing commitment of the Administering Authority to consider the 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 environment of Palau.

Co-operatives

58. The Trusteeship Council reiterates the hope that the Administration will continue to devote some of its educational and information efforts to persuading farmers in the Trust Territory of the benefits of farming co-operatives, in particular the shared use of machinery.

D. SOCIAL ADVANCEMENT

Medical and health services

59. The Trusteeship Council notes with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory, including the opening of the new 35-bed Kosrae Hospital, the dedication of the new 116-bed hospital on Ponape (which is planned to be used as a teaching/referral institution), and the plans for completion of a new 50-bed hospital on Yap and a new out-patient building in Palau this year. The Council further welcomes the expansion of the system of health assistance which has contributed to a significant improvement in the health care delivery system in the outer islands. It notes with satisfaction that a programme of continuing education for nurses has been implemented throughout the Trust Territory and that the immunization level in the Territory is now equal to that of many developed countries. The Council recommends that the policy of expansion should be continued with a view to improving the health service facilities in the periphery of the Trust Territory.

Labour

60. The Trusteeship Council continues to be concerned at the imbalance between wage-earners employed in the public sector and those employed in the private sector.

It notes the efforts of the Administering Authority to continue to reduce the number of officials employed by the Government of the Trust Territory. The Council notes with concern that the lack of skilled Micronesian workers is still a serious problem and hopes that the Trust Territory Government will continue in its efforts to address this problem through its apprenticeship programme. The Council welcomes the efforts by the Administering Authority to minimize the importation of alien labour and notes with pleasure the 15 per cent reduction which has resulted. The Council hopes that further reduction of unemployment will result from the CETA programmes and the increased employment opportunities as a consequence of the construction projects to be started throughout the districts over the next two years.

61. The Council notes with interest the statement by a special adviser that there is no unemployment problem in the Northern Mariana Islands.

Housing

62. The Trusteeship Council notes with satisfaction that in 1977 the Trust Territory received grants from HUD for housing development and rent subsidies for lower income families as well as a loan for housing improvements by homeowners. It further notes that HEW made funds available for house renovation projects in the Trust Territory. It notes with satisfaction that MIHA made home-ownership loans available and assisted families in the construction of safe and sanitary homes.

63. The Council reiterated its recommendation that efforts to construct or renovate housing should be actively continued and that the necessary resources should continue to be made available for low-income housing.

Public safety

64. The Trusteeship Council notes with concern the increase in the number of offenses committed by young people, particularly in the district centres. The Council welcomes the efforts being made to combat delinquency in general and juvenile delinquency in particular, and recommends that preventive efforts should be continued.

E. EDUCATIONAL ADVANCEMENT

General

65. The Trusteeship Council reaffirms its satisfaction with the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the increasing number of post-graduate students in the Trust Territory. It welcomes the fact that students in the Trust Territory

can obtain grants and loans for higher education from the Government of the United States, as well as from other Governments and international institutions.

Primary and secondary education

66. The Council welcomes the planned completion of a high school complex in Kosrae in 1978/79.

Higher education

67. The Council notes with interest that the College of Micronesia was established, integrating the institutions formerly known as the Community College of Micronesia (including the School of Nursing) and the Micronesian Occupation Center.

68. The Council notes with satisfaction that the Micronesian Occupational Center was granted full accreditation by the Western Association of Schools and Colleges of the United States and that the Community College of Micronesia hopes for full accreditation in June 1978. The Council notes that 1,468 Micronesian students were attending institutions of higher learning abroad in 1976/77.

Vocational education

69. Concerned at the failure of many young people to find work commensurate with their educational qualifications, the Council reiterates its view that the educational system of the Trust Territory should develop greater emphasis on the disciplines that will best prepare students for life in Micronesian society, with special reference to language, culture and vocational activity. The Council notes with interest the reported progress, in terms of cultural relevance, in raising the level of instruction in both primary and secondary schools, through the introduction of bilingual materials based on orthographically consistent vernacular languages.

Teacher training

70. The Trusteeship Council welcomes the statement by the High Commissioner concerning promulgation of regulations for the certification of teachers by the Micronesian Board of Education and the requirement that within five years all teachers in the Territory must have acquired a two-year college degree. The Council welcomes the consistent pattern of replacing expatriate teachers and administrators with returning Micronesian college graduates and the continuing efforts to replace those few expatriates still holding posts in secondary schools with qualified Micronesians.

Dissemination of information on the United Nations

71. The Trusteeship Council welcomes the wide dissemination of information on the activities of the United Nations and the international Trusteeship system in the Trust Territory.

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

72. The Trusteeship Council reaffirms the inalienable right of the people of Micronesia to self-determination, including the right to independence in accordance with the Charter and the Trusteeship Agreement.

73. The Council recalls its conviction that the political unity of the Caroline Islands and the Marshall Islands should if possible be maintained, but it recognizes that it is ultimately for the Micronesians themselves to decide upon their future political relations with each other. It notes with satisfaction that the Congress of Micronesia has decided in favour of unity within the framework of a constitution of the Federated States of Micronesia. It notes, however, that the districts of Palau and the Marshall Islands have expressed the wish that the question of their political status should be negotiated separately with the United States.

74. It notes with satisfaction that the Administering Authority considers that it would be in the interests of the people of Micronesia to maintain some form of unity. It notes that the Administering Authority nevertheless feels that it is for the Micronesians to decide upon the political unity and government structures of the Territory. The Council hopes that the Administering Authority will continue its efforts to establish mutually beneficial relations between the districts in all fields.

75. The Council expresses the hope that the Micronesians will co-operate with the Administering Authority in maintaining and developing mutually beneficial relations between the districts. In that connexion, the Council hopes that the Micronesians will take all necessary steps to establish, after the termination of the Trusteeship Agreement, the all-Micronesian entity which they agreed upon at Molokai, Hawaii, in October 1977.

76. With regard to the negotiations on the Territory's future political status held between the representatives of Micronesia and the United States Government, the Council notes with satisfaction that these negotiations were officially resumed in October 1977 at Molokai after an interruption of 17 months and that they were followed by two further meetings, at San Diego, California, in January 1978 and at Hilo in April 1978.

77. The Council notes that for the first time representatives of the Palau and Marshall Islands Political Status Commissions were officially invited to take part in these discussions.

78. The Council notes that, during the discussions at its forty-fifth session, the Administering Authority, the special advisers and various petitioners expressed their views on the nature of Micronesian representation in the negotiations on the future political status of the Territory.

79. It notes that the various parties seem to have recognized at Hilo that the solution to the problem of Micronesian representation in these negotiations will depend on the results of the constitutional referendum of 12 July 1978.

80. As in 1977, the Council does not wish to make precise recommendations on the future political status of the Territory. It reiterates its view that, among all the options open to the inhabitants, including independence, the status of free association, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement.

81. It notes with interest the "Statement of Principles for Free Association", which was approved on 9 April 1978 at Hilo by representatives of the United States, the Commission on Future Political Status and Transition of the Congress of Micronesia, the Marshall Islands Political Status Commission and the Palau Political Status Commission. The Council points out that at this stage what is involved is guidelines on the basis of which a final agreement is to be concluded. It expresses the hope that the Administering Authority will keep it informed of the progress made in the discussions held on the subject.

82. The Council notes that it will be possible for the status of free association established on the basis of these principles to be ended unilaterally.

83. The Council notes that any agreement reached on free association will be put to a referendum which, according to the principles agreed upon at Hilo, the United Nations will be invited to observe.

84. The Council reiterates its opinion that the people of Micronesia should be given the fullest opportunity, before the referendum, to inform themselves about the various political choices open to them, including independence.

85. The Trusteeship Council takes note of the statement by the High Commissioner to the effect that all parties to the negotiations on political status had agreed on the guidelines for ensuring that the ESG programme would be objective and accurate. It hopes that these guidelines will allow greater latitude in the elaboration of education programmes so as to suit them to local needs. It hopes that these programmes will be widely used in schools throughout the Territory. However, the Council, in view of the criticism expressed concerning the programme by a special adviser, asks all the parties concerned to agree on the aims and methods of the education programme while recognizing its crucial importance to the formation of an electorate in the Territory.

86. The Council accepts with pleasure the invitation of the Administering Authority to observe the referendum on the draft constitution for the Federated States of Micronesia to be held on 12 July 1978. It notes with satisfaction the

creation by the Congress of Micronesia of an office for the constitutional referendum. Although it is informed regarding the detailed provisions already established by the authorities of the Territory with respect to the voting procedure, the Council hopes that all measures will be taken to ensure the honesty of the vote and the security of the ballot boxes. The Council hopes that the presence of the observation mission will prevent disputes and lead to broad participation by the voters.

87. In view of the existence of separatist tendencies in the districts of Palau and the Marshall Islands, the Council requests that the observation mission give particular attention to ensuring that the political campaign and voting operations take place under normal conditions and in a completely free manner.

88. The Council notes with satisfaction the undertaking by the representatives of the Administering Authority to respect the results of the referendum of 12 July, whatever may be the outcome, and to co-operate with the appropriate Micronesian authorities, before the end of the mandate, in implementing all provisions of the constitution consistent with the Trusteeship Agreement.

89. The Council notes that the Administering Authority and the Congress of Micronesia have stated that they have overcome their differences with regard to the compatibility of the constitution with the projected status of free association.

90. The Council notes with satisfaction that if a status of free association is approved by the people of Micronesia, it will take effect only after the termination of the Trusteeship Agreement.

91. The Council takes note of the intention expressed by the Administering Authority to seek agreement with the parties concerned, in strict compliance with the relevant provisions of the Charter, on terminating the Trusteeship Agreement by 1981 at the latest.

92. The Council notes with satisfaction that on 23 October 1977 the Government of the United States approved the constitution of the Commonwealth of the Northern Mariana Islands and that the Governor, Lieutenant-Governor, parliamentary representatives and other authorities elected in December 1977 took office on 9 January 1978. It also notes that some parts of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America took effect on 9 January 1978 when the constitution entered into force.

93. The Council notes with satisfaction that the Administering Authority still intends to terminate the Trusteeship Agreement simultaneously for the Northern Mariana Islands and for the rest of the Territory.

94. The Council notes with satisfaction that the Administering Authority hopes to maintain social, economic and cultural co-operation between the Northern Mariana Islands and the rest of the Territory. It urges the Administering Authority and the Government of the Northern Mariana Islands to pursue that objective.