



REPORT OF THE TRUSTEESHIP COUNCIL TO THE SECURITY COUNCIL
ON THE TRUST TERRITORY OF THE PACIFIC ISLANDS
14 July 1976 - 23 June 1977

SECURITY COUNCIL OFFICIAL RECORDS

THIRTY-SECOND YEAR
SPECIAL SUPPLEMENT No. 1

UNITED NATIONS
New York, 1977

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

Documents of the Security Council (symbol S/...) are normally published in quarterly Supplements of the Official Records of the Security Council. The date of the document indicates the supplement in which it appears or in which information about it is given.

The resolutions of the Security Council, numbered in accordance with a system adopted in 1964, are published in yearly volumes of Resolutions and Decisions of the Security Council. The new system, which has been applied retroactively to resolutions adopted before 1 January 1965, became fully operative on that date.

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION	1	1
PART I. ORGANIZATION AND ACTIVITIES OF THE TRUSTEESHIP COUNCIL	2 - 66	1
A. Organization of the Council	2 - 7	1
B. Examination of the annual report of the Administering Authority for the year ended 30 June 1976: Trust Territory of the Pacific Islands	8 - 22	2
C. Examination of petitions	23 - 26	4
D. United Nations Visiting Mission to observe the referendum in the Trust Territory of the Pacific Islands, 1978	27 - 29	6
E. Attainment of self-government or independence by the Trust Territory and the situation in the Trust Territory with regard to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples; and co-operation with the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples	30 - 35	7
F. Other questions considered by the Trusteeship Council	36 - 66	8
PART II. CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS	67 - 554	13
A. General	67 - 98	13
B. Political advancement	99 - 175	19
C. Economic advancement	176 - 328	31
D. Social advancement	329 - 363	54
E. Educational advancement	364 - 409	59
F. Constitutional developments and progress towards self-government or independence	410 - 488	65
G. Conclusions and recommendations	489 - 554	82

INTRODUCTION

1. In accordance with Article 83 of the Charter of the United Nations, with resolution 70 (1949) adopted by the Security Council at its 415th meeting on 7 March 1949, and with its own resolution 46 (IV) of 24 March 1949, the Trusteeship Council has carried out on behalf of the Security Council those functions of the United Nations under the International Trusteeship System relating to the political, economic, social and educational advancement of the inhabitants of the Trust Territory of the Pacific Islands, designated as a strategic area.

PART I. ORGANIZATION AND ACTIVITIES OF THE TRUSTEESHIP COUNCIL

A. ORGANIZATION OF THE COUNCIL

Membership

2. The composition of the Trusteeship Council on 1 January 1977 was as follows:

Member administering a Trust Territory

United States of America

Members mentioned by name in Article 23 of the Charter of the United Nations and not administering Trust Territories

China

France

Union of Soviet Socialist Republics

United Kingdom of Great Britain and Northern Ireland

Officers

3. Robin Byatt (United Kingdom) and Ricardo Duque (France) were elected President and Vice-President, respectively, at the beginning of the forty-fourth session on 6 June 1977.

4. During the period covered by this report, the Council held 10 meetings as follows: 1460th to 1469th meetings, from 6 to 23 June 1977.

5. All meetings took place at United Nations Headquarters.

Procedure

6. No change affecting the procedure for the examination of conditions in the Trust Territory of the Pacific Islands was made by the Council during the period under review.

Relations with the specialized agencies

7. Representatives of the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO) participated in the work of the Council.

B. EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING
AUTHORITY FOR THE YEAR ENDED 30 JUNE 1976: TRUST
TERRITORY OF THE PACIFIC ISLANDS

8. The report of the Government of the United States on the administration of the Trust Territory of the Pacific Islands for the year ending 30 June 1976 ^{1/} was transmitted to members of the Trusteeship Council on 12 May 1977 by a note of the Secretary-General (T/1781) and placed on the agenda of the Council at its forty-fourth session.

9. The Trusteeship Council began its examination of the annual report at its 1460th meeting, on 6 June 1977. At the same meeting, and at the 1461st meeting, on the same day, the representatives of the United States and the Special Representatives of the Administering Authority, Adrian P. Winkel, High Commissioner of the Trust Territory, and Erwin D. Canham, Resident Commissioner of the Northern Mariana Islands, made opening statements. Senator Ambilos Iehsi and Representative Raymond Setik, members of the Congress of Micronesia, and Senator Olympio T. Borja of the Northern Mariana Islands Legislature, who served as special advisers to the United States delegation, also made statements.

10. At the 1464th and 1465th meetings, on 9 and 10 June, questions were put to the representative of the United States, the Special Representatives and the special advisers by members of the Trusteeship Council. At its 1466th and 1467th meetings, on 13 and 14 June, the Council held a general debate on conditions in the Trust Territory.

11. At the 1466th meeting, on 13 June 1977 the Council appointed a Drafting Committee, composed of the representatives of France and the United Kingdom, to propose, on the basis of the discussion which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory and to make recommendations concerning the chapter on conditions in that Territory for inclusion in the Council's report to the Security Council.

12. At its 1469th meeting on 23 June, the Council considered the report of the Drafting Committee (T/L.1206 and Corr.1).

^{1/} Trust Territory of the Pacific Islands, 1976, Twenty-ninth Annual Report to the United Nations on the Administration of the Trust Territory of the Pacific Islands, 1 July 1975 to 30 June 1976, transmitted by the United States of America to the United Nations pursuant to Article 88 of the Charter of the United Nations, Department of State Publication 8860 (Washington, D.C., Government Printing Office, 1977).

13. On the proposal of the representative of the Soviet Union, the Council agreed to replace the first sentence of paragraph 55 of the annex to document T/L.1206 by paragraph 526 of the report of the Trusteeship Council to the Security Council of the preceding year. 2/
14. At the same meeting, the Council adopted the conclusions and recommendations, as revised, contained in the report of the Drafting Committee (see paras. 489-554 below).
15. At the same meeting, the Council, on the recommendation of the Drafting Committee, adopted the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1205 and Add.1-2) as the basic text for the relevant sections to be included in its report to the Security Council. It also decided to include the conclusions and recommendations set out in the annex to the report of the Drafting Committee (T/L.1206 and Corr.1, as orally revised) at the end of its report to the Security Council. The Trusteeship Council adopted the report of the Drafting Committee by 2 votes to 1, with 1 abstention.
16. In explanation of his vote, the representative of the United States said that it was customary for the Administering Authority to abstain in the vote on the conclusions and recommendations inasmuch as those conclusions and recommendations were addressed to the Administering Authority. He assured the Council, however, that as in past years, the conclusions and recommendations would be studied with great care and that they would be given full consideration by the Administering Authority.
17. The Trusteeship Council considered its draft report to the Security Council (T/L.1207) at its 1469th meeting on 23 June, in the course of which it agreed to include in the appropriate sections of the report to the Security Council the opinions expressed by delegations. At the same meeting, the Council adopted the draft report to the Security Council by 3 votes to 1.
18. In explanation of his vote, the representative of the United States said that although his delegation had voted in favour of the report in its entirety, it had taken no position on the recommendations or conclusions of the report of the Trusteeship Council.
19. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that his delegation had voted against the report of the Drafting Committee on the Trust Territory of the Pacific Islands and the report of the Trusteeship Council to the Security Council because it did not agree with the conclusions and recommendations relating to the situation in the Trust Territory. The provisions contained in the report of the Council went even further than those of its preceding report, which the delegation of the Soviet Union had criticized at the Council's forty-third session.
20. The delegation of the Soviet Union was concerned at the refusal of the Trusteeship Council to co-operate with the General Assembly and the Special Committee

2/ Official Records of the Security Council, Thirty-first Year, Special Supplement No. 1 (S/12214).

on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. It was also concerned at the fact that the report did not sufficiently reflect the views of the Congress of Micronesia.

21. The representative of the Soviet Union said that the report of the Drafting Committee did not indicate that the development of the Trust Territory towards self-government or independence was moving at a rather slow pace. At a time when Micronesia was at a crucial stage in its development, the situation with regard to the political evolution was unsatisfactory, in particular the separation of the Marianas Islands from the Trust Territory as a whole, the lack of plans for developing the Trust Territory, the separatist tendencies in Palau and the Marshall Islands districts and the question of separate negotiations with the Administering Authority about the separate status of those islands, as well as the lack of real progress on the part of the Administering Authority in transferring authority to the people of Micronesia. The Administering Authority was still standing in the way of the power and the authority of the Congress of Micronesia. The delegation of the Soviet Union could not be satisfied with the measures taken to place Micronesians in responsible posts in the administration of the Territory. In keeping with its obligations, the Administering Authority should in practice and not merely in words promote the progress of development in various areas and help to move the Territory towards self-government or independence.

22. The representative of the Soviet Union said that his delegation had frequently stated that the measures taken by the Administering Authority to dismember the Territory, and then to absorb it were contrary to the Charter of the United Nations, the Trusteeship Agreement and the Declaration on the Granting of Independence to Colonial Countries and Peoples. The people of Micronesia had an inalienable right to self-determination up to the declaration of their independence as an independent State. The task was to ensure that the necessary conditions existed to enable the people of Micronesia to exercise that right. The Soviet Union supported the people of the Trust Territory who were calling for an end to the Trusteeship System and the solution of crucial problems and it had frequently stated that a final decision concerning the question of the future political status of the Trust Territory of the Pacific Islands could be taken only by the Security Council, pursuant to the Charter of the United Nations.

C. EXAMINATION OF PETITIONS

23. During the examination of the annual report on the Trust Territory of the Pacific Islands (T/1781) at its forty-fourth session, the Trusteeship Council heard five petitioners. The petitioners' requests for oral hearings had been circulated in documents T/PET.10/116 and Add.1, T/PET.10/117 and Add.1, T/PET.10/118 and Add.1 and 2, T/PET.10/119 and T/PET.10/120 and Add.1 and 2.

24. At the same session, the Trusteeship Council had before it 19 communications which had been circulated in documents T/COM.10/L.189 to T/COM.10/L.207 under rule 24 of the rules of procedure of the Trusteeship Council. The Council examined the communications contained in documents T/COM.10/L.189 to T/COM.10/L.204 at its 1464th meeting on 9 June, and decided, without objection, to take note of them. At its 1469th meeting on 23 June, the Council examined the communications contained in documents T/COM.10/L.205 to T/COM.10/L.207 and decided, without objection, to take note of them.

25. The Council also examined the following written petitions circulated in accordance with rule 85, paragraph 1, of its rules of procedure:

- (a) A petition (T/PET.10/106) from Susumu Aizawa, Chairman of the Magistrates' Conference, Truk District, concerning war damage claims.
- (b) A petition (T/PET.10/107) from George Thaddeus and others (Ebon Atoll, Marshall Islands) concerning the future political status of the Marshall Islands District.
- (c) A petition (T/PET.10/108) from Ronald G. Bakal on behalf of the people of Utirik Atoll, Marshall Islands District, seeking compensation for damages sustained by the inhabitants of the Atoll who had been exposed to atomic radiation from a thermonuclear explosion.
- (d) A petition (T/PET.10/109) 3/ from Tosiwo Nakayama, President of the Senate, and Bethwel Henry, Speaker of the House of Representatives, Congress of Micronesia, concerning alleged activities by the Central Intelligence Agency, in Micronesia. The observations of the Administering Authority on the subject are contained in T/OBS.10/43.
- (e) A petition (T/PET.10/110) from Tosiwo Nakayama, President of the Senate, and Bethwel Henry, Speaker of the House of Representatives, Congress of Micronesia with regard to the question of air link between Japan and Micronesia.
- (f) A petition (T/PET.10/111) from Camillo Nocket, Chief, Village of Iras, Moen, Truk District, concerning land ownership.
- (g) A petition (T/PET.10/112) from the Congress of Micronesia (Senate) concerning the Angaur phosphate claims.
- (h) A petition (T/PET.10/113) from the Congress of Micronesia (House of Representatives) requesting action to rectify and improve the economic and social conditions of Mili Atoll, Marshall Islands.
- (i) A petition (T/PET.10/114) from Naokazu Takeuchi, President, Consumers Union of Japan, concerning the proposals for a super-port at Palau.
- (j) A petition (T/PET.10/115) from Giff Johnson for the Micronesia Support Committee, concerning the proposals for a super-port at Palau.
- (k) A petition (T/PET.10/117) from The International League for Human Rights, concerning alleged activities by the Central Intelligence Agency in Micronesia.
- (l) A petition (T/PET.10/121) from Moses Uludong, with regard to the proposals for a super-port at Palau.

3/ At the 1462nd meeting of the Council, the petition was withdrawn by Senator Iehsi, Special Adviser.

26. With regard to the petitions contained in documents T/PET.10/106-108, 110-115 and 117, the Council, at its 1464th meeting, on 9 June 1977, decided, without objection, to draw the attention of the petitioners to the observations of the Administering Authority and to take account of the petitions and observations in preparing its report. Concerning the petition contained in document T/PET.10/121, the Council, at its 1469th meeting, on 23 June, decided, without objection, to draw the attention of the petitioner to the observations of the Administering Authority and to the fact that it had already taken account of the petition and of the observations in preparing its report.

D. UNITED NATIONS VISITING MISSION TO OBSERVE THE REFERENDUM
IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS, 1978

27. At the 1460th meeting of the Trusteeship Council, on 6 June 1977, the representative of the United States invited the Council to dispatch a Visiting Mission to observe the referendum on the draft Micronesian Constitution which was scheduled to take place on 12 July 1978.

28. At its 1469th meeting, on 23 June 1977, the Council noted the invitation of the Administering Authority. It further noted from statements by the Administering Authority, by representatives of the Congress of Micronesia and by petitioners that it was the intention to hold during the coming months further informal discussions, and perhaps also formal negotiations, on constitutional questions and on the future status of the Trust Territory of the Pacific Islands. The Council also understood that the outcome of those negotiations might affect issues to be decided at the referendum and also perhaps the precise timing of the referendum. The Council welcomed the intention to hold such discussions and negotiations and hoped that they would enable the people of the Trust Territory to express their opinion at the referendum on a constitutional arrangement that would make possible the preservation of the unity of the Caroline and Marshall Islands.

29. At the same meeting, the Council decided in principle to send a visiting mission to observe the referendum in the Trust Territory of the Pacific Islands on 12 July 1978, or on such other date as might be fixed. The Council authorized the President to continue consultations with the Administering Authority, with other members of the Council and with the Secretary-General so that in the light of any developments or agreements in the Trust Territory during 1978, the necessary administrative arrangements could be made to prepare for such a mission and to enable the Council to take a formal decision on the dispatch of the visiting mission at its forty-fifth session.

E. ATTAINMENT OF SELF-GOVERNMENT OR INDEPENDENCE BY THE TRUST TERRITORY AND THE SITUATION IN THE TRUST TERRITORY WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES; AND CO-OPERATION WITH THE SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

30. At its 1468th meeting, on 14 June, the Trusteeship Council decided, without objection, to consider the above items together.

31. At the same meeting, the Council considered those items. During the discussions, the representative of the Soviet Union recalled the arguments presented by his delegation at the Council's preceding session supporting the view that the Trusteeship Council should continue to co-operate, both with the Special Committee and with the General Assembly, in discharging the functions entrusted to it, including those pertaining to the implementation of the resolutions adopted by the General Assembly. That position remained the same, and the Soviet Union requested that it be noted officially that it adhered to it as had already been set forth.

32. In particular, the delegation of the Soviet Union wished to refer to the argument set forth at the last session of the Council, to the effect that, according to Article 85, paragraph 2 of the Charter, the Trusteeship Council, operating under the authority of the General Assembly, should assist the General Assembly in carrying out those functions. That applied not only to non-strategic Territories, since there was no such provision in that paragraph as there was in paragraph 1, but to all Territories. Therefore, a refusal to co-operate with the General Assembly and the Special Committee, in the view of the Soviet Union, was wrong.

33. The representative of the United States said that the views of his delegation on that question were already in the record. His delegation had addressed itself to aspects of that question at the 1466th meeting of the Council, on 13 June 1977, in connexion with the items entitled "Co-operation with the Committee on the Elimination of Racial Discrimination" and "Decade for Action to Combat Racism and Racial Discrimination" (see paras. 64-65 below).

34. The representative of the United Kingdom believed that there was a question of competence involved, and she would be inclined to share the view expressed by the representative of the United States on that matter.

35. At the same meeting, on 14 June, the Trusteeship Council decided to draw the attention of the Security Council to the conclusions and recommendations that would be adopted concerning the attainment, under the Council's guidance, of self-government or independence by the Trust Territory and to the statements made by the members of the Trusteeship Council on that question.

F. OTHER QUESTIONS CONSIDERED BY THE TRUSTEESHIP COUNCIL

Offers by Member States of study and training facilities for inhabitants of the Trust Territory of the Pacific Islands

36. The United Nations programme of scholarships for inhabitants of Trust Territories was initiated pursuant to General Assembly resolution 557 (VI) of 18 January 1952. Under the procedure approved by the Trusteeship Council for the administration of this programme, the Secretary-General was invited to submit to the Trusteeship Council at least once a year a report containing all appropriate details of the programme.

37. The report of the Secretary-General submitted to the Council at its forty-fourth session (T/1783) covered the period from 1 June 1976 to 29 May 1977. Up-to-date information concerning the scholarships made available under the programme, as well as the extent to which awards had been made to, and utilized by students from the Trust Territory of the Pacific Islands, was requested by the Secretary-General in a note dated 26 April 1977 addressed to each of the 11 Member States that had offered scholarships under the programme. In a note dated 8 June 1977, the Permanent Mission of the Union of Soviet Socialist Republics informed the Secretary-General that, at present, no inhabitants from the Trust Territory were studying in the Soviet Union.

38. At its 1466th meeting, on 13 June, the Council considered the report of the Secretary-General on the scholarship programme for inhabitants of the Trust Territory of the Pacific Islands.

39. During the consideration of the report, the representative of the Union of Soviet Socialist Republics stated that for many years, a number of countries, including those enumerated in the report of the Secretary-General, had invited representatives of the population of the Trust Territory to avail themselves of their education programmes. As had been heard repeatedly during the preceding session of the Council, the Territory, at the current decisive point in its political development, was very much in need of educated cadres at various levels who could make their contribution to the development of the Territory.

40. The representative of the Soviet Union noted that the report of the Secretary-General was strikingly reminiscent of the reports received by the Council on the same Territory during the preceding years. It might be only coincidental, but in a question which had so much significance for the Trust Territory such a coincidence would appear very peculiar.

41. The Soviet delegation felt compelled to make that statement because it had information which indicated that either the offers of scholarships made by many States never reached the Micronesians, or that they encountered all kinds of obstacles which made it very difficult or even impossible for them to avail themselves of those very generous offers made by so many States.

42. The representative of the Soviet Union said that his Government had, throughout the Trusteeship period, been one of the countries that had annually offered scholarships to nationals of Trust Territories, including Micronesia. He stated that his Government was disappointed at the reaction it had received to all those offers.

43. The Soviet Union felt that it was its duty as a member of the Trusteeship Council to provide such fellowships and scholarships which were free, unencumbered by any conditions and with no strings attached. Moreover, the educational system in the Soviet Union provided for payments to be made to students at institutions of higher education.

44. In referring to the form in which the report of the Secretary-General had been submitted, the representative of the Soviet Union expressed the view that what was expected from the Secretariat of the United Nations was not simply a formalistic enumeration of facts that gave the Council a superficial view of the situation prevailing in that area. Rather, what was needed from the Secretariat was an aggressive approach in order to assist the people of the Trust Territory to avail themselves of the possibilities open to them.

45. The representative of the United States said that, as Micronesia approached the end of the Trusteeship period, his Government was continuing to devote increased attention to assisting Micronesians to become active and productive citizens of Micronesia and of the world community. The United States hoped that in processing applications for overseas studies, the Secretariat would consider carefully how best to help Micronesians acquire the skills and training necessary for the economic development of Micronesia.

46. The United States delegation continued to urge other Member States of the United Nations, particularly Micronesia's neighbours in the Pacific Ocean region, to consider making available scholarships to Micronesians who wished to develop skills which would enable them to make a greater contribution to the economic development of the Trust Territory.

47. The representative of the United States said that information concerning offers by Member States for study and training facilities was regularly disseminated to all districts immediately upon receipt by the Government of the Trust Territory, and he was unaware of any impediments to the acceptance of such offers. Such offers came in various forms, ranging from totally financed scholarship programmes leading to undergraduate and graduate degrees to partially financed training programmes. Four partial scholarships offered by Japan, all of which had been accepted, and four scholarships offered by Australia, two of which had been accepted, in each of the two preceding years, were among the scholarships offered in the past.

48. At its 1466th meeting, on 13 June, the Trusteeship Council decided to take note of the report of the Secretary-General on the scholarship programme.

Dissemination of information on the United Nations and the
International Trusteeship System in Trust Territories

49. The annual report of the Secretary-General (T/1782) on the arrangements undertaken in co-operation with the Administering Authority for distributing official records of the United Nations and disseminating information concerning the aims and activities of the United Nations and the International Trusteeship System in the Trust Territory was submitted to the Council at its forty-fourth session, in accordance with the provisions of Trusteeship Council resolution 36 (III) of 8 July 1948 and General Assembly resolution 754 (VIII) of 9 December 1953.

50. The report, covering the period from 1 May 1976 to 30 April 1977, set out the activities carried out by the Office of Public Information of the Secretariat through its information centre in Washington, D.C., in disseminating information on the United Nations.

51. The report indicated that the centre had initiated special airmail dispatches of press releases and pamphlets on important issues before the United Nations with a view to redisseminating the information through the media to the widest audience possible. Further, the report stated that pamphlets on such issues as decolonization, disarmament and human rights had been sent directly to the Division of Public Affairs in the Office of the High Commissioner in Saipan. During the period under review, the Centre had increased the amount of material sent to Micronesia on a weekly or monthly basis, in order to ensure a continuous flow of information.

52. The Trusteeship Council considered the Secretary-General's report at its 1466th meeting, on 13 June 1977.

53. During the consideration of the report, the representative of the United States said that the Government of the Trust Territory had continued its efforts to ensure the widespread dissemination of information on the United Nations and the International Trusteeship System in the Trust Territory. It had continued to co-operate in that regard with the United Nations Information Centre in Washington, D.C.

54. The representative of the United States pointed out that among a large number of publications, posters and photographs which were distributed to all schools and public libraries in the Trust Territory and of which a complete list appeared in document T/1782, were the UN Monthly Chronicle and the UNESCO Courier. In addition, copies of the annual report of the Trusteeship Council to the Security Council were distributed to territorial, district and municipal officials, as well as to libraries throughout the Trust Territory.

55. The representative of the Soviet Union said that the report of the Secretary-General contained in T/1782 was of a very general nature which made it very difficult to judge specifically what kind of information was being disseminated in the Trust Territory. According to information available, there were six medium-wave broadcasting systems in the Trust Territory which broadcast for several hours a week. Since the local broadcasting was transmitted on medium-wave, whereas the United Nations broadcasts were transmitted on short-wave only, one could only draw the conclusion that the majority of the 48,000 radio receivers in those islands, which did not have short-wave reception, could not receive the United Nations broadcasts. Unfortunately, the delegation of the Soviet Union could not simply afford to hope that the Administering Authority alone would do everything in that very important field of information.

56. The representative of the Soviet Union quoted from a written reply given by a petitioner to a question put by the delegation of the Soviet Union at the Council's forty-second session. The petitioner had stated that the leaders of Angaur were ignorant of the Trusteeship Agreement and the obligations of the Administering Authority under the Agreement. The Soviet Union concluded that it was too early to express any satisfaction or to say that the population of those islands had any clear idea of what the Trusteeship arrangements were, and what solutions were

possible in the determination of the future of the population. Those were matters which the population was supposed to know and about which it must be informed at this final stage of the Trusteeship system as it moved towards independence. The delegation of the Soviet Union expressed the hope that the reports of the Secretary-General on the dissemination of information on the United Nations in the Trust Territory would in future contain more specific information, particularly on the question of whether or not the United Nations information was really reaching the population of the Trust Territory.

57. At the same meeting, a representative of the Office of Public Information appeared before the Council and provided information on the dissemination of information on the United Nations in the Trust Territory. He stated that the United Nations Information Centre in Washington, D.C., acted with the co-operation of the Office of Territorial Affairs of the United States Department of the Interior, which helped to distribute information material it received from the centre to the Trust Territory. It also acted in co-ordination with the Office of Public Information at Headquarters to obtain the kind of material that was of interest to the Trust Territory, which included the radio tapes that the representative of the Soviet Union had mentioned. He also pointed out that the Office of Public Information had sent an information officer to Micronesia at every available opportunity to review and ascertain the information needs of the people which was an important feature of the dissemination of information.

58. The representative of the Office of Public Information stated that judging from the correspondence received by that Office from the centre in Washington, D.C., and from the Trust Territory, it might be said that the basic needs of Micronesia with regard to the dissemination of information on the United Nations were thoroughly met. He said that it was the policy of the Office of Public Information to continue to strengthen its public information activities in the Trust Territory through the centre in Washington, D.C. and by sending an information officer from Headquarters on a periodic fact-finding mission to the Trust Territory.

59. In response to a question addressed by the delegation of the Soviet Union, the representative of the Office of Public Information stated that government officials to whom he had spoken had all expressed a great interest in receiving information materials from the United Nations on all major activities. The Chief of the Civic Affairs Section of the Trust Territory who was responsible for the political education programme used films, posters and photos received from the United Nations to a considerable extent in all districts.

60. At the 1466th meeting, on 13 June, the Trusteeship Council decided to take note of the report of the Secretary-General.

Co-operation with the Committee on the Elimination of Racial
Discrimination; and Decade for Action to Combat Racism and
Racial Discrimination

61. At its 1466th meeting on 13 June, the Trusteeship Council decided, without objection, to consider the above items together.

62. At the same meeting, the Trusteeship Council considered those two items. During the discussion, the representative of the United States said that in the

light of Article 83 (1) of the Charter of the United Nations, which vested in the Security Council all functions of the United Nations relating to the strategic Trust Territory of the Pacific Islands, and in view of the fact that there no longer existed any Trust Territory with respect to which the General Assembly might exercise jurisdiction under Article 85 of the Charter, his delegation believed that the question of co-operation by the Trusteeship Council with the committees of the General Assembly did not arise.

63. The representative of the United States further said that his Government remained unalterably and unequivocally opposed to racism and racial discrimination and was proud of the absence of both in the Trust Territory of the Pacific Islands. The United States had participated and would continue to participate in sincere efforts to eliminate racism and racial discrimination. Although the United States had supported General Assembly resolution 3057 (XXVIII) of 2 November 1973, which established the Decade for Action to Combat Racism and Racial Discrimination, it had been prevented from continuing its participation in the activities of the Decade, for reasons which were well known and which had most recently been stated by the representative of the United States at the meeting of the Economic and Social Council, on 17 May 1977.

64. The representative of the Union of Soviet Socialist Republics, recalling that 30 years had elapsed since the establishment of the Trusteeship System, pointed out that it was known that the General Assembly had done outstanding work in the struggle against colonialism. The decisions of that important organ and of its subsidiary bodies, as well as the decisions of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, could not be ignored. In that connexion, the Soviet Union delegation maintained the view that it was desirable that there should be co-operation between the delegation of the United States and the General Assembly, as well as the Security Council, with regard to the Trust Territory of the Pacific Islands.

65. The Soviet Union representative drew attention to the report of the Committee on the Elimination of Racial Discrimination submitted to the thirty-first session of the General Assembly. ^{4/} He said that in the section of the report which related to the Trust Territory of the Pacific Islands, the Committee, while noting the extensive information contained in the report of the Administering Authority, would again draw attention to the fact that the chapter of the report concerning human rights in the Trust Territory was not prepared for the purposes of the Committee's work or in response to its previous request for further information. The report had stated that the Committee had found itself unable to consider the application of the principles of the International Convention on the Elimination of All Forms of Racial Discrimination to the specific situations on which it had requested information at its last session and it had hoped that such information would be provided as soon as possible.

66. At its 1466th meeting, on 13 June, the Trusteeship Council decided, without objection, to take note of the statements which had been made at that meeting.

^{4/} Official Records of the General Assembly, Thirty-first session, Supplement No. 18 (A/31/18), p. 75.

PART II. CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

A. GENERAL

1. Outline of conditions

Land and people

67. 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.

68. According to the 1973 census, the resident population of the Territory totalled 114,773. The distribution of the population in the Trust Territory was as follows: Truk, 31,600; Marshall Islands, 25,044; Ponape, 23,251; Mariana Islands, 14,335; Palau, 12,674; and Yap, 7,869.

69. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups. Language differences exist in the Territory, although each island language has a common Malayo-Polynesian source. Nine major languages, with dialect variations, are spoken in the Trust Territory: two in Yap, three in Ponape and one in each of the other districts.

Population movements

70. At the forty-third session of the Trusteeship Council, the Special Representative of the Administering Authority stated that the three United States government agencies concerned had agreed that an aerial radiological survey, similar to that of Enewetak, should be conducted for Bikini. However, none of the three agencies had sufficient funds for the years 1976/77-1977/78 to cover the substantial costs involved in mounting and carrying out the survey. He said that, at the request of the Office of Management and Budget, a precise plan had been prepared and submitted to that Office. A decision was expected shortly.

71. The Special Representative further informed the Council of the approval by the Congress of the United States on 2 July 1976 of an appropriation of funds to clean up Enewetak Atoll. The first phase of the work was scheduled to begin in September 1976. He said that the United States Department of the Interior would now proceed with the request for financing the rehabilitation and resettlement programme which would be meshed to the maximum extent possible with the clean-up programme.

72. At the same session, the Trusteeship Council noted with concern that the funds required by the Energy Research and Development Administration (ERDA) to undertake further aerial radiological surveys on Bikini atoll had not yet been made available. The Council recommended that the necessary funds should be provided for that survey so that a decision could be made by the people of Bikini either to return to their ancestral home or to obtain improvements in their living conditions on Kili. The Council noted with satisfaction the approval by the United States Congress of funds for the clean-up of Enewetak.

73. In the annual report under review covering the period from 1 July 1975 to 30 June 1976 (T/1781), the Administering Authority states that the United States Department of the Interior has included budgetary provisions in its 1977 supplemental request to Congress to finance the aerial radiological surveys on Bikini. It was hoped that the funds would be available by June 1977 to enable ERDA to undertake the survey. The annual report further states that the Department of the Interior has also submitted to Congress a budget request for financing the rehabilitation and resettlement phase of the programme for Enewetak.

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

75. In regard to the rehabilitation and resettlement programme for Enewetak, the Special Representative said that an initial increment of \$4 million ^{5/} had been approved in the 1977 supplemental budget and that the balance of some \$8.4 million had been included in the 1978 budget. The Defense Nuclear Agency had started the first phases of the clean-up of Enewetak and the United States Department of the Interior and the Government of the Trust Territory would shortly begin the initial phases of the rehabilitation work.

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

77. At the same session, the representative of the United States said that, at present, ERDA was conducting an intensive annual survey on Utirik Atoll, in which a team of specialists and technicians were participating. It also carried out quarterly examinations, and maintained its headquarters at Kwajalein Atoll

^{5/} The local currency is the United States dollar (\$US 1.00).

for that purpose. The physician attached to the Kwajalein headquarters had an aircraft at his disposal to make the quarterly visits. In March 1977, the annual medical examination was carried out by a larger number of medical staff from ERDA; the people of Utirik had welcomed the team and had participated fully in the examination.

78. The representative of the United States further stated that, early in 1977, ERDA and the United States Department of the Interior had explored ways of providing general medical treatment during the quarterly and annual examinations undertaken by ERDA on both Utirik and Rongelap. Accordingly, the annual visit in March 1977 had been extended by three days to provide medical assistance of a general nature; the Trust Territory Government had provided the services of two specialists and ERDA had provided travel and per diem expenses. Arrangements had also been made to have the medical staff of the Trust Territory Government accompany the specialist from ERDA during the quarterly examinations. The United States public health staff would also be available for anyone requiring medical assistance.

War and post-war damage claims

79. 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.

80. On 18 April 1969, the Governments of the United States and Japan signed an agreement providing for the settlement of Micronesian war claims, under the terms of which the two Governments joined in an ex gratia arrangement to make a contribution towards the welfare of the inhabitants of the Territory. Japan agreed to make available in grants to the United States, in its capacity as Administering Authority, 1.8 billion yen, then computed at the equivalent of \$5 million. The United States, for its part, agreed to establish a fund in the amount of \$5 million.

81. 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; 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. The Commission was to register claims within a period of not more than one year after the appointment of its full membership and to complete its task as expeditiously as possible and, in any event, not later than three years after the expiration of the period for the filing of claims.

82. 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.

83. At its forty-third session, the Trusteeship Council reiterated its recommendation made at its forty-second session, namely that the procedure for all payments should be expedited. The Council believed the position on Title I claims to be clear and settled, and urged that final disbursements be made quickly to terminate an issue which began 30 years ago. As far as Title II claims were concerned, the Council believed that the total funds available should be increased towards the level envisaged by the Micronesian Claims Commission, so that adjudicated claims could be paid in full. Whatever happened, however, it was most important that a clear statement be issued so that claimants would have definite information on the extent of future payments. The Council took careful note of the statement made on that matter by one of the special advisers, the President of the Senate of the Congress of Micronesia.

84. The current annual report of the Administering Authority states that the special yen account representing the contribution by the Government of Japan towards Micronesian war claims under Title I has been fully expended. As a result, a joint United States/Japanese contribution of approximately \$11.8 million became available for disbursement to Title I claimants. Approximately \$10.8 million has been paid from this joint fund as a final settlement to claimants. The balance of the fund, which is 8 per cent of the total amount, is being held until the final releases have been filed.

85. The annual report further states that of the \$20 million made available for Micronesian war claims under Title II, approximately \$15.6 million, or 78 per cent of the total, has been disbursed to claimants. The balance was to be paid by March 1977, when the final releases would have been distributed and returned.

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

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

88. On 2 July 1975, the Congress of Micronesia had adopted House Joint Resolution No. 6-44, requesting the Governments of the United States and Japan to increase their respective contributions to the Micronesian claims programme so that there might be a 100 per cent compensation of total awards.

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

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

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

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

2. Opinions expressed by delegations

Land and people

93. The representative of the Union of Soviet Socialist Republics stated that the facts had shown that the Administering Authority had given its military agency practically unlimited freedom of action in the Trust Territory. Large parts of the Territory had been reserved for military purposes, when there had always been an acute shortage of land on the island for agricultural uses. The strategic situation of the Micronesian islands had been reassessed, in view of the increasing role of the Pentagon's so-called island concept. It had been decided that they should be used for a new military base near Asia. The intention was to take over a large number of islands for ballistic missiles and strategic bombers, and also for troops and armaments transferred from those countries which were becoming less reliable partners.

94. The representative of the Soviet Union further stated that the extent of planned military construction in the Trust Territory could be judged from the fact that Tinian was to have installations costing more than \$188 million. There was to be an airfield, a seaport, a military supply base and barracks. There was a possibility that nuclear weapons would be installed there. By 1982, the number of United States military personnel on the island was to be about 3,000. Judging from all the information available, those plans would mean that the population of Tinian would meet the same fate as the inhabitants of Bikini and Enewetak.

95. The Soviet delegation had frequently referred in the past to the harmful consequences of United States military plans for the Trust Territory. It reiterated that view now and it wished also to confirm its position that the United States should compensate the people of the Trust Territory for using their land for military purposes. The people in other parts of the world were compensated when the United States established military bases there.

96. Mr. Canham, Resident Commissioner and Special Representative, referring to the statement by the representative of the Soviet Union regarding the Northern Mariana Islands, said that there was not a single United States military person stationed on Tinian, the island to which he had referred. There was not a single piece of military equipment nor any installation stationed on Tinian or elsewhere in the Northern Mariana Islands.

97. The Special Representative pointed out that it was quite true that according to the Covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States 6/ - the Covenant that had been ratified by the people of the Northern Mariana Islands by an overwhelming majority - the Government of the United States had the right to retain a portion of Tinian for possible defence purposes and a few hectares of land on Saipan for similar purposes. But there was no provision and there were no proposals in the budget of the Department of Defence for the immediate future to exercise any of those rights. There were no proposals for military installations. If and as such rights were ever exercised under the terms ratified by the peoples of the Northern Mariana Islands, there would of course be full compensation to the people for the lands used. But as the situation existed today, and as it could be realistically foreseen, there were no projects and no plans under way to turn the Northern Mariana Islands in any way into a military base.

War and post-war damage claims

98. The representative of the United Kingdom stated that war reparations were another issue on which action was long overdue. Her delegation was pleased to hear from Mr. Winkel, the High Commissioner and Special Representative, that a bill authorizing full payment of the United States share of 50 per cent under Title I awards and full payment of the awards under Title II was before the Congress of the United States. Her delegation had also noted the statement by the Chairman of the Special Committee on War Damage Claims Settlement, according to which the Ambassador of Japan to the United States had told the Chairman of that Special Committee that the Government of Japan had considered the matter of compensation to be closed.

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

B. POLITICAL ADVANCEMENT

1. Outline of conditions

General political structure

99. 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.

100. Legislative authority resides in a Congress of Micronesia, as specified by the United States Secretary of the Interior in Secretarial Order No. 2918 of 27 December 1968, as amended.

101. Judicial authority is independent of the executive and the legislature. The High Court is the highest judicial authority in the Territory. There are also district courts and community courts.

102. The authority and responsibilities of the territorial, district and municipal governments are determined by Public Law 1-6, enacted by the Congress of Micronesia in 1965.

103. At the forty-third session of the Trusteeship Council, the representative of the Administering Authority stated that, on 8 November 1975, representatives of all six districts had signed a draft constitution for the proposed Federated States of Micronesia. 7/ The draft constitution had been translated, reproduced and distributed in 10 local languages and would be put to a referendum in the Trust Territory.

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

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

7/ For the text of the draft constitution, see document T/COM.10/L.174, annex 1.

Territorial government

Legislature

106. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate has 10 members, 2 from each district elected at large for four-year terms. The House of Representatives has 18 members elected for two-year terms from single-member election districts. Each of the administrative districts is divided into election districts of approximately equal population.

107. Members of the Congress are elected by secret ballot of residents who are citizens of the Territory, 18 years of age or older and registered voters. Members serve on a full-time basis and draw annual salaries from funds appropriated by the Congress of Micronesia from local revenues and supplemented, upon the request of the Congress of Micronesia, by funds appropriated by the United States Congress.

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

109. According to the current annual report of the Administering Authority, a candidate's reputation, position in the community and traditional ties continue to be important in obtaining public support. Political campaigning in the commonly understood sense began a decade ago. Candidates are given radio broadcast time to describe their programmes. Organized registered political parties exist only in the Mariana Islands and Palau districts. The Mariana Islands has two parties: the Popular Party and the Territorial Party. In Palau, the Liberal Party and the Progressive Party have been active since 1963. The Trust Territory Code provides for nomination of candidates for political office by political parties. There is no legislation governing procedures for the establishment or organization of such parties, which, in the Mariana Islands and Palau where they exist, are strictly voluntary associations of community members with common interests.

110. The legislative power of the Congress of Micronesia extends to all appropriate subjects of legislation, except that no legislation may be inconsistent with treaties or international agreements of the United States, United States laws applicable to the Territory, executive orders of the President of the United States and orders of the Secretary of the Interior, or sections 1 through 12 (the Bill of Rights) of the Trust Territory Code. Further, the Congress may not impose any tax upon property of the United States or of the Territory, nor may it tax the property of non-residents at a higher rate than that of residents.

111. The Congress of Micronesia has the power to appropriate funds available from revenues raised pursuant to territorial tax and revenue laws and to review and make programme priority recommendations on the High Commissioner's proposed annual requests for funds to be appropriated by the United States Congress. Secretarial Order No. 2918, as amended, provides that, before the High Commissioner finally submits the annual requests for United States funds on behalf of the Government of the Territory to the United States Secretary of the Interior, he must present a preliminary budget plan to the Congress of Micronesia for its review and for its recommendations on those portions of the plan which relate to expenditure of funds to be appropriated by the United States Congress. The High Commissioner must

submit to the Secretary of the Interior any recommendations of the Congress which does not adopt. The Congress may take whatever action it deems advisable on the request of the High Commissioner for appropriations of locally derived revenue.

12. According to Secretarial Order No. 2918, as amended, the High Commissioner has power to approve or disapprove any bill passed by the Congress of Micronesia. If the High Commissioner disapproves a bill, he must so indicate and return it with objections to the Congress within 10 consecutive calendar days, unless the Congress, by adjournment, prevents its return. The High Commissioner has 30 days to consider bills presented to him less than 10 days before or after adjournment. If the High Commissioner takes no action and does not return the bill within the required period, it becomes law without his signature. The Congress may repass by a two third majority vote a bill disapproved by the High Commissioner. If within 30 days the High Commissioner does not approve a bill so passed, he must send it with his comments to the United States Secretary of the Interior, who either approves or disapproves the bill within 60 days after its receipt.

13. The Congress of Micronesia holds a regular session each year beginning on the second Monday in January and continuing for a period not to exceed 50 consecutive calendar days. The High Commissioner may call a special session whenever he deems it in the public interest. The Sixth Congress held its second regular session at Pohnpei from 12 January to 1 March 1976. During that session, important legislation which became law included: provision for a tax incentive for the growth and development of air service; the establishment of a Kosrae District Legislature; the establishment of a Commission on Future Political Status and Transition; the amendment of Title 73 of the Trust Territory Code to extend coverage of the social security system; the appropriation of funds for the Micronesian Development Bank; the amendment of Public Law 5-37 concerning district housing authorities; the appropriation of funds for the Marshall Islands Development Authority; and provision for the Office of the Congress of Micronesia at Washington, D.C., known as the Micronesian Office.

14. At its forty-third session the Trusteeship Council reaffirmed its conviction that the unity of the Marshall Islands and the Caroline Islands should be reserved. The Council took note of the creation of a Commission for Future Political Status and Transition with the mandate to ensure that the draft compact of free association was not incompatible with the draft constitution. The Council considered that the Commission should work to strengthen the unity of the Trust Territory.

15. The Council noted with satisfaction that that unity would not be imposed inasmuch as the draft compact would not come into effect in any district in which 55 per cent of the voters vote against it.

16. The Council noted with satisfaction the reaffirmation by the Administering Authority of its intention to terminate the Trusteeship Agreement simultaneously for all parts of the Trust Territory and not for one part separately.

17. The Council urged that social, economic and cultural links be maintained between the Northern Mariana Islands and the other districts and in that context noted the statements made by the Administering Authority.

118. The Council noted with concern that the Administering Authority had not implemented its previous recommendation that necessary regulations should be adopted which would distinguish between the special interests of the Territory and the international obligations of the Administering Authority, with the ultimate objective of restricting as far as possible the occasions for the exercise of the power of veto by the High Commissioner.

119. The Council remained aware that some of the difficulties associated with the use of the veto power resulted from the separation of powers between the legislative and executive branches and that those difficulties were further exacerbated because that power was exercised by an appointed rather than an elected Chief Executive. Accordingly, the Council recommended that the Administering Authority give serious consideration to preparing Micronesians for assuming the highest executive functions.

120. The Council welcomed the establishment in 1976 of the new budgetary procedures which authorized the appropriate committee of the Congress of Micronesia to present to the corresponding committee of the United States Congress its own budgetary justification for the annual appropriation for the Trust Territory.

121. The current annual report states that the Administering Authority continues to support the unity of the Marshall Islands and the Caroline Islands to the maximum extent feasible. It continues to be the intention of the United States that the Trusteeship Agreement be terminated simultaneously for the entire Trust Territory and not for any one part separately.

122. The annual report further states that, in keeping with its international responsibilities under the Trusteeship Agreement, the Administering Authority feels that the flexible arrangement which now exists between the executive and legislative branches of government should be preserved for the time being. The report adds, however, that the Administering Authority did not invoke its right on legislative acts of the Congress of Micronesia concerning purely internal matters.

123. In regard to the recommendation concerning the preparation of Micronesians for high executive functions, the annual report states that it has been and continues to be the policy of the Administering Authority to prepare the people for senior executive posts. Of the eight major departments responsible for major programmes in the Executive Branch, six are now headed by Trust Territory citizens. All district administrators are Micronesians, as are the deputies to major department heads and division chiefs. The Executive Officer of the Trust Territory, who is a Micronesian, is the third-ranking officer in the Government. He has served as Acting High Commissioner on a number of occasions. At the forty-fourth session of the Trusteeship Council, Mr. Winkel, the High Commissioner and Special Representative, stated that of the 35 posts filled subject to the advice and consent of the Congress of Micronesia, only 6 were held by United States citizens. The remaining 62 per cent were held by Trust Territory citizens and 8 posts, or 22 per cent, were vacant.

124. At the same session, Senator Iehsi, Special Adviser, said that the need to improve government efficiency deserved attention. In 1976, the Office of Territorial Affairs of the United States Department of the Interior had initiated a decentralization and transition study which had focused attention on the need to reconstitute the structure of Government at headquarters, to promote efficiency

and to continue the progressive movement towards greater control by Micronesia over its Government. A specific need expressed by the Deputy Director of the Office of Territorial Affairs was the elimination of inefficient employees in the Executive Branch who would be placed in positions commensurate with their ability or would be removed from the public employment rolls.

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

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

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

Executive

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

129. The office of the High Commissioner consists of the Deputy High Commissioner, the Executive Officer, the Attorney-General, the Special Consultant, the Special Assistant for District Affairs, the Special Assistant for Legislative Affairs, the Program and Budget Officer, the Territorial Planner, and the directors for education, finance, health services, personnel, public affairs, public works, resources and development and transportation and communications. Under the directors are division chiefs and specialists responsible for the technical direction of programme operations throughout the Territory and for the provision of necessary staff and professional and technical services.

130. At its forty-third session, the Trusteeship Council noted with satisfaction the steady increase in the number of Micronesian citizens in senior executive posts; it welcomed the decrease in the percentage of expatriate and United States civil service personnel in government employment in the Trust Territory, both absolutely and relatively. The Council reiterated its earlier appeals that the trend towards "localization" at the executive level should continue.

131. The Council continued to see value in promoting a Micronesian to the second most senior post in the executive branch, while noting the views expressed by the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1976, 8/ concerning the difficulties which the selection of an individual would pose in the context of interdistrict sensitivities.

132. The current annual report states that the Administering Authority will continue to press forward vigorously with its programme of "localization" at the executive level.

District government

133. At its forty-third session, the Trusteeship Council noted the establishment of the new district of Kosrae, and considered that that step was in accordance with the wishes of the leaders of the people of Kosrae.

134. The current annual report states that Kosrae became a separate district on 1 January 1977. The report further states that a District Administrator was sworn in to office on 9 January. A District Legislature, composed of 14 members, was established and has already met in a special session to establish a new tax system and to consider other district programmes. Work on all capital improvement projects continued.

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

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

District administrators

137. General executive responsibility in each of the districts resides in the district administration headed by a district administrator. In his district, the district administrator is the High Commissioner's principal representative and exercises general supervision over all operations, programmes and functions of the Territory within the area of his jurisdiction. He is also responsible for the execution of all district laws. Each district administration consists of a number of officers and departments corresponding to those at headquarters.

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

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

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

District legislatures

140. All district legislatures act under charters granted by the territorial Government. Members of all district legislatures are elected by popular vote with the exception of the hereditary chiefs of Palau, who acquire membership because of their status, but are not entitled to vote. In the Marshall Islands District Legislature, which consists of 24 members, eight elected seats are reserved for the Iroi (traditional chiefs).

141. There is no uniform plan for representation in the various district legislatures. Although allocation of representation is generally based on population, the ratio varies from district to district. Thus, Palau District has a legislature of 28 members, while Truk District, with a population more than double that of Palau, has a legislature of 27 members.

142. Bills passed by district legislatures are presented to the district administrator, who has the power to approve or disapprove them within 30 days. District legislatures may pass disapproved bills over the district administrator's veto by a two-thirds majority of their entire membership. If the district administrator does not then approve a bill so repassed, he must send it to the High Commissioner who must either approve or disapprove it within 30 days.

Municipal government

143. The municipality is the basic unit of local government in the Territory. Municipal boundaries to a large degree represent customary geographic-political divisions or entities which may comprise an island, group of islands or atolls, or a locally recognized area or division of a larger island. The Marshall Islands, however, are grouped into municipalities by islands and atolls, irrespective of the overlapping jurisdiction of the hereditary chieftains.

144. Some municipalities function under a charter. Those without a charter may elect only an executive officer or they may remain under a traditional form of government. There are 45 chartered municipalities. In general, the charter provides for a municipal council, a chief executive and other officials. The chief executive of a municipality is known as magistrate or mayor. Municipal council members and the chief executive officers of the chartered municipal governments and several of the unchartered municipalities are elected by popular vote.

145. Ordinances passed by the chartered municipal council and approved by the district administrator have the force and effect of law within that municipality.

Civil service

146. The enactment of Public Law 4C-49, on 12 April 1972, repealed the Trust Territory Merit System under Public Law 2-2 and provided the basic statutory authority for the Trust Territory Public Service System. Government personnel in Micronesia are divided into three categories: the United States Civil Service; contract; and the Trust Territory Public Service.

147. At its forty-second session, the Trusteeship Council noted that, despite a decline of 18.8 per cent among expatriate employees, the number of Micronesian employees had risen by 12.5 per cent. The Council reaffirmed its concern over the continuing increase in the number of government employees and reiterated its recommendation that measures be considered to avoid too large a number of civil servants which would place a heavy burden on the budget of Micronesia.

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

149. A new Trust Territory Salary Act was signed into law in July 1975, to take effect from 1 January 1976. According to the annual report, the Act is the result of a joint effort by the legislative and executive branches of government to meet the need for a salary system which accommodates employees from different job markets and the rising cost of living in the Trust Territory.

Political education

150. In 1975, the Administering Authority reported that the programme of education for self-government had made significant progress towards the goals it had set when it was organized in 1973. The Administration's Task Force on Education for Self-Government had published and distributed a substantial volume of material concerning the status options open to the inhabitants of the Trust Territory and on the Micronesian Constitutional Convention, held in 1975.

151. According to the current annual report, major activities concerning Education for Self-Government (ESG) in 1975/76 included the translation of the proposed constitution for the Federated States of Micronesia into the major Micronesian languages. Education for Self-Government Notes, a regular bi-weekly publication concerned with the programme, covered events and developments concerning the Constitution.

152. During 1976, the ESG programme, in co-operation with the territorial Department of Education, held two-week workshops for teachers of social sciences and basic adult education. The workshops were primarily concerned with the development of curriculum relating to economic development, the constitution, the future political status of the Territory, the law of the sea and the Micronesian democratic process.

153. Members of the staff of the ESG programme also conducted extensive interviews with staff members of the United Nations engaged in the formulation of a comprehensive economic development plan for Micronesia.

154. The annual report states that a recommendation has been made to the Congress of Micronesia to consider the creation of a commission on political education on a priority basis. The Congress has also been asked to consider urgently the appropriation of supplemental funds to finance the ESG programme.

Decentralization

155. At its forty-third session, the Trusteeship Council noted with satisfaction that the Administering Authority had undertaken a systematic programme of decentralization designed to increase local autonomy and streamline the government bureaucracy.

156. According to the current annual report, a Committee on Decentralization was established in 1976. The Committee toured the Trust Territory and met with members of the Congress of Micronesia, district legislators, chiefs and members of the executive branch in each district. Discussions centred on planning a Government whose structure, services, goals and objectives could be fashioned according to Micronesia's own resources.

157. The annual report further points out that the main concern of the Committee on Decentralization is the transfer of policy-making functions, government responsibility and authority as well as operations from territorial headquarters to the people of the districts in preparation for self-government. The report states the degree of self-government depends largely on the degree of self-sufficiency. Moreover, the importance of the transfer of the capital, and the need to trim the present cost of government to a level which the Trust Territory can afford, are programmes of great significance. The reduction of personnel now employed by the Government of the Trust Territory is the principal objective of the programme whose aim is to reduce the number of Trust Territory employees at headquarters from the present total of 876 to 250 by 1980. The annual report states that the authorities concerned will continue to give emphasis to the programme in 1977.

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

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

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

161. The Special Adviser further said that, in approving the bill, the Acting High Commissioner's approval of the bill was made dependent on the resolution of the future political status of the Trust Territory. The intent of Public Law 6-130 was, however, only to effect a step towards self-government. Provision for the legal existence of district governments was neutral with regard to future political status under Public Law 6-130. It was gratifying to note that the Executive Branch had since changed its earlier position and now regarded the intent of Public Law 6-130 as one of making an important step towards self-government.

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

163. At the same session, Mr. Winkel, High Commissioner and Special Representative, stated that the Administering Authority had taken steps to increase the autonomy and decision-making authority of the Trust Territory Administration in two fields.

164. In regard to work done under contract, all expenditures exceeding \$100,000 had previously required the approval of the Office of Territorial Affairs of the United States Department of the Interior. That ceiling had been removed.

165. With regard to personnel matters, the United States Department of the Interior no longer had to approve the appointment of expatriate or Micronesian personnel for the Government of the Trust Territory. The High Commissioner had been granted full authority to take final action on such personnel actions, except those which required the advice and consent of the Congress of Micronesia.

166. As far as federal civil service employees were concerned, the objective had been and would continue to be to reduce the number of such employees as quickly as their positions could be phased out or filled by Micronesian citizens. However, there was a ceiling on posts above GS-12, which would mean that positions at a higher level in that federal civil service category would have to be cleared by the United States Department of the Interior solely for procedural review in terms of meeting the requirements of civil service procedure.

67. The Special Representative informed the Council that the Director of the Office of Territorial Affairs had repeatedly enunciated the policy of the United States Department of the Interior to the effect that the Government of the Trust Territory could not be administered from Washington, D.C. and that the role of her office, as she perceived it, was to provide technical and professional assistance to the Trust Territory Administration and to act as the Territory's advocate in the councils of the Administration in Washington. The Special Representative said that he had the assurance of the Director that further expansion of the authority of the Trust Territory Administration would be given full consideration as new reasons for such expansion appeared desirable.

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

Judiciary

169. The Trust Territory has three types of courts: the High Court, district courts and community courts. The highest judicial authority in the Territory is the High Court, which has appellate and trial divisions. The High Court consists of the Chief Justice, three associate justices and a panel of four temporary judges. At present, the High Court judges are all United States lawyers appointed by the United States Secretary of the Interior. The temporary judges are full-time judges on Guam and are residents of that island. Each district court consists of a presiding judge and two or more associate judges appointed by the High Commissioner for specified terms. Community courts have one or more judges, all appointed for a specified term by the appropriate district administrator.

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

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

2. Opinions expressed by delegations

Territorial government

Legislature

172. The representative of the Union of Soviet Socialist Republics stated that instead of strengthening the authority of the Congress of Micronesia as a central organ capable of carrying out the task of developing its sovereignty, in effect

there had been covert and overt erosion of that influence and the possibility of that body's developing into a full-fledged legislative institution was being diminished.

Political education

173. The representative of France expressed his delegation's hope that efforts would be continued for the political education of the people of Micronesia with a view to enabling them to become more aware of the options open to them when the time came to make a choice.

Decentralization

174. The representative of France welcomed the efforts that had been made to give increasing autonomy to the districts so long as the Trusteeship Agreement remained in force. The programme of administrative decentralization that had been put into practice seemed necessary, given the geographical dispersion of the Trust Territory and the fact that there were specific situations in each district. Along the same lines, the establishment on 1 January 1977 of the district of Kosrae seemed to meet the desire to respect the cultural and ethnic diversity of the people of Micronesia. Those measures, taken as a whole, could not but encourage better control by the Micronesians themselves of their future.

175. Referring to the statement by Mr. Winkel, High Commissioner and Special Representative, who had reported that during 1976/77 the number of government employees had been reduced by 114, and that the development of district charters would lead to greater devolution and to the election of district administrators, the representative of the United Kingdom welcomed both those steps. Her delegation recognized however, that no far-reaching decisions could be taken on either streamlining the bureaucracy or increasing local autonomy until the future political structure had been agreed upon. And yet both those measures were essential elements in the transformation of the existing administrative structure into the simpler and more economical set-up appropriate to a small developing country which should take place before the termination of the Trusteeship Agreement.

C. ECONOMIC ADVANCEMENT

1. Outline of conditions

General economy

176. In the annual report under review (see T/1781), the Administering Authority states that the gross product of the Territory is derived largely from United States expenditures for services and capital improvements, from tourism, the production of copra and from subsistence farming and fishing. Labour, land, natural resources and capital are meagre. The Administration is continuing to seek means of promoting the development of the economy so that it can be geared to the world money economy. Two areas for potential major growth are large-scale commercial fishing and tourism. Significant improvement would require more skilled labour, capital and managerial capacity than is currently available in the Territory.

177. The value of commodities exported from the Territory (excluding the Northern Mariana Islands) during the period July 1975 to June 1976 totalled \$6.5 million (\$11.8 million in the previous year). Copra exports were valued at \$1.6 million (\$3.3 million in the preceding year), and exports of fish totalled \$3.1 million (unchanged from 1974/75). Tourism brought an estimated direct income of \$1.7 million into the Territory (\$4.9 million in the previous year). The decrease in exports was due to lower copra revenues, as well as the decrease in invisible exports.

178. Imports in 1975/76 (including the Northern Mariana Islands), totalled \$38.4 million, compared with \$38.2 million in the preceding year.

179. At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative, stated that food items represented a very substantial part of the total imports of Micronesia, which amounted to 38 per cent of the total in 1975/76 and consequently their reduction would have an impact on the balance of imports over exports. He noted that one of the major elements of imports in the Territory was rice, some \$3 million worth of it being imported annually. He referred to the Ponape 80 hectare rice development project which aimed at producing at least sufficient rice to meet that district's needs.

180. At the forty-third session of the Trusteeship Council, the Administering Authority stated that, with regard to taxation on non-essential imports, it supported an increase in taxation and was working to determine the rates with the assistance of experts from the United Nations Development Programme (UNDP).

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

182. With regard to foreign investments, the current annual report states that during 1975/76, the Territory received 59 applications from foreign companies for permits to do business in the Territory, and issued 50 foreign business permits. Over-all investments (aggregate assets) increased from \$47.6 million in 1973 to \$97.0 million in 1975/76.

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

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

185. At its forty-third session, the Trusteeship Council noted with concern that Micronesia's dependence on outside support was still considerable. However, it welcomed the statement by the Administering Authority that efforts would henceforth be concentrated mainly on the productive sectors of the economy. It also hoped that the amount of the credits allocated to the Micronesian economic development programme had not been fixed definitively but could be increased if necessary.

186. The Council expressed the hope that the Administering Authority would give the most careful consideration to substantially reducing the impact of customs tariffs and related measures on the promotion of exports from the Trust Territory. The Council considered that such a measure would help to develop the Territory's export potential.

187. The current annual report states that the Micronesia Development Bank has now assumed responsibility for administration of the Economic Development Loan Fund, which will permit a major shift in emphasis towards increasing the productive potential of the economy through loans and technical assistance. The resources of the Bank will not be limited to those inherited from the Fund, but will be augmented by additional appropriations from the Administering Authority, as well as from any available international sources, for capital development purposes.

188. The report further states that since the Trust Territory was designated as eligible under the Generalized System of Preferences of the United States in 1975, a privately financed coconut crushing plant has been established in Palau and has begun exports of coconut oil to the United States at a preferential duty rate. Other countries have also extended similar preferential treatment to the Trust Territory. The report notes, however, that Japan, potentially the best market for Micronesia's exports, has not yet extended preferential treatment to the Territory.

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

190. At the same session, Mr. Winkel, High Commissioner and Special Representative, stated that attempts had been made to secure action by the Congress of the United States on preferential treatment to the Trust Territory but that they had not met with very substantial success. The Congress of the United States had

provided for eventual preferential treatment for the Northern Mariana Islands when it approved the covenant to establish a Commonwealth in the Northern Mariana Islands.

191. The current annual report states that an economic development office which is an extension of the Department of Resources and Development was established in Hawaii during the latter part of 1976. Its primary functions will be to provide information concerning business proposals and seek out new investments for Micronesia. The office will provide staff services to the Economic Development Board which is comprised of seven business and political leaders from Micronesia, the Northern Mariana Islands, Guam and Hawaii. The Board is expected to review business proposals for those areas and generally advise on new investments.

192. The annual report states that, under a project agreement of 10 June 1975 between UNDP and the United States Government, UNDP will provide technical assistance in the formulation and development of the five-year indicative development plan for the Trust Territory. The Joint Committee on Program and Budget Planning of the Congress of Micronesia was designated as the executing agency of the Trust Territory Government to carry out the project. During 1975/76 UNDP made available the services of a senior economic planning adviser/project manager, 6 other planning advisers and 18 short-term consultants.

193. In July 1976, the Congress of Micronesia approved the five-year indicative development plan which was later endorsed by the territorial Administration. As specified by the Congress of Micronesia, the major objectives of the plan are the following: (a) to foster an economy which will lead the Territory to self-sufficiency; (b) to develop an economic base to support a level of government which Micronesia needs and can afford; (c) to outline the development priorities and investment required for continued economic growth; and (d) to prepare a plan leading to decentralization of decision-making powers to the district and municipal levels of government.

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

195. The Special Adviser further stated that the five-year indicative development plan placed a high priority on the development of agriculture, marine resources and small-scale industry and tourism.

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

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

198. According to the current annual report, many changes are needed in order to reach the goals of the development plan and to correct the imbalances in the Micronesian economy. The annual report states that the territorial Administration has advised the Congress of Micronesia that a number of bills crucial to implementation of the plan will be introduced in the Congress including the following: (a) an income tax bill; (b) an import tax bill, specifying different rates of tax for different imported items; (c) an economic incentive bill to foster growth of the Micronesian economy in new as well as existing areas; (d) a bill freezing salaries and hiring in the Trust Territory Government; and (e) a bill aiming at providing for better financial management of government services and for adequate control in utilities management.

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

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

201. The current annual report states that some of the districts have already prepared their own indicative plans and that others are currently working on them.

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

203. The current annual report states that in order to implement the fourth major objective of the plan (decentralization of decision-making powers), the

Administration has strongly urged the Congress of Micronesia to find a new approach to the allocation of block appropriations to each of the districts in order to allow each district to determine its own priorities for development.

204. At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative, stated that a Trust Territory country programme had been completed and that three project requests had been approved and transmitted to UNDP. In that connexion, he noted that a senior economic adviser and a statistics adviser from UNDP were already in Saipan and that associate experts would be assigned to other districts.

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

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

207. At the same session, Mr. Canham, Resident Commissioner and Special Representative of the Administering Authority, stated that there had been considerable progress made in the basic infrastructure of the Northern Mariana Islands. The presence there of the capital of the Trust Territory and such other factors had probably contributed to that progress and there was therefore a fairly solid infrastructural base on which to build and to move in the direction of self-sufficiency. That did not mean, however, that there was not a great deal being done and planned in the direction of improved infrastructure.

208. He noted that the annual budget of the Government of the Northern Mariana Islands included substantial sums for capital improvement and economic development. Currently, they were working on an extensive improvement of the electric power generating system, on the development of a water supply system and on the development of highways. Substantial steps had already been taken to improve the communications system.

209. In addition, the budget guaranteed by the United States Government to the Northern Mariana Islands under the covenant included an allocation of \$4 million for capital improvement, as well as an allocation of \$1.75 million for an economic development loan fund.

210. At the same session, Senator Borja, Special Adviser, stated that while the expenditure for the social infrastructure had been limited in the Northern Mariana Islands, capital expenditures were being increased to conform with

projected plan by encouraging the private sector of the economy to increase productivity. The Government of the Northern Mariana Islands accorded priority to encouraging further development and growth of the tourist industry and to increase productivity in the agricultural and fishery industries.

Public finance

211. The costs of Trust Territory operations are met by grants from the Administering Authority and by local reimbursable revenue collections. Appropriation requests are subject to limits fixed by the United States Congress.

212. The grant from the Administering Authority for 1975/76 was \$85.0 million compared with \$72.0 million for the preceding year. The revenue raised within the Trust Territory totalled \$7.9 million, excluding taxes collected by district legislatures and municipal councils, compared with \$6.6 million for the previous year.

213. According to the current annual report, the districts, with the approval of the district legislatures, submit five-year plans for operations and capital improvements to the High Commissioner. These are consolidated into a territorial five-year plan and presented to the Joint Committee on Program and Budget Planning of the Congress of Micronesia. The latter's recommendations on priorities are then forwarded to the High Commissioner, who incorporates the changes into the final plan for submission to the United States Department of the Interior. The plan forms an outline for the preparation of the annual budget.

214. Preparation of the annual budget begins well over a year in advance, when district administrators, district legislatures and various department heads submit estimates to the Program and Budget Officer. After review, the estimates are presented to the High Commissioner for approval. The Program and Budget Officer then draws up a preliminary budget plan for the coming fiscal year, which is presented to the Congress of Micronesia for its review of, and recommendations on, portions relating to funds to be appropriated by the United States Congress. Under the terms of Secretarial Order No. 2918, the High Commissioner then adopts those recommendations of the Congress which he deems appropriate; he must also transmit to the Secretary of the Interior all recommendations he does not adopt.

215. At its forty-third session, the Trusteeship Council reaffirmed its recommendations, made in 1975, that the Congress of Micronesia should be given greater responsibility with respect to the budget.

216. It noted with satisfaction that some efforts had been made to enable the ad hoc committee of the Congress of Micronesia to present directly to the corresponding committee of the United States Congress its justification of expenditures under the appropriations. That measure should be accompanied by closer involvement of the Congress of Micronesia in the process of allocation of funds.

217. The Council welcomed the preparation of the long-range comprehensive plan for the Territory. It hoped that the assistance provided by UNDP would make it possible to determine priorities and establish an infrastructure which would be suited to the needs of Micronesia and would, in particular, be likely to reduce the Territory's dependence on foreign financial assistance.

218. The current annual report states that a joint review of budget estimates was conducted during 1974/75 and 1975/76 by the Joint Committee on Program and Budget Planning of the Congress of Micronesia, in co-operation with the territorial Program and Budget Office. This review has led to greatly improved co-ordination in preparing the annual budget of the Trust Territory Government for submission to the United States Department of the Interior. This arrangement has enabled the Congress of Micronesia to play a more significant role in the preparation of the budget. The report further states that the chairmen of the ad hoc committees on budgetary matters regularly attend appropriation hearings held by committees of the United States Congress and also submit their views to them. 9/

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

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

Assistance from international institutions

221. At its forty-third session, the Trusteeship Council noted with satisfaction that during 1975 a UNDP project for assistance in economic planning was approved, and that substantial work had already been done. The Council expressed the hope that the Trust Territory would continue to develop its contacts with, and involvement in, international and regional bodies for developmental assistance.

222. The Council learned with concern that the Congress of Micronesia was reassessing its intention to become a member of the Asian Development Bank. Although the Council believed that the elected representatives of the people of Micronesia should decide what best suited the Trust Territory, the Council wished none the less to record its view that the proposed membership of Micronesia in the Bank would make good economic and geographic sense.

223. According to the current annual report, two training courses in development planning were held in the Trust Territory with the assistance of the Asian Development Institute of the Economic and Social Commission for Asia and the Pacific (ESCAP) and UNDP. Some 25 Micronesian participants attended the courses. In addition, UNDP awarded fellowships to two Micronesians for advanced training in development planning. Both recipients are studying in the United States and, with the completion of their programme of study, Micronesia will have its first trained economic planners to carry out the work begun by UNDP.

224. The Trust Territory is a member of the Western Pacific Region of WHO, which continues to provide the Territory with fellowships and technical experts. The Trust Territory also has access to the specialized training programmes and conferences of WHO.

9/ See also paras. 192-210 above for information on the five-year indicative development plan.

225. The Trust Territory has continued to participate as an observer in the work of the Third United Nations Conference on the Law of the Sea. In 1976, a Micronesian delegation attended the fifth session of the Conference held at New York. As an associate member of ESCAP, a Micronesian delegation attended the Commission's thirty-second session in March 1976. Micronesia also participated in numerous other meetings and training programmes sponsored by the Commission.

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

Credit

227. The Economic Development Loan Fund makes direct loans and guarantees loans by commercial banks for development purposes. The Fund is administered by a nine-member Board of Directors. During the year under review, 37 direct loans were made, totalling \$281,873. No guaranteed loans were approved.

228. The current annual report states that, as from 19 November 1975, a moratorium was placed on granting new loans, to remain in effect until final agreement is reached on division of funds between the Government of the Northern Mariana Islands and the Trust Territory Government.

229. Other sources of credit are provided by credit unions. By the end of 1975, 39 chartered credit unions were operating in the Territory (excluding the Northern Mariana Islands). Of this number, over half were serving residents of villages and communities; the others were credit unions of employees, representing 80 per cent of the financial activity of the credit unions. Credit unions had a total of 9,559 members with assets of \$4.9 million (\$4.7 million in the previous year). During 1975, loans granted by credit unions aggregated \$4.8 million (\$5.0 million in the previous year). About 10 per cent of the population participates in credit union and co-operative programmes in the Territory.

230. At its forty-third session, the Trusteeship Council welcomed the assurance by the Administering Authority that the Economic Development Loan Fund, the Production Development Loan Fund, the Marine Resources Development Loan Fund and the Agricultural Development Loan Fund were intended to stimulate development of local resources in Micronesia. The Council was pleased to note that the Micronesian Development Bank had now opened. The Council continued to believe that the provision of local credit facilities was essential for economic development in the Trust Territory.

231. The current annual report states that on 5 September 1976, the functions and powers in the administration of the Production Development Loan Fund, the Marine Resources Development Loan Fund and the Agriculture Development Loan Fund were transferred by Public Law No. 6-114 from the Department of Resources and Development to the Micronesia Development Bank.

Land

232. According to the current annual report of the Administering Authority, the land area of the Trust Territory comprises 83,305 hectares classified as arable land and 99,479 hectares classified either as grazing land and forest or as swamps, rock and built-up land. Of the total area, 73,647 hectares are privately owned and 109,584 hectares are classified as public lands.

233. Some 6,489 hectares of land are under cultivation in the Trust Territory. Of these, 45 hectares are used for commercial agriculture and 5,708 hectares for subsistence farming. About 33,553 hectares are planted with tree crops - primarily coconut, bread-fruit, banana and pandanus. Forest and pasture land and savannahs total about 99,479 hectares.

234. On 26 December 1974, the United States Secretary of the Interior issued Secretarial Order No. 2969 transferring the Trust Territory public lands to district control. He stated that the Order was now part of the Trust Territory Code, and that it provided the legal framework for each district to request and receive title to appropriate public lands within its jurisdiction. The Secretary also noted that the Order, when implemented in every district, would provide for the transfer of the same amount of land as any other approved mechanism for implementing the policy statement.

235. The current annual report states that in 1976, the district legislatures of Yap and Ponape adopted laws creating legal entities to hold and administer public lands to be transferred to district control in accordance with Secretarial Order No. 2969. However, neither district has yet requested the actual transfer of its public lands. In Palau, the Public Land Authority, which was created in 1975, has requested the return of public land to district control, a process now under way and expected to be substantially completed by the end of 1977.

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

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

238. At the same session, Mr. Winkel, High Commissioner and Special Representative, referring to the question of indefinite land-use agreements, stated that in June 1977 the United States Department of the Interior had informed the various parties and individuals concerned that a study of those issues of the Trust Territory would be given top priority by the Attorney-General. As High Commissioner, he would co-ordinate and oversee the conduct of the study to ensure that it was carried out, and he reassured the Council that he would expedite the review and provide information to the Trusteeship Council on its outcome.

239. At its forty-third session, the Trusteeship Council noted that land identification and survey work on all public lands was now in progress and should be completed by the middle of 1977. It expressed the hope that that work would be swiftly completed.

240. The Council strongly endorsed the view of its 1976 Visiting Mission that all appropriate efforts should be made to keep complete and up-to-date records of land ownership.

241. The current annual report states that the work of the Micronesian Land Commission is not proceeding at the desired rate owing to complications and limitations as to who can convey title to land. According to the report, there is a real need for district legislatures to enact laws setting forth the requirements for the valid transfer of land, especially where land is held in the name of a clan, lineage, or family.

242. Over 2,000 certificates of title have been issued and registered in the Territory (excluding the Northern Mariana Islands). An aerial survey of all major islands, started in 1974, was completed during 1976, and photogrammetric maps are expected to be completed by the end of 1976/77.

Agriculture and livestock

243. Copra is the principal commercial agricultural product of the Territory. On Ponape, black pepper and rice are being established on a commercial scale. Taro, arrowroot, yams, sweet potatoes, cassava, bread-fruit, pandanus, bananas, citrus and a number of other crops, used mainly for local subsistence, comprise the remaining principal crops. The total area under production during 1976 was estimated at 39,218 hectares.

244. Copra is the Territory's major export item. In 1975/76, copra exports totalled 8,521 metric tons valued at \$1.6 million, compared with 10,886 metric tons valued at \$3.3 million in the previous year.

245. The principal livestock in the Territory are swine and poultry. Cattle, goats and carabao are found on the high islands. Cattle, the third most important type of livestock, are concentrated mainly in the Northern Mariana Islands, which at 30 June 1976 had 7,196 head out of a total of 7,325 head in the Territory. The carabao is used as a draft animal on Palau and Ponape.

246. At its forty-third session, the Trusteeship Council recommended, as it had in 1975, that the Administering Authority should expand production of food-stuffs to enable the Trust Territory to become more nearly self-sufficient. However, the

Council considered that that priority should be without prejudice to current efforts to diversify crops and develop agriculture in the Territory on a commercial scale. The Council recommended that a specific study should be undertaken to determine the possibilities of exploiting the Territory's forestry resources.

247. The Council hoped that experiments in training local farmers in new farming techniques, in particular in the cultivation of rice and copra, would be continued.

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

249. The current annual report states that 40 Micronesians are studying for diplomas and degrees in agricultural subjects at universities and colleges in the United States and in Papua New Guinea.

250. The report also states that major equipment and material have been procured for the 80-hectare rice project on Ponape, and that a specialist has already been assigned to the project.

251. With regard to the copra crushing mill project of the Micronesian Industrial Corporation in Palau District, the report states that the mill was opened in 1976, and that the plant would process from 45,000 to 50,000 metric tons of copra per year, more than three times the present production of the Territory. The project, which involves a \$3.7 million investment, was orgnaized by Guy Luttrell of California and financed by Jardine, Matheson and Company, Ltd., of Hong Kong.

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

253. The current annual report states that poultry and swine operations in each district are slowly increasing production to meet local consumption needs, and that each district is helping interested people to secure loans for that purpose. There are now 9,000 laying hens producing 2.1 million eggs per annum. The Administration has set a target of approximately 50,000 laying hens to meet local demand for eggs.

254. The report further states that during the year under review, 890 hectares of coconut groves were thinned and about 283 hectares were planted. On Palau, an irrigation project for Ngrikiil farmers was completed and joint projects on pineapple production were under study.

255. In Ponape District, a total of 15,400 trees were distributed and planted on both government and private land, and 22,860 board metres of timber were milled. The report adds that more emphasis will be given to replanting coconut palms, using improved and higher yielding varieties, and to increasing copra production to supply the requirements of the two copra mills in Palau and Marshall Islands districts, respectively. In this connexion, the annual report states that ground was broken in Marshall Islands District for a second coconut oil mill, which is expected to become operational by mid-1977. It is anticipated that the plant, which will be

financed by a United States company, will cost an estimated \$1.8 million and will have a capacity of 15,000 to 20,000 metric tons of copra annually.

256. A Comprehensive Program Policy Statement and Procedures for Agriculture had been developed. This will allow for an annual increase of at least 5 per cent for most farm products, which will eventually lead to self-sufficiency. The programme provides for the establishment of systems, organizations and facilities for processing, storing and marketing farm products, including copra.

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

Marine resources

258. According to the current annual report of the Administering Authority, the goal of the Marine Resources Development Programme is to conserve and utilize the Territory's marine resources for the benefit of Micronesians. The Administration of the Trust Territory has been engaged in expanding major programmes and developing additional projects in each district.

259. The annual report states that the Van Camp Sea Food Company in Palau was able to increase fish production with the use of 14 chartered fishing vessels and some locally managed vessels. Most of the company's employees on shore are Micronesians and some have been engaged for its fishing operations.

260. The current report also states that, in 1976, the Overseas Fishing Cooperative Foundation (OFCCF) of Japan sponsored the training of three Micronesians in the handling of refrigerated fish and in shrimp culture. Although the limited number of training programmes for Micronesians in fisheries and related programmes is primarily due to lack of funds, the Micronesian Government hopes to be able to send additional personnel for technical training, with funds from industry, international agencies and concerned nations.

261. At its forty-third session the Trusteeship Council re-emphasized that marine resources were crucial to the economy of Micronesia, and urged the Administering Authority to do everything possible to protect and develop those resources. The Council noted with approval that the Congress of Micronesia had created fishing authorities in each district to foster co-operative development, and that the Micronesian Mariculture Demonstration Center located on Palau had received substantial financial assistance.

262. The Council welcomed the fact that, in accordance with the recommendations contained in its last report, the assistance of UNDP had been sought and obtained in the context of fisheries development, and that the Administering Authority planned to carry out a major test of the feasibility of commercial fishing of skipjack tuna by purse-seine fishing.

263. The current annual report states that under the five-year indicative development plan, the five districts (excluding the Northern Mariana Islands and Kosrae) have identified various fisheries resources which have potential for economic self-sufficiency and which will provide guidelines for the final formulation and implementation of the plan.
264. The annual report also states that, as part of the war claims agreement between Japan and the United States (see paras. 79-92 above) the Trust Territory Government accepted delivery of seven 26-metric ton skipjack fishing vessels from Japan, which are expected to play an important role in the development of a Micronesian tuna fishing industry.
265. The report also states that the Micronesian Mariculture Demonstration Center is being upgraded and expanded and that a vigorous programme of research has been conducted to identify those fish and shellfish which can be cultivated in Micronesia. Once the more suitable forms are identified, extensive demonstration projects will be conducted to develop the technology for production operations and to illustrate their economic viability.
266. In 1976, the Japanese Marine Fishery Resources Center conducted tuna and bait-fish surveys in Palau, Truk and Ponape districts. In addition, a consultant from the United States spent six months in Truk ascertaining the potential for the development of a tuna processing complex on Dublon. His preliminary report favoured the establishment of such a complex.
267. At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative, stated that in 1976, Micronesian co-operative fishermen had landed about 453.6 metric tons of tuna and reef fish and about 13.0 metric tons of shellfish for local sale, interdistrict sale and export to Guam. He further stated that the bêche-de-mer (sea cucumber) fishery was being revitalized in Palau and Truk Districts. Prior to the Second World War, the fishery had been well established in Truk District by the Japanese.
268. In Yap District, a ferro-cement fishing vessel for bottom line fishing and trolling, had been purchased from the Solomon Islands with grants from the Congress of Micronesia. During 1976, the vessel had landed more than 13.6 metric tons of tuna and other pelagic fish. Truk and Yap had included financial provisions in their budget for the construction of fishery complexes.
269. The current annual report states that in the Marshall Islands District, a new office under a fisheries specialist was opened to help in the development of marine resources. Construction of a 100-metric ton cold storage and ice-making facility was completed on Majuro, to assist the fishermen in improving the quality of their catch. A six-month survey of tuna and bait-fish resources was conducted in the district by a United States firm, but its conclusions were not optimistic about the potential for the development of such an industry. Past surveys have shown that bait-fish resources in the islands are sufficient to support a fishing industry. It is known that the location of the fish taken by foreign fleets in the area varies significantly from year to year, and that further study will be required to determine the best strategy for harvesting this resource.
270. In Yap District the lagoon and outer reef areas were surveyed for bottom fish and oceanic pelagic fish stocks not normally caught by Yapese fishermen. Over 13 metric tons of fish caught during the survey were locally marketed. The

establishment of a small export fishery is considered feasible, and Yapese fishermen are being trained in new techniques.

Third United Nations Conference on the Law of the Sea

271. At its forty-third session, the Trusteeship Council noted with satisfaction that the Congress of Micronesia had achieved observer status at the Third United Nations Conference on the Law of the Sea with the sponsorship of the Administering Authority, and that such participation was expected to continue. The Council noted the strong views expressed by representatives of the Congress about Micronesian participation, and the statement made at the forty-third session by one of the Special Advisers urging that Micronesia's special interests and needs should be fully taken into account. The Council noted that the interests of Micronesia might not necessarily coincide with the interests of the Administering Authority. The Council urged the Administering Authority to continue to exercise vigilance in protecting Micronesian waters from illegal foreign exploitation.

272. At the same session, the representative of the United States said that because of the importance of marine resources to the people of Micronesia and because of the divergent views of the Congress of Micronesia and the United States on key questions relating to the law of the sea, the Administering Authority had sponsored Micronesia for observer status at the Third United Nations Conference on the Law of the Sea, in order to allow the Micronesians to represent their own interests.

273. Representatives of Micronesia participated, in an observer capacity, in the fifth session of the Conference, which was held at New York in 1976. The current annual report states that it is the position of the Administering Authority that the observer delegation of the Congress of Micronesia to the Conference should continue in that capacity. The Administering Authority has stated that it will continue to exercise vigilance in the protection of Micronesian waters from illegal foreign exploitation.

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

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

the rule of law, but it still hoped that such a solution would not be necessary. The Micronesian delegation to the Third United Nations Conference on the Law of the Sea was the body legally established to negotiate for Micronesia's protection of its marine resources.

276. The Special Adviser referred to the position of the Congress of Micronesia, as outlined at the forty-third and forty-fourth sessions of the Trusteeship Council, and stated that the conclusions and recommendations of the Council as contained in its previous report to the Security Council had fallen somewhat more than short of the minimum expectations of the Congress. It had hoped for somewhat more substantial support in the Trusteeship Council.

277. The Special Adviser wished to suggest that the members of the Council should give very serious consideration and strong support to the Micronesian position on the law of the sea, a subject on which there was unanimity throughout Micronesia.

278. At the same session, the representative of the United States stated that his Government wished to reaffirm that it did not contest the fact that the full benefits from the marine resources off the coasts of Micronesia should accrue to the people of the Trust Territory and not to the United States. His Government also wished to indicate its willingness to work with the Micronesians to establish jurisdiction over marine resources in a 200-mile zone surrounding the Territory, and to devise institutions for Micronesian management of these resources and to ensure that benefits derived from their exploitation would accrue to the Micronesian people.

Industry and Tourism

279. Manufacturing in the Territory consists primarily of cottage-type activities in the subsistence sector. According to the Administering Authority, the few activities directed towards production for the market economy are characterized by inadequate capitalization, poor management and an untrained labour force. Boat-building is widespread but is usually carried on by individual craftsmen working in their own homes. Some small-scale handicraft production exists. Most small industries fall into the service classification. Tourism continues to show strong growth potential.

280. In 1975/76, 18,697 visitors entered the Territory (16,887 in 1974/75) and spent an estimated \$1.7 million (\$1.5 million in the preceding year). These figures do not include the Northern Mariana Islands, which in 1974/75 had about 50,000 visitors who spent an estimated \$3.4 million.

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

282. During the period under review, there were 434 hotel rooms in the Territory with a further 70 rooms under construction (in 1975, the Northern Mariana Islands had about 394 hotel rooms with about 16 more under construction). Micronesians owned 29 of the hotels and 23 others had Micronesian managers. Micronesians are progressively assuming higher positions in the growing hotel industry.

283. At its forty-third session, the Trusteeship Council recommended that tourism should be developed in a more ordered fashion in order to avoid excessive discrepancies between districts. The Council recommended that, in both the construction and operation of tourist facilities, local products should, whenever possible, be given preference over imports, and should be used more often in the restaurants of tourist hotels.

284. The Council noted with satisfaction that growth in that sector had been steady and had not exceeded the capacity of the districts to accommodate tourists. It recommended that tourism training and workshops should continue to be expanded.

285. The current annual report states that a combination of events resulted in an estimated 5 per cent decrease in the number of visitors to the Territory in 1976. Among the causes were the energy crisis, which has affected travel throughout the world, and several airline strikes which directly affected Micronesia. In addition, typhoon damage and the temporary relocation of Vietnamese refugees on Guam tended to discourage potential travellers from the primary tourist markets of Japan and North America. The increase in competition from other countries also diverted potential visitors from Micronesia.

286. During the latter part of 1976, an in-depth study by the Pacific Area Travel Association produced an evaluation of the economic benefits of tourism for Truk District. The model will be applied to all districts to determine precisely the value of tourism, in terms of income to the government and private sectors. At present, tourism is a leading territory-wide income producer, which created invisible export earnings of about \$2 million during 1976.

287. A new 15-room hotel was opened on Ponape and work was started on a 50-room expansion of a Majuro hotel in Marshall Islands District.

Transport and communications

288. Road maintenance is difficult in the Trust Territory, especially on the high islands where heavy rainfall washes out road-beds, and limited budgets make upkeep difficult on roads outside district centres. As reported in previous years, a territorial road programme has been established, providing for the construction or repair of a number of kilometres of road each year.

289. Major communication facilities are located in each district centre. A high frequency, independent sideband, communications system provides the basic network. It supplies telephone and data services to and from the respective district centres and into the major relay control centre on Saipan. The latter connects intraterritory and world-wide commercial and governmental systems. In addition, each facility is capable of communicating with aircraft, ships and the outer islands.

290. Air Micronesia, which took over air service in the Trust Territory in 1968, is a corporation formed by Continental Airlines, Aloha Airlines and the United Micronesian Development Association. Regular air service links all district centres of the Territory. Outside the Territory, service is provided to Guam, Honolulu and Okinawa. The number of passengers carried decreased from 176,953 in 1975 to 147,904 in 1976.

291. At its forty-third session, the Trusteeship Council welcomed the decision taken to designate an airline for the route linking Micronesia with Japan, and believed that the opening of services on that route would contribute to the economic development of the Trust Territory. The Council noted with approval that, following the appeal made in its previous report for priority to be given to the needs of the inhabitants of outlying areas substantial funds had been made available to replace in the next three years seven of the obsolescent ships now used for interisland service.

292. The current annual report states that, on 21 June 1976, the President of the United States awarded to Continental/Air Micronesia the traffic rights for the Tokyo-Saipan-Guam-Truk route. However, pending authorization from the Government of Japan, service has not yet begun on the route. The report further states that, in January 1976, the United States Civil Aeronautics Board (CAB) issued a permit to Air Nauru, authorizing it to operate a Nauru-Ponape-Guam-Okinawa-Kagoshima route, but without traffic rights between Ponape and Okinawa or Kagoshima.

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

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

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

296. The Special Adviser also said that assurances by officials of the Administering Authority that they would escalate their efforts in the matter were appreciated. At the same time it was requested that the Trusteeship Council give its strong support to the cause in its report to the Security Council. The President of the Council was also asked to use his good offices to convey to the appropriate representatives of the Government of Japan the desperate need for immediate implementation of that service, which was so crucially important to Micronesia, and the need for Japan to respect its international responsibility in that regard.

297. At the same session, the representative of the United States said that agreement had not been reached between the United States and the Government of

Japan on the initiation of service by Continental Airlines, and that the question was being negotiated by the two Governments. Negotiating sessions had been held at Washington, D.C. in April 1977 and at Tokyo in May 1977. At the session in April, representatives of the Congress of Micronesia and of the Northern Mariana Islands Legislature who had been invited to participate made statements in support of their position. The United States had stated that that question should be dealt with before the other bilateral questions under discussion were taken up in the negotiations.

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

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

300. The current annual report states that in April 1976 the Administration promulgated and issued Executive Order No. 113, which governs logistic shipping in Micronesia and protects shipping interests owned and operated by Micronesians. Logistic shipping service, direct or indirect, to Micronesian ports from the west coast of the United States, Australia, Indonesia and the Pacific Far East, has greatly improved in the past year as a result of the semicontrolled and competitive shipping system promulgated under the Order. Micronesians enjoy imported commodities at reasonable prices despite the rising cost of productivity and international monetary inflation. The Order also allows foreign shipping participation in areas where Micronesian-owned and operated shipping companies are not financially able to operate. There are at present four Micronesian and three foreign shipping companies in the Territory.

301. The annual report further states that two new multipurpose landing vessels, the MS Marshall Islands and the MS Caroline Islands, were acquired in 1976 and are now in full service in the districts. The vessels were specifically designed to transport to the remote islands of Micronesia heavy equipment which could not be accommodated in the regular field trip ships. Following approval by the Congress of Micronesia of the allocation of funds to build new interisland ships, the Department of Transportation and Communications entered into an agreement with Morris Guralnick Associates, Inc., in March 1976, for the ships' design which was completed towards the end of 1976. Requests for bids for the construction of the ships were sent out to some 58 shipbuilders throughout the world; 38 bids were received in November and were opened in December. The contract was granted to a Japanese firm and the terms of the contract are being negotiated between the Department of Transportation and Communications, the Attorney General's office and the contractors. The target date for completion of the seven new vessels is December 1978. The delivery date for the first vessel was scheduled for October 1977.

302. According to the annual report, the marine transportation system in the Trust Territory serves two primary requirements: (a) to move international and interdistrict cargo to and from ports in the six district centres; and (b) to distribute cargo from the district centres to the outer islands. In addition to distributing cargo, the service to the outer islands is also part of the field trip service and is the primary means available for movement of passengers and for the provision of government medical, educational and social services to the outer islands.

303. The main service is provided by the combined routings of seven shipping companies operating liner services. The routes are assigned by the Government and are generally designed to provide shippers with two alternative carriers between major origin areas and each district centre. Four of the companies (Oceania Line, Inc., Palau Shipping Company, Inc., Saipan Shipping Company, Inc., and United Micronesia Development Association) are controlled by Trust Territory interests; and three (Daiwa Navigation Company, Matson Navigation Company, Inc., and Nauru Pacific Lines) are controlled by outside interests.

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

Proposals for a super-port at Palau

305. At its forty-third session, the Trusteeship Council, noting that the Trust Territory Government had entered into a contract for a feasibility study of a super-port, expressed the belief that consideration should be given to the possible effect of the development of the proposed super-port on the unity of the Territory and that attention should also be given to the possible environmental impact of such a port.

306. The Council noted with satisfaction the commitment of the Administering Authority not to approve development of the super-port if it was opposed by the people of Palau. The Council recommended that the Administering Authority should give careful consideration the views of the Congress of Micronesia on the matter.

307. According to the current annual report, the Trust Territory Government has entered into a two-year contract with the Nissho-Iwai Company, Ltd. and the Industrial Bank of Japan, Ltd. under the terms of which the company is authorized to undertake a feasibility study of the Palau super-port, including hydrographic surveys, soil and geological surveys, environmental assessment and testing, climatic and atmosphere studies and core borings. Nissho-Iwai is required to submit a report to the Director of Resources and Development of the Trust Territory within 30 days after termination or cancellation of the study. Nissho-Iwai is also required to comply with all applicable laws of the Governments of the Trust Territory and the United States relating to environmental protection. It is anticipated that the survey will have minimal environmental effect. The Trust Territory Government is authorized to suspend the exploration activities if at any time it is determined that such activities are harmful.

308. The annual report also states that no formal proposal to construct a super-port in Palau District has been made. Should such a proposal be made, the people of Palau themselves would in the first instance have the opportunity to review, approve or reject the proposal. The decision of the people of Palau cannot be overruled by the High Commissioner. Upon ascertaining the views of the people of Palau, the High Commissioner of the Trust Territory will review the proposed project to ensure that such a project complies with the regulations of the Trust Territory and the laws of the United States.

309. At the forty-fourth session of the Trusteeship Council, Mr. Winkel, High Commissioner and Special Representative, stated that the Government of the United States and the Trust Territory Administration, in conjunction with the Palau District Legislature, were making arrangements for their own feasibility study of the concept of a super-port. In that respect, the United States Department of the Interior had constantly emphasized that any action on that matter should be consistent with the free choice of the Palauans and that the most complete, objective, unbiased information that could possibly be obtained must be available to them.

Co-operatives

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

311. At its forty-third session, the Trusteeship Council noted with pleasure the encouraging development of fisheries co-operatives as a result of the common efforts of the staff of the co-operatives and the Congress of Micronesia. While appreciating the attempts already made and the difficulties involved, it expressed the hope that the Administration would continue to devote some of its educational and information efforts to persuading farmers in the Trust Territory of the benefits of farming co-operatives, in particular the shared use of machinery.

312. The current annual report states that new fisheries co-operatives are being chartered in the Territory with a view to long-range economic benefits in the form of increased exports or decreased imports. Existing co-operatives are being urged to expand into producer operations. The district fishing authorities, which were created by the Fishery Development Act of 1973 (Public Law 5-21) are required to provide the necessary support and guidance to fishing co-operative associations in order to make them the primary fishery development institutions in Micronesia.

2. Opinions expressed by delegations

General economy

313. The representative of France expressed his delegation's pleasure that the indicative development plan for 1976-1981 had been approved. He hoped that, thanks to an increased rationalization of Micronesia's development targets, that plan would make it possible to overcome the inadequacies of the past. In observing that

the information provided by the High Commissioner on the subject was very valuable, the French representative hoped that the High Commissioner would be able to make a useful contribution to the efforts to carry out the plan, at both the national and the regional levels. The French delegation encouraged the efforts that were to be made in the context of the indicative development plan, which should allow Micronesia to reduce its outside economic dependence and thus guarantee its real political freedom.

314. The representative of the United Kingdom observed that the economic problems which faced the Trust Territory were no less acute than the constitutional problems and that, unfortunately, long-term planning was difficult so long as the constitutional structure of the Territory was undetermined.

315. The United Kingdom delegation had for some time been concerned about the Territory's almost total economic and financial dependence upon the Administering Authority, even at the current late stage in the operation of the Trusteeship Agreement and despite generous United States financial support. It believed that great efforts had to be made to promote self-sufficiency and that, with that end in view, priority should be given to infrastructure and income-producing activities, even though that might involve some reduction in social services.

316. The United Kingdom delegation referred to the statement by one of the special advisers who had said that the Congress of Micronesia had supported, with some reservations, an accelerated five-year infrastructure programme set forth by the United States Navy. It recalled in that connexion the hope expressed by the 1976 Visiting Mission that the necessary funds would be made available if there was a sound case for additional expenditure on infrastructural projects. The United Kingdom delegation was also encouraged by the statement of the Special Representative to the effect that the five-year indicative development plan which was being carried out with the assistance of UNDP did place greater emphasis on the income-producing activities of the Government and less on the service-oriented types of programme which had constituted the main government activity in the past.

317. The representative of the Union of Soviet Socialist Republics said that, despite the many appeals by the Trusteeship Council and the promises of the Administering Authority to place the Territory's economy on the path to development, substantive changes had not taken place during 1976/77 in Micronesia's economic situation, as could be seen from the report and from the serious and balanced statement of Representative Setik. Measures that had been proposed by the Congress of Micronesia to stimulate the economy had not been given active support by the Administering Authority. According to Representative Setik, the Administering Authority viewed the Territory's development not as its duty in ensuring Micronesia's economic independence, but as an instrument of pressure for concluding an agreement on the Territory's future political status that would be beneficial to it.

318. The representative of the Soviet Union further said that an inalienable part of the economic policy of the United States in Micronesia was the maintenance of restrictive tariffs on key Micronesian goods and a refusal to implement the programme of the Congress of Micronesia on the rapid development of the infrastructure. There was also a stubborn reluctance on the part of the authorities to redirect the Territory's budget from consumer to production orientation. The Administering Authority itself had been forced to admit that revenue from the sale of the most important product, copra, had decreased by almost

half, resulting not from a decrease in production but of the economic machinery of the capitalistic system of production, which withdrew from the developing countries and Territories, including Micronesia, the lion's share of their income. The Council should oblige the Administering Authority to take rapid and effective measures to eliminate the obstacles to the development of the economic and social progress of the population.

Public finance

319. The representative of France noted with interest that, at the financial level, the indicative development plan had provided for an increase in the financial resources to be allocated to the districts. His delegation believed that objective to be essential to effective decentralization as planned at the administrative level. The districts could become autonomous only if increased resources were available to them.

Land

320. The representative of the United Kingdom said that land was in short supply, and that one of the special advisers had raised the problem of compensation in the case of indefinite land-use agreements with the Administering Authority and had suggested that that might be the subject of study and comment by the next visiting mission.

Marine resources

321. The representative of France said that a solution must be found to the problem of marine resources, a solution which would respect the right of the Micronesians to explore and exploit their own resources. The Micronesians must enjoy all the benefits of that element of their wealth that was so essential to their economic independence.

Tourism

322. The representative of the United Kingdom noted that Mr. Winkel, High Commissioner and Special Representative, had referred to the slow but steady development of tourism as a major Territory-wide source of income, and to the progress made in airport development, which was crucial to the expansion of the tourist industry.

Transport and communications

323. The delegation of France attached importance not only to the development of interdistrict and intradistrict communications but also to that of communications with other countries. In that connexion, it was concerned over the lack of results from the talks held by representatives of Micronesia and Japan on the question of the air link between Saipan and Tokyo to be operated by a Micronesian carrier. There was no need to point out how prejudicial such a situation could be to long-term economic developments, particularly in the field of tourism and in the social life of Micronesia.

324. The delegation of the United Kingdom noted that, although the Government of the United States had approved the application of Continental Airlines to service the route between Saipan and Japan almost a year ago, the question was still the subject of negotiations with the Government of Japan. It welcomed the assurance given by the representative of the United States that his Government had stated that the application by Continental Airlines must be dealt with ahead of the other bilateral questions under discussion in those negotiations. The United Kingdom understood that that air service was a key factor in the expansion of the Micronesian tourist industry.

Proposals for a super-port at Palau

325. The delegation of France felt that the implementation of a project for a super-port in Palau, if it were to take shape, should be subject to three conditions: the port should be economically viable; its construction should conform to environmental standards; and, above all, it should be accepted by the population.

326. Referring to the super-port project in Palau, the representative of the United Kingdom said that it was a highly controversial subject which had provoked protests by leading environmentalists around the world, including a leading national from the United Kingdom who had condemned the project in his speech at the United Nations when he was awarded the Pahlavi Environmental Prize.

327. In view of the many doubts expressed about the project, the United Kingdom delegation continued to believe that, before any decision was taken, an impartial body should be asked to produce a feasibility study which should take into account both environmental and economic considerations.

328. The representative of the Union of Soviet Socialist Republics said that the Administering Authority was imposing on the population of Micronesia plans for the construction of a so-called super-port in Palau instead of taking effective measures to develop the economy. His delegation had noted in the Trusteeship Council that the so-called super-port would ensure profits for foreign corporations and for the Administering Authority, but it would raise new barriers in the way of the exercise of the legitimate rights of the people of Micronesia and would place that population in a position of greater dependence. It would also have a harmful effect on the environment.

D. SOCIAL ADVANCEMENT

Outline of conditions

Human rights

329. The current report of the Administering Authority states that the inhabitants of the Trust Territory are, inter alia, guaranteed the following basic human rights and fundamental freedoms as set forth in the Trust Territory Code: freedom of religion, of speech and of the press; the right of assembly and the right to petition; protection against unreasonable search and seizure; no deprivation of life, liberty or property without due process of law; no discrimination on account of race, sex or language; the maintenance of free elementary education; no imprisonment or failure to discharge contractual obligations; writ of habeas corpus; protection of trade and property rights; and due recognition of local customs.

330. The right of petition is granted and inhabitants have petitioned the United Nations and the Administering Authority. Petitions have also been submitted to United Nations visiting missions verbally and in writing. The Universal Declaration of Human Rights has been translated into the Territory's nine major languages and copies have been distributed to local government institutions, schools and various community groups (see also T/1782).

Medical and health services

331. The Department of Health Services has responsibility for planning, organizing and administering all medical and health programmes. The Trust Territory Health Council, composed of members from all districts, reviews and co-ordinates health services and the implementation plans of each of the district departments; prepares, and revises if necessary, a territory-wide health plan; reviews the annual budgets of the Department of Health Services as well as those of the districts; and examines requests submitted by that Department for various federal grants.

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

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

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

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

336. The current annual report states that in June 1976, there were 1,295 persons on the staff of the Department of Health Services, 1,255 in the districts and 40 at headquarters. Of this number, 1,239 were Micronesians, 41 were expatriate personnel and 15 were Peace Corps volunteers. The Micronesian personnel included 40 physicians, 53 physician's assistants (trained under the MEDEX programme), 21 dental officers, 4 registered or university trained nurses, 183 graduate nurses (Trust Territory School of Nursing) and 398 health assistants and practical nurses.

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

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

339. Recurrent expenditure on public health in 1975/76 totalled \$10.8 million, of which \$8.6 million represented operational costs and \$1.5 million was for medical supplies.

340. At its forty-third session the Trusteeship Council welcomed the statement by the Administering Authority that, with the imminent opening of the new hospital at Kosrae and the construction of other facilities, proper health services were being brought to an ever-increasing number of Micronesians. The Council urged that efforts be concentrated on improving the facilities in the outlying areas, to narrow the gap in the quality of medical services available between the main centres of population and the outer islands. The Council expressed the hope that the Administering Authority would continue to ensure that an adequate number of trained Micronesian health staff would be available to meet the needs of the population.

341. The current annual report states that the Trust Territory was included in the United States national plan to immunize the population against swine-type influenza in 1976, and that the Department of Health Services had immunized about 93 per cent of the eligible population between October and December 1976.

342. The annual report further states that in July 1976, the Trust Territory Health Services became the Health Planning and Development Agency. A Micronesian Health Co-ordinating Council has been designated under United States Law 93-641 to work with the agency. The Council's main functions are to serve as adviser to the territorial Department of Health Services. The membership of the Council includes 10 professional medical personnel and 14 non-medical personnel (also called "consumers of health care") from the five districts and the Northern Mariana Islands. According to the annual report, members from the new district of Kosrae will be appointed shortly. The first session of the Council was held from 6 to 9 December 1976.

Community development

343. The principal organizations involved in community development in the Trust Territory are the Community Development Division, the community action agencies and the civic action teams. The Community Development Division co-ordinates the activities of various governmental programmes, provides technical advice for self-help activities and gives support to various community groups such as women's and youth organizations. The grant-in-aid programme represents one of its main activities.

344. Through the grant-in-aid programme, the Administration extends financial and technical assistance to local communities for public projects where local cash resources are inadequate. These projects may involve the construction of facilities, such as roads, docks, dispensaries, ferry-boats and electric power plants.

345. The current annual report states that since 1967, some 374 communities or organizations have received needed facilities valued at about \$2.8 million through grants-in-aid. Facilities provided in 1975/76 were estimated to be worth about \$163,000.

346. Five of the six districts have a community action agency. The agencies continue to play an important role in the communities, providing comprehensive social services rather than specialized services. The Community Services Administration continues to provide over \$900,000 a year in grants to the community action agencies. An additional \$800,000 is made available by the United States Department of Health, Education and Welfare (HEW) for the operation of head start programmes designed for pre-school children.

Labour

347. According to the current annual report, it is the policy of the Trust Territory Government to give employment preference to qualified Trust Territory citizens in employment at all levels. Alien workers are employed only when skilled Micronesians are not available to fill vacancies.

348. The number of Micronesian wage-earners employed during the year under review was 17,245. Of this number, 9,470 were employed by the Administration or by United States government agencies, and 7,775 were employed in the private sector.

349. At its forty-third session, the Trusteeship Council recalled its concern at the continuing imbalance between wage-earners employed in the public sector and those employed in the private sector. The Council welcomed the announcement that a survey of manpower needs would be made in 1977, as part of a master plan for economic development being prepared with the assistance of UNDP. It expressed the hope that the survey would make it possible to proceed on the basis of full knowledge of the facts in guiding young Micronesians towards those sectors where manpower needs were greatest. The Council noted with satisfaction that the Administering Authority had stated its intention to pursue its policy of employing aliens only when skilled Micronesians were not available to fill vacancies.

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

351. The current annual report states that, according to a survey of non-resident workers conducted during 1976, the total alien labour force in the private sector numbered approximately 1,100. Another survey, now under way, will attempt to compile statistical data concerning the skills, salaries and other characteristics of all Micronesian workers in the private sector.

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

Housing

353. In 1973, the Congress of Micronesia passed the Community Housing Act, which established a Territorial Housing Commission with power to participate in major United States housing programmes. The Housing Commission will focus on ways to provide low-cost housing for low-income families. The Commission and six district housing authorities were established in 1974.

354. According to the current annual report, the district housing authorities are the primary agencies for the implementation of the housing programme. At 31 December 1975, the housing authorities had assets from loans totalling \$3.5 million, of which \$3.3 million has been utilized to finance the construction or renovation of 584 homes. It is reported, however, that the total loan fund available is insufficient to meet the needs of the applicants, who now number 2,359.

355. In 1976, the territorial Housing Commission was assisted by UNDP and ESCAP. The regional housing adviser of ESCAP visited the Trust Territory twice in 1976.

356. At its forty-third session, the Trusteeship Council noted that Micronesians were now being trained to carry out a long-term, low-cost building programme. Given the importance of providing such housing, the Council expressed the hope that the necessary resources would be made available for the programme.

357. The current annual report states that the territorial Housing Commission and the district housing authorities are entrusted with the task of attracting new sources of loan capital with a view to upgrading internal management techniques and pioneering low-cost housing.

Public safety

358. The current annual report states that although juvenile delinquency has not been a major problem in the Trust Territory, the number of offences committed by young people is now increasing. This is most noticeable in district centres, where traditional and social sanctions are rapidly breaking down and, consequently, family controls are weakening.

359. According to the same report, an intensified effort is being made to prevent crimes involving juveniles. One police officer has been assigned to each district to deal with this particular problem. Local legislative bodies, citizens' organizations, Peace Corps volunteers and other groups are striving to meet the needs of youth and to draw up programmes aimed at utilizing the resources of youth. In several districts, community development offices have been active in organizing panels of citizens to discuss and analyse juvenile problems.

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

361. The current annual report states that two new offices have been created within the Office of the Attorney-General: the Office of Litigation and the Office of Micronesian Bureau of Investigation. According to the Administering Authority the new Office of Litigation represents a positive commitment to combat long-standing problems faced by the Government of the Trust Territory. The Micronesian Bureau of Investigation will be responsible for the detection, investigation and prosecution of crimes against the public sector, as distinguished from offences directed against individuals.

Peace Corps

362. Peace Corps volunteers have continued to serve in education as well as a number of other areas. They provide architects, engineers, business advisers and specialists in laboratory technology, communications, ecology, etc. According to the Administering Authority, the most significant contribution of the Peace Corps continues to be in the field of education.

363. In 1976, Peace Corps trainees and volunteers in Micronesia numbered 240, of whom 160 were serving in an educational capacity. The current annual report states that, as Micronesians continue to assume responsibility for their own affairs, the number of needed Peace Corps volunteers will be reduced.

E. EDUCATIONAL ADVANCEMENT

1. Outline of conditions

General

364. The educational framework for the Trust Territory is defined in Public Law 3C-36 of 10 October 1969. According to this law, the purpose of education in the Territory is, inter alia, to develop the human resources of Micronesia in order to prepare the people for self-government and to provide them with skills which will be required in the development of the Territory.

365. Boards of education have been established at the territorial and district levels in accordance with the same law. The Micronesia Board of Education, appointed by the High Commissioner with the advice and consent of the Congress of Micronesia, is composed of one Micronesian member from each of the six districts plus the Director of Education, who is a non-voting member.

366. Under the provisions of the United States Vocational Education Act and the Manpower Development and Training Act, as amended, a Trust Territory Manpower Advisory Council was established in 1969, consisting of 11 Micronesians and one expatriate. The Council advises the High Commissioner, through the Director of Education, on manpower training needs for all of Micronesia.

367. An advisory council established under provisions of the United States Elementary and Secondary Education Act sets priorities in education, reviews existing programmes and approves new ones. A student assistance committee, established by the Micronesian Board of Education in 1975, reviews applications for scholarships in higher education.

368. In accordance with Public Law 3C-36, non-public schools may be established in the Trust Territory. They are required to submit the same reports concerning attendance, enrolments and curricula as those submitted by public schools to the Director of Education.

369. Under the provisions of the law, attendance at public and non-public schools is required of all children between the ages of 6 and 14 years, or until graduation from elementary school. Free education is provided in elementary and secondary public schools.

370. According to the annual report under review, recurrent expenditure for education in 1975/76 totalled \$15.5 million, including \$6.3 million for elementary education; \$3.1 million for secondary education; and \$2.6 million for construction.

371. At its forty-third session, the Trusteeship Council noted with pleasure the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the satisfactory number of post-graduate students in the Trust Territory.

372. According to the current annual report, in 1976, the Micronesian Board of Education formulated and the Acting High Commissioner approved a statement on educational goals for the Trust Territory.

373. Prior to defining these goals, the Board sought and received suggestions and recommendations from all districts. The Board also consulted with the territorial Director of Education and with the directors of the Community College of Micronesia and the Micronesian Occupational Center. The recommendations were carefully considered by the Board in drawing up the statement on educational goals which included the following aims: to assist each person to recognize and "actualize" his or her own potential in order to live to the fullest a dignified, meaningful and worth-while life; to develop in all individuals a deep sense of esteem for and pride in their own cultural heritage as well as for Micronesia as a whole; to develop in all persons self-understanding, self-acceptance, self-respect, self-discipline and personal responsibility, and to this end to make available learning experiences relevant to Micronesians; to assist all citizens to develop basic literacy and computational skills; to develop in all citizens an understanding of the social, political, economic and environmental situations of their communities, their islands and their nation, as well as their place and role in it and in the world community; and to foster among Micronesians strong bonds of unity through an awareness of the common elements and the interdependence which they share. In preparing its recommendations, the Board of Education also had in mind the recommendations of various international bodies, including those of recent United Nations visiting missions of the Trusteeship Council and UNDP, that emphasis should be placed on vocational and technical training in the Territory. In formulating these goals, the Board took into account the Charter of the United Nations and the Trusteeship Agreement.

374. At the forty-fourth session of the Trusteeship Council, the representative of the United States stated that in the service-oriented programme, there appeared to be a prevailing opinion that education should be made more relevant to Micronesian cultural and economic needs, and that other non-income-producing programmes should be held within agreed limits.

375. The current annual report states that the Department of Education is aware of the problem referred to by the 1976 United Nations Visiting Mission, concerning the uneven quality, quantity and applicability of textbooks used in the Territory. The situation is specially acute in the remote outer islands. The Department asserts that it is striving to rectify the situation.

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

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

378. The Special Representative pointed out that during 1976 the Department of Education of the Trust Territory Government had started to develop a series of textbooks, the first two of which dealt with tropical horticulture for secondary-

school use. Subsequent texts would cover additional areas in the field of agriculture, including agricultural marketing.

379. He also pointed out that the five-year indicative development plan was based, among other things, on the belief that the educational system of Micronesia should not necessarily be changed substantively in every respect but should be developed with greater emphasis and concentration on the type of education which could best prepare students for Micronesian life and culture.

Primary and secondary education

380. According to the annual report of the Administering Authority, there were 246 public and 35 non-public schools in the Territory at 30 June 1976. Pupils enrolled in public and non-public schools numbered 38,236, of whom 27,413 were attending public elementary schools.

381. The teaching staff in public elementary schools consisted of 1,268 Micronesian teachers (1,229 certified and 39 non-certified) and 125 non-Micronesian teachers (122 certified). The teaching staff in non-public elementary schools consisted of 98 Micronesian teachers (81 certified and 17 non-certified) and 35 non-Micronesian teachers (33 certified and 2 non-certified).

382. Secondary education was provided in 17 public and 14 non-public schools. There were four public schools in Mariana Islands District, two in the Marshall Islands, one in Palau (including the Community College of Micronesia, which has both secondary and post-secondary programmes), two in Ponape, five in Truk and three in Yap. Of the non-public schools, one was located in Ponape, one in Truk, five in Palau, six in the Marshall Islands and one in the Mariana Islands.

383. Secondary school enrolment at 30 June 1976 totalled 6,276 in public schools and 1,675 in non-public schools, compared with 6,202 and 1,768 respectively in the previous year. In addition, 102 students were enrolled in secondary schools abroad. The number of students who completed their secondary school education in the Territory was 1,256 (957 in public schools and 299 in non-public schools). The secondary school staff consisted of 525 teachers (401 in public schools and 124 in non-public schools). Of the total number of secondary school teachers, 311 were Micronesians and 214 were non-Micronesians.

384. According to the current annual report, virtually all public elementary class-rooms in the Territory are in "standard" condition. In 1976/77, a total of \$300,000 was allocated for construction of 10 public elementary class-rooms in Palau District, and \$165,000 for 12 class-rooms in Ponape District.

385. In so far as secondary or high school education is concerned, the report states that, with the exception of the Marshall Islands and Ponape districts, 80 per cent of elementary school graduates are able to attend secondary school in the Trust Territory. The Marshalls are expected to reach that goal by 1978 when the construction of the Marshall Islands and Jaluit high schools are completed.

386. The current annual report states that 36 new elementary school class-rooms were completed in 1976, of which 16 were on Yap, 12 in the Mariana Islands, and 8 in the Marshall Islands. Other class-rooms were under construction on Ponape and Truk. Two high schools in Colonia and Ulithi on Yap and the Central High School on Ponape have been completed. Three secondary schools are being constructed on Truk.

387. At its forty-third session, the Trusteeship Council recommended, as in its previous report, that the Administering Authority should consider introducing a programme especially related to the economic situation in the Territory as a means of preparing Micronesians for more meaningful self-government.

388. The Council remained concerned, nevertheless, that the supply of educated people in the Territory could outpace the number of suitable jobs available to them and accordingly recommended that there be a continuing emphasis on vocational rather than purely academic training.

Higher education

389. The Community College of Micronesia, located at Kolonia Town, Ponape, offers a two-year programme leading to an Associate of Science Degree in Elementary Education. At 30 June 1976, the Community College had a co-educational enrolment of 162 students from all districts of the Territory, of whom 118 were studying at the campus at Kolonia, 33 were at the nursing school on Saipan (which is affiliated to the college), and 11 were following courses at the Ponape Agriculture and Trade School for which they would receive college credits. In addition, 95 students were studying for an Associate of Science Degree in the in-service elementary teacher education programme. There were also 33 part-time students at the college campus at Kolonia, and 167 students enrolled at the extension Centres in the Palau, Truk, Yap and Marshall Islands districts.

390. One hundred and five students received their degrees in 1976 as follows: 28 in elementary teacher education; 17 in nursing; 8 in secondary vocational teacher education; 6 in business management, and 46 in in-service elementary teacher education. Another 17 students received certificates of achievement in Special Education Itinerant Teacher Training.

391. The Community College has instituted an extension programme under which off-campus courses can be taken for credit. In 1975/76, 257 full-time and 200 part-time students were enrolled in the extension courses. During the summer of 1975, over 1,000 students, mainly teachers, were taking courses in their home districts.

392. Micronesian students attending institutions of higher learning abroad in 1975/76 numbered about 1,483. Of this number, 85 were on scholarships from the Trust Territory Government, 101 were on scholarships from the Congress of Micronesia, 419 were in the ESG programme, 441 had received student loans from the Congress of Micronesia and some 437 were supported by other scholarship programmes or private funds.

393. The current annual report states that the United States Congress has approved \$8 million for the construction of a new campus for the Community College, to be located on Ponape. Final approval is dependent on the outcome of a study and subsequent recommendation by a team of experts to be appointed by the President of the United States.

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

Vocational education

395. The Micronesian Occupational Center, located on Koror in Palau District, is a boarding school offering vocational and technical training to students from all districts of the Territory. In all courses, students may be enrolled in secondary, post-secondary and adult classes, depending on previous education and individual programme objectives. The Center also provides each district in the Territory with a vocational education supervisor who co-ordinates pre-vocational, vocational and industrial arts programmes in the district.

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

397. The Community College, in co-operation with the Ponape Agriculture and Trade School, offers teachers a two-year programme leading to an Associate of Science Degree in Secondary Vocational Education.

398. The current annual report states that during 1976, 143 secondary school vocational teachers took summer courses in the Trust Territory, in various areas of vocational training. During the same period, 16 vocational teachers attended summer courses abroad: 8 at the University of San José in California and 8 at the University of Hawaii.

399. The report states that progress is being made at Palau High School, Ponape Island Central School and Outer Islands High School towards the integration of vocational education and academic training patterned after the Ponape Agriculture and Trade School.

400. In 1975/76, the Micronesian Occupational Center had an enrolment of 318 students. During the year, 108 students completed certificate or diploma courses which brought to 717 the number of graduates of the Center in the few years of its operation.

401. In 1976, a follow-up survey was made on graduates of the Center. According to the survey, 74 per cent of the graduates were actively employed, of whom 69 per cent were employed in their own fields of specialization. The study also showed that 33 of the graduates were either teaching vocational education in the Territory or were pursuing further studies in preparation for teaching careers.

402. Federal matching funds in the amount of \$100,000 have been approved for the construction of eight class-rooms at the Micronesian Occupational Center enabling the Center to accommodate all of the students in the Trust Territory who wish to pursue post-secondary vocational/technical education.

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

Teacher training

404. According to the current annual report, in addition to the students enrolled at the Community College of Micronesia (see above), 239 students attending institutions of higher learning abroad are reported to be pursuing studies in the field of education.

405. The Marshall Islands, Palau, Ponape and Truk districts each has an in-service teacher-training centre offering a nine-month programme to persons with previous teaching experience in the elementary schools of their district. During the year under review, 800 teachers were reported to have attended teacher-training courses in five districts.

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

Dissemination of information on the United Nations

407. The current annual report of the Administering Authority states that the work of the United Nations and the International Trusteeship System is part of the social studies curriculum in elementary and high schools. The UN Monthly Chronicle and the UNESCO Courier are supplied to all school libraries and to public libraries in the Trust Territory.

408. The report further states that other United Nations publications for various grade levels were being received by the Department of Education and distributed to schools in the Trust Territory. United Nations picture and poster sets are also supplied to the schools. Films and filmstrips about the United Nations are available for school use through community development film libraries.

2. Opinions expressed by delegations

General

409. With regard to the development of education, the representative of France said that while substantial efforts had been made in many areas, to which the Special Representative had referred, it did seem that there was still a long way to go, particularly in the areas of primary and secondary education, if young people were to be better adapted to the realities of Micronesian society and culture. His delegation hoped that those problems would be given all necessary attention by the new United States Administration. It also hoped that, as the Council had been assured, the study of requirements would be completed by 1978.

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

1. Outline of conditions

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

411. The Council recognized that the plebiscite in the Northern Mariana Islands in June 1975, held in the presence of a United Nations Visiting Mission, 10/ had been freely and properly conducted and that, in the free exercise of their right of self-determination, the people of the Northern Mariana Islands, by a large majority, had approved the Covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States. The Council noted the assurances given by the Administering Authority that although the Northern Mariana Islands were expected to become self-governing under the Covenant and a local constitution while the Trusteeship Agreement was still in effect, certain provisions of the Covenant would not take full effect until after the termination of the Trusteeship Agreement. It also noted that it was the intention of the United States that the Trusteeship Agreement be terminated simultaneously for the entire Trust Territory.

412. The Council reiterated its recommendation that the Administering Authority should encourage the maintenance of close and friendly contacts between the Northern Mariana Islands and the rest of the Trust Territory.

413. The Council affirmed its conviction that the political unity of the Caroline Islands and the Marshall Islands should be maintained. It recalled its earlier concern about separatist tendencies in Palau and Marshall Islands districts. It noted with satisfaction the commitment of the Administering Authority to the unity of the Caroline Islands and the Marshall Islands, and expressed the hope that the Administering Authority would continue its efforts to persuade the inhabitants of the districts concerned of the advantages of unity.

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

415. The Council noted the provisions, agreed to in June 1976 between representatives of the Administering Authority and of the Congress of Micronesia, of the draft compact of free association. It noted that those provisions made clear that sovereignty resided in the people of Micronesia, that the people of Micronesia had the sovereign right to choose their own future political status and that the people of Micronesia would govern themselves under their own laws

10/ For the report of the Visiting Mission, see Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 2 (T/1771).

and under their own elected Government. It noted the provision of the option of unilateral termination after 15 years, allowing the people of Micronesia to select whatever status they might then choose, including independence. It also noted that no district should be bound by any plebiscite on the draft compact if 55 per cent of those voting in that district voted against the draft compact.

416. The Council considered that the people of Micronesia should be given the fullest opportunity to inform themselves about the provisions of the draft compact of free association in its present form as well as other future political choices, including independence.

417. The Council noted the draft constitution for the proposed Federated States of Micronesia approved by the Micronesian Constitutional Convention in November 1975 and the expressed intention of the Congress of Micronesia that the draft constitution should, in due course, be put to a popular referendum. While not wishing to make any specific recommendations, the Council expressed the hope that the Congress of Micronesia would do its best to ensure that, at such time as the draft constitution was put to a popular referendum, it would be in a form likely to be acceptable to all the districts in the Caroline Islands and the Marshall Islands.

418. The current annual report of the Administering Authority states that the Micronesian Constitutional Convention, consisting of 60 delegates, began its work of 12 July 1975. The Convention, which was charged with the duty of drafting a constitution, completed its task with the signing on 8 November 1975 of a draft constitution for a proposed Federated States of Micronesia. The draft constitution requires ratification by a majority of voters and districts. A referendum on the text is expected to be held in 1977.

419. The annual report further states that negotiations between the representatives of the United States and the Joint Committee on Future Status of the Congress of Micronesia continued during 1975/76 with the objective of achieving a single future political status for the remainder of the Trust Territory.

420. An eighth round of status negotiations took place on Saipan from 28 May to 2 June 1976 between the Joint Committee on Future Status and a United States delegation. On 2 June 1976, a compact of free association had been initialled by the head of the United States delegation and the members of the Joint Committee on Future Status, which provided the following:

(a) Sovereignty would reside in the people of Micronesia;

(b) The people of Micronesia would have the sovereign right to choose their own future political status;

(c) The people of Micronesia would govern themselves under their own laws and under their own elected Government which would have full responsibility for, and authority over, the internal affairs of Micronesia;

(d) All land in Micronesia would belong to, and would be controlled by, Micronesians;

(e) The people of Micronesia would vest in the United States full

responsibility for, and authority over, the foreign affairs and defence matters of Micronesia:

(f) The United States would provide financial assistance to the people of Micronesia in order to advance their economic and social welfare;

(g) The citizens of Micronesia would be given the privileges of a national of the United States;

(h) The United States would have a resident representative in Micronesia and the latter would have a similar resident representative in Washington, D.C.;

(i) Disputes relating to the interpretation or application of the provisions of the draft compact would be resolved by negotiations and, if such negotiations did not result in a mutually satisfactory settlement within a reasonable period of time, the matter might be submitted either to the courts of the United States or to arbitration;

(j) The draft compact would be submitted for approval to the people of Micronesia in a plebiscite. The draft compact would be approved by Micronesia if at least 55 per cent of those voting in the plebiscite voted in its favour, including a majority in at least four of the six states of Micronesia;

(k) The compact might be amended or terminated at any time by mutual consent. After the first 15 years following its entry into force, the compact might also be terminated unilaterally by either party. Thereafter, the Government of Micronesia might terminate the compact unilaterally if at least 55 per cent of the people of Micronesia were to vote in favour of termination in at least two thirds of the states of Micronesia.

421. The annual report points out that the major areas which remain to be resolved are the question of marine resources and the issue which relates to the division of the financial assistance from the United States among the states of a self-governing Micronesia. It was hoped that those issues could be resolved promptly so that the draft compact could be submitted to the Congress of Micronesia and eventually to a plebiscite, to be preceded by an intensive campaign of political education.

422. The annual report further states that the draft constitution and the initialled compact of free association are incompatible in several respects and that, most importantly, both the draft constitution and the compact contain supremacy clauses. It is the view of the Administering Authority that a reconciliation of the two documents could be effected by attaching to the draft constitution a standby clause specifying that certain of its provisions would come into effect only if and when the compact of free association is terminated. The problem of the inconsistency of the two documents remains a subject of discussion. Other modifications of the draft constitution, along the lines suggested in the report of the 1976 United Nations Visiting Mission, 11/ may also be considered.

423. At the forty-fourth session of the Trusteeship Council, Senator Iehsi, Special

11/ Ibid., Supplement No. 3 (T/1774), paras. 423-424.

Adviser, stated that article II, section 1, of the draft constitution declared the constitution to be the supreme law of the Federated States of Micronesia which would become fact upon the adoption of the constitution. That would be and would remain the fundamental expression of Micronesian sovereignty. It was subject to compromise only to the extent that, if the constitution in its adopted form permitted, another instrument such as the draft compact might substitute temporarily the exercise of certain functions by some authority other than the normal one. In that regard, section 101, title I, of the initialled compact in effect "renders the exercise of the responsibilities and rights vested by the compact in the Government of the United States and the Government of Micronesia and its States pre-emptive of the governmental power in specified areas pursuant to any other authority". Thus the two draft documents in their present form were potentially in conflict over that aspect.

424. The current annual report states that during the period under review, separatist tendencies continued to be manifested in Palau and the Marshall Islands districts, and important political leaders in both districts sought to negotiate separate agreements with the United States on future status. The Administering Authority hopes that the political and economic unity of Micronesia can be maintained, and has rejected all such requests for separate negotiations. It is intended that the compact of free association shall be submitted to all the people of Micronesia in a single plebiscite, to be held throughout the Territory.

425. On 3 June 1976, under legislation enacted by the Congress of Micronesia, the Joint Committee on Future Status was replaced by a new Commission on Future Political Status and Transition. Effective 31 July 1976, F. Haydn Williams, the Personal Representative of the President of the United States for Micronesian Status Negotiations, resigned and his deputy, Philip W. Manhard, assumed the role of Acting Representative.

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

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

428. The representative of the United States further said that no formal negotiating sessions had been held since June 1976 between the Micronesian and United States delegations concerning the future status of the Trust Territory. A policy review by the new United States Administration had been completed, and the Administration had invited representatives from the Marshall and the Caroline Islands to participate in a round-table conference with the United States in

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

429. The representative of the United States pointed out that one of the questions that must be resolved before negotiations could be resumed and to which his Government hoped to address itself at the meeting in July 1977 was which body or bodies might negotiate on behalf of the Micronesians. His Government continued to believe that the common interests of the various Micronesian districts and of the United States could best be preserved if it was possible to maintain common links among the districts, and it was working to that end. The problem resulted partially from the refusal of the representatives of the Marshall Islands and Palau to participate in the work of the Commission on Future Status and Transition of the Congress of Micronesia. He said that it was a Micronesian decision to determine the precise form that the common links should take. His Government was optimistic that those matters would be tackled by the Micronesians themselves in the coming months and that they could be discussed at the meeting in July 1977.

430. The representative of the United States said that his Government intended to be responsive in working closely with the Congress of Micronesia and all the districts of the Territory to develop a practical and realistic format which could provide mutually beneficial relations between the districts and at the same time protect the vital interests and concerns of each district. The United States intended to make every reasonable effort to find a commonly acceptable basis for terminating the Trusteeship Agreement by 1981. It was optimistic that, given mutual respect and a constructive spirit of flexibility, conciliation and compromise, as urged by the President of the United States in his message to the Conference in Honolulu, they could achieve that goal. With regard to financial assistance to the Government of Micronesia, which had been referred to at the meeting in Honolulu, it was the view of his Government that the manner in which that assistance by the United States to Micronesia in the post trusteeship period would be shared among the districts was primarily a matter for decision by the Micronesians themselves.

431. At the same session, Senator Iehsi, Special Adviser, asked the Trusteeship Council whether an appropriate United Nations agency could assist Micronesia in developing an information programme for the referendum, and in monitoring the current efforts by the Trust Territory Task Force on Education for Self-Government.

432. The Special Adviser said that it was the position of the Micronesian

representatives that they should also be involved in determining which termination procedure would be followed by the Trust Territory of the Pacific Islands. In that regard, they wished to learn from the Council to what extent Micronesians could be involved in the actual termination process of the Trusteeship Agreement.

433. The Special Adviser further stated that although they preferred that the Trusteeship Agreement end as soon as possible, they still believed that termination depended on the achievement of the goals set forth in the Charter of the United Nations and the Trusteeship Agreement. They did not believe that the termination of the Trusteeship Agreement was or should be dependent upon an arbitrary timetable that did not reflect the progressive development of their people towards the attainment of self-government or independence. Rather than bind them to an arbitrary date, they believed that the year of the termination of the Trusteeship Agreement must take into account the resolution of the major issues of the times. In that connexion, they believed there was still time to bring the initialled draft compact into conformity with the constitution; there was still time to preserve Micronesian unity; there was still time to propose amendments to the constitution and that it was possible to amend the constitution once adopted. They believed there was still time for the rule of law to prevail in Micronesia in a responsive and responsible fashion.

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

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

436. The Special Adviser quoted from a statement by the President of the Senate of the Congress of Micronesia, who at the conference in Honolulu, had stated that

their discussions had dealt very little with basic issues. Nevertheless, they left that meeting very hopeful that what had happened there signalled a new beginning. They had gained some understanding of the new Administration's point of view, and they hoped that many of the representatives of the United States better understood not only their problems but their Micronesian way of approaching those problems.

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

438. The Special Adviser stated that at the conference they had stressed that the rule of law must be followed with regard to the negotiations and the Commission on Future Status and Transition, and concerning the Micronesian delegation to the Third United Nations Conference on the Law of the Sea and issues concerning the law of the sea. They had further stressed that the territory-wide referendum on the constitution of the Federated States of Micronesia which would take place on 12 July 1978 was the appropriate vehicle for the expression of the will of the people of Micronesia with regard to their future relationships, and that lawful procedure must thus be followed. In that connexion, the Congress of Micronesia wished to raise the possibility that it might formally request that representatives of the United Nations - probably of the Security Council - be made available to supervise closely the 1978 referendum throughout the six districts. The purpose of such a request would be to ensure that the United Nations become involved as closely as possible in the process whereby the people of Micronesia collectively determined their future.

439. The Special Adviser said that it had been and continued to be the position of the Congress of Micronesia that all the people of Micronesia should have an opportunity to vote on the draft constitution of the Federated States of Micronesia and that the option of unity should not be foreclosed in any district prior to that opportunity. The insistence that all the people of Micronesia should be provided an opportunity to accept or reject the draft constitution prior to the recognition of any district as a separate entity did not constitute a denial of the right of any district to seek separate status. The Special Adviser believed that the process of self-determination, which had begun at the Constitutional Convention should be completed, and that the entire concept of unity which that Convention had accepted should be presented to the people before other forms of self-determination were explored.

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

441. At the forty-fourth session of the Trusteeship Council, the representative of the United States quoted from a letter transmitted to a number of representatives of the Congress of Micronesia from the Chairman of the Senate Select

Committee on Intelligence of the Congress of the United States. In his letter, the Chairman said that that Committee had investigated allegations about the activities of the Central Intelligence Agency (CIA) in Micronesia which had jeopardized the successful completion of that long series of discussions. Although the Select Committee had not obtained the names of those Micronesians who had unwittingly become involved with the CIA, it was sure that none had been associated with the Joint Committee on Future Status or with the present Commission on Future Political Status and Transition of the Congress of Micronesia. The Select Committee was also certain that the CIA was not acting in Micronesia at the present time. The Chairman of the Select Committee sincerely hoped that a feeling of amity and goodwill would prevail and that the Conference would lead to discussions mutually beneficial to both Micronesia and the United States.

442. The representative of the United States also quoted from a letter dated 16 May 1977 from the Acting Permanent Representative of the United States to the United Nations, addressed to the President of the Trusteeship Council. In his letter, the Acting Permanent Representative said that his Government had taken steps to ensure that no such activities would be conducted in the Trust Territory in the future and that it would fully endorse the view expressed in the statement by the Select Committee to the effect that all parties should make every effort to restore those vital elements of common trust and confidence which were essential to a successful resolution of the negotiations on the future status of the Trust Territory. It was the desire of his Government to base its relationship with Micronesia on mutual trust and open discourse which had traditionally characterized relations between the United States and Micronesia.

443. The representative of the United States referred to a message from the President of the United States which had been transmitted to the Conference in Honolulu in May 1977. In that message, the President had assured the participants that actions by the officials of the United States such as those described in the report of the Select Committee would not occur under his Administration.

444. At the same session, Senator Iehsi, Special Adviser, referring to document T/PET.10/109 submitted to the Trusteeship Council by the President of the Senate and the Speaker of the House of Representatives of the Congress of Micronesia, requested the Council neither to consider nor act upon that petition. He said that several developments had occurred subsequent to the submission of that petition. The Select Committee on Intelligence of the Senate of the United States had conducted an investigation of the matter. They very much appreciated the efforts of the Chairman of the Select Committee and they also acknowledged what they believed to be the very sincere comments of the representative of the United States and the assurances they had received from the President, the United States Secretary of State and others that surveillance activities would not be conducted in the future. Although they welcomed those assurances, they were not entirely satisfied that the present Administration of the United States had taken all the necessary steps to mitigate the distrust and suspicion which the actions of the previous Administration had created.

445. The Special Adviser also stated that the United States had thus far failed to disclose to the leaders of Micronesia any but the most general information concerning its prior surveillance activities. They believed it was essential that Micronesia should receive a more detailed accounting of those activities so that

they could make their own independent judgement on their effect upon the draft compact.

446. The Special Adviser further stated that they believed that progress had been made and that they were hopeful that the problem could be resolved in that manner. Consequently they believed it would be in everyone's best interest if the petition were to be withdrawn.

447. With regard to the question of the Northern Mariana Islands, it will be recalled that the Covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States was endorsed by a plebiscite on 17 June 1976. Following its approval by the Congress of the United States, the President signed the Covenant into law on 24 March 1976 (Public Law No. 94-241).

448. The current annual report states that, pursuant to Secretarial Order No. 2989, the former Mariana Islands District was separated administratively from the Government of the Trust Territory of the Pacific Islands on 1 April 1976.

449. The above Order prescribes the extent and nature of the authority of the Government of the Northern Mariana Islands as it will be exercised by the United States Secretary of the Interior pursuant to Executive Order No. 11021 of the President of the United States, signed on 6 May 1962. It further prescribes the manner in which the relationships of the Government of the Northern Mariana Islands shall be established and maintained with the Congress of the United States, the Department of the Interior and other federal agencies and with foreign Governments and international agencies.

450. The executive authority of the Government of the Northern Mariana Islands is vested in a United States Resident Commissioner appointed by the United States Secretary of the Interior. The Resident Commissioner is assisted in the administration of the Northern Mariana Islands by an executive officer. The first Resident Commissioner was appointed on 16 April 1976.

451. The current annual report states that, in accordance with a bill passed by the Northern Mariana Islands Legislature and approved by the Resident Commissioner, delegates to a Northern Mariana Islands Constitutional Convention were elected on 3 October 1976. The Convention began its meetings on 18 October 1976.

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

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

454. Referring to the constitution, the Special Adviser said that it established

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

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

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

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

458. At the same session, Mr. Canham, Resident Commissioner and Special Representative, stated that it was important to remember that the separation of the administration of the Northern Mariana Islands from the Trust Territory Administration had nothing whatever to do with its relationship with the Trusteeship Council. The separation was an internal matter, and the Government of the Northern Mariana Islands was still part of the Administering Authority and would remain so. However, it was most gratifying to be able to report that steady rapid progress was being made towards constitutional self-government. The Special Representative further stated that the first elected constitutional officers would be chosen later in 1977 and would take office in 1977 or early 1978. The status of the Northern Mariana Islands had been carefully negotiated by chosen representatives of its people. They had ratified it by an overwhelming vote and had elected the delegates to their own Constitutional Convention. They had drafted their own constitution, and had adopted it by another overwhelming vote. The separate administration and the constitutional Government in the Northern Mariana Islands had enabled its people to find their identity and to build stable institutions for their future.

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

social Adviser, referring to the question of the unity of Micronesia, the members of the Trusteeship Council were fully aware that the desire for the separation of the Northern Marianas Islands from the other parts of the Trust Territory and for the institution of self-government and the ratification of the Trusteeship Agreement had started as early as 1950. Plebiscites had been conducted to determine the wishes of the majority. The people of the Northern Marianas had consistently voted in favour of becoming associated with the United States. The last plebiscite, in 1975, had 78 per cent of the people were in favour of commonwealth status in association with the United States.

The social Adviser further said that, given such an overwhelming desire by the people of the Northern Mariana Islands to join the United States political system, the fact of administrative separation and eventual integration of the Northern Mariana Islands as a commonwealth of the United States had become a foregone conclusion. He shared the view of the United States Government that the separate consideration of the Northern Mariana Islands was within its authority to

In that connexion, the movement of the Northern Mariana Islands to become a permanent part of the United States had been accepted by the Congress of

The social Adviser pointed out, however, that it had been and continued to be a pre-eminent desire and public policy to engender, advance, and foster further friendly social co-operation among all the districts of the Trust Territory of the Northern Mariana Islands in order to strengthen, nurture and perpetuate the local bonds of friendship and common heritage which had been forged and maintained over the past 100 years.

2. Opinions expressed by delegations

The representative of France expressed the satisfaction of his delegation at the interest shown by the new Administration of the United States with regard to the future of the Trust Territory. That the decisive stage had not yet been reached concerning the future status of Micronesia, was no doubt owing to the fact that a new team needed time for reflection before determining the guidelines for policy. His delegation had however noted the determination expressed by the Steering Authority to shed new light on the way in which it envisaged the future of the Territory. In that connexion, the French representative recalled the statement of the United States delegation at the Conference in Honolulu that it had not excluded the possibility of talks leading to forms of association other than free association, including independence, if that were the wish of the peoples of Micronesia.

The French representative said that his delegation was pleased to see that the progress of the Northern Mariana Islands had been made since the forty-third session of the Trusteeship Council in granting effective autonomy to that Territory.

It seemed essential to continue the efforts already undertaken with regard to the political education of the people of the Territory. It seemed necessary that, everything possible should be done, inter alia, culturally and economically, to maintain the fruitful relations of common concerns.

The representative of France said that although there were still some questions in regard to the Caroline and Marshall Islands, the conference held

in Honolulu in May 1977 seemed to portend developments more favourable than could have been hoped for until recently. The French delegation was gratified at the way in which that conference had taken place. The representatives of the Congress of Micronesia and the petitioners had stressed its importance. In those conditions, the French delegation could not but express the hope that those discussions would resume shortly, and that they would lead to formal negotiations as quickly as possible. In referring to the wishes of the Administering Authority to terminate the Trusteeship Agreement in 1981, the French delegation believed that it was in meetings between the Administering Authority and Micronesians that the intentions and aspirations of the two sides could best be examined and that it would be possible to achieve a formula acceptable to all, taking into account the diverse interests of each side.

466. In noting the wishes expressed by certain petitioners, which confirmed the separatist tendencies existing particularly in the Marshall Islands and Palau, the representative of France said that the Trusteeship Council was already aware of the situation. According to what the Council had been told, the separatist tendencies derived from the determination to safeguard economic interests and the fear that a central administration would be imposed which would be too burdensome and too costly. It was not for the Council to impose any conclusion; at the very most it could suggest that anything militating in favour of a certain form of unity among the districts should be encouraged. But, the final word had to come from the peoples themselves.

467. The French representative noted that the United States delegation was convinced that free association provided the most promising basis for ensuring a mutually satisfactory relationship between the United States and the Trust Territory. However, in the view of his delegation, all the options, including independence, had to remain open. On that point, Article 76 of the Charter and article 6 of the Trusteeship Agreement were totally unambiguous. But it was not for the delegation of France to tell the Micronesians what status would best suit their future, when the Administering Authority itself willingly recognized the entire scope of the principle of self-determination.

468. The representative of France said that the Council had witnessed the atmosphere of understanding and friendly trust that had been established between the Administering Authority and the Micronesians. His delegation had had every reason to believe that that atmosphere would not change in the future. Further meetings would lead to formal negotiations which would be beneficial to everyone and should promote the final development of a status acceptable to all the peoples of the Territory.

469. Referring to the internal evolution of the Marshall and the Caroline islands, the French representative said that the adoption of a draft Micronesian Constitution by the Convention held in the Territory was a further step towards the achievement of autonomy. In that respect, his delegation supported the United States request that a visiting mission of the Trusteeship Council be sent to the Territory to supervise the constitutional referendum and the period of political education that would precede it.

470. The representative of the United Kingdom said that at the forty-third session of the Trusteeship Council, her delegation had suggested three major tasks to be completed before the end of the Trusteeship; the people of Micronesia

must decide upon the form of political organization they wished to adopt at the termination of the Trusteeship Agreement and their future relationship with the United States: an administration had to be set in place adapted to the conditions likely to prevail in Micronesia at the end of the Trusteeship; and substantial progress had to be made towards self-sufficiency, since self-government was meaningless without some measure of economic independence.

471. The United Kingdom representative stated that the Administering Authority had envisaged 1981 as the date for the termination of the Trusteeship Agreement which was now only four years away. Yet many difficult and controversial problems remained on both the political and the economic fronts. It would be true to say that none of the three major tasks outlined by her delegation at the preceding session was near completion. Her delegation was conscious that it might be difficult to make any significant progress on the second and third tasks, administrative and economic restructuring, until the first task which was agreeing on the form of political organization had been completed.

472. The representative of the United Kingdom said that the separatist trends recorded in the report of the 1976 Visiting Mission and in the previous report of the Council continued to develop. The negotiations regarding a single future political status for the remainder of the Trust Territory in the form of a compact of free association with the United States appeared to have stalled since June 1976, when the agreed sections of the draft had been initialled, leaving the controversial issue of maritime resources unresolved. There was also the complication of possible conflict between the compact of free association and the draft constitution for Micronesia. The representative of the United States had confirmed that the concept of free association was in fact incompatible with the separate statehood envisaged in the draft constitution.

473. The United Kingdom delegation had studied the written petitions and listened to the statements before the Trusteeship Council of petitioners from Palau and the Marshall Islands who had expressed strong opposition to the draft constitution and had urged that they, like the people of the Northern Mariana Islands, should be allowed to pursue a different course or even, upon the termination of Trusteeship, to sever all constitutional connexion with the other districts.

474. The delegation of the United Kingdom still believed as a matter of principle that the retention of some degree of unity after the ending of the Trusteeship Agreement would be in the general interest of the people of Micronesia. However, it also recognized, as stated in the report of the 1976 Visiting Mission, that that principle, having been taken into account, it was for the Micronesians themselves to define the nature of their future relations with each other. The Visiting Mission had recognized that certain geographical, cultural and linguistic realities could not be overlooked in considering these problems. The United Kingdom delegation would deeply regret, but would not ultimately oppose, separate status for the Marshall Islands or Palau, any more than it had opposed separate status for the Northern Mariana Islands, if it were proved by democratic process. But it believed that before so serious a step was contemplated, further negotiations should take place between the various parties.

475. Further, the United Kingdom delegation believed that the time had come to be realistic about the draft constitution for Micronesia. There were increasing indications that that draft was, in its present form, unlikely to prove acceptable to the people of either Palau or the Marshall Islands. It recalled that the 1976

Visiting Mission had suggested, in the interest of preserving the unity of the Trust Territory, a fairly flexible federative formula with a central government exercising its authority in matters of common interest but delegating to districts more extensive powers than those which they had under the present system of administration. The Mission had expressed the view that if the draft constitution were amended on those lines it would perhaps be possible to prevent the Territory from breaking up.

476. The United Kingdom delegation observed that since the 1976 visit of the Mission, there had been further separatist developments in Palau and the Marshall Islands which were engaged in drafting constitutions designed for separate status from the rest of Micronesia. The statements by the petitioners from those two districts had suggested that positions were hardening. In the view of the United Kingdom delegation, it was a matter of the utmost urgency that all the peoples of Micronesia should work together to see whether a constitutional structure could not be devised which would ensure the benefits of unity and also meet the understandable concerns of some of the districts as they had been explained to the Council. Such a constitutional structure would preserve some measure of territorial unity while allowing considerable autonomy to the districts and safeguarding the position of the minorities. A constitution on those lines would have the additional advantage of reducing the costs of the present centralized structure.

477. The United Kingdom delegation welcomed the fact that the Honolulu Conference was to be followed by a further series of talks between the United States and Micronesia, on a bilateral as well as a multilateral basis. It was also encouraged and impressed by the statement of the representative of the United States to the Trusteeship Council which described the spirit in which the new United States Administration would address itself to the problems of Micronesia.

478. The delegation of the United Kingdom said that that new open-minded approach gave ground for hope that a compromise solution would be reached. But whatever the final outcome, the United Kingdom delegation realized that it was important to resolve those issues one way or another as soon as possible. It would seem imperative to resolve the serious differences between the component districts of Micronesia as far ahead of 1981 as possible, because it would be a recipe for trouble to leave smouldering minority grievances to be resolved by a newly emergent state. There was also the practical problem that still remained to be done to prepare the Territory for its future status and failure to agree upon the eventual constitutional structure must seriously hamper even the formulation of political and economic programmes let alone their implementation.

479. The representative of the Union of Soviet Socialist Republics said that after 1960, when the United Nations General Assembly had adopted the historic Declaration on the Granting of Independence to Colonial Countries and Peoples, major victories had been won for the final elimination of the last remnants of colonialism. The peoples of Fiji, Papua New Guinea, Western Samoa, Tonga and Nauru were building their future as independent States. Against those changes as a background, continued control by the United States over the last remaining Trust Territory was a clear anachronism. The restructuring of the whole system of international relations in the world, and the irreversible move to improve the political atmosphere presupposed also the elimination of the Trusteeship System as one of the manifestations of colonialism, the liberation of the oppressed peoples from the yoke of colonial dependence and the achievement of the full implementation of the Declaration.

480. The Soviet Union representative stated that an analysis of the information submitted to the Trusteeship Council, and the statements by members of the Congress of Micronesia and by the petitioners gave a clear idea of what was happening in the Territory and showed that there were barriers in the way to the exercise by the people of Micronesia of their legitimate and inalienable right to self-determination and independence. At the preceding session of the Council, the Soviet delegation had been compelled to observe that the Administering Authority was continuing to avoid fulfilling the responsibilities which it had voluntarily accepted under the Charter and the Trusteeship Agreement. At the current session, members of the Council had expressed the unanimous view that Micronesia had entered a decisive stage of its development.

481. The representative of the Soviet Union maintained that under those conditions, the activities of the Administering Authority should be directed towards strengthening and developing the authority of the existing organs of the indigenous people, extending the mandate and strengthening the influence of the Congress of Micronesia uniting the island groups into one whole by adopting legislative and administrative measures as provided for in the Trusteeship Agreement. The present situation was, however, far from satisfying those requirements and the logic of the activities by the Administering Authority in the period under review could be understood only in a colonial context. A number of new measures had been taken during that period which essentially, no matter how they were presented by the Administering Authority, were directed towards maintaining United States domination over the Territory and further turning it into a United States military and strategic base. The threat to Micronesia's future, unity and territorial integrity had grown greater as a result of those actions.

482. The representative of the Soviet Union said that disregarding the will of the majority of the population to maintain the unity of the Territory, demonstrated during the referendum of 1975, the Administering Authority, after the illegal manipulations in respect of the Northern Mariana Islands, had intensified its efforts to fragment the Territory. In Palau and the Marshall Islands, where "referendums" had been carried out, separatist tendencies were being actively encouraged and commissions to hold separate status talks with the Administering Authority had been established. At the same time, those who had been in favour of strengthening the unity of the Trust Territory and of true self-determination had been opposed by a hostile campaign.

483. The representative of the Soviet Union stated that as could be seen from the documents submitted to the Trusteeship Council, the CIA had, for a considerable period, been carrying out subversive activities in the Territory against the Congress of Micronesia and the forces that favoured independence, and the maintenance of the territorial integrity of Micronesia. According to the Micronesians who had spoken in the Council, "tragic" and scandalous operation had been carried out for the purpose of exerting covert influence on key elements of the Micronesian independence movement and where necessary on other elements in the area to promote and support strategic objectives of the United States.

484. The Soviet Union stressed once again the inadmissibility of such actions, for which responsibility lay completely with the Administering Authority. It took note of the explanation given by the representative of the Administering Authority about the attitude of the new United States Administration to the

illegal activities of agencies of the Government of the United States in the Trust Territory. It also took note of the assurances given by the Administering Authority that, the illegality of those actions having been exposed, they would not be repeated in future. At the same time, it was noteworthy that such declarations had not been accompanied by information about specific measures to halt that kind of illegal activity. In those circumstances, the Soviet Union did not see what the real guarantees were against a repetition of such actions in the future. It should be recalled that it was a question not only of an unhealthy political action but also a direct and flagrant violation of the human rights and fundamental freedoms of the Micronesians that subjected those rights to the selfish interests of the Administering Authority.

485. The Soviet Union representative stated that, as had been reported to the Trusteeship Council by representatives of the Congress of Micronesia, the Administering Authority had avoided stating its official position on the key questions concerning the future of Micronesia, the unity of the Territory and the draft constitution, and was delaying the talks with the Commission on Future Political Status and Transition established by the Congress of Micronesia. Instead, the United States was dragging out talks with representatives of individual districts which only intensified division among the Micronesians. While the Administering Authority offered those talks as its new approach to resolving the problem, the new and open approach meant, in fact, intensifying the efforts to divide and fragment Micronesia. It was no chance that those talks, despite the many warnings given in the Trusteeship Council and the General Assembly, had been carried out between unequal parties without the participation of the United Nations.

486. The delegation of the Soviet Union felt that it must state again that the correct and just path for Micronesia was described in the Charter, the Trusteeship Agreement and the Declaration on the Granting of Independence to Colonial Countries and Peoples. In the fulfilment of its responsibilities, the Administering Authority must take urgent measures to solve the problems facing the Territory. It must promote the Territory's progress in all areas, including progress towards self-government and independence. The Trusteeship Council must firmly condemn any attempts to fragment the Territory and impose on an individual part of the Territory a different status of dependence on the United States.

487. The Soviet delegation affirmed that it was unacceptable to the Soviet Union for the Administering Authority to take any measures to fragment the Trust Territory nor could it accept any other unilateral actions by the United States. Under the United Nations Charter, only the Security Council could solve the question of the political future of the Trust Territory, including the question of changing the situation of a particular integral part of that Trust Territory.

488. The delegation of the Soviet Union responded with sympathy to the struggle of the Congress of Micronesia to strengthen the unity and the development of the Territory along the path to self-determination. It supported the people of the Territory who were calling for rapid implementation of the tasks involved in the Trusteeship System and the solution of other vital problems affecting their country. The Soviet Union was convinced of the need for the people of Micronesia, as for the peoples of other colonial Territories, soon to exercise their inalienable right to self-determination and independence, and it was willing actively to further that exercise. That was a principle of its foreign policy and it had been followed by the Soviet Union throughout the 60 years of its existence

and it remained its standard for the future. That policy had been confirmed recently in the new draft Constitution of the Soviet Union which stated:

"The Soviet State consistently follows the Leninist policy of peace and supports the strengthening of the security of peoples and broad international co-operation. The foreign policy of the USSR is directed towards ensuring favourable international conditions for the construction of communism in the USSR, the strengthening of the position of world socialism, support for the struggles of peoples for national liberation and social progress and for the prevention of aggressive wars and consistent implementation of the principle of the peaceful coexistence of States with different social systems."

G. CONCLUSIONS AND RECOMMENDATIONS

489. At its 1469th meeting, on 23 June 1977, the Trusteeship Council adopted the following conclusions and recommendations.

GENERAL

Population movements

490. The Trusteeship Council is pleased to note the progress made in 1976/77 on the long-standing issues relating to displaced population groups in the Marshall Islands District.

491. The Council notes that funds for the Bikini aerial radiological survey were approved by the Congress of the United States and made available in the supplemental appropriation 1977/78, approved by the President on 4 May 1977. It also notes that ERDA is committed to provide funds for the necessary research and analysis. The Council further notes the statement of the Administering Authority that planning for the survey is under way which it is hoped will begin in September 1977.

492. The Council notes that the United States Department of the Interior submitted a request for funds for the rehabilitation and resettlement part of the Enewetak project to the Congress of the United States early in 1977. It notes with satisfaction that an initial increment of \$4 million has been approved in the supplemental budget for 1977/78, and that the balance of some \$8.4 million has been included in the 1978/79 budget. The Council notes the statement by the Special Representative of the Administering Authority, made at the Council's current session that approval of, and final action by, the United States Congress on the 1978/79 budget is expected very shortly. It further notes that the Defense Nuclear Agency has started the first phases of the clean-up of Enewetak and that the Department of the Interior and the Government of the Trust Territory will soon begin the initial phases of the rehabilitation work.

493. The Council notes with satisfaction the progress made in regard to the question of compensation for Rongelap and Utirik. It notes the report made by the Administering Authority at the current session that an ex gratia compensation bill has been presented to the Congress of the United States by the Department of the Interior as part of its 1977/78 budget proposal. The Council further notes that both the House and the Senate Appropriation Committees of the Congress of the United States have recommended approval of the ex gratia compensation and authorization. It also notes that the United States House of Representatives has passed authorization legislation which is scheduled to be presented in June to the Senate whose approval is anticipated. The Council notes that, with final approval of the 1978/79 budget, the compensation bill can be implemented by the Department of the Interior.

War and post-war damage claims

494. The Trusteeship Council reiterates its previous recommendations that the necessary steps for the final settlement of war damage claims should be taken quickly. It notes that all the authorizations for the payment of funds allocated

by the 1971 law have been granted and the final payments made. The Council is gratified to note that the Congress of the United States is considering a bill authorizing full payment of the 50 per cent of the Title I awards and full payment of the Title II awards. It notes with satisfaction that the United States House of Representatives has already passed the bill and expresses the hope that the Senate will also act favourably on it.

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

POLITICAL ADVANCEMENT

Territorial Government

Legislature

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

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

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

Executive

499. The Trusteeship Council notes with satisfaction the steady increase in the number of Micronesian citizens in senior executive posts; it is to be welcomed that the percentage of expatriate and United States civil service personnel in government employment in the Trust Territory has decreased, both absolutely and relatively. The Council commends the report by the High Commissioner that, of the 35 positions in the Trust Territory Government subject to the advice and consent of the Congress of Micronesia (department heads, their deputies, district administrators,

their deputies and special officers performing certain functions), only 6 positions are now held by United States nationals; 21, or 62 per cent, are held by Micronesians; and 8, or 22 per cent, are vacant at the moment. The Council reiterates its earlier appeals that this trend towards "micronization" at the executive level should continue.

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

District government

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

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

Decentralization

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

Judiciary

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

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

ECONOMIC ADVANCEMENT

General economy

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

507. The Council welcomes the adoption by the Congress of Micronesia of the five-year indicative development plan and its approval by the Administering Authority. It hopes that the economic policy followed in the Trust Territory will be in keeping with the objectives of the plan and that the necessary means - especially financial means - for its implementation will be available.

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

Public finance

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

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

Assistance from international institutions

511. The Trusteeship Council again expresses the hope that the Trust Territory will continue to develop its contacts with, and involvement in, international and regional bodies for developmental assistance. It notes with satisfaction that a request for assistance from WFP is being prepared.

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

Credit

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

Land

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

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

Agriculture and livestock

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

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

Marine resources

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

Third United Nations Conference on the Law of the Sea

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

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

Tourism

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

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

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

Transport and communications

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

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

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

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

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

Proposal for a super-port at Palau

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

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

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

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

Co-operatives

533. 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.

SOCIAL ADVANCEMENT

Medical and health services

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

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

Labour

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

Housing

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

Public safety

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

EDUCATIONAL ADVANCEMENT

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

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

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

CONSTITUTIONAL DEVELOPMENTS AND PROGRESS TOWARDS SELF-GOVERNMENT OR INDEPENDENCE

542. 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 of the United Nations and the Trusteeship Agreement.

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

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

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

the fact that the parties agreed to hold a further meeting not later than July 1977 to continue these discussions.

546. Like the 1976 Visiting Mission, the Council does not wish to make precise recommendations on the future status best suited to the Caroline Islands and the Marshall Islands, or to commit itself on the question of free association. It simply notes that the status of free association at present under consideration, if endorsed by the population, would not be inconsistent with the aims of the Trusteeship Agreement. In this context, the Council notes that free association might have the advantage of providing a transitional period that would allow the people time to evaluate the relationship; it would also provide time for further economic development while keeping open the possibility of altering their political status at a future date.

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

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

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

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

551. The Council notes the statement by the representative of the United States that the constitution is now under review in Washington, D.C., in accordance with section 202 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America and that, unless it is rejected as a result of that review, it will be deemed fully approved not later than 23 October 1977.

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

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

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

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الأمم المتحدة ، قسم البيع في نيويورك أو في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
