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## OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat\*

### 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 1980 census, the population of the Trust Territory totalled 132,929, distributed as follows: Truk, 37,488; Marshall Islands, 30,873; Ponape, 22,081; Northern Mariana Islands, 16,780; Palau, 12,116; Ypa, 8,100; and Kosrae, 5,491.
3. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups. Language

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\* This document contains sections A-C of the preliminary draft of part II of the report of the Trusteeship Council to the Security Council. Other sections will be issued in addenda to the present document. The complete report will be issued subsequently as Official Records of the Security Council, Thirty-eighth Year, Special Supplement No. 1.

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, two in Ponape and one each in the Marshall Islands, Palau, Truk, Kosrae and the Northern Mariana Islands.

4. At its forty-ninth session, the Trusteeship Council took note of the continuing concern expressed by representatives of the Trust Territory about the possible dangers of the dumping of nuclear waste in the Pacific region.

5. In that connection, the Council took note of the letter dated 2 June 1982 from the Permanent Representative of Japan to the United Nations addressed to the President of the Trusteeship Council 1/ in which he had indicated that Japan did not propose to dispose in the sea of high-level radioactive wastes or of spent nuclear fuel, the sea disposal of which was prohibited by the Convention on the Prevention of Marine Pollution by Dumping Wastes and Other Matter (the London Convention). He had also indicated that his Government would pursue its efforts to provide the necessary explanations to the countries concerned and that it would continue to take fully into account their sentiments and sensitivities on that issue. Moreover, there had been no change in Japan's basic position that the proposed sea disposal programme would be carried out with the understanding of the countries and Territories concerned.

6. The Council noted that the Administering Authority had not sought a dialogue with the Government of Japan on the question of the proposed dumping of low-level nuclear waste since, in the opinion of the Administering Authority, such proposals were fully in accordance with existing international law. The Council took note of the statement made by the representative of the Administering Authority that, for its part, the United States Government did not intend to dispose of nuclear wastes in the Trust Territory of the Pacific Islands or in the waters adjacent to the Trust Territory (see T/PV.1526).

7. In its annual report (T/1853), the Administering Authority noted the Trusteeship Council's mention of low-level nuclear dumping as an issue within the Trust Territory and assured the Council that those concerns had been and continued to be taken into consideration by the agencies of the Administering Authority concerned. It also reiterated that the United States Government had no plans for the dumping of nuclear wastes within or adjacent to the waters of the Trust Territory.

8. The annual report pointed out that the Administering Authority encouraged a free and open dialogue between interested parties on the issue and noted in particular the assurances given by the Government of Japan that it would not dispose of low-level nuclear wastes without obtaining the understanding of the Micronesian Governments concerned. The annual report also noted that that statement continued to represent the policy of the United States Government.

9. At its forty-ninth session, the Trusteeship Council stated that it welcomed the progress made towards the establishment of ground stations for satellite communications throughout the Trust Territory, but noted with concern the anxiety expressed by the representative of the Government of the Federated States of

Micronesia concerning the ability of the current land-based facilities in the Federated States to utilize fully the satellite system. The Council noted with satisfaction that an agreement between Palau and the Communications Satellite Corporation (COMSAT) had been signed and that the telecommunications system was expected to be in operation by November 1982. According to the current annual report, the Palau ground station had been inaugurated in November 1982 as planned and was now in full operation.

10. In its report, 2/ the 1982 Visiting Mission to the Trust Territory noted that the Japanese Government had provided aid in the field of satellite communications.

11. At its forty-ninth session, the Trusteeship Council took note of the concerns expressed by Senate President Olympio T. Borja of the Northern Mariana Islands about the Tinian lease option (see T/PV.1523). The Council called upon the Administering Authority to clarify its intentions with regard to the option at the earliest possible date.

12. The Council noted with satisfaction that nearly all of the public land in the Trust Territory had now been turned over to the respective constitutional Governments.

13. The current annual report stated that in 1982, the Congress of the United States had enacted an appropriation measure which would enable the United States Government to exercise its lease option on Tinian, as well as other areas in the Northern Mariana Islands, in accordance with the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America. 3/ The Governments of the United States and the Northern Mariana Islands had entered into a lease agreement on 6 January 1983.

14. The annual report further stated that the Administering Authority was continuing its efforts to return the balance of public land to the Government of Palau, which would be accomplished when homesteading procedures had been developed. All other public land in the Territory had been returned.

#### Population movements

15. At its forty-ninth session, the Trusteeship Council reiterated its serious concern about the quality of medical care currently available to the displaced people of Bikini and Enewetak and regretted that the health programme proposed under legislation currently under review by the Executive Branch of the United States Government had still not been implemented.

16. The Council reiterated its concern that any resettlement proposals for the people of Bikini and Enewetak should take fully into account any remaining health hazards and recommended that the Administering Authority continue to ensure, as a matter of priority, that all necessary measures were taken to remove the radiation hazards threatening the inhabitants of the Marshall Islands. The Council noted that the inhabitants of Enewetak were being constantly monitored for radiation dosage.

17. The Council noted with satisfaction that the airstrip on Kili Island had been opened in March 1982 and that the Government of the Marshall Islands was providing regular air service to the island. The Council hoped that every effort would be made to improve living conditions for the displaced people of Bikini and that further consideration would be given to the problems of their present location on Kili Island.
18. The Council reiterated its concern over the social, cultural and economic difficulties of the people living on the island of Ebeye arising primarily from the over-population of that island.
19. The Council urged the Administering Authority to make every effort to seek mutually satisfactory solutions to specific problems arising from the presence of the United States military facility on Kwajalein Atoll.
20. In its report, the 1982 Visiting Mission stated that the Administering Authority had already taken a number of practical steps to aid and compensate the victims of nuclear testing and to allay their fears for the future. In that context, the Mission was pleased to note the statement by the representative of the Administering Authority in the Trusteeship Council on 1 June 1982, stressing that the United States, through legislation in earlier years and now in the initialled compact of free association, had acknowledged its obligations to the inhabitants of Bikini and Enewetak, as well as to others in the Northern Marshall Islands, notably the inhabitants of Rongelap and Utirik Atolls, who had suffered personal injury and damage to property. It was their intention to meet those obligations.
21. The Visiting Mission hoped that the Administering Authority would interpret those obligations generously, particularly in monitoring the health of the population and according compensation, in view of the as yet inadequate data on the long-term effects of radiation on both humans and the environment; and in view of the possible denial of access to United States courts in the case of further claims for compensation.
22. The Visiting Mission stated that the inhabitants of Ebeye and Third Island, most of whom were members of the Kwajalein Atoll Corporation and owned the land used for the Missile Range, had reoccupied their land from June to October 1982 by establishing two camps at Kwajalein and two camps at Roi-Namur. They had also stationed their boats in the mid-atoll corridor of the Kwajalein lagoon so as to halt the missile launching programme. The four camps had comprised approximately 700 persons at the time of the Mission's visit.
23. The Mission further stated that the people questioned and the statements collected had led it to conclude that the conflict between the striking landowners, on the one hand, and the Government of the Marshall Islands and the Administering Authority, on the other, stemmed from two main factors: one financial and the other psychological. In all four camps, the landowners had asserted that the amount of rent and the financial compensation provided for in the interim agreement and in the compact of free association had been inadequate because, for many years, only a token rent had been paid. After its return, the Visiting Mission had learned that the Marshallese and United States negotiators had reached a compromise on the issue.



24. The Mission pointed out that the problem of Kwajalein could not be separated from that of the neighbouring island of Ebeye, where the people lived in crowded one-room houses with substandard and inadequate community services. The sewerage system had never functioned properly as a result of defective construction work. Since the visit of the 1980 Mission, 4/ the situation appeared to have deteriorated instead of improving.
25. The 1982 Mission stated that during the public meeting at Ebeye, it had learned that as a retaliatory measure, bank accounts had been frozen and deliveries of tinned goods had been halted since the start of the strike. The Mission's contacts with the Commander of the Missile Range and then with the High Commissioner at Saipan had helped to bring about a return to the pre-existing situation: bank accounts had been reopened and deliveries of tinned goods had been resumed. The Mission welcomed the fact that, after a few initial blunders and misunderstandings, the Government of the Marshall Islands, the Commander of the Missile Range and the striking landowners had all displayed moderation and common sense. As a result, no serious incident had occurred during the strike.
26. The Mission observed that as previous visiting missions had indicated, it was now for the Administering Authority and the Government of the Marshall Islands to undertake a programme for the complete reconstruction of Ebeye. Sporadic measures would merely serve as a stopgap.
27. The Mission was pleased to note that the projected short-range airstrip on Kili had now been built and that there was regular air service from Majuro.
28. Referring to the report of the representative of the Administering Authority to the Trusteeship Council at its forty-ninth session that the President had submitted for 1981/82 a supplemental request of \$21 million 5/ for Bikini resettlement along with his 1982/83 budget request to the Congress, the Mission stated that the supplemental request would provide for the long-range relocation and resettlement of displaced Bikinians on Kili and the small island of Ejit in Majuro Atoll until such time as the radiation hazards on Bikini Atoll had abated sufficiently to permit the Bikinians safe return and habitation on their home atoll. The Visiting Mission welcomed the presidential proposals, which it hoped would be adopted by Congress and speedily implemented.
29. In the current annual report, the Administering Authority noted that the agreement signed by its representative and the President of the Marshall Islands on 30 May 1982 would provide, after termination of the Trusteeship Agreement, a comprehensive and integrated programme of medical care even more extensive than that envisioned by the legislation to which the Council had referred. Meanwhile, the people of Bikini and Enewetak, as well as those of the Rongelap and Utrik atolls, continued to receive medical examination and treatment.
30. In the same report, the Administering Authority assured the Council that all necessary measures possible were being and would continue to be taken to remove radiation hazards posing a threat to the people of the Marshall Islands. In addition, the Administering Authority informed the Council that the supplementary appropriation of \$21.4 million had been passed by the United States Congress in 1982, to assist in the relocation and resettlement of the people of Bikini.

31. According to the annual report, funds had been made available for the resettlement and relocation of the people of Bikini. Efforts were continuing to be made to improve living conditions on the island of Kili where the new airstrip had made possible regular service to and from Majuro.

32. The annual report stated that the capital improvement programme for Ebeye was currently under way with a view of improving the basic infrastructure and expanding the habitation area. The Administering Authority remained concerned, however, that substantial improvements might attract more residents, with the possibility that past problems might recur. That, however, was an issue which must be addressed by the Government of the Marshall Islands.

33. The annual report further stated that incidents which had occurred in July and August 1982 between the landowners in Kwajalein Atoll and the Government of the Marshall Islands had been resolved. Further, on the basis of mutual agreement between the Governments of the United States and the Marshall Islands, institutions had been created to foster a dialogue between the peoples of the Marshall Islands and the Kwajalein Missile Range on all issues of mutual concern.

#### War and post-war damage claims

34. 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.

35. 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 jointed 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.

36. 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).

37. 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.

38. The Micronesian Claims Commission completed its work on 30 July 1976 and issued its final report shortly thereafter. 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.

39. At its forty-ninth session, the Trusteeship Council reiterated the concern expressed at its previous sessions that war damage claims had still not been fully settled, as determined by the Micronesian Claims Commission. In that connection, the Council welcomed the assurances given by the representative of the Administering Authority and called on the parties concerned to make every effort, in the best interest of the innocent victims, to resolve the issue as soon as possible and in any case before the termination of the Trusteeship Agreement.

40. In its report, the 1982 Visiting Mission recalled that the representative of the United States had informed the Trusteeship Council at its forty-ninth session that "irrespective of these claims, ... and desirous of improving its relations with the newly emerging Micronesian entity, the Government of Japan has concluded Government-to-Government aid agreements with Palau, the Marshalls and the Federated States of Micronesia. These aid agreements, many of which are in the area of fisheries development, now provide several million dollars worth of aid to the Micronesian Governments" (T/PV.1527).

41. The Mission, in welcoming that statement, reiterated the concern which it shared with the people of the Trust Territory that outstanding Title I claims should be met in full as speedily as possible and in any case before the termination of the Trusteeship Agreement.

42. The current annual report stated that efforts continued to be made by all parties to resolve the claims under Title I. Nearly 30 per cent of the \$34 million awarded had been paid. All claims under Title II had been made.

#### B. POLITICAL ADVANCEMENT

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##### General political structure

43. 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.

44. In the annual report for 1981 (T/1837), the Administering Authority confirmed that the constitutional Governments were now in place and fully functioning in the Federated States of Micronesia, the Marshall Islands, the Northern Mariana Islands and Palau. The United States had retained the necessary authority to comply with

its responsibilities under the Trusteeship Agreement, the Charter of the United Nations and applicable United States laws and treaties.

45. At its forty-ninth session, the Trusteeship Council noted with satisfaction the increasing confidence and competence of each of the Governments in the Trust Territory in handling all aspects of full, functional self-government. The Council welcomed the continuing efforts of the constitutional Governments to increase their contacts with other nations in the region and to develop further links with regional agencies.

46. The current annual report stated that during the year under review, the constitutional Governments had continued to consolidate their operations, to assume greater responsibilities for their internal affairs and to expand, with the Administering Authority's concurrence, co-operative arrangements with regional and international organizations. As a result of the continued transfer of greater responsibilities to the new Governments, Trust Territory Headquarters had accelerated the reduction of its personnel and the consolidation of its activities to those required by the Trusteeship Agreement, applicable secretarial and executive orders and United States federal laws. The Administering Authority noted that the constitutional Governments had maintained the level of essential government services during the year under review, conducted democratic elections for state and local offices, held constitutional conventions at the state level and proven themselves competent to meet the increasing challenges of self-government.

47. In its report, the 1982 Visiting Mission observed that it shared the view of earlier visiting missions that, in any discussion of the political future of Micronesia, it was important to note the effect of tradition and the traditional authorities on the newly emerging institutions. Throughout its visit, the Mission had been made aware of the influence which the traditional leaders continued to exert in their respective states and municipalities. In that context, it was significant that the constitutions of the Federated States of Micronesia, the Marshall Islands and Palau had all incorporated provisions which preserved and protected traditional values and the role of the traditional leaders, even though some of the latter had run for office and now played a full part in non-traditional politics.

### Territorial government

#### Legislatures

48. The Congress of the Federated States of Micronesia is a unicameral body. The Congress consists of one member elected from congressional districts in each state apportioned by population. Members elected on the basis of state equality serve for four years and all other members for two years. A state may provide for one of its seats to be set aside for a traditional leader. Members of the Congress are elected by residents of the Federated States who are 18 years of age or older. The first general election under the new Constitution took place on 27 March 1979.



49. The legislative power in the Marshall Islands is vested in the Nitijela, consisting of 33 members. A general election is held every four years. The President of the Marshall Islands may, however, dissolve the Nitijela at any time if a motion of no confidence in the Cabinet has twice been carried and has twice lapsed, and if no other president has held office in the interval between the two votes of no confidence. He may also do so if no cabinet has been appointed within 30 days after the date on which the Nitijela has proceeded to elect a president for any reason other than the resignation of the president following a vote of no confidence. Members of the Nitijela are elected by citizens of the Marshall Islands, 18 years of age or older, who are qualified voters. The first general election under the new Constitution took place on 10 April 1979. There is also a Council of Iroij (traditional leaders) of the Marshall Islands consisting of 12 eligible persons. It considers, inter alia, bills affecting customary law, any traditional practice, land tenure or any related matter adopted by the Nitijela.

50. The Northern Marianas Commonwealth Legislature is a bicameral body consisting of a Senate and a House of Representatives. The Senate has nine members elected at large for four-year terms from the three senatorial districts. The House of Representatives has 14 members elected for two-year terms. Members of the Legislature are elected by residents of the Commonwealth 18 years of age or older, who are registered voters. The second general election took place on 4 November 1979.

51. The legislative power in Palau is vested in the Olbiil Era Kelulau, consisting of a House of Delegates and a Senate, the members of which are elected for a term of four years. One delegate is elected from each state and the delegation so elected composes the House of Delegates. The Senate is composed of the number of senators prescribed from time to time by a reapportionment commission as provided by law. The enactment of laws requires adoption of bills by each house. The President is empowered to veto a bill, but the veto may be overridden if the vetoed bill is subsequently approved by a two-thirds majority of each house.

52. At its forty-ninth session, the Trusteeship Council noted with satisfaction that the freely and democratically elected legislatures in the four Micronesian entities had continued to play an important and active role. The current annual report stated that the Administering Authority shared the satisfaction of the Council in the performance of the legislative bodies of the Trust Territory. It also noted that the Asian Pacific Parliamentarian Union (APPO) had met in Ponape during the year under review at the invitation of the Federated States of Micronesia and would meet again in Saipan in 1983.

#### Executive

53. According to the current annual report, all chief executives of the constitutional Governments are Micronesians.

54. The executive power of the Government of the Federated States of Micronesia is vested in a President elected by the Congress for a term of four years and not more than two consecutive terms. The Vice-President is elected in the same manner as the President and serves for the same term of office. He may not be a resident of the same state as the President. The President appoints his four-member Cabinet with the advice and consent of the Congress.

55. In the Marshall Islands, executive authority is vested in the Cabinet, whose members are collectively responsible to the Nitijela. The Cabinet consists of the President, who must be a member of the Nitijela, and from 6 to 10 other members of the Nitijela, appointed as ministers by the Speaker on the nomination of the President. The President is elected by the Nitijela following each general election. The President is the head of State of the Marshall Islands. He is required to resign whenever a vote of no confidence is carried by the total membership of the Nitijela. His resignation might lapse, however, if no successor has been elected within 14 days following his resignation.

56. The executive authority of the Government of the Northern Mariana Islands is vested in a Governor elected for a four-year term who must be at least 30 years of age, qualified to vote and a resident and domiciliary of the Commonwealth for at least seven years immediately preceding the date on which he takes office. In the performance of his duties, the Governor is assisted by a jointly elected Lieutenant Governor and by heads of executive departments.

57. The executive power in Palau is vested in a President, elected in nation-wide elections, together with a Vice-President, for a term of four years and not more than two consecutive terms. The Vice-President serves ex officio as a member of the Cabinet, and succeeds the President if his office becomes vacant. The members of the Cabinet are appointed by the President with the advice and consent of the Senate. A Council of Chiefs advises the President on matters concerning traditional laws and customs. The President or Vice-President may be impeached and removed from office for serious crimes by a vote of not less than two thirds of the members of each house of the Olbiil Era Kelulau. The President or Vice-President may be removed from office by a recall, if it is so decided by a recall referendum held pursuant to a resolution to that effect adopted by not less than two thirds of the members of the state legislatures of Palau in not less than three fourths of the states.

58. At its forty-ninth session, the Council noted that the transfer of functions and responsibilities from the Administering Authority to the constitutional Governments had continued to take place at a rapid pace.

59. The Council noted that the Government of the Federated States of Micronesia was engaged in discussions with the Administering Authority concerning the ability of the Federated States to participate in negotiations and to sign certain regional and international agreements during the transitional period. The Council hoped that a mutually satisfactory solution would be found.

60. According to the current annual report, the Administering Authority continued to provide the Governments with assistance in the area of public safety and order, as well as training to their judicial, legal and police agencies. With the concurrence of the Administering Authority, the Governments had signed fisheries and aid agreements with other nations, as well as with regional organizations.

61. The annual report further stated that all four constitutional Governments were fully organized and are operational according to their own freely adopted constitutions.

### State governments

62. The current annual report stated that Yap State was now carrying out its functions under its new Constitution. Kosrae, Ponape and Truk were preparing their respective constitutions which would replace the charters granted by the former Congress of Micronesia. In Palau, each of the former municipalities was now designated as a state and was drafting its own constitution.

### State administrators

63. The four states constituting the Federated States of Micronesia (Kosrae, Ponape, Truk and Yap) are headed by elected governors. Each of the states installed its first elected governor during 1979 except Truk, which did so in 1978.

### State legislatures

64. All the entities of the Trust Territory have popularly elected legislatures. The powers of the state legislatures in the Federated States of Micronesia are defined by the Constitution of the latter. In the Marshall Islands, the Nitijela has all legislative powers delegated to it by its Constitution. The qualifications for membership in the legislative bodies are defined in the relevant charters and constitutions.

### Municipal governments

65. The Constitution of the Marshall Islands specifically recognizes the right of each populated atoll, or island not a part of an atoll, to a system of local government.

66. According to the current annual report, under the Local Government Act, 1980, all 25 former municipalities in the Marshall Islands, whether granted charters during the Trust Territory administration or unchartered, should adopt their respective constitutions not inconsistent with any national law. The report stated that on 30 March 1982, Ailuk and Likiep in the Marshall Islands had held referendums on their draft constitutions. The former had approved the draft constitution while the latter had rejected it. On 27 August, 18 municipalities had held referendums on their draft constitutions. All of them, except Kili, had approved their respective constitutions. Following approval of each constitution by the national cabinet, elections would be held in each municipality under the new constitution.

67. The Commonwealth of the Northern Mariana Islands is divided into four municipal jurisdictions, each headed by an elected mayor.

### Civil service

68. The Constitution of the Federated States of Micronesia provides for the establishment of executive departments by statute. The President, with the advice

and consent of the Congress, appoints the principal officers of those departments and such other officers as may be provided for by statute.

69. Under the Marshall Islands Constitution, the civil service, headed by a Chief Secretary, comprises the employees necessary to assist the Cabinet in exercising executive authority and to perform other duties as required. The Constitution also contains provisions for the establishment of a civil service commission.

70. The Constitution of the Northern Mariana Islands provides for a civil service system which operates under a Civil Service Commission. The Commission administers personnel policies for the Government.

71. The Constitution of Palau provides for the appointment of national officers by the President with the advice and consent of the Senate.

72. At its forty-ninth session, the Trusteeship Council noted with concern the events relating to a strike of government employees which had taken place in Palau during September 1981, leading to the burning of the President's office.

73. The Council noted the Palau Government's approval of a 50 per cent increase in salaries of government employees. It took note of the Administering Authority's assertion that personnel costs now accounted for approximately 83 per cent of Palau's budget.

74. The Council reiterated its conviction that the size of the civil service throughout the Trust Territory remained a cause for concern, placing a heavy burden on territorial budgets and absorbing a disproportionate share of trained personnel. In that connection, the Council noted that during 1980/81, there had been a decrease of more than 7 per cent in civil service employment in the Governments of the Trust Territory. Nevertheless, it once again urged the Administering Authority to give every possible assistance to the constitutional Governments to encourage the creation of jobs in the non-government sector and thereby allow rationalization and reduction of their civil services without contributing to the problems of unemployment.

75. The current annual report stated that the Administering Authority shared the concerns of the Council concerning the labour-related incidents which had taken place in Palau. The Administering Authority noted in that context that the incidents were local in nature and were the responsibility of the Palauan Government. It had provided advice and counsel upon request but it was up to the Government of Palau, within the resources available, to determine the course of action which it wished to pursue in those matters.

76. The annual report also stated that in 1981/82, Palau had spent 84 per cent of its operational budget on personnel costs. In less than two years, Palau had raised its minimum wage from \$0.80 to about \$1.89 per hour. The Administering Authority viewed those increases with concern since the Government of Palau had yet to identify the resources from which it would meet the new demands. However, the Administering Authority believed strongly that the new Governments must meet their responsibilities with the resources available or expand those resources through



their own efforts. The Administering Authority continued to encourage the economic development of Palau so that eventually the whole wage scale might be increased appropriately. The Administering Authority deplored violent or disruptive actions against the constitutional authorities.

77. According to the current annual report, during the year under review, the Trust Territory administration had reduced its personnel at headquarters by a substantial number. Authority and responsibility for development of the economy in the private sector of each jurisdiction were now in the hands of each constitutional Government. The Administering Authority continued to encourage and support development in that sector and welcomed, as did the constitutional Governments, the assistance of various specialized agencies of the United Nations system operating in the region.

78. At its forty-ninth session, the Trusteeship Council noted with satisfaction that the Administering Authority had invited the Governments of the Federated States of Micronesia, the Marshall Islands and Palau to enact legislation for political education programmes and for the anticipated plebiscite on future political status. The Council also noted that the Administering Authority was prepared to assist those efforts within its resources, as appropriate and as requested by the Governments.

79. The Council welcomed the statement by the Federated States of Micronesia that it had already consulted with the Administering Authority on a broad public education programme and had prepared tentative plans.

80. The Council welcomed the assurance by Mr. DeBrum of the Marshall Islands that translations of the compact of free association had been widely distributed in the Marshall Islands.

81. The Council noted that the Government of Palau had already distributed English-language versions of the compact to some schools, religious organizations and state governments in Palau and that arrangements were now in hand for reproduction of the Palauan translation of the compact.

82. The Council noted that the Administering Authority had sponsored and financed the translation of the compact of free association into 12 local languages. It remained concerned about the generally slow pace of the political education programme in preparation for the plebiscite.

83. In its report, the 1982 Visiting Mission observed that in its discussions with political leaders and in the different public meetings it held in the Territory, it had noted the high level of political awareness and education of the Territory's inhabitants. They appeared to be perfectly well informed and aware of the various options offered to them under the Charter of the United Nations. The Visiting Mission also noted the complete freedom of expression enjoyed by the different political parties and by individuals, whether they were in the majority or in the opposition.

84. The Mission stated that the Administering Authority had informed it that when the status negotiations had been completed, it would provide funds to the

constitutional Governments to conduct a programme of political education to help the voters of the Territory to understand the implications and options available to them on the ballot.

85. The Mission endorsed the recommendations of earlier missions that the political education programme should cover the economic as well as the political options so that the people of the Trust Territory, when the time came, would be able to exercise their act of self-determination in full knowledge of the political and economic realities as well as with an understanding of the steps leading to termination of the Trusteeship Agreement. It also urged the Administering Authority and the constitutional leaders to set up new education for self-government programmes as speedily as possible.

86. In its report 6/ the United Nations Visiting Mission to Observe the Plebiscite in Palau in February 1983 noted that the compact and its subsidiary agreements were long, complex and somewhat daunting documents drafted in lawyers' language. In the Mission's view, it would not be realistic to expect the voters in Palau, or indeed any other society, to have mastered every detailed provision in them. Nevertheless, the Mission concluded that the broad issues raised by the compact and the wording of the ballot had generally been understood by the voters.

87. The Mission concluded that the general understanding of the broad issues had been due both to the political education programme and to the political campaign itself. The Mission believed that the political education programme in Palau had been useful and effective. It reiterated the importance of conducting adequate programmes of political education in advance of the forthcoming plebiscites in the Federated States of Micronesia and the Marshall Islands.

88. With regard to allegations of partiality, the Mission concluded that there had inevitably been some ambiguity in the position of a Government which had both negotiated the compact and undertaken to educate the people about it. The Political Education Committee and the Director of the Programme had seriously taken the injunction of impartiality in Public Law No. 1-43 but there had been some occasions when the dividing line between education and advocacy might have become a little blurred. The Mission did not believe, however, that those seriously detracted from the effectiveness of the programme. It had obtained no concrete evidence to substantiate charges that political education funds had been improperly used to influence voters.

89. The Mission stated that the options included in the ballot paper for possible future negotiation (a closer relationship with the United States or independence) had been covered in the political education programme. The Mission had been a little surprised on arrival in Palau to discover the extent to which attention had been focussed on the compact. It had soon become clear, however, that that attention reflected the realities of the political campaign. The question which had interested the voters had not been whether free association was the best option for Palau, but whether the compact represented the best form of free association that was available.

90. The current annual report stated that by the end of 1982, the Administering Authority had provided initial funds totalling \$200,000 to Palau, \$100,000 to the

Federated States of Micronesia and \$75,000 to the Marshall Islands for the conduct of political education programmes on the compact; and that additional payments were to be made of up to \$1,500,000 for the Federated States of Micronesia, \$300,000 for Palau and \$300,000 for the Marshall Islands.

91. The annual report further stated that the political education programme in Palau had begun on 9 September 1982. The programme itself had been a significant undertaking, involving the concentrated efforts of teachers, government officials, attorneys and other professionals and had been directed to every populated area in Palau. Printed materials, illustrations, radio and television programmes and personal question-and-answer sessions had comprised the major elements of that programme.

92. According to the report of the 1982 Visiting Mission, the Federated States of Micronesia and the Marshall Islands were preparing to inaugurate their public education programmes for the plebiscites expected to be conducted in 1983.

93. The annual report further stated that fully informative and thorough programmes of public education in the Federated States of Micronesia, the Marshall Islands and Palau were long-standing goals of the Administering Authority. Through its financial support, expert technical advice and logistical support, the Administering Authority was assisting the constitutional Governments to ensure that the plebiscites would be conducted in an environment leading to a free choice among clear and well-understood alternatives by a fully informed electorate.

#### Decentralization

94. At its forty-ninth session, the Trusteeship Council welcomed the substantial efforts made by the Administering Authority to transfer all possible responsibility and authority to the new Governments without derogating from its fundamental responsibilities as Administering Authority.

95. The Council noted that in 1980/81, the Administering Authority had provided a total of \$7.4 million towards meeting the costs of transition from the Trust Territory Government to local self-government under constitutional systems.

96. The current annual report stated that the Administering Authority continued to transfer responsibilities and authorities to the new Governments as they become prepared to accept them. During the past year, the number of employees of the Trust Territory headquarters had been reduced to 250 with the reduction or closing of several more offices.

#### Judiciary

97. The judicial power of the Federated States of Micronesia is vested in a Supreme Court and subordinate courts established by statute. The annual report for 1981 (T/1837) stated that in October 1980, the Congress of the Federated States of Micronesia had confirmed Mr. Edward King as Chief Justice of the Federated States of

Micronesia Supreme Court. It had also confirmed Mr. Richard Benson as Associate Justice in January 1981. On 12 July, the Supreme Court had been inaugurated at a ceremony in Truk held in conjunction with the opening of the first special session of the Second Congress of the Federated States. Yap had been the first state in the Federated States to enact legislation establishing a state court to take over the functions of the Trust Territory District Court.

98. In the Marshall Islands, judicial power is vested in a Supreme Court, a High Court, a Traditional Rights Court, district courts, community courts and other subordinate courts. During 1981, the Marshall Islands took steps to establish and make operational its court system. The Chief Justice of the High Court of the Marshall Islands was appointed and has promulgated rules of procedure for civil and criminal cases. Transfer of judicial functions to the new Government was expected to occur as soon as the appointment of the Chief Justice of the High Court had been confirmed.

99. Judicial authority in the Northern Mariana Islands is vested in the Commonwealth Trial Court, which has original jurisdiction over matters involving land in the Northern Mariana Islands and other civil actions.

100. Judicial power in Palau is vested in a unified judiciary consisting of a Supreme Court, a National Court and such inferior courts of limited jurisdiction as may be established by law.

101. At its forty-ninth session, the Trusteeship Council noted with satisfaction that the Federated States of Micronesia had established its final branch of government, the Supreme Court. The Council noted similarly that the Chief Justice of the High Court of the Marshall Islands had been appointed. It also noted with satisfaction that a judicial system had been established in Palau and that a Palauan had been appointed to the post of Chief Justice.

102. In the current annual report, the Administering Authority confirms that judicial systems throughout the Trust Territory and in all of the component constitutional Governments are fully established and functioning.

### C. ECONOMIC ADVANCEMENT

#### General economy

103. At its forty-ninth session, the Trusteeship Council noted with regret that the Territory's economy was such that it could not produce sufficient funds to cover the administrative and social expenditure of the constitutional Governments. In particular, the structural imbalances in the economy appeared not to have been significantly reduced. In addition, in 1981/82 the Territory had suffered the effects of the deterioration of the economic situation in the United States and throughout the world. Under the circumstances, the Council felt that substantial economic and financial assistance to the Territory was more necessary than ever.

104. The current annual report stated that the Administering Authority shared the concern of the Council concerning the economic situation in the Trust Territory.



There had been an overall increase of 9 per cent in the budgetary allocation of the Administering Authority to the constitutional Governments. The Economic Development Loan Fund (EDLF) was now operational in some areas, foreign investment was being encouraged and other means were being used to encourage the development of an economic base structured to meet the needs of the people, taking into account the resources available. The Administering Authority noted that decisions regarding the economic sector were now almost exclusively within the purview of constitutional authorities with the resources available.

105. In its report, the 1982 Visiting Mission to the Territory stated that, during the period of Trusteeship, the Administering Authority had fostered the political, social and educational development of the inhabitants of the Territory. However, it felt that efforts should be continued in the economic area. The Trust Territory was still in a position of almost total economic and financial dependence on the Administering Authority. In particular, the structural imbalances in the economy had not been significantly reduced and appeared unlikely to be redressed in the short-term. As was noted by the 1980 Visiting Mission, the Territory's economic self-sufficiency could only be considered a long-term objective. Accordingly, only with the help of the considerable funds allocated by the United States could the population maintain its present standard of living and the administrative structures of the various constitutional Governments function.

106. At its forty-ninth session, the Trusteeship Council again noted that the Territory's balance of trade showed a very large deficit. It regretted the failure to achieve an adequate increase in the funds derived from agriculture, handicrafts, fishing and tourism. Accordingly, it again urged the Administering Authority to promote the development of the kinds of production that could satisfy local needs, especially for food.

107. According to the annual report, efforts towards import substitution continued to be of prime concern to the Administering Authority. The development of exports, tourism and other productive activities continued to be supported by the Administering Authority as they were implemented by local authorities. As one example of the successful measures being taken to stimulate local agriculture, the Federal Food Stamp Nutrition Program in the Northern Mariana Islands provided that 25 per cent of the value of food stamps issued to any individual must be spent on locally produced foodstuffs. Comparing the amount of farm land under cultivation in 1982 with that of the year before, there had been a 40 per cent increase in area under agricultural production.

108. At its forty-ninth session, the Trusteeship Council noted with satisfaction the completion, as at 1 January 1982, of 18 projects, totalling \$25 million, under the five-year capital improvement programme which had just ended. However, it regretted the delay in carrying out other projects. It took note of the assurance by the Administering Authority that the remaining projects would be completed, or at least started, by the end of 1982. With regard to the second phase of the capital improvement programme, the Council hoped that the development of the outer islands would not be neglected. It noted that funds would be provided for that purpose by a number of United States federal agencies.

109. The annual report stated that most of the capital improvement projects were completed or initiated during the year under review.

110. The annual report further stated that although a "second phase" of the capital improvement programme had never been authorized or approved, the Administering Authority intended to provide budgetary support in the post-Trusteeship period through the compact of free association, which would enable the Governments to determine and meet their own priorities in development programmes including the outer islands. Many of the federal programmes currently operating within the Trust Territory had application to the outer islands.

111. The 1982 Visiting Mission felt it necessary to register in its report the complaints and regrets expressed at meetings with the general public over the fact that the second-level capital improvement programme had been abandoned. The Mission noted that the sums needed to implement that programme had been provided for in the compact of free association negotiated by the Federated States of Micronesia, the Marshall Islands, Palau and the United States. During meetings held in the outlying islands, the Mission had noted the very deep concern of the islanders who blamed the Administering Authority for relinquishing the second-level capital improvement programme; they accused the local authorities of favouring the development of the centres and the main islands at the expense of the outlying islands. In that connection, the Mission took due note of the fact that, when the Trusteeship period came to an end, funds for the second-level capital improvement programme would be available. The only way to prevent the development of the outlying islands from lagging even further behind that of the centres was to make them more accessible by developing appropriate means of communication and allocating to those islands their rightful share of the budget, for their development.

112. The Mission noted that some of the local Governments had embarked on a long-term planning process that would integrate the development of the outlying islands. The Mission encouraged that forward-looking planning initiative. The Mission believed, however, that those efforts would be in vain unless three basic conditions were met: the necessary funds must be released in good time; funds must be provided, not only for the execution of projects, but also for the maintenance of completed projects; and no planning programme should be initiated unless a viable statistical system was restored. The Mission pointed out that the statistical data available to it often appeared to have been poorly gathered. Certain data collected for the purpose of forward planning appeared to be inaccurate and could prevent the necessary economic choices from being made in a sound and rational manner.

#### Public finance

113. The Trust Territory Headquarters Bureau of Finance is responsible for assuring the proper operation of the standardized accounting system, for oversight review of accounting system utilization and for preparation of consolidated financial reports to higher authority. An automated financial management system provides the basis for accounting procedures, policies and management throughout the Trust Territory. Conversion of the financial management and payroll systems to effect unilateral

system utilization capability by the respective Government finance offices was accomplished as of 1 October 1981, which allows each Government control over its accounting system and at the same time affords the flexibility of integrated reporting where applicable. Virtually all functions of programme management and financial administration are performed by the individual Micronesian Governments.

114. At its forty-ninth session, the Trusteeship Council noted that the constitutional Governments had been given the opportunity to determine their own priorities for the 1983 budgetary year, taking into account certain budgetary ceilings.

115. The Council regretted that budget cuts had effected certain United States federal programmes. It was pleased to note, however, that the cuts had not affected the level of certain key programmes such as health and education.

116. The annual report stated that funding for government operational support and capital improvement programmes in the Trust Territory was derived from several sources, with the major portion being an annual grant provided by the Administering Authority. The second largest source of funding was also from the Administering Authority in the form of federal categorical grants provided by a number of federal agencies either on a matching or outright grant basis. The third largest source of funding, for support of government operations in the Trust Territory, was derived from tax revenues levied by the new constitutional Governments. The revenues were controlled by the respective legislative bodies and were appropriated by them to provide for both their own support and for such legislative projects as might be authorized by law.

117. According to the current annual report, the grant from the Administering Authority totalled \$98.6 million in 1981/82. Federal categorical grants for the same period totalled \$21.3 million.

118. The annual report stated that for several years the Administering Authority had given the constitutional Governments the opportunity to determine their own priorities, within budgetary ceilings. The Governments had set their own priorities and their respective legislative bodies continued to strengthen their own budgetary review and appropriation enactment processes.

119. The annual report further stated that certain federal programmes had been cut or reduced, in consonance with United States national policy or in anticipation of termination of the Trusteeship Agreement. The number of health and education programmes had in fact been increased and it was expected that a number of those programmes would be continued in the post-Trusteeship period under conditions mutually agreed as part of the political status negotiations.

120. At its forty-ninth session, the Trusteeship Council noted that programmes were under way for the rationalization of the various financial systems and that the constitutional Governments were being consulted on that matter and also on budget preparation procedures and accounting transfers.

121. According to the current annual report, the Administering Authority had assisted in the review of financial management alternatives. The Administering

Authority had agreed to fund the transition from the centralized to individual data processing systems and to assist in the implementation of the automated financial management systems of the respective Governments.

122. The annual report further stated that the new Governments prepared their own budgets. With limited technical assistance, all Governments had enacted budgetary procedure laws with the encouragement of, and, upon request from, the Administering Authority. The Governments were currently being consulted on format changes for the budget submissions required by the United States budgetary process.

123. At its forty-ninth session, the Trusteeship Council noted that taxes and duties were now within the competence of the constitutional Governments. It reiterated its view that the Territory's tax system should be designed to discourage the import of goods and services which could be obtained locally.

124. The current annual report stated that tax systems within the Trust Territory were wholly within the authority of the constitutional Governments and that the Administering Authority encouraged the protection of local markets.

125. In its report, the 1982 Visiting Mission noted that the system of taxation remained heavily dependent on income tax. It shared the view expressed by the 1980 Visiting Mission that a serious effort should be made to levy import duties, especially on goods which compete with locally produced items or non-essential goods which could become an important new source of revenue and could also help to correct the external imbalance of the Trust Territory, to reduce the growing dependence on imports and to encourage local production and industry. In that regard the 1982 Mission noted with satisfaction the initial steps taken by the Government of the Marshall Islands to impose import duties on a number of non-essential and luxury items.

#### Assistance from international institutions and other countries

126. At its forty-ninth session, the Trusteeship Council welcomed the development of relations between the leadership of the Territory and the various regional and international programmes. It noted in that connection that the four Governments had acquired full member status in the South Pacific Commission (SPC) as well as associate member or observer status in several other regional or international bodies.

127. The Council also noted with satisfaction the assistance provided by the World Health Organization (WHO) under the three-year health development programme launched in 1979, with particular reference to the training of medical and paramedical personnel and the granting of fellowships. The Council welcomed the readiness of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to co-operate with the Micronesians in areas within its competence. It noted the efforts undertaken by the Governments of the Territory to forge links and develop co-operation with other States in the region.

128. The current annual report stated that the Trust Territory had benefitted from the assistance of a number of United Nations bodies, including the Economic and



Social Commission for Asia and the Pacific (ESCAP), the United Nations Development Programme (UNDP), the United Nations Multi-National Inter-Disciplinary Development Advisory Team (UNDAT) and the United Nations Fund for Population Activities (UNFPA). In addition, SPC, the South Pacific Bureau for Economic Co-operation (SPEC) and other regional organizations had provided economic, educational, social, health and technical assistance in various fields.

129. The annual report further stated that the constitutional Governments were members of SPC and members or associate members of other regional organizations, either in their own capacities or under the umbrella of United States membership. The Administering Authority acknowledged the prompt and effective response of the World Health Organization (WHO) to the cholera outbreak in Truk state late in 1982.

130. The report also stated that arrangements were being made in the Territory to draw up and execute projects.

131. In its report, the 1982 Visiting Mission stated that the new Micronesian Governments should receive technical assistance from both the United States and the international community, even after termination of the Trusteeship Agreement. It also noted the inhabitants' desire to maintain and expand their relations with the United Nations and the specialized agencies after termination of the Trusteeship Agreement. The Mission was pleased to see that the Administering Authority was encouraging the Governments of the Territory to establish contacts and to expand relations with international and bilateral organizations and with a number of third countries.

132. The Mission noted that international assistance was, and would continue for some time, to be of considerable importance to the economy of Micronesia. Multilateral assistance from such organizations as the United Nations Children's Fund (UNICEF), UNFPA, the Food and Agriculture Organization of the United Nations (FAO), UNESCO, WHO and the International Labour Organisation (ILO) had begun to have an impact on economic and social conditions in the Territory. In particular, the three-year health development programme launched by WHO in 1979 had helped in meeting some of the growing needs for training of medical personnel through fellowships. It had also helped to reduce mortality from certain diseases, to improve child feeding and to develop self-help in controlling diseases in the community.

133. The Mission was happy to note the growing ties between the Governments of the Territory and the other States in the region. It stated that the Federated States of Micronesia and Japan had signed a technical co-operation agreement and that the Marshall Islands and Japan had signed a fisheries agreement.

#### Credit

134. At its forty-ninth session, the Trusteeship Council stated that it welcomed the progress made since the previous session in the operation of EDLF.

135. The current annual report stated that the Bank of the Marshall Islands and that of the Federated States of Micronesia were already in operation and were

providing loans. The Bank of Palau was expected to be certified and fully operational by January 1983. Approximately \$6 million was available for economic development loan funds. The three constitutional Governments had agreed to share those funds as follows: Federated States of Micronesia 56.5 per cent; Marshall Islands 25.0 per cent; and Palau 18.5 per cent.

136. According to the annual report, each of the three constitutional Governments had either provided additional supplemental funding for its bank or had contemplated doing so. The transfer to each bank of all previous outstanding loan payments and delinquent accounts was presently taking place and was expected to be completed before 1982/83.

137. In the Northern Mariana Islands EDLF had been operating for several years.

138. According to the annual report, the Economic Development Loan Banks in the Federated States of Micronesia and the Marshall Islands were utilizing expertise available within the Trust Territory for analyzing and processing loans. Both relied on their own government offices for resources and development of their respective Governments and to a lesser degree on the private sector.

139. The employees of the Economic Development Loan Bank of the Federated States were receiving extensive training from the Association of Development Financing Institution in Asia and the Pacific (ADFIAP). The Economic Development Loan Bank of the Marshall Islands had applied for membership in ADFIAP for similar training and was expected to become a member during 1983.

#### Land

140. At its forty-ninth session, the Trusteeship Council again noted that public land had been transferred to the constitutional Governments, with the exception of small areas of Palau where there were still some administrative difficulties. It regretted that those difficulties had yet to be resolved. It noted that the Administering Authority had ceased to pay compensation to the owners for the past use of land which it currently held under indefinite use agreements.

141. With regard to public land in Palau, the current annual report stated that on the Palau land question, the land involved had been homesteaded and could not be transferred to the Government until local homesteading policies had been resolved. Compensation for past use of land had been made to most landowners and preparations were being made to arbitrate those disputed claims in which the landowners were dissatisfied with the compensation paid. The remaining unpaid past-use claims were those that were still in dispute as to ownership of the land involved.

142. According to the report of the 1982 Visiting Mission, the President of Palau and other officials maintained that the public land authority had become obsolete with the establishment of elected executive authority in the entity. They had pointed out that the public land should be transferred to the duly elected Government. Alternatively, the Administering Authority should delay taking action until the new Government in Palau was ready to assume responsibility.

143. The Mission concurred with the view expressed by the 1980 Visiting Mission that the cadastral survey of private lands should be continued in order to facilitate the settlement of land disputes. The Mission also shared the feeling of the previous mission that arable public land should be used for the development of commercial agriculture which could become an important source of export earnings, revenue and employment.

#### Agriculture and livestock

144. At its forty-ninth session, the Trusteeship Council noted that responsibility for agriculture had been transferred to the constitutional Governments. It none the less believed that the Administering Authority had a duty to help the constitutional Governments to expand agricultural and livestock production to meet the needs of the population. In addition, it requested the Administering Authority to encourage these Governments to promote export-oriented agriculture.

145. The current annual report stated that the function of agricultural development had been transferred to the constitutional Governments. The Administering Authority hoped that the Governments would make every effort to develop import substitutes in the area of agriculture and, eventually, develop an export economy in areas that showed promise. Fish and some farm products were already being exported to Guam and Honolulu.

146. In its report, the 1982 Visiting Mission noted with satisfaction that the various territorial entities which had formulated, or were in the process of formulating their five-year development plans were according high priority to the need to develop their food, agriculture and livestock sectors with a view to reducing dependence on food imports and achieving greater self-sufficiency in that critical area. The Mission recognized the obstacles in the way, but felt that the potential for agricultural development existed and needed to be realized as a matter of priority. The methods for raising livestock needed to be modernized if the needs of the people were to be met through local production and imports curtailed. That could be achieved by encouraging the establishment of co-operatives both in farming and marketing. The Mission was encouraged to note the development of co-operatives in the Marshall Islands. Similar programmes needed to be pursued in other entities.

#### Marine resources

147. At its forty-ninth session, the Trusteeship Council noted with satisfaction that the three maritime authorities of the Federated States of Micronesia, the Marshall Islands and Palau respectively were working to strengthen their legislation on the protection of their 200-mile zones. It was concerned at the illegal fishing activities to which certain representatives of the Territory had drawn attention. It took note of the Administering Authority's undertaking to extend its assistance, even after the termination of the Trusteeship Agreement, to ensure respect for the rights of the Micronesians over their 200-mile zones.

148. The Council noted with satisfaction that the Administering Authority was paying constant attention to projects for improving the exploitation of marine resources.

149. According to the current annual report, the Administering Authority fully endorsed the efforts of the constitutional Governments to develop their fishing industries as one of the most promising areas of economic development throughout the Territory. The Administering Authority was prepared to contribute to the protection of Micronesian waters even after termination of the Trusteeship Agreement.

150. In its report, the 1982 Visiting Mission stated that the development of the marine resources of the Territory deserved to be given high priority in the future development of Micronesia, which would require not only the development of fisheries complexes wherever feasible but also the development in the outer islands of the infrastructure, including storage facilities and power and transportation systems, as well as the encouragement of co-operatives, the institution of technical training programmes and the organization of marketing arrangements.

#### Third United Nations Conference on the Law of the Sea

151. At its forty-ninth session, the Trusteeship Council noted that the Trust Territory delegation to the Third United Nations Conference on the Law of the Sea during the year under review had been composed of representatives of the Federated States of Micronesia, the Marshall Islands and Palau.

152. The Council welcomed the possibility offered to the Federated States of Micronesia, the Marshall Islands and Palau, under article 305, paragraph 1, of part XVII of the draft Convention on the Law of the Sea, of participating in the Convention.

153. In its report, the 1982 Visiting Mission stated that the leaders of the Federated States of Micronesia, the Marshall Islands and Palau had participated as observers in the work of the Third United Nations Conference on the Law of the Sea and hoped to sign the Convention on the Law of the Sea. The Administering Authority had informed the Mission that that act of sovereignty could not be effected before termination of the Trusteeship Agreement. Once the Agreement had been terminated, however, nothing could stand in the way.

154. The Mission further stated that the leaders of the Federated States of Micronesia, the Marshall Islands and Palau had expressed concern at the fact that they were not directly able to sign the Convention or to negotiate with a group of South Pacific States on the establishment of a common fisheries organization.

155. In the current annual report, the Administering Authority stated that according to article 305, paragraph 1 of part XVII of the Convention, the Federated States of Micronesia, the Marshall Islands and Palau were ineligible at the present time to sign the Convention. None the less, the Administering Authority welcomed the accession to the treaty of the constitutional Governments upon their acquiring the status of freely associated states under the compact of free association.



Industry and tourism

156. At its forty-ninth session, the Trusteeship Council reiterated its concern at the absence of small industrial enterprises in the Territory. In the current annual report, the Administering Authority stated that it shared that concern and noted that there had been some positive development in that area, stating that furniture and handicraft operations and some small food-processing enterprises had been launched.

157. The Council stated that tourism should be developed gradually, with a carefully prepared overall plan. While welcoming the expansion of the tourist industry, it reiterated the hope that the interests of the population and the existing social structures would be safeguarded and the environment preserved.

158. The current annual report stated that tourism throughout the Territory appeared to be on the upswing, although the world-wide economic situation might have inhibited its rate of growth. The approval of new charter flights from Japan to Saipan was expected to generate additional tourists throughout the Territory. The upgrading of road, water and electricity systems in the main population centres offered inducements to improved tourism.

159. The annual report further stated that interest in promoting the tourism industry was evident throughout the Trust Territory and that local decisions would have to be made concerning the effect of tourism on local cultures. All the Governments of the Trust Territory were members of the Micronesian Regional Tourism Council, which provided service to all parts of the Trust Territory.

160. According to the current annual report, the Marianas Visitors Bureau expanded its marketing activities by staging or participating in seven promotional functions, including an annual conference and workshop of the Pacific Area Travel Association (PATA), the PATA Travel Mart and the Osaka International Trade Fair, all of which were international events that provided the Northern Mariana Islands with tremendous publicity and sales opportunities. It had also continued its advertisement campaign in Japanese consumer and trade publications; received extensive publicity and business from travel writers and promoters; and augmented its co-operative advertisement campaign to promote special tours and travel during the off-season.

161. From 1 January to 30 June 1982, there were 57,465 visitors to the Northern Mariana Islands, a decline of 4 per cent from the same period in 1981. The total number of visitors to the Marshall Islands during 1981/82 was 3,809.

162. In its report, the 1982 Visiting Mission stated that it agreed with the views expressed by the various Governments in the Territory that the development of tourism had to be gradual and carefully planned in order not to overwhelm their small and fragile economies and cultural traditions. The Mission felt that whenever appropriate and feasible, specialized aspects of tourism, such as deep-sea diving, marine research and marine sports, could be developed in preference to mass tourism which might not be suitable to the conditions in Micronesia. The Mission also noted that only the Northern Mariana Islands, which had a well-developed tourist industry, received an appreciable tourist inflow.

Transport and communications

163. The current annual report stated that the interisland field trip service provided movement of cargo, passengers, administrative services and logistic support from the government centres to all inhabited outer islands. The service was provided by a fleet of 10 steel-constructed, diesel-powered cargo/passenger ships owned and operated by the three constitutional Governments. The transfer of ownership of the vessels to those Governments in 1981, had afforded each of them the full responsibility and complete control of management and operation of their shipping services.
164. The annual report further stated that international/interstate trade of logistic shipping service was provided by 10 shipping companies operating cargo liner services. The entry assurance routes were assigned by the Trust Territory Government, designed to ensure regularly scheduled cargo services at the lowest possible cost to consumers, reasonable return of profit to carriers and protection of Micronesian-owned shipping companies. Four of the shipping companies were owned and operated by Micronesians and six by foreign interests.
165. The annual report also stated that since the opening of the new International Seaport in 1979, many shipping lines had offered their services to the Marshall Islands and were currently providing a 30-day service from the west coast of the United States and a 90-day service from the Far East.
166. At its forty-ninth session, the Trusteeship Council stated that it shared the view of the representatives of the constitutional Governments that transport and communications continued to be a serious problem in the Territory. It welcomed the creation of the Airline of the Marshall Islands and the opening of new airstrips, particularly at Kili. It also noted that work was under way on the building or extension of various runways.
167. The Council noted with regret that, despite some recent improvements, the road network remained inadequate. It also hoped that the Territory's port network would be improved so that it responded more fully to local needs.
168. The Council welcomed projects for improving telecommunications within the Territory and between the latter and the outside world. It noted that the Federated States of Micronesia, the Marshall Islands and Palau had signed agreements with COMSAT for the installation of land satellite stations.
169. The current annual report stated that the obvious problems created by the geography of the Trust Territory would continue to plague transportation and communications in the islands. However, the satellite communications system, improved air transportation and local control of the shipping between islands should help overcome those disadvantages.
170. According to the annual report there were now 19 airstrips in the Marshall Islands. Their use had made domestic air service possible, linking many outer atolls and islands, including Kili, with Majuro. In Ponape state, Federated States of Micronesia, a new airstrip had recently been inaugurated on Pingelap and another was under construction on Mokil.

171. The annual report further stated that the Administering Authority, while recognizing that the road network in the Territory continued to present challenges, drew attention to the completion of major paving projects in Kolonia, Ponape and Koror, Palau, and to the work in progress in Truk and Yap. Saipan's roads were continually being improved, and the road systems of some heavily populated islands were being upgraded.

172. The report points out that the COMSAT land station in Palau had been inaugurated in November 1982 and that the remaining six stations (two in the Marshall Islands and four in the Federated States of Micronesia) were scheduled to be operational in 1983. Saipan's station had been operational for several years.

173. In its report, the 1982 Visiting Mission stated that widespread concern had been expressed at public meetings with regard to the irregularity of field trip services, particularly to the outer islands, and the resultant hardship suffered by the people living there with regard to deliveries of food and medical supplies and medical evacuations. Furthermore, the field trip vessels suffered from high costs of operation and maintenance, as well as a lack of adequately trained personnel manpower. The Mission felt that some of those problems could perhaps be solved if the Governments of the various entities could obtain smaller, more energy-efficient and easier to operate vessels for interisland transport and trade. With regard to international shipping, the Mission observed that Micronesia appeared to be well-served on east-west routes but to lack north-south and regional sea links. Attention to the development of sea links with other countries in the region could be given over the long-term.

174. The Mission found that all the main centres already had or were in the process of acquiring improved air transportation facilities. It was impressed by the on-going major programme of construction of new airports and improvements and extension of existing runways in the main centres. It noted the improvements already completed in Ponape and Truk, and the major construction activity under way in Kosrae, Yap and Palau, as well as the plans for new air terminals in Ponape and Palau. The runway at Kosrae airport was expected to be completed in 1983.

175. The Mission felt that although considerable effort was being made in the Territory to improve roads, a great deal still needed to be done to provide the basic minimum network of roads in all the main centres, as well as in the outer islands, wherever possible. In that regard, in addition to public works, community and self-help programmes need to be encouraged through assistance from such international agencies as the World Food Programme (WFP).

#### Proposal for a super-port in Palau

176. At the forty-eighth session of the Trusteeship Council, the representative of the United States said that any request for a super-port would have to comply with Palauan law, the Trust Territory code and relevant United States laws. He pointed out that no action was being taken with regard to the proposed super-port and that it did not seem to be an active issue at the present time.

177. At the same session, the Adviser of the Administering Authority from Palau recalled that the former Chairman of the Palau Political Status Commission had declared during the forty-fifth session of the Trusteeship Council in 1978 that the super-port was at that time no longer feasible as a project for construction in Palau. The Adviser said that he had no further information to provide to the Council on the question.

#### Co-operatives

178. In its annual report for 1980 (T/1830), the Administering Authority stated that, at 30 September 1980, eight co-operatives were active in Palau with 853 members and aggregate assets of \$230,449. Although complete information was not available for the number of co-operatives in Truk, four were listed as operating in the states with 24,566 members and assets totalling \$1.5 million. Kosrae had one co-operative with 666 members and assets of \$457,979.

179. The annual report for 1981 (T/1837) stated that in the Marshall Islands, co-operatives were organized as producer-consumer organizations. In the outer islands, copra was the main staple purchased from members. Some handicrafts and seafoods were also purchased. In 1981, six co-operatives were in operation with a total membership of 793 persons and a share capital of \$136,570.

#### Notes

1/ Official Records of the Trusteeship Council, Forty-ninth Session, Sessional Fascicle, annexes, document T/1841.

2/ Ibid., Fiftieth Session, Supplement No. 2 (T/1850).

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

4/ For the report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1980, see Official Records of the Trusteeship Council, Forty-seventh Session, Supplement No. 2 (T/1816).

5/ The local currency is the United States dollar.

6/ Official Records of the Trusteeship Council, Fiftieth Session, Supplement No. 3 (T/1851).

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