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REPORT OF THE TRUSTEESHIP COUNCIL TO THE SECURITY COUNCIL
ON THE TRUST TERRITORY OF THE PACIFIC ISLANDS
(23 June 1973-14 June 1974)

SECURITY COUNCIL

OFFICIAL RECORDS

TWENTY-NINTH YEAR
SPECIAL SUPPLEMENT No. 1

UNITED NATIONS
New York, 1974



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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. ACTIVITIES OF THE TRUSTEESHIP COUNCIL WITH RESPECT
TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS

A. EXAMINATION OF THE ANNUAL REPORT

2. The report of the Government of the United States of America on the administration of the Trust Territory of the Pacific Islands for the year ending 30 June 1973 ^{1/} was transmitted to members of the Trusteeship Council on 24 May 1974 by a note of the Secretary-General (T/1752) and placed on the agenda of the Council at its forty-first session.
3. The Trusteeship Council began its examination of the annual report at the 1422nd meeting, held on 4 June 1974. The representative of the United States and the Special Representative of the Administering Authority, Mr. Edward E. Johnston, High Commissioner of the Trust Territory, made opening statements. Senator Wilfred Kendall and Representative Joab Sigrah, members of the Congress of Micronesia, who served as special advisers to the United States delegation, also made statements.
4. At the 1423rd to 1425th meetings, on 5 and 6 June, questions were put to the representative of the United States, the Special Representative and the special advisers by members of the Trusteeship Council. At the 1426th meeting, on 7 June, the Council held a general debate on conditions in the Trust Territory.
5. At the 1427th meeting, on 10 June, the representative of the United States, the Special Representative, and Senator Kendall and Representative Sigrah, special advisers, made closing statements. At the same meeting, the Council appointed a Drafting Committee on the Trust Territory of the Pacific Islands, composed of the representatives of France and the United Kingdom of Great Britain and Northern Ireland, 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.
6. At its 1429th meeting on 14 June, the Trusteeship Council considered the report of the Drafting Committee (T/L.1187) and adopted the conclusions and recommendations contained therein. The Council, on the recommendation of the Drafting Committee, also adopted the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1185 and Add.1) as the basic text for the relevant sections to be included in its report to the Security Council.

^{1/} Twenty-sixth Annual Report to the United Nations on the Administration of the Trust Territory of the Pacific Islands, 1 July 1972 to 30 June 1973. 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 8758. International Organization and Conference Series 112. Superintendent of Documents, Government Printing Office, Washington, D.C.).

and decided to include the conclusions and recommendations at the end of each appropriate section. The Trusteeship Council adopted the report of the Drafting Committee by 3 votes to none, with 2 abstentions.

7. In explanation of her 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 contained in the report inasmuch as those conclusions and recommendations were directed to the Administering Authority. She assured the Council, however, that the conclusions and recommendations would be studied very carefully and that they would be given full consideration by the Administering Authority and the Government of the Trust Territory.

8. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that his delegation had abstained in the vote because it could not agree with some of the conclusions and recommendations contained in the report and it considered that the report did not contain concrete recommendations on the main questions concerning the attainment of self-government and independence by the Territory.

9. In the view of the delegation of the Soviet Union, the separate talks between the United States and the Mariana Islands, designed to separate those islands from other parts of Micronesia and to incorporate them with the United States, could not be considered as legitimate and as being in accordance with the wishes of the overwhelming majority of the population of Micronesia, the Charter of the United Nations and the decisions of the United Nations. The Soviet Union delegation considered that the report did not give a proper evaluation of the nature of the talks between the Administering Authority and the representatives of Micronesia. Those talks were conducted in unequal conditions and in secrecy, which made it possible for the Administering Authority to exert pressure on the representatives of Micronesia. The report minimized the role of the Congress of Micronesia in general and in particular in the talks on future status.

10. The Soviet Union delegation further considered that the report did not reflect in a sufficiently objective manner the situation in the economic, health and educational fields, which remained unsatisfactory. Finally, the Soviet Union delegation could not consider that the Administering Authority had taken adequate measures concerning either the transfer of responsibility to Micronesian organs or the access of Micronesians to important posts in the Administration.

11. The Trusteeship Council considered its draft report to the Security Council (T/L.1188) at its 1429th meeting, in the course of which it agreed to include in the appropriate sections of the report the observations of members of the Council reflecting their individual opinions. At the same meeting, the Council adopted the draft report by 4 votes to none, with 1 abstention.

12. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that his delegation had abstained in the vote for the same reasons which prompted it to abstain in the vote on the Drafting Committee's report.

B. EXAMINATION OF PETITIONS

13. During the examination of the annual report on the Trust Territory of the Pacific Islands (see T/1752) at its forty-first session, the Trusteeship Council heard three petitioners. The petitioners' requests for oral hearings had been circulated in documents T/PET.10/82 and T/PET.10/84.

14. At its forty-first session, the Trusteeship Council had before it 25 communications which had been circulated in documents T/COM.10/L.111 to T/COM.10/L.135, under rule 24 of the rules of procedure of the Trusteeship Council. In addition, two other communications, one from Nanyo Boski Kaisha, Ltd., Tokyo, and the other from Peter Fisher Trading Pty., Ltd., Sydney, were brought to the attention of members of the Council.

15. The Trusteeship Council examined these communications at its 1425th meeting, on 6 June, and decided, without objection, to take note of them. A further communication was subsequently circulated in document T/COM.10/L.136. The Council, at its 1429th meeting, on 14 June, considered this communication and decided, without objection, to take note of it.

16. The Trusteeship Council also examined the following written petitions which had been circulated in accordance with rule 85, paragraph 1, of the Council's rules of procedure:

(a) A petition (T/PET.10/80) from Mr. Felipe Q. Atalig, Representative, Congress of Micronesia, requesting a special session of the Trusteeship Council. The observations of the Administering Authority on this petition were circulated in document T/OBS.10/41;

(b) A petition (T/PET.10/81) from the Saipan Chamber of Commerce concerning the oil embargo;

(c) A petition (T/PET.10/83) from Ms. Mary Bye, Friends Peace Committee, concerning the refusal of the District Administrator of Saipan to organize a plebiscite on the island of Tinian.

17. At its 1425th meeting, on 6 June, the Trusteeship Council decided, without objection, to draw the attention of the petitioners to the observations of the Administering Authority and to the statements made by members of the Council at that meeting.

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

A. GENERAL

1. Outline of conditions and recommendations adopted by the Trusteeship Council

Land and people

18. 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 3 million square miles of the western Pacific, north of the Equator. The islands and atolls of the Trust Territory have a combined land area of approximately 716 square miles.

19. According to the 1973 census, the resident population of the Territory totalled 114,973, compared with 114,600 at June 1972. The distribution of the population in the six districts of the Trust Territory was as follows: Mariana Islands, 14,335; Palau, 12,674; Yap, 7,869; Truk, 31,600; Ponape, 23,251; and Marshall Islands, 25,044.

20. For administrative purposes, the Territory is divided into six districts: Palau, Yap, Truk, Ponape (within the Carolines), the Marshall Islands and the Mariana Islands. Saipan in Mariana Islands District is the provisional headquarters of the Administration.

21. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukunoro 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

22. At its fortieth session, the Trusteeship Council noted the assurance given by the Administering Authority that Bikini Atoll was safe for human habitation. It noted further that the rehabilitation programme for the former residents of Bikini Atoll was continuing on schedule, but urged the Administering Authority to bear in mind that the Bikinians would need to receive economic, social and technical assistance for some time after they had been resettled.

23. The Trusteeship Council also noted that preliminary planning for the return to Eniwetok of the Marshallese now living on Ujelang was in process and that the Administering Authority had undertaken to provide a more specific report on this project to the Council at its forty-first session. It emphasized its concern that the inhabitants of Eniwetok should be repatriated as soon as practicable and welcomed the recent decisions to cancel the Pacific Atoll Cratering Experiment (PACE) as facilitating their resettlement.

24. In the annual report under review (see T/1752), covering the period from 1 July 1972 to 30 June 1973, the Administering Authority stated that it expected to begin resettlement of Bikini in the fiscal year 1974 (1 July 1973 to 30 June 1974), subject to acceptance of living accommodations and conditions by the former residents who were participating actively in the final preparation of homesites for the proposed resettlement.

25. According to the current annual report of the Administering Authority, the Administration remains committed to its previously announced intention to return to Trust Territory jurisdiction the islands in the Eniwetok Atoll; rehabilitation of Eniwetok is subject to continuing review by officials of the Government and the people of Eniwetok now residing at Ujelang.

26. The representative of the United States informed the Trusteeship Council at its forty-first session that the United States Government had agreed to make an *ex gratia* payment to the people of Bikini. The exact amount of the payment was under review in the Executive Branch of the United States Government and should have the approval of the United States Congress. The United States would seek to expedite the matter as much as possible.

27. The Administering Authority transmitted to the Trusteeship Council a report on the plans for the return of the former inhabitants of Eniwetok to their home islands. According to the report, a preliminary atoll master plan, including planning for housing, economic development and agricultural replanting, was presented to the Eniwetok people and the Marshall District Administration in October 1973, and was discussed with the Eniwetok Planning Council which was elected by the Eniwetok people within their community at Ujelang. Subsequently, a rehabilitation budget was prepared by the Trust Territory Administration and submitted for approval.

28. A radiological survey was completed by the Atomic Energy Commission in 1973 and submitted to the Trust Territory Administration and the Eniwetok population in April 1974. The publication of the radiological survey did not terminate the monitoring or evaluation of base assessment of the atoll by the Atomic Energy Commission which is a continuing process to be carried on into the post clean-up phases of the programme. The rehabilitation, construction and planning programme is scheduled to begin in July 1976, and to be completed in mid-1978.

29. At its forty-first session the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes the assurances given by the Administering Authority that, as the Bikinians prepare to return to their ancestral home, they have been given all the necessary guarantees concerning the safety of Bikini Atoll. It welcomes with satisfaction the promise made by the United States that it will in principle grant financial compensation to the population of Bikini.

War damage claims

30. 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.

31. 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 thousand million yen, then computed at the equivalent of \$5 million. 2/ The United States, for its part, agreed to establish a fund in the amount of \$5 million.

32. 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.

33. 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.

34. Following the organization of the Micronesian Claims Commission, a one-year period for the filing of claims was established, beginning 16 October 1972.

35. At its fortieth session, the Trusteeship Council noted the statement of the representative of the Administering Authority that every effort was being made to settle the claims as quickly and as fairly as possible and, in this connexion, noted in particular that there was currently an amendment to the Micronesian Claims Act before the United States Congress which would further expedite the early payment of claims.

36. The current report of the Administering Authority states that the Claims Commission continued to publicize the programme and to give assistance in the filing of claims before the statutory filing deadline of 15 October 1973. All Trust Territory islands were visited by Micronesian representatives of the Claims Commission who explained the provisions of the Act and helped individuals to file their claims. The Claims Commission received 7,071 claims.

37. The report further states that, prior to the deadline filing date, the Claims Commission began developing and adjudicating claims, resulting in the issuance of 150 decisions among which were awards under Title I of the Act for claims based on the deaths of 36 persons during the Second World War.

2/ The local currency is the United States dollar (\$US).

38. Among its decisions, the Claims Commission determined that claims for forced labour performed during the hostilities between the Governments of Japan and the United States were compensable under Title I of the Act; it issued the first award for this type of loss.

39. At the forty-first session of the Trusteeship Council, the Special Representative stated that the total number of claims filed with the Micronesian Claims Commission was 10,648. As at 10 May 1974, decisions had been made in 1,550 cases.

40. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes the statement by the Administering Authority that the first payments were made in October 1973. It expresses the desire that priority will be given to the study of those claims which seem to be the most urgent and that the payment procedure will be accelerated. The Council recalls once again that it is now nearly 30 years since hostilities ceased in this region and that fair compensation must be paid without delay to those who were victims of hostilities.

2. Observations of members of the Trusteeship Council
representing their individual opinions only

Population movements

41. The representative of Australia expressed the continuing interest of his country in the progress being made towards returning Bikini and Eniwetok to their peoples. He said that the closing of this chapter of nuclear testing would be especially welcome to the peoples of the Pacific generally.

B. POLITICAL ADVANCEMENT

1. Outline of conditions and recommendations
adopted by the Trusteeship Council

General political structure

42. **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.**

43. 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.

44. 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.

45. 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.

46. In a policy statement made on 23 January 1974, the United States Secretary of the Interior said that the United States Congress had approved funds for a Micronesian constitutional convention and would give whole-hearted support to its organization. The convention would provide Micronesians with the responsibility to draw up a blueprint of their future Government and society. The development of this fundamental instrument was an essential part of the efforts towards self-government. The Secretary of the Interior was confident that the Congress of Micronesia would act rapidly to make the constitutional convention a reality.

47. At its second regular session in February/March 1974, the Congress of Micronesia enacted a law calling for a constitutional convention for the Trust Territory, prescribing its powers, duties and functions. This bill was signed into law at the end of March 1974. The convention will consist of 60 delegates: 6 will be members of the Congress of Micronesia, appointed by each district's congressional delegation; 12 will be traditional leaders of Micronesia, 2 from each district; and the remaining 42 will be elected directly by popular vote.

48. The Special Representative informed the Trusteeship Council at its forty-first session that the election of delegates to the constitutional convention was held on 4 June 1974. All six districts of the Trust Territory elected delegates to the convention. The remaining 18 delegates would be appointed not later than 30 June 1974. The President of the Senate and six delegates selected from each of the districts would constitute a preconvention committee. The committee was expected to begin its deliberations shortly after 30 June 1974.

Territorial Government

Legislature

49. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate has 12 members, 2 from each district elected at large for four-year terms. The House of Representatives has 21 members elected for two-year terms from single-member election districts. Each of the six administrative districts is divided into election districts of approximately equal population. The present apportionment of representatives is as follows: Yap, two; Palau, three; Mariana Islands, three; Ponape, four; Marshall Islands, four; and Truk, five.

50. 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.

51. The first general election took place in January 1965, and subsequent general elections have been held biennially in each even-numbered year. The sixth general election will take place in 1974.

52. 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 District 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 two districts where they exist, are strictly voluntary associations of community members with common interests.

53. 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.

54. The Congress of Micronesia has power to appropriate funds available from revenues raised pursuant to territorial tax and revenue laws and to review and make programme priority recommendations on the High Commissioner's proposed annual requests for funds to be appropriated by the United States Congress. Secretarial Order No. 2918, as amended, provides that, before the High Commissioner finally submits the annual requests for United States funds on behalf of the Government of the Territory to the United States Secretary of the Interior, he must present a preliminary budget plan to the Congress of Micronesia for its review and for its recommendations on those portions of the plan which relate to expenditure of funds to be appropriated by the United States Congress. The High Commissioner must transmit to the Secretary of the Interior any recommendations of the Congress which he does not adopt. The Congress may take whatever action it deems advisable on the request of the High Commissioner for appropriations of locally derived revenue.

55. According to Secretarial Order No. 2918, as amended, the High Commissioner has the power to approve or disapprove any bill passed by the Congress of Micronesia. If the High Commissioner disapproves a bill, he must so indicate and return it with his objections to the Congress within 10 consecutive calendar days, unless the Congress, by adjournment, prevents its return. The High Commissioner has 30 days to consider bills presented to him less than 10 days before or after adjournment. If the High Commissioner takes no action and does not return the bill within the required period, it becomes law without his signature. The Congress may repass by a two-thirds majority vote a bill disapproved by the High Commissioner. If within 20 days the High Commissioner does not approve a bill so passed, he must send it with his comments to the United States Secretary of the Interior, who either approves or disapproves the bill within 60 days after its receipt.

56. 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. During 1972/73, the Congress held two sessions: the

second special session of the Fourth Congress was held at Ponape from 14 August to 2 September 1972, and the first regular session of the Fifth Congress was held at Saipan from 8 January to 26 February 1973. During those sessions, 67 bills were passed and became law. In addition, 72 single and joint resolutions were adopted. The legislation enacted during the special session at Ponape which became law included the following: the creation and financing of a Joint Committee on the Law of the Sea; provision for certain tax exemptions for farmers and fishermen; and the establishment of a Political Education Commission. Major bills passed during the first regular session of the Fifth Congress included: provision for operation of the tax and social security offices; appropriation of \$380,000 for scholarships; establishment of a single salary schedule as a basis for all Micronesian and non-Micronesian government employees; provision for an official census during 1973; and provision for a low-cost housing programme.

57. Work carried out by committees of the Congress of Micronesia included negotiations between the Joint Committee on Future Status and a United States delegation and a tour by the Joint Committee of the six districts of Micronesia regarding the political status question; action by the Joint Committee on Administrative Appointments on several high-level nominations by the High Commissioner; a discussion between the United States Department of State and the Joint Committee on the Law of the Sea; and budget representations by the Joint Committee on Programme and Budget Planning before the United States Congress.

58. At its fortieth session, the Trusteeship Council recalled its suggestion that the use of the veto should be restricted to areas of direct interest to the United States and noted the assurances given by the representative of the Administering Authority that the matter was under study.

59. At the forty-first session of the Trusteeship Council, Senator Wilfred Kendall, Special Adviser, stated that no change had yet been made in the powers of the High Commissioner to disapprove legislation passed by the Congress of Micronesia. Changes in veto power over legislation passed by the Congress is one of the major changes urgently desired by the Congress of Micronesia. The Special Adviser further stated that those changes should be introduced not only at the territorial level but also at the district level.

60. At the same session, the Special Representative informed the Trusteeship Council that the question of veto power over legislation passed by the Congress of Micronesia was still under active consideration by the United States Department of the Interior. He recalled that the Congress may repass by a two-thirds majority a bill disapproved by the High Commissioner and that if he did not approve the bill so passed he had to send it with his comments to the United States Secretary of the Interior for final decision. In this connexion, the Special Representative informed the Council that in the last five years two bills relating to areas of direct concern to the United States, which had been repassed by the Congress of Micronesia by the required majority, had been disapproved by the High Commissioner and had been sent to the Secretary of the Interior who had disapproved them. The most recent, which had been passed by the Fifth Congress, was an admiralty bill containing certain clauses relating to international agreements in which the United States was a party.

61. In the same five-year period, only one bill of a purely local nature had been repassed over the High Commissioner's veto and it had been allowed to become law. During that period, the Congress of Micronesia had passed a total of 287 legislative

acts. Of them, 247 had been approved by the High Commissioner and 40 had been disapproved. Of the 40 disapproved, only the 3 referred to above had been repassed over the High Commissioner's veto. The Special Representative pointed out that many of the 37 bills which had been vetoed but not overridden by the Congress of Micronesia subsequently became law in an amended form. Included in this category were such important pieces of legislation as the creation of district economic development boards and the present Personnel Act.

62. The Council also noted that a study was being made of the possibility of extending the budgetary competence of the Congress of Micronesia and expressed the hope that the authority of the Congress would be gradually expanded in that area. It considered that such a development would enable the Congress to have a better appreciation of the financial consequences of its decisions.

63. The current report of the Administering Authority states that the Congress of Micronesia has continued to assume greater responsibility in the financing of public projects as locally generated revenue available to it through Micronesian income taxes has increased. Its major appropriations indicated a high priority on continuing education for Micronesian citizens; provided subsidies for the ailing copra industry; allocated funds for new initiatives in fisheries development; and allowed further strengthening of infrastructural facilities for district centres and the outer islands.

64. The congressional committees also conducted their annual intensive review of programme and budget plans for the forthcoming fiscal year, and took action on a number of high-level executive branch appointments under the advice and consent law (see also paragraph 69 below).

65. At the forty-first session of the Trusteeship Council, the Special Representative said that, in the past two years, members of the Congress of Micronesia and of the executive branch had twice gone to Washington, D.C. to support budget requests before the Congress of the United States. Each time, the members of the Congress of Micronesia had officially requested that the Congress be empowered to appropriate funds received in the form of United States government grants. In both instances, the High Commissioner had been asked by members of the United States Congress whether he agreed with this request and each time he had replied that the Congress of Micronesia had reached a stage of maturity and development where it could well handle this responsibility; consequently, he had no objections to such a request. However, the Congress of the United States had not yet seen fit to extend this budgetary competence to the Congress of Micronesia.

66. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes that since its last session the Congress of Micronesia has enacted numerous items of legislation, including one of particular importance, providing for the holding of a constitutional convention.

In view of the inevitable differences of opinion to which the exercise of the right of veto gives rise, the Council feels it desirable that this right should be regulated by appropriate legislation, which should in particular distinguish between the special interests of the Territory and the international obligations of the Administering Authority, and limit as far as possible the areas in which the United States Secretary of the Interior may intervene.

The Council again reaffirms its view, expressed in previous sessions, that the Congress of Micronesia should be given final authority over a greater percentage of the total budget. It regrets that this matter is still under consideration by the United States authorities. While appreciating that one outcome of the forthcoming constitutional convention may well be an increased degree of internal self-government in Micronesia in the period before the termination of the Trusteeship Agreement, the Council nevertheless remains of the view that only by giving the elected representatives of Micronesia greater control at an earlier stage over the money available for expenditure will Micronesians be in a position to take decisions with full knowledge of the Territory's financial and economic circumstances.

The special Micronesian advisers mentioned their concern over the exercise of the right of veto by the Administering Authority. The latter stated that the number of laws it vetoed was small in proportion to the number of laws which have been adopted. It emphasized that this right was only exercised in practice when its interests or its international obligations were at stake.

Executive

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

68. The office of the High Commissioner consists of the Deputy High Commissioner, the Executive Officer, the Special Consultant, the Attorney-General, the Program and Budget Officer, 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.

69. At its fortieth session, the Trusteeship Council noted with satisfaction the adoption in April 1972 of legislation giving the Congress of Micronesia the power of advice and consent in regard to senior executive appointments. It considered that the process should be extended to new posts and that the procedures for the appointment of the Deputy High Commissioner should be reviewed. It recommended, moreover, that the practice of unofficial consultations before appointments should be followed regularly. The Council recalled its recommendations, adopted at the thirty-ninth session, that a prior examination be undertaken of the separation of the functions reserved to the Administering Authority and those of the local executive, in order to facilitate the possible introduction of a new political status which would give internal self-government to the Territory.

70. The Special Representative informed the Trusteeship Council at its forty-first session that four of the eight territorial government departments were headed by Micronesian directors, and two also had Micronesian deputy directors. The departments were the following: health services, education, public affairs, and resources and development. Three of the remaining four departments had Micronesian deputy directors or assistant directors. Two more departments were scheduled to have Micronesian directors within the following year. Micronesians had been appointed during the year as chiefs of the divisions concerned with public safety, training and broadcasting.

71. The Special Representative further informed the Council that 37 senior positions were subject to the advice and consent of the Congress of Micronesia. At present, five of those positions were vacant; of the remaining 32 positions, 20 were occupied by Micronesians and 12 by non-Micronesians, and at least four of the five vacancies would be filled by Micronesians in the near future. There were also 37 posts of division chief, just below the level requiring advice and consent; of these, 20 were filled by Micronesians and 17 by expatriates.

72. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with interest the additional information provided by the Administering Authority on the appointment of Micronesians to head important departments in the executive.

At a time when negotiations on the future status of the Territory are continuing, the Council expresses the hope that the separation of functions between those reserved to the Administering Authority and those of the local authority will in general facilitate the changeover to internal autonomy during the transitional period which will precede the vote by which the Micronesians will decide their future.

District government

73. The Special Representative informed the Trusteeship Council at its forty-first session that, by an act passed by the Congress of Micronesia at its last session, the island of Kusaie would become a separate district on or before 1 January 1977. The Secretary of the Interior had notified the Congress of Micronesia of his approval of the creation of the new district and the Administration was already taking the necessary measures to implement the decision.

District administrators

74. General executive responsibility in each of the six 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 of the headquarters staff.

75. According to the annual report under review, implementation of the decentralization policy and increased authority and responsibility have been delegated to the district administrators. The report further states that the sole non-Micronesian district administrator has been replaced by a Micronesian citizen.

76. At its fortieth session, the Trusteeship Council noted with satisfaction the statements made by the Special Representative concerning the quality of work done by the districts all of which were administered by Micronesians.

District legislatures

77. All six 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, 8 elected seats are reserved for the Iroij (traditional chiefs).

78. No uniform plan exists 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.

79. 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.

80. At its fortieth session, the Trusteeship Council noted that differences of opinion had been revealed between the representatives of the Administering Authority and some petitioners, on the one hand, and the special advisers, who were members of the Congress of Micronesia, on the other, regarding the exact nature and role of the district legislatures. It considered that, at least for the future, that question should be studied as soon as possible in the context of the preparation of a constitution.

81. The current annual report of the Administering Authority states that the role of the district legislature in the Trust Territory is currently under examination in the districts themselves. In Palau, the relationship of the non-voting traditional chiefs to the elected members of the district legislature is under study at the request of the former. In Truk, a District Legislature Charter Study Commission has been established and is holding extensive hearings throughout the district to examine the feasibility and ramifications of chartering a Truk district government. In Ponape, members of the district legislature have become full-time lawmakers as a result of recent changes in the charter of the legislature.

82. The annual report further states that it has become evident from the various approaches to legislative organization at the district level, and it has been stated by the Truk Charter Study Commission, that a standard organization for all districts may be neither necessary nor desirable. The authority of the district legislatures in relation to the authority of the legislature at the territorial level awaits clarification by a constitutional convention.

83. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council considers that special attention should be given to the functioning of the district legislatures, since they constitute the basis for the Territory's deliberative organs. It feels that this question should be settled by the forthcoming constitutional convention.

Municipal government

84. 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.

85. 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.

86. 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

87. The enactment of Public Law 40-49, 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.

88. The annual report under review states that no new United States civil service appointments have been made in the Trust Territory since 1 March 1971; their number has consequently dropped from 265 to 179. At 30 June 1973, the number of persons employed by the Trust Territory Government totalled 7,348 compared with 6,454 employees for the preceding period. Among this number were 491 non-Micronesian contract employees and 6,718 Micronesians.

89. At its fortieth session, the Trusteeship Council reaffirmed its earlier opinion that there should be a single salary scale for all employees serving in Micronesia. It therefore commended the Congress of Micronesia and the executive for having jointly prepared and adopted legislation to establish a single basic salary schedule for all employees and a system of allowances and premiums for employees from higher paying labour markets. It hoped, however, that the view which it had expressed at previous sessions, to the effect that the Administering Authority should be directly responsible for paying the allowances and premiums and that civil service salaries should be set at levels compatible with the financial capacity of the Territory and comparable with salary levels in the private sector, should not be overlooked. It expressed the hope that the same concern for financial balance would prevail in fixing the salaries or allowances of members of the Congress and the district legislatures.

90. According to the current annual report, the new Trust Territory Salary Act was to become effective on 30 September 1973. The Act provides for a single base salary scale for all Trust Territory civil service and contract employees but not for United States civil service employees.

91. At the forty-first session of the Trusteeship Council, the Special Representative said that the single salary plan had been put into effect. It covers all employees except the few remaining United States civil servants. The plan provides for a single base salary at each level of employment, with certain additional allowances for expatriates to compensate for payment of United States federal taxes and other inducements.

92. Senator Wilfred Kendall, Special Adviser, stated at the same session of the Council that there were substantial differences between the salaries paid to expatriates and those paid to Micronesians, owing to the differentials paid to expatriate personnel to compensate them for payment of federal taxes and for the higher salaries paid in the United States for similar positions. However, the Congress of Micronesia accepted the need for a limited number of expatriates and consequently accepted the reality of the higher salaries required for expatriates. For this reason, the Congress did not seek to reduce expatriate salaries, which would have the effect of depriving the Territory of assistance still required. Instead, it was directing its efforts towards developing the necessary skills among Micronesians which would lead to the eventual replacement of expatriates, but the replacement process had been slow.

93. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction the figures given by the Special Representative which indicate that 65 per cent of the most important posts subject to the approval of the Congress are held by Micronesians. It also notes that, according to the Special Representative, of 37 important posts at a lower level than those indicated above, 20 are held by Micronesians. It takes note of the assurances given by the Administering Authority that this trend will continue in accordance with the wishes reiterated during the session by the Micronesian representatives.

The Council notes that although there was a decline during the past year in the number of expatriate civil servants or contract employees, the total number of persons employed by the Trust Territory Government rose by 894. Although it welcomes with satisfaction the establishment of a single salary scale for the civil service, it expresses the desire that measures be considered to avoid both too high a level of salaries and too large a number of civil servants, both of which would place a heavy burden on the budget of Micronesia.

Political education

94. At its fortieth session, the Trusteeship Council noted the observations of the 1973 Visiting Mission which, in practically all the localities it had visited, had heard criticism of the Administering Authority and the elected bodies concerning the political education being provided. Among other things, the population complained of the unsuitability of the information received by radio or in the form of documents; it would, in particular, prefer to be in more direct contact with the members of the Congress so that the latter could provide explanations on the negotiations concerning the future status of the Territory.

95. The Council recalled the recommendations which it had made at its thirty-eighth and thirty-ninth sessions concerning the establishment of a joint committee consisting of members of the Congress and of the executive to develop a political education programme for the whole Territory. It also recommended that civic education programmes in the schools should be intensified and arranged in such a way as to enable them better to reflect the realities of Micronesian life.

96. In July 1973, members of two sub-committees of the Joint Committee on Future Status of the Congress of Micronesia visited the eastern and western districts of the Trust Territory and held meetings with political and community leaders as well as with the general public. The Eastern Districts Subcommittee visited Truk, Ponape and the Marshalls, while the Western Districts Subcommittee visited Yap, Palau and the Marianas. The purpose of the visit was to explain to the people of the various districts the nature of the negotiations so far conducted between the Joint Committee on Future Status and the United States delegation concerning the future political status of Micronesia as well as to listen to the views and opinions of the people of the Trust Territory regarding the future of their Territory.

97. According to the current annual report of the Administering Authority, the executive branch of the Trust Territory Government has reaffirmed its responsibility to provide a full and comprehensive programme of education for self-government for the citizens of the Territory. To this end, a budget request for sufficient funds to expand the educational programme has been included in the budget for the fiscal year 1974 submitted to the United States Congress. Upon approval of this request for funds, planning and implementation of the programme would commence and would include: (a) a survey to ascertain the level of knowledge among the people about their government; (b) preparation of an objective and factual programme of educational materials designed to prepare Micronesians for self-government; (c) interdepartmental co-ordination of the use of materials; (d) utilization of broadcasts and printed material to assure widespread dissemination of the materials to all citizens of the Territory; and (e) strengthening reciprocal communication through the visits of travelling teams of educators and government officials to the populations of the outer islands.

98. The Special Representative informed the Trusteeship Council at its forty-first session that in a supplemental appropriation for 1973/74 special funds in the amount of \$100,000 had been provided for the programme of education for self-government. The programme was administered by the Department of Public Affairs and had created great interest in the forthcoming constitutional convention as was shown in the recent election of delegates to the convention. The programme would continue to have an extremely high priority in coming years.

99. At the same session, Representative Joab Sigrah, Special Adviser, recalled the visit of the Joint Committee on Future Status to the districts to explain the work of the Congress of Micronesia with regard to the status negotiations. The Chairman of the Joint Committee had given a question-and-answer interview on the constitutional convention which had been produced by the Congress with the assistance of the Broadcast Division. Tapes of the interview had been sent to all districts and it was expected that in the near future a written transcript would be printed for dissemination and possible translation. The Congress has also circulated a publication containing a list of bills and resolutions adopted at its last session, with a brief explanation of the measures.

100. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with interest the information given by the representative of the Administering Authority concerning the institution of a political education programme designed to provide the population with explanations of both the negotiations concerning the future status of the Territory and the forthcoming constitutional convention. It hopes this programme will be accorded a high degree of priority. It notes especially that an extra effort will be made to ensure that the political education campaign is carried out at the level of village communities.

The Council expresses the hope that revision of the programme on the general subject of national unity will not in any way prejudice the over-all result of the vote by the population on its future status.

Judiciary

101. The Trust Territory has three types of courts: the High Court, district courts and community courts.

102. 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, two associate justices and a panel of four temporary judges. At present, they are all United States lawyers appointed by the United States Secretary of the Interior. Serving as temporary judges are the Judge of the District Court of Guam and three judges of the Island Court of Guam. 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.

103. At the forty-first session of the Trusteeship Council, Senator Wilfred Kendall, Special Adviser, said that the Congress of Micronesia was conducting a study on the problems of the administration of justice in the Territory and was expected to prepare a comprehensive set of recommendations on the subject. The appointment of high court justices with the advice and consent of the Congress of Micronesia was one of the major political changes urgently sought by the Congress.

104. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council expresses the hope that the efforts made by the Administering Authority gradually to entrust the posts of responsibility in the executive to Micronesians will be extended to the judiciary. It recalls the assurances given by the Special Representative during the fortieth session that the High Court would include Micronesians among its members as soon as possible.

2. Observations of members of the Trusteeship Council
representing their individual opinions only

General political structure

105. The representative of the United Kingdom said that the most important of the political developments in the Territory by far was the calling of a constitutional convention, for which hotly contested elections had just been held. This was a step which the Council had long advocated and it was a step of vital importance to Micronesia's future. He warmly welcomed the Administering Authority's agreement to finance the costs of calling the convention. He also welcomed the establishment of a pre-convention committee and hoped that this committee, with the wide powers it appeared to have, would be able to set before the main body some considered views on the various options open to the Territory so as to assist the convention in its debates.

Territorial government

Legislature

106. The representative of France noted the policy of the Territory's Administration to restrict the use of the power to disallow legislation to areas of direct interest to the Administering Authority. He considered, however, that it would be desirable to define this policy in an appropriate text.

107. The representative of the United Kingdom considered that the High Commissioner should retain responsibility for external affairs at least until such time as the Trusteeship Agreement was terminated. It might well be that the United States would have a continuing responsibility in that field given that the United States and the Congress of Micronesia were currently negotiating a compact of free association. He appreciated that so long as the Administering Authority retained responsibility for external affairs, it was in duty bound to consider carefully the external effect of any legislation that the Congress of Micronesia passed. He noted that the High Commissioner had allowed his veto to be overridden last year in the case of one measure of purely territorial concern. If that practice were to become the rule, then it might be that many of the fears of the Micronesian representatives could be resolved.

108. In regard to the budgetary competence of the Congress of Micronesia, the United Kingdom representative observed that in the progress of every dependent Territory towards self-government there came a time when the focus of power had shifted from the Administering Authority but had not yet passed fully to the locally elected representatives. The lines of responsibility became somewhat fuzzy and goodwill on both sides was more important than ever. The United Kingdom delegation could appreciate the United States Government's understandable desire to exercise some supervision over the spending of the very considerable funds it had made available to Micronesia.

109. He noted, however, that if the United States and the Congress of Micronesia were successful in negotiating a compact of free association, the Micronesian

authorities would have the power to decide upon their over-all budget priorities, irrespective of the source of funds. It was clearly important that when the time came for Micronesia to assume a new status, its representatives should have as much experience as possible in the management of the Territory's budget. The United Kingdom delegation, therefore, while noting that every effort was being made to associate the Congress of Micronesia with the task of budget preparation within the existing constitutional framework, believed that further progress was needed. It might be that this was a matter which should await the constitutional convention. The United Kingdom delegation hoped, however, that whatever the precise solution to this very complicated question it would be given urgent examination. One possibility might be to give the Congress of Micronesia full responsibility for certain blocks of expenditure, perhaps up to a predetermined financial ceiling.

110. The representative of the Union of Soviet Socialist Republics considered that the powers of the Congress of Micronesia were seriously curtailed, because real power in the Territory continued to be vested in the Administration and the High Commissioner had the right to veto draft legislation adopted by the Congress.

Executive

111. The representative of the Union of Soviet Socialist Republics observed that the High Commissioner appointed all senior officials of the Administration, although a number of administrative positions, including those in the office of the High Commissioner, were occupied by Micronesians. Nevertheless, the majority of key posts in the administration continued to be held by United States nationals. However, there were a sufficient number of trained people in the Territory who could be promoted to those key posts.

112. The representative of the United Kingdom noted that the localization of the Micronesian Civil Service continued to make encouraging progress. It seemed right to the United Kingdom delegation that the advice and consent procedure should be used only for the more senior posts in the Micronesian government service. There were obvious risks in opening up every post, however minor, to the outside scrutiny which the advice and consent procedure implied. At the same time, it could appreciate the Congress of Micronesia's concern that qualified local candidates should continue to replace expatriates in the Administration.

Civil service

113. The United Kingdom representative noted that, in September 1973, the Territory's first single salary schedule was put into effect. This had been recommended by the Trusteeship Council in the past, and his delegation was glad that the recommendation had been accepted. He referred to the concern expressed by the Council in the past that government employees' salaries should not get out of line with the Territory's financial capacity and said that it would be regrettable if the gap between the modern sector and the subsistence sector of Micronesia's economy widened more than was inevitable.

C. ECONOMIC ADVANCEMENT

1. Outline of conditions and recommendations adopted by the Trusteeship Council

General economy

114. In the current report under review (see T/1752), 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, subsistence farming and fishing, and from sales of scrap metal and handicrafts. The level of economic development varies from that of the district centres, where semi-urbanized residents participate in a money economy, to that of the outer islands, where the inhabitants may receive only a small amount of cash from the sale of copra or handicrafts to augment their subsistence resources.

115. The Territory has a weak economic base. Labour, land, natural resources and capital are meagre and are spread over many isolated islands. 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; its subsistence aspects would then be supplementary. 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.

116. The value of commodities exported during the fiscal year 1972 totalled \$2.7 million, compared with \$3 million for the previous year. According to the current annual report there was an even over-all decline in commodity exports in 1973 which amounted to only \$1.9 million. This was almost entirely attributable to the decline in copra and commercial fish exports. Copra exports were valued at \$946,765 in 1973, compared with \$1.3 million in the preceding year. Exports of fish totalled \$309,000 in the fiscal year 1973, a substantial drop from last year's total of \$886,385. Tourism brought an estimated direct income of \$3.5 million into the Territory during the fiscal year 1973, compared with \$2.7 million in the previous year.

117. According to the Administering Authority, the total import figures show virtually no change from those reported for the preceding two years, amounting in 1973 to \$26 million. According to the report, it is believed that the correct figures for 1972 and 1973 are closer to about \$30 million, the lower figures probably being the result of under-reporting in some districts. It has been noted that when there is no significant change in the amount of United States grants to the Territory, as in 1972 and 1973, and when there is a decrease in export income, import figures remain nearly the same as in preceding years. As a result, approximately equal amounts of cash were available for expenditure in 1973.

118. The annual report states that the bulk of the Territory's gross product is still derived from the substantial United States grant appropriated by the United States Congress. Owing to the support of that Congress and to the efforts of the Administration, Trust Territory appropriations remained at high levels during the year. Although the ratio of exports to imports remained unfavourable, there were encouraging signs in agriculture and tourism during 1973.

119. At its fortieth session, the Trusteeship Council agreed with the view of the 1973 Visiting Mission that there was a need to rethink the ways in which the Micronesian economy should and could be developed, having in mind options for its future political status. Accordingly, the Council endorsed the suggestion in the report of the Visiting Mission that the Administering Authority give consideration to commissioning a new full review of the economy of the Trust Territory. 3/

120. Noting the present role of Micronesians in the formulation of executive development policy, the Trusteeship Council was of the opinion that the review should be based on priorities for development, formulated by Micronesians themselves, and on assumptions concerning financial support which would take into account the potentialities for obtaining loans and foreign assistance, as well as the continuation of a subsidy from the Administering Authority. The Council also endorsed the recommendation contained in the report of the 1973 Visiting Mission that the Administering Authority consider inviting appropriate international bodies to carry out such an economic survey. 4/

121. The Trusteeship Council noted that the Visiting Mission had found overwhelming support in Micronesia for permitting investment in the Territory from non-United States sources. It endorsed the view of the Visiting Mission that the Administering Authority should now revise its interpretation of article 8.1 of the Trusteeship Agreement in order to permit investment by other Members of the United Nations. 5/ The Council also recommended that the Administering Authority review and keep under close scrutiny the operations of the Foreign Investors Business Permit Act to ensure that all permits issued and all operations conducted under those permits ensured that a reasonable share of the benefits of investment accrued to the Micronesian people.

122. At the forty-first session of the Trusteeship Council, the Special Representative stated that the Congress of Micronesia, as well as the executive branch of the Government had long recognized the need to establish economic priorities and plans based not only on the construction of capital improvements but also on considerations of the long-term social and economic needs of the Trust Territory. For this reason, the Congress of Micronesia had passed an act at the 1974 regular session creating the Territorial Planning Office. According to the law establishing that office, its primary purpose is to formulate a Comprehensive Programme Statement for the Trust Territory, including functioning goals, policies, priorities and programmes; and to provide for the co-ordination and supervision required for the development and implementation of a comprehensive planning programme which would include the physical, social and economic aspects of comprehensive planning procedures throughout the Trust Territory. The Administration had nominated for the advice and consent of the Congress of Micronesia, a person to head the office, which would be directly responsible to the High Commissioner.

3/ Official Records of the Trusteeship Council, Fortieth Session, Supplement No. 2 (T/1748), para. 354.

4/ Ibid., para. 355.

5/ Ibid., para. 350.

123. At the same session of the Trusteeship Council, Representative Sigrah, Special Adviser, emphasized the need for an over-all development scheme and specific goals to be achieved during a specific period. Such a plan had been recommended by various technical consultants, the Congress of Micronesia, representatives to the Trusteeship Council, and also by the 1973 Visiting Mission of the Council. He therefore strongly urged the Administering Authority to assist in the preparation of those plans, a proposal which gained importance considering that Micronesia would soon be making the transition to a new political status.

124. The United States Secretary of the Interior, in a policy statement made on 23 January 1974, said that, as part of the new emphasis on economic development of the Trust Territory towards self-sufficiency and Micronesian control, he had ordered the lifting of restrictions on foreign investment in the Territory effective from 1 April 1974, when individuals and commercial investors from any of the world's community of nations would be permitted to apply for business permits in Micronesia. More specifically, each district economic development board would be able to consider business applications from any nation within the guidelines of the Territory's Foreign Investors Business Permit Act.

125. At the forty-first session of the Trusteeship Council, the Special Representative stated that, in response to the Secretary's message, the Congress of Micronesia had taken two significant actions: it had adopted a resolution urging the High Commissioner and the district economic development boards to use extreme caution in the granting of any foreign investment permits, and it had passed an act, which had now become law, strengthening the district economic development boards and requiring that all members of the boards be Micronesian citizens. Therefore, at this point, the opening of Micronesia to foreign investment would be an orderly economic process and would be of considerable future benefit to the economic development of the Territory.

126. At the same session, Senator Kendall, Special Adviser, said that everyone in Micronesia had been pleased at the recent removal of restrictions on investments from foreign countries other than the United States. That action by the Administering Authority represented a development which the people of Micronesia had desired for many years.

127. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with pleasure the recovery of copra prices in the course of 1973/74 and the consequent increase both in export earnings and in the return to producers. It also notes the continued growth in tourist revenue.

The Council recalls the regret which it expressed at its thirty-ninth and fortieth sessions that Micronesian products entering the United States remained subject to United States tariffs, and notes, again with regret, that, although the subject is still under consideration, the situation remains unchanged. It expresses the hope that the Administering Authority will do its utmost to encourage the development of a viable Micronesian export trade. In this connexion, it also expresses the hope that the arrangements made for the entry of Micronesia's exports into the United States upon termination of the Trusteeship Agreement will not be substantially less favourable than those arrangements which might be granted to the Mariana Islands should the latter proceed in the event to a different form of relationship with the United States.

The Council recalls the view expressed in the report of the 1973 Visiting Mission that a serious effort must be made to reduce the growth of imports into the Territory. Although fully appreciating the concern voiced by the special advisers from Micronesia that any increase in the taxation of imports should not harm the interests of the poorer peoples of the Territory, it recommends that consideration should be given to the identification of non-essential imports and, where appropriate, to their discouragement. This is particularly the case where alternative local resources are available.

The Council welcomes the request made by the Administration to the United States authorities for a higher appropriation of United States grant funds in the years 1975 to 1977. It hopes the request will be granted so that plans to accelerate the development of Micronesia's infrastructure may go ahead. It also welcomes the submission by the Administration, in consultation with the Congress of Micronesia, of a new five-year budget programme to this end.

At the same time, the Council recalls its endorsement at its fortieth session of the suggestion in the report of the 1973 Visiting Mission that the Administering Authority should give consideration to commissioning a full review of the economy of the Trust Territory. It notes that Representative Joab Sigrah, Special Adviser, welcomed the suggestion. It considers that a detailed knowledge of Micronesia's economic potentialities is essential if Micronesia is to become more self-sufficient and if it is to attract significant foreign investment. It expresses the hope that such a review can be carried out speedily with a view to laying the information before the forthcoming constitutional convention so as to guide the latter in its vital work. It recalls its endorsement last year of the recommendation of the 1973 Visiting Mission that the Administering Authority should consider inviting appropriate international bodies to carry out such a review. In this connexion it notes with pleasure the creation of a Territorial Planning Office, and suggests that the latter's expert knowledge should be put at the disposal of whichever body undertakes the proposed review.

The Council warmly welcomes the lifting by the United States Secretary of the Interior of the ban on foreign investments in the Territory, with effect from 1 April 1974. The Council, recalling its previous recommendations to this end, considers that the foreign investment guidelines outlined by the Special Representative promise to safeguard adequately the interests of the inhabitants of the Territory, and is pleased to note that some applications by foreigners to invest in Micronesia have already been received.

Assistance from international institutions

128. At the forty-first session of the Trusteeship Council, the Representative of the United States said that the United Nations Economic and Social Council had approved a resolution admitting the Trust Territory to the Economic Commission for Asia and the Far East as an associate member.

129. The Representative of the United States further said that the United States Government supported Micronesian membership in the Asian Development Bank and would sponsor that membership following the enactment of legislation by the United States Congress. Legislation to that effect was being sought by her Government.

130. The United States Government, on behalf of the Trust Territory, expected to sign very shortly an agreement with the United Nations Development Programme which would enable the Trust Territory to participate in various programmes of economic assistance and to obtain United Nations training fellowships for Micronesians.

131. At the same session of the Trusteeship Council, Representative Sigrah, Special Adviser, said that the Congress of Micronesia had strongly urged the signing of an agreement between the Administering Authority and the United Nations Development Programme on behalf of Micronesia at the earliest possible date. They were thus extremely pleased to hear that it might be signed in June 1974.

132. At the same session, Senator Kendall, Special Adviser, stated that within the past year Micronesia had actively participated in or observed a number of regional conferences and meetings of organizations, including the South Pacific Conference, the Economic Commission for Asia and the Far East and the Conference of South Pacific Labour Ministers.

133. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council warmly welcomes the attendance by members of both the Administration and the Congress of Micronesia at the thirtieth session of the Economic Commission for Asia and the Far East; the intention of the United States Government, upon the enactment by its Congress of the necessary legislation, to sponsor Micronesia's membership in the Asian Development Bank; and the agreement signed on 10 June 1974 between the United States Government and the United Nations Development Programme (UNDP) which will make it possible for UNDP to begin drawing up a country programme for Micronesia. In this connexion, the Council hopes that these new contacts between Micronesia and international developmental institutions will contribute to the growth of a viable Micronesian economy. The Council is also convinced that Micronesians can only benefit from closer bilateral links with other countries, particularly their neighbours in the Pacific region.

Credit

134. 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; its Chairman is the Director of Resources and Development. During the year under review, 46 direct loans and 16 guaranteed bank loans were made, totalling \$189,680 and \$508,194 respectively. At the end of the fiscal year, the Fund had exhausted its resources. A total of 75 loan applications aggregating more than \$3.1 million were known to be in process in the districts.

135. Other sources of credit are provided by credit unions. By the end of 1972, 45 chartered credit unions were operating in the Territory. Of this number, 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 10,804 members with assets of \$3.3 million, compared with \$2.8 million in the previous year. During 1972, loans granted by credit unions aggregated \$3.5 million, compared with \$3 million in the previous year.

136. According to the current annual report, the Production Development Loan Fund and the Marine Resources Development Fund, to which the Congress of Micronesia had allocated \$1.1 million, accounted for an additional \$489,682 in loan activity.

137. At its fortieth session, the Trusteeship Council noted the increase in the amount of development loan funds available under several programmes and noted also that much of this increase had been authorized by the Congress of Micronesia from revenues under its direct control.

138. The Trusteeship Council shared the view of the Board of Directors created by the Congress of Micronesia to set up the framework for a bank of Micronesia that the bank initially should be a development rather than a commercial bank.

139. At the forty-first session of the Trusteeship Council, the Special Representative stated that the Micronesian Board of Directors were continuing their efforts to establish a Bank of Micronesia and had made some important contacts with the Asian Development Bank. At its regular session in 1974, the Congress of Micronesia had enacted Public Law 5-88, which officially established the Development Bank of Micronesia. The Administration was now moving rapidly, in full co-operation with the Congress, to make the proposed bank a reality.

140. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council welcomes the enactment by the Congress of Micronesia of legislation permitting the establishment of the Development Bank of Micronesia. It looks forward to a vigorous programme of investment by the Development Bank in infrastructure and in the expansion of Micronesia's economic resources in accordance with the priorities agreed upon by the Administration and the Congress of Micronesia.

Public finance

141. 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. The limit on annual expenditure, which was \$25 million in 1967, was increased to \$35 million in 1968, to \$50 million in 1970 and to \$60 million in 1971. Sources of funds for the years 1971 to 1974 were as follows:

	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73</u>	<u>1973/74</u>
	(United States dollars)			(estimates)
Territorial taxes and other revenues	1,489,384	4,085,404	5,702,183	6,028,500
Direct United States appropriations	569,200	608,300	638,000	811,000
Grants from United States Congress	59,294,800	59,371,700	59,362,000	55,189,000
Unobligated funds brought forward	<u>1,562,709</u>	<u>9,504,392</u>	<u>13,903,313</u>	<u>14,463,365</u>
Total	62,916,093	73,569,796	79,605,496	76,491,865

142. According to the annual report of the Administering Authority, a definition of the Territory's needs begins with the preparation of a five-year fiscal plan. The districts, with the approval of the district legislatures, submit five-year plans for operations and capital improvements to the High Commissioner. After review and approval at headquarters, the district plans 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 Joint Committee's recommendations on priorities are then forwarded to the High Commissioner, who incorporates recommended changes into the final plan to be sent to the United States Department of the Interior. The plan forms an outline for the preparation of the annual budget.

143. The annual territorial government 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 screening and necessary modification, including review by the appropriate directors, the estimates are presented to the High Commissioner for approval. The Program and Budget Officer, using the final approved recommendations, 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, 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.

144. At its fortieth session, the Trusteeship Council reaffirmed the recommendation, made at its thirty-ninth session, that the system of budgetary aid be re-examined with a view to giving the Congress of Micronesia final authority over the expenditure of a greater percentage of the total budget.

145. The Council endorsed the view of the 1973 Visiting Mission that a major financial objective in the Trust Territory should be to increase the rate of growth in local revenue. It noted that the introduction of income and business receipts taxes in 1971 produced considerable additions to revenue and recommended that further measures to increase local revenue be studied. The Trusteeship Council further noted that, although bills had been introduced at a recent session of the Congress of Micronesia aimed, inter alia, at establishing a graduated tax scale and increased rates, they had not been enacted. The Council suggested that the Congress of Micronesia give further attention to this matter and also to the possibility of raising import duties on items such as food-stuffs, beverages, cigarettes and tobacco, both for revenue purposes and to encourage the development of import substitutes.

146. At the forty-first session of the Trusteeship Council, the Special Representative stated that the Administration was aware of the need to increase the Territory's exports and decrease its imports. He pointed out, however, that imports from the United States during the period under review totalled slightly over \$15 million and nearly \$11 million came from Japan, Australia and various other countries.

147. At the same session, Representative Sigrah, Special Adviser, pointed out that the executive branch had opposed establishment of a graduate tax. In regard to increasing taxes on imported goods, there was at present a measure under

consideration in the Senate. He assured the Council that the Congress would give every consideration to the need to raise district and territorial revenues and that any significant progress would be reported to the Council in 1975.

148. The annual report under review states that the Congress of Micronesia has assumed increasing responsibility for final budget proposals as they are presented to the United States Congress.

149. At the forty-first session of the Trusteeship Council, the Special Representative stated that, with the granting of two supplemental appropriations above the originally appropriated amount, the total United States grant for 1973/74 had totalled \$58.4 million, just slightly below the authorized ceiling of \$60 million. The United States Government has now been requested that the authorized ceiling be increased to \$75 million for 1974/75, with additional increases in the two following years. It was hoped that this request would be granted so that it would be possible to implement more effectively Secretary Morton's programme to accelerate development of the infrastructure.

150. The Special Representative further stated that, in accordance with the request made in the Secretary's policy statement and after consultation with the Joint Committee on Program and Budget Planning of the Congress of Micronesia, the Administration had submitted a new five-year budget programme which, if adopted, would accelerate development of the Trust Territory infrastructure.

151. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council reaffirms its earlier recommendations that the Congress of Micronesia should be given final authority over a greater percentage of the total budget.

The Council recalls that, at its fortieth session, it suggested that the Congress of Micronesia should consider the establishment of a graduated personal tax scale and increased rates, and should also examine further the possibility of raising import duties on items such as food-stuffs, beverages, cigarettes and tobacco. It reaffirms its view that tax changes of this nature could increase Micronesia's self-sufficiency, assist the process of import substitution, and give individual Micronesians a feeling of participation in the development of their nation.

Land

152. According to the current annual report of the Administering Authority, the land area of the Trust Territory comprises 206,951 acres classified as arable land and 245,811 acres classified either as grazing land and forest or as swamps, rock and built-up land. Of the total area, 180,846 acres are privately owned and 271,955 acres are classified as public lands.

153. Public lands include all lands acquired by the prior Spanish, German and Japanese administrations for governmental or other public purposes, as well as such lands as the Trust Territory Government may itself have utilized for public purposes. According to current calculations, over 60 per cent of Micronesia's

total land area is public land, by district as follows: Marianas, 90 per cent; Palau, 68 per cent; Ponape, 66 per cent; Truk, 17 per cent; the Marshalls, 13 per cent; and Yap, 14 per cent.

154. The Administration has initiated four land-use studies to establish a comparative capability inventory of territorial lands for agriculture, forestry, recreation and environmental conservation uses. The results of the studies are being combined to form a composite land-use capability map for each island surveyed.

155. Under the provisions of the Trust Territory Code, the Division of Lands and Surveys is responsible for the administration, management and control of public lands in the Territory. It is also responsible for acquiring interest in private lands for public purposes. According to the annual report, the Administration's policy is that, whenever feasible, capital improvement projects should be situated on public land. If no such land is available or suitable for a contemplated project, appropriate interests in private land may be acquired by the Government, but only if in the public interest. An interest in private land may be acquired by negotiation or by the exercise of the right of eminent domain. The Attorney-General is responsible for initiating any action in the course to acquire land through the exercise of the right of eminent domain.

156. Under the homesteading provisions of the Trust Territory Code, undeveloped areas of public land suitable for agricultural purposes or housing sites which are not required for government use may be designated by the High Commissioner for homesteading programmes. It is the responsibility of the district administrations to initiate requests to the High Commissioner to designate areas for homesteading. According to the current annual report of the Administering Authority, the agricultural homesteading programme has, in some measures, been successful on Ponape. On Yap, Truk and the Marshall Islands, public land acreage is extremely limited and homesteading programmes are virtually non-existent. On Palau, the movement of population from the rural areas and outer islands to urban areas defeated an agricultural homesteading programme initiated some 15 years ago. Allocation of titles to individuals in the urban area of Koror has been contested by persons who maintain that the land was not legally taken from them by the Japanese administration. In the Marianas there is a demand for agricultural homesteading of public lands, but the programme has reportedly met with considerable difficulty. Homesteading of village lots, however, has been successful.

157. At the fortieth session of the Trusteeship Council in 1973, the Administering Authority informed the Council that the following public lands were currently in homesteading programmes or were being leased for other purposes:

	<u>Homesteading</u>	<u>Leased for</u> <u>other purposes</u>
	(acres)	
Truk	7.4	8.0
Yap	-	2.4
Palau	1,983.0	4,359.0
Ponape	1,580.0	140.0
Mariana Islands	1,970.0	9,351.0

158. Public Law 4C-76, passed by the Congress of Micronesia on 14 April 1972, provides for the establishment of planning commissions and enables the district governments to enact zoning laws. The law provides, inter alia, that one or more planning commissions may be established within the government of each administrative district. The commissions are to be established through legislation enacted by the district legislatures. Under the provisions of the law, the district administrator, on the advice of the Planning Commission, shall, subject to the approval of the High Commissioner, determine and establish: (a) the maximum area of land allowable for each agricultural, grazing or village lot homestead tract within the district; (b) standards and requirements for the use, occupation and development of the homestead tracts within the districts; and (c) the amount of land which a person, clan, lineage, family or group of persons may own within the Trust Territory, the excess of which shall prevent the acquisition of land for homesteading.

159. The Congress of Micronesia has also enacted legislation (Public Law 4C-50 of 12 April 1972) declaring certain public lands in Marpi and Kagman, on Saipan Island, as agricultural and village homestead lands. An outline plan will designate those public lands, in an area of approximately 6,700 acres, best suited for agricultural and village homesteading purposes.

160. The Land Commission Act of 2 September 1966, as amended on 10 September 1968, provides for the investigation and determination of ownership of all Trust Territory land. There is a Land Commission of three members, two of whom are Micronesians. Provision is also made for the establishment of district land commissions, which now exist in five districts. The Marshall Islands District requested a delay in establishing a commission for a few years. Each commission appoints a land registration team of Micronesian citizens of the municipality in which it works. The team investigates land ownership, determines boundary points in dispute and makes recommendations of ownership to the commission. The commission determines ownership, which becomes final if not appealed within 120 days. Appeal may be made to the High Court.

161. At its fortieth session, the Trusteeship Council noted the recommendations of the 1973 Visiting Mission relating to land in the Territory and requested the Administering Authority to give consideration to them. 6/

162. The Trusteeship Council noted the decision in principle of the Administering Authority to return control over public lands to the districts. It hoped that the studies and discussions that would be necessary before this decision could be implemented would be undertaken soon and that control would be handed over to the districts at an early date.

163. In a policy statement made on 23 January 1974, the United States Secretary of the Interior said that his Government had authorized the return of public lands to the control of the district legislatures for final distribution. The Secretary was hopeful that the Congress of Micronesia would act quickly to enact the legislation required to put the new policy into effect.

164. The current annual report of the Administering Authority states that at the seventh round of negotiations on the future political status of Micronesia, held in Washington, D.C., in November 1973, the Chairman of the United States delegation

6/ Ibid., para. 222.

announced acceptance by the Joint Committee on Future Status of the Congress of Micronesia of the principles contained in the United States decision to return Trust Territory public lands to full Micronesian control. The United States had made its decision public on 1 November 1973, having outlined general procedures designed to ensure that the return of those lands to local control would be accomplished in a timely and equitable manner, consistent with the desires of the individual districts of Micronesia.

165. At the forty-first session of the Trusteeship Council, Senator Kendall, Special Adviser, said that a bill providing for the return of public lands to the districts had been passed by the Senate at the last session of the Congress of Micronesia and was pending in the House of Representatives. This legislation would be considered at the special session of the Congress scheduled for July 1974. Senator Kendall expressed the satisfaction of the Congress for the decision of the Administering Authority to return the public land to the Micronesian people.

166. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council warmly welcomes the agreement reached during the seventh round of negotiations between the Joint Committee on Future Status of the Congress of Micronesia and the United States authorities for the return of control over public lands to the district authorities. It trusts that the transfer will be carried out with all necessary speed.

The Council notes the petitions it has received concerning the question of the alienation of land on Tinian. It notes also the statement by the representative of the United States that a tentative agreement was reached on this matter in recent negotiations between the United States authorities and the Marianas Political Status Commission, and hopes that the agreement takes full account of the interests of the district of the Marianas, including in particular the inhabitants of Tinian, and the latter's need for an adequate amount of land to ensure their economic and social development.

Agriculture and livestock

167. 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 introduced crops, used mainly for local subsistence, comprise the remaining principal crops. Total agricultural production during 1973 was estimated at 97.7 million pounds, compared with 43.7 million pounds in the previous year.

168. Copra is the Territory's major export item. In 1973, exports of copra totalled 8,462 short tons, valued at \$946,765, compared with 10,700 short tons valued at \$1.3 million for the previous year. The Administering Authority attributes the decline in copra production to the population movement from the outer islands to district centres, and to the decline in the world market price of copra.

169. The annual report states that, by January 1973, the price paid for grade one copra at the district centres had dropped to \$72.50 per ton. A \$300,000 appropriation made by the Congress of Micronesia to the Copra Stabilization Fund and an improved world market price, enabled the Board to raise the price paid to producers to \$102.50 per ton in April 1973.

170. At the forty-first session of the Trusteeship Council, the Administering Authority stated that income from the local sale and export of plant and animal agricultural products had increased during the year. It was estimated that copra, the Territory's largest commodity export, would earn \$4.2 million for Micronesian producers in 1974. The Copra Stabilization Board had recently announced a price of \$252 per ton for the crop, the highest price paid for copra in the Trust Territory since 1950. At 31 March 1974, copra exports amounted to 9,481 short tons valued at \$2,728,928, compared with \$946,765 for 1972/73.

171. 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 Mariana Isl. is District which has about 8,132 head out of a total of 8,666 head in the Territory. The carabao is used as a draft animal on Palau and Ponape.

172. At its fortieth session, the Trusteeship Council considered that the development of agricultural production in the Territory should be regarded as having high priority, and it noted that the Administration shared that view. The Council was inclined to doubt, however, whether the proportion of budgetary expenditure and development loans currently going into the agricultural sector was sufficient to encourage an adequate rate of growth. It appreciated the various constraints affecting development in this sector, but suggested that the Administration, guided by the views of the Congress of Micronesia, should examine ways and means of accelerating agricultural production, including increased expenditures and the further development of agricultural co-operatives.

173. The current annual report states that significant increases in local production and sales of fruits, vegetables and meat were recorded in 1973, and that exports of meat and produce increased in the same period.

174. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with pleasure the recent rise in copra prices and the progress of Micronesia towards self-sufficiency in certain agricultural products. Nevertheless, it again expresses the view that within the framework of Micronesia's budgetary capacity a far greater priority should be given to the development of Micronesia's agricultural resources.

Marine resources

175. The Marine Resources Development Fund was established by the Congress of Micronesia in 1972 for marine development purposes. Initially, \$500,000 was appropriated for this purpose and to date seven loans totalling \$104,626 have been granted.

176. According to the Administering Authority, the goal of the Marine Resources Development Program is to conserve, develop and utilize the Territory's greatest natural resources, the ocean and its products, for the nutritional, recreational and economic enrichment of Micronesians. To this end, the Administration is engaged in seven major programmes: in-shore and off-shore fisheries development; starfish control; fisheries training; boatbuilding, conservation; and the development of commercial mariculture operations.

177. The goals of the off-shore fisheries development programme are to promote commercial exploitation of skipjack stocks by Micronesians; to develop freezing, canning and processing operations for the catch; and to establish boatyards and repair facilities required to maintain fishing vessels throughout the Trust Territory.

178. The Pacific Islands Development Commission, established three years ago by the chief executives of the Trust Territory, Guam, American Samoa and Hawaii, has as its primary objective the development of the Pacific Ocean area where these islands are situated. The Development Commission was instrumental in obtaining an authorization from the United States Congress for the expenditure of \$3 million which was approved by the President of the United States for the development of skipjack tuna resources in the central and western Pacific regions.

179. Diving tourism is an established industry in Truk and Palau, with an increasing number of tourists visiting those districts on a continuous basis. Loans for the establishment of dive shops by Micronesians in both districts have been granted to service tourists.

180. At its fortieth session, the Trusteeship Council expressed the view that the Trust Territory should concentrate extensive efforts on the exploitation of the wealth of the sea, and that the Administration and the Congress of Micronesia should give further consideration to the proportion of available funds expended on marine resources exploitation.

181. The Trusteeship Council observed that, because of the importance to Micronesia of its marine resources, it was important that those resources in areas of Micronesian sovereignty be protected and it wished to emphasize the responsibility of the Administering Authority in ensuring such protection.

182. The Trusteeship Council noted the views expressed by Senator Andon Amaraich, Special Adviser, about the law of the sea and the need for a Micronesian position on that subject to be presented to the forthcoming United Nations Conference on the Law of the Sea, particularly if it was different from that of the United States. It also noted the position stated by the representative of the United States that, if Micronesian views on this matter could not be harmonized with those of the United States, ways would be found to ensure that Micronesian views were properly presented to the Conference.

183. At the forty-first session of the Trusteeship Council, the Special Representative stated that the Trust Territory had established fishing authorities in each district, and expressed the view that their operation should be of major importance to economic development in Micronesia. The fishing dory project in Ponape continued to be successful and might soon be extended to other districts. Meanwhile, the Trust Territory would launch the first of a fleet of

45-foot and 27-foot ferro-cement fishing boats. At the present time, the Administration was soliciting bids for construction of a fleet of larger fishing vessels to increase the over-all capacity of Trust Territory citizens to harvest the rich marine resources of the surrounding ocean.

184. The Special Representative further stated that the Micronesia Marine Biology Laboratory on Palau had become the first to raise rabbit fish under a controlled situation. It was developing commercially several varieties of shrimp. Other experiments were being conducted in the commercial raising of other types of fish and of oysters.

185. The representative of the United States informed the Council at its forty-first session that the United States Government had agreed to Micronesian participation in the United States delegation to the forthcoming Third United Nations Conference on the Law of the Sea.

186. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction the progress since 1972/73 in developing Micronesia's vital marine resources. It notes in particular the construction of a fleet of ferro-cement fishing boats and the proposed order of a fleet of larger fishing vessels. It believes that, as in the case of agriculture, more resources could usefully be made available for the development of Micronesia's fishing industry, for example for the canning of fish for export. In this connexion, the Council expresses the hope that the unused balance of the Marine Resources Development Fund can be speedily disbursed.

The Council reaffirms the responsibility of the Administering Authority to protect Micronesia's marine resources. It is pleased to learn that the United States Government has agreed to Micronesian participation in the United States delegation to the forthcoming Third United Nations Conference on the Law of the Sea.

Industry and tourism

187. 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. Handicraft products are readily salable and limited quantities are available for export, but production at reasonable prices should be encouraged. The demand for Micronesian handicrafts is high, owing mainly to the increased number of visitors. Most small industries fall into the service classification.

188. Tourism continues to show strong growth potential. Micronesia's location, climate, unique geographic characteristics and cultures have already proven to be a sound foundation for expanding tourism.

189. The number of visitors entering the Territory during 1973 totalled 47,115, compared with 36,199 the previous year. Visitors were estimated to have spent more

than \$3.5 million, compared with \$2.7 million for the previous period. More than 60,000 visitors are expected by the end of 1974 and, if trends continue and planned facilities are realized, it is anticipated that the number will increase to 80,000 by 1975.

190. At its fortieth session, the Trusteeship Council agreed with the view of the 1973 Visiting Mission that the importance of the tourist industry in an economic sense should not divert Micronesians from the more important task of encouraging viable permanent and balanced growth in the economy as a whole, particularly in the agricultural and fisheries sectors. The Council also wished to stress the importance of ensuring that a fair proportion of the revenue from tourism remained in Micronesia.

191. According to the current annual report, the policy of the Administering Authority is to develop tourism in accordance with the wishes of each district with the revenue derived therefrom used for the benefit of the people. The Division of Economic Development in the Department of Resources and Development is primarily focusing attention on the development of district tourist commissions with a planned tourist growth in mind. To this end, workshops have been organized in each district and more are being planned for the future. The Division will continue to encourage and assist Micronesians to play an active role in all aspects of tourism development.

192. At the forty-first session of the Trusteeship Council, the Special Representative said that about 46 cents of every dollar (United States) spent in the Territory by visitors remained in Micronesia. With an estimated income of \$4.5 million from tourism in the current fiscal year, Micronesian companies and individuals would derive more than \$2 million in direct income therefrom. The majority of the 700 hotel rooms currently under construction in Micronesia were in locally initiated projects. As Micronesian participation in the tourist industry increased, either through hotel ownership or direct employment in tourist-related service agencies, the Micronesian share of the tourist dollar would grow.

193. The Special Representative further said that, with the completion of the new Saipan International Airport in 1975 and proposed direct flights from Japan to Saipan, the Trust Territory anticipated a further major increase in tourism.

194. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

Although recognizing that too much reliance on tourism can be unhealthy for a developing country and its people, the Trusteeship Council notes with satisfaction the growth in the volume of tourists to Micronesia, the increase in Micronesia's own tourist income and the degree of participation by Micronesians themselves in the development of tourist facilities. It expresses the hope that all districts of Micronesia will share in the benefits, both financial and in the employment field, to be derived from a programme of tourist development, provided that it is properly controlled and reflects the desires of the inhabitants of each district.

Transport and communications

195. Shipping service from the United States and from far eastern ports to the Trust Territory is provided by Transpacific Lines, Inc. (TRANSPAC). The current

annual report of the Administering Authority states that the company is partially owned by Micronesian citizens and employs many Micronesians, some of whom occupy responsible positions previously held by non-Micronesians.

196. A fleet of government-owned inter-island vessels has been established to facilitate travel from district centres to the outer islands. These vessels perform both administrative and commercial transport services. The major portion of the operating costs of these vessels are met by government subsidies because revenues derived from commercial services are limited.

197. At the forty-first session of the Trusteeship Council, the Special Representative said that the MV Micronesia Princess, the first of the new fleet of inter-island field trip vessels, had been launched in December 1973. The ship had been especially designed for use in Micronesia and would be joined by seven ships of the same construction within the next few years. It was the Administration's plan to finance the construction of six additional vessels in 1974/75, if it were successful in securing the increased ceiling authorization (see para. 149 above).

198. 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, by Boeing 727 jet aircraft, links all district centres of the Territory. Outside the Territory, service is provided to Guam, Honolulu and Okinawa. The number of passengers carried rose from 117,633 in 1972 to 149,120 in 1973.

199. According to the current annual report, road maintenance is difficult, especially on the high islands where heavy rainfall washes out road-beds, and limited budgets make difficult any more than a token upkeep of roads outside district centres. Limited budgets have also kept road construction at a minimum, even though the Administration considers roads as important links to the outlying villages. A territorial road programme has been established, providing for the construction or repair of a number of miles of road each year.

200. 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 intra-territory and world-wide commercial and governmental systems. In addition, each facility is capable of communicating with aircraft, ships and the outer islands.

201. At its fortieth session, the Trusteeship Council noted with concern that major deficiencies in the system of transport and communications, particularly in regard to sea transportation, continued to exist and to hinder economic development and the performance of general government services. The Council drew the attention of the Administering Authority to the suggestions made by the 1973 Visiting Mission in its report about possible ways of improving the situation in those areas. 7/

202. The Trusteeship Council endorsed the view of the Visiting Mission that decisions on such questions as the awarding of airline routes to Micronesia should

7/ Ibid., paras. 279 and 292.

be made only on the basis of what was considered to be the interests of Micronesia as a whole.

203. At the forty-first session of the Trusteeship Council, the Administering Authority stated that in late February 1974 the High Commissioner, acting under authority granted to him in the charter of incorporation for the exclusive franchise shipper in the Trust Territory, TRANSPAC, declared the company to be in a state of financial insolvency and ordered that the shipping line be dissolved. A receiver was named to take charge of the bankrupt corporation and to effect its dissolution. This matter was now the subject of litigation in the Trust Territory High Court.

204. At the same session of the Council, the Special Representative stated that one of the legal actions which had been filed had resulted in a temporary restraining order preventing the Administration from terminating the franchise and dissolving the company. Meanwhile, the company was continuing to operate under receivership and the Administration had taken steps to bring competitive shipping into Micronesia.

205. At the same session, Senator Kendall, Special Adviser, stated that the Congress of Micronesia had recommended that the air route linking Micronesia with Japan be granted to the carrier that could link all the districts of the Trust Territory to Japan and thereby promote the economic welfare of the people. It was hoped that the Administering Authority would heed the wishes of the Congress.

206. The Administering Authority informed the Council, at the same session, that, in 1974, major capital improvement projects begun or completed included the bridge connecting Koror with the island of Babelthup, the Ponape road, the extension of water supply and sewerage systems in several districts; the international airport and air terminal facilities on Saipan; and air terminal facilities in the Marshalls, Truk and Palau districts.

207. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council, while regretting the circumstances that necessitated putting Transpacific Lines, Inc. (TRANSPAC) into receivership, notes that the Administering Authority has arranged for other shipping lines to serve Micronesian ports on a temporary basis and that the first of a new fleet of inter-island field trip vessels has recently been launched. It recalls, however, the concern it expressed at its fortieth session at the continuing existence of major deficiencies in the system of transport and communications. It urges the Administering Authority to give the highest priority to the rapid establishment of permanent shipping arrangements as soon as circumstances permit, in order to alleviate the hardships faced by the inhabitants of the outlying areas of Micronesia.

The Council continues to hold the view that decisions on the awarding of airline routes to Micronesia should be based solely in the interests of Micronesia as a whole.

Co-operatives

208. In 1972, 46 co-operatives were active in the Territory, primarily in importing, retailing, co-opra, handicrafts and the marketing of fish. Sales and

revenue of co-operatives aggregated \$7 million in 1972. Merchandise sales predominated, followed by sales of copra. At the end of 1972, co-operatives had 12,368 members, showed net savings of \$375,744 and had paid \$202,367 in dividends and patronage refunds. New fisheries co-operatives are being encouraged where long-range economic benefits might be realized in the form of increased exports or decreased imports. Existing co-operatives are being urged to expand into producer operations. A new fishing co-operative venture is being anticipated with the adoption of the Fishery Development Act of 1973 (Public Law 5-21) which would permit the creation of district fishing authorities. The latter would provide the necessary support and guidance to fishing co-operative associations, thereby enabling them to become primary fishery development institutions in Micronesia.

209. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with pleasure the continued growth of fishing co-operative associations. While appreciating fully how difficult it is to persuade farmers of the benefits of farming co-operatives, in particular the shared use of machinery, the Council hopes that the Administration will devote some of its educational and information efforts to this end.

2. Observations of members of the Trusteeship Council representing their individual opinions only

General economy

210. The representative of France said that there was a serious imbalance in the Trust Territory between its traditional subsistence economy and its developing monetary economy. Such a situation entailed some risks and could be an obstacle to Micronesian economic development. The Administering Authority had understood that it would be in the interest of the people to develop the primary sector of the economy rather than to emphasize too much the tertiary sector. The development should be pursued and even intensified with the support of international organizations and with the assistance of foreign investment which could supplement the substantial aid already being provided by the United States.

211. The representative of the United Kingdom welcomed the substantial progress that had been made over the past year in the economic field. Funds had been made available for the Koror Bridge and the construction of a new hospital on Ponape. It would be interesting to know whether any thought had yet been given to projects that the Development Bank of Micronesia might be able to assist.

212. The representative of the United Kingdom, while recognizing the substantial progress achieved in the past year, nevertheless felt that the time was near when Micronesia, with the active involvement of the Administering Authority, must take fundamental decisions about the economic future of the Territory. It would be very difficult for the delegates to the Constitutional Convention to come to any clear decision on the constitutional arrangements for a self-governing Micronesia without a clearer picture of the resources available. It was true that the United States authorities had offered to make available a continuing grant-in-aid for the duration of the proposed compact of free association, and that the United States Congress had been asked to increase its present grant from \$60 million to

\$75 million in the fiscal year 1975. Nevertheless, such aid, however generous, created its own dilemmas. There was to be a very heavy programme of capital spending in the Territory in the next few years. But capital projects had to be financed on a continuing basis and Micronesian resources were patently insufficient for that purpose. Although Micronesia needed more investment and development, there was a risk that too ambitious a programme might condemn the Territory to a continuing dependence on external assistance for many years, just at a time when it was negotiating for a looser form of relationship with the United States. He wondered also if it was realistic at this stage to assume whether that external financing requirements would begin to diminish at the completion of the 10-year period of free association proposed by the Micronesian negotiators, or that the cost of government would necessarily fall.

213. The United Kingdom representative noted that Micronesia could look forward to the growth of an economy based upon agriculture, fishing and tourism. This should increase exports and diminish imports in the field of agricultural development. The picture had changed since the fiscal year 1973. Copra prices, for example, had risen to an all-time high. His delegation nevertheless believed that the Territory's budget and development appropriations for the fiscal year 1973 continued to give insufficient weight to economic development and that some redeployment of budgetary resources was essential as Micronesia moved towards self-government.

214. In regard to the proposal of the Trusteeship Council last year that the Administering Authority should commission a full-scale economic review, the United Kingdom representative considered that this review, together with the separate manpower survey which representative Joab Sigrah, Special Adviser, had already proposed, should be expedited so that the necessary information was available to the representatives to the forthcoming Constitutional Convention:

215. The representative of Australia was pleased to note that the somewhat discouraging economic prospect presented to the Council in 1973 had been overtaken in the last year by a more promising turn in the Territory's economy. A number of important decisions had been taken internally which would expand considerably the Territory's economic horizons. The removal of the restrictions on foreign investment was an important decision, and the request to prepare a new five-year budget programme with emphasis on infrastructure development was another.

216. The representative of Australia was pleased to note also the developments in fishing, tourism and copra production over the last year. In underscoring the suggestion that a new full review of the economy of the Territory should be considered, he said that it had particular significance, given the apparent progress in the future status negotiations and the prospect of the fuller determination by the Micronesians themselves of priorities for development.

217. The representative of the Union of Soviet Socialist Republics stated that the Administering Authority regarded the most vital interests of the Micronesians as secondary, preferring its own interests, including its military interests, which was the reason why the Territory's economic and social situation continued to be unsatisfactory. The Territory's economy was almost completely dependent on funds provided by the Administering Authority. The Soviet Union representative further stated that, as in the past, Micronesia depended in the main on imports

from the United States, which pointed to the effort of the Administering Authority to make the Territory economically dependent upon it. There were no definite plans to ensure a viable economy or long-term development for Micronesia.

Assistance from international institutions

218. The representative of France stated that the initiatives which had enabled the Territory to join international agencies should help Micronesian authorities to reduce the imbalance to which his delegation had drawn attention. A precondition, however, was the necessity to make the choices and to propose to the lending agencies sufficiently precise programmes integrated into a long-term plan. His delegation wished that studies relating to the over-all question of investment would be envisaged, taking into consideration the emergence of the Territory into international economic life.

219. The French representative, noting with interest the steps taken to associate Micronesia with regional and international bodies and to open the Territory to foreign investments, considered those steps as indispensable. He pointed out, however, that there was a need for an over-all evaluation of the economy by the Administering Authority which would take into account the consequences of the decision to open the Territory to the outside world.

220. The representative of the United Kingdom welcomed the steps taken to associate Micronesia with regional and international institutions. He hoped that Micronesians would continue to participate in them and that they would have a chance to get to know their neighbours better.

221. The representative of Australia said that Australia looked forward to working with Micronesia in the Economic Commission for Asia and the Far East and to joining with it in the examination of ways and means to promote greater regional co-operation and development.

Public finance

222. The representative of the United Kingdom noted the continued existence of United States customs levies on imported Micronesian products. This was one of the many subjects still to be discussed between the two negotiating parties. The United Kingdom representative hoped, however, that the arrangements made to encourage Micronesia's export trade would be no less generous than those granted to the Marianas. If this were not the case, there would be some risk of a diversion of investment funds to only one part of the Territory. There was a case for some preferential treatment of Micronesia's vital exports, at least in the first years. As regards taxation, he appreciated the fears of the Micronesian representatives that an increase in import duties might create hardships for the poorer inhabitants of the Territory; but there might be some categories of imports on which an increase in duty would not be out of order. There were other ways in which Micronesia could increase its contribution to the annual budget, such as personal and corporation taxes. His delegation felt that Micronesia needed to re-examine those resources before embarking on self-government.

Land

223. The representative of the United Kingdom said that the agreement reached on the return of public lands to the inhabitants of the Territory was a welcome and long-awaited step towards giving Micronesians full control over that most precious of all commodities. He hoped that the necessary legislation would be passed at the forthcoming special session of the Congress of Micronesia.

224. The representative of the Union of Soviet Socialist Republics stated that a number of problems regarding the leasing of land for military bases, land use in general and the payment of compensation for war damage claims remained unresolved. The Administering Authority should take urgent measures to bring about a radical improvement of the situation in all those areas.

Agriculture and livestock

225. The representative of the Union of Soviet Socialist Republics said that, simultaneously with a further decline in the land areas used for the main crops, there had been a reduction in the absolute volume of agricultural production.

Marine resources

226. The representative of the United Kingdom noted developments in the fishing industry: the construction of a fleet of field vessels, the impending delivery of some ferro-cement fishing boats, plans to build larger fishing vessels and the continuing success of the fishing dory in Ponape. His delegation was delighted that the Micronesian Marine Biology Laboratory had had a successful year. But it hoped that the unused portion of the Marine Resources Development Fund would be rapidly spent.

Industry and tourism

227. The representative of the United Kingdom observed that tourism had continued to show encouraging progress. A new hotel had been constructed at Saipan and the international airport there had been completed. His delegation wondered about the heavy concentration of tourism in one district, bearing in mind that that district might negotiate a separate status for itself in the near future. It was inevitable that the present capital of the Territory should be fortunate enough to possess the infrastructure necessary for tourist development. But the United Kingdom delegation wondered whether more could not be done to ensure that the other districts shared in the financial benefits of tourism, always provided that those developments were properly controlled and that the Micronesians themselves had a substantial stake in them.

Transport and communications

228. The representative of the United Kingdom regretted the disappearance of Transpacific Lines Inc. (TRANSPAC), but welcomed the provision of alternative services by the Administering Authority. In his view greater attention should be

paid to the construction of feeder roads. Experience elsewhere suggested that feeder roads, by encouraging the distribution and commercialization of subsistence crops, made a very valuable contribution to economic growth at a relatively low cost.

Co-operatives

229. The representative of the United Kingdom noted that the annual report had indicated some useful progress in building up fish marketing co-operatives, but that it was proving very difficult to persuade farmers to share the use of farm machinery. The United Kingdom representative expressed the hope that existing educational programmes could be used to stress the benefits of co-operatives to small-scale farmers in Micronesia.

D. SOCIAL ADVANCEMENT

1. Outline of conditions and recommendations adopted by the Trusteeship Council

Human rights

230. The current report of the Administering Authority states that the inhabitants of the Trust Territory are 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; no slavery or involuntary servitude; protection against unreasonable search and seizure; no deprivation of life, liberty or property without due process of law; ex post facto laws prohibited; excessive bail, excessive fines, cruel, and unusual punishments prohibited; no discrimination on account of race, sex, language or religion; freedom of migration and movement within the Territory; the maintenance of free elementary education; no imprisonment for failure to discharge contractual obligations; writ of habeas corpus; no quartering of soldiers in private houses; protection of trade and property rights; and due recognition of local customs.

231. The annual report further states that the right of petition is granted liberally and that inhabitants have petitioned the United Nations and the Administering Authority. Petitions to the Administration have usually concerned special considerations for individuals or groups. Petitions have been submitted to United Nations visiting missions verbally and in writing.

232. Women in the Trust Territory are equal in law with men. They have equal access to courts and equal rights to own property, to control earnings, to act as guardians, to engage in business, to hold public office and to vote. Spouses are not responsible for each other's debts, either in civil law or local custom.

Medical and health services

233. The Director of Health Services has responsibility for planning, organizing and administering all medical and health programmes. At the district level, district directors are responsible for the direction and supervision of district health programmes.

234. At the forty-first session of the Trusteeship Council, the Administering Authority stated that the Department of Health Services had created a Division of Maternal and Child Health and Crippled Children's Services in 1974. Such services in the past had been provided through funds and facilities on Guam and Hawaii and had proved inadequate to the Territory's own needs. With federal financing it was now possible for the Trust Territory to exercise control over the programme and to provide increasingly adequate staffing.

235. The Trust Territory Health Planning Council is composed of nine health personnel and 12 other Micronesians representing all districts. The Council's function is to investigate health problems and advise the Director of Health Services on planning for future health programmes. Health planning councils are organized in all six districts and serve as advisory bodies to the district directors.

236. There are six main hospitals in the Territory, one in each district, and three subdistrict hospitals, at Ebeye (Marshall Islands District), Kusaie (Ponape District) and Rota (Mariana Islands District). In addition, there are 154 dispensaries and medical aid posts scattered throughout the Territory. Guam Naval Hospital and Tripler Army General Hospital in Honolulu are the referral hospitals for difficult and complicated cases.

237. In June 1973, there were 1,222 persons on the staff of the Department of Health Services, 57 at headquarters and 1,165 in the districts. Of this number, 48 were expatriate personnel, 6 were Peace Corps volunteers and 1,168 were Micronesians.

238. The Micronesian personnel included 36 physicians, 23 dental officers, 6 registered or university trained nurses, 184 graduate nurses (Trust Territory School of Nursing) and 400 health assistants and practical nurses.

239. During the period under review, a number of consultants were provided to the Trust Territory by the United States Public Health Services, the Atomic Energy Commission, the World Health Organization (WHO), the South Pacific Commission, Tripler Army General Hospital (Honolulu), Guam Naval Hospital and several universities in the United States. These organizations also offered training opportunities through fellowships, in-service training and seminars.

240. Recurrent expenditure on public health in 1973 totalled \$6.8 million, compared with \$6.1 million in 1972 and \$5.1 million in 1971.

241. At its fortieth session, the Trusteeship Council agreed with the suggestion of the 1973 Visiting Mission that more attention should be given to bringing the high standard of medical care now available in some of the district centres within the reach of all inhabitants of the Territory. It noted with interest the introduction of the MEDEX programme for the training of physicians' assistants and hoped that funds could be found to continue this operation beyond the two years envisaged at present.

242. The Trusteeship Council noted that the 1973 Visiting Mission had observed that many of the 153 dispensaries in the Territory were in substandard condition and in need of replacement. It considered that the Administering Authority should give high priority to the rebuilding of substandard dispensaries, especially in the

outlying areas, and also to the construction of new units in those places where a significant section of the population had no direct access to medical facilities.

243. At the forty-first session of the Trusteeship Council, the representative of WHO, in introducing the document containing his organization's observations concerning the Trust Territory (T/1753), said that assistance in the area was principally confined to the granting of fellowships for participation in intercountry group educational activities, for undergraduate studies in health courses not available in the Territory, or for existing qualified health staff to attend refresher courses or to obtain higher qualifications abroad. In 1975, WHO would provide consultants to assist in organizing refresher training courses for medical officers. He said that expenditures from the regular budget of WHO on behalf of the Trust Territory had increased from about \$57,000 in 1973 to an estimated \$77,500 for 1975.

244. At the same session, the Special Representative of the Administering Authority, in referring to the observations of WHO, stated that the Trust Territory's five-year plan for infrastructure provided for the completion of 115 new dispensaries during the five years covered by the plan. This construction, coupled with the MEDEX training programme, should result in greatly improved health conditions on the outer islands.

245. The Administering Authority informed the Council, at the same session, that 29 Micronesians had completed a programme of intensive training in the paramedical field and had graduated as fully qualified physicians' assistants. The training, a MEDEX programme under the auspices of the University of Hawaii Medical School, had proved to be extremely valuable in upgrading the skills of physicians' assistants to better serve the inhabitants of the outer islands. There were currently an additional 21 MEDEX trainees enrolled in the programme, and funds had been assured to continue the training through 1975.

246. Nearly 60,000 people are reported to be living in the immediate vicinity of district centres, with another 30,000 within reach of district hospitals or field units. Dispensaries serve the remaining 25,000 persons who reside on the outer islands. The outer islands receive additional medical or public health services by means of field service ships or aircraft. Special trips are made in case of an emergency. Two hundred small radio stations outside district centres offer communication for health workers. The construction of a 20-bed subdistrict centre hospital at Ebeye was nearly complete at the end of 1973 and some units had been moved to the new hospital. Construction of a similar hospital at Kusaie was started in 1972.

247. At the forty-first session of the Trusteeship Council, the Administering Authority stated that contracts had been awarded or bids solicited for the construction of a new 116-bed referral hospital, to be built on Fonape at an estimated cost of \$5 to \$6 million, and 38 prefabricated and self-contained health aide dispensaries for outer island areas at a cost of \$1.6 million. A new 36-bed hospital on Kusaie was under construction. The architectural design of a new 50-bed hospital for Yap was now being prepared; the hospital was expected to cost an estimated \$3 million.

248. Environmental health sanitarians in all districts worked closely with local representatives of the Environmental Protection Board. Specialized medical or

paramedical training was being pursued outside the Territory by 100 Micronesians; the MEDEX programme being carried out in co-operation with the University of Hawaii continued in operation and completion of advanced training is expected in late 1973.

249. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council is bound to note with concern the critical observations of the World Health Organization. It welcomes, however, the financing of a new hospital in Ponape District in 1973/74 and the progress in planning another new hospital in Yap District. It also notes that the first class of MEDEX students has graduated, and that the new five-year budget programme envisages the construction of 115 new dispensaries during that period. It reaffirms the recommendation made last year that a greater effort should be made to improve the supply of both preventive and curative medical facilities in the Territory's outlying areas.

Community development

250. 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.

251. Through the grant-in-aid programme, the Administration extends financial and technical assistance to local communities in planning and executing locally desired public projects where local cash resources are inadequate. These projects may involve the construction of facilities, such as roads, schools, dispensaries, ferry-boats and electric plants. During the fiscal year 1973, the cost of these projects was estimated to be about \$460,800, of which the Government's share was over \$290,300. Matching contributions by over 60 participating communities totalled about \$164,560 in cash, volunteer labour, materials, land and other forms of in-kind contribution. In addition to the territorial grant-in-aid programme, the six district governments are now financing similar self-help projects through local revenues.

252. Five of the six districts each have a community action agency, which is a private, non-profit corporation administered by a board of directors. The board has the responsibility of mobilizing resources to help alleviate poverty in its community. The five agencies received funds and technical assistance from various institutions and agencies during the fiscal year 1973 valued at more than \$1.1 million. More than 20,000 people benefited from the work of these agencies.

253. The programme of the Micronesian Legal Services Corporation began its third year of operation in 1973 with funds from the United States Office of Economic Opportunity. It received \$600,000 to continue operating a legal office in each district with two United States attorneys and several Micronesian lawyer trainees. This programme provides legal services to Micronesians in civil actions.

254. At its fortieth session, the Trusteeship Council noted with interest that the three major organizations in the Territory involved in community development were

very active and effective. However, in view of the Visiting Mission's comment that there was duplication of effort and a lack of co-ordination among the three organizations, the Council recommended that the work of these agencies be more efficiently co-ordinated and that a single department or individual be given responsibility for overseeing their work.

255. The Trusteeship Council noted the phenomenon, mentioned in the report of the 1973 Visiting Mission, namely, the growing dependence of people in many communities on external aid for financing community work, and shared the hope expressed by the Visiting Mission that this trend could be halted and eventually reversed. It agreed that one method of achieving this would be for local leaders to insist that participants in community projects genuinely involved themselves as partners and not just as recipients when they engaged in community development work for the benefit of their own people. 8/

256. The current annual report of the Administering Authority stated that the lack of co-ordination which appeared to exist in the past among the three agencies (the Community Development Office, the community action agencies and the military civic action teams) no longer seemed to be a problem. The Administering Authority viewed this as a continuing trend, and noted that these agencies, which worked most closely with the population of the islands, now supplemented each other's efforts more than duplicating them. It should also be added that these agencies worked at differing levels of authority. The Community Development Offices and the civic action teams are more directly under the supervision of the Trust Territory Government than the community action agencies, which are private, non-profit organizations.

Labour

257. The Protection of Resident Workers Act (Public Law 3C-44 of 1 January 1970) provides for the establishment of a Labor Division within the Department of Resources and Development. The act accords preference to Trust Territory citizens for employment and regulates the employment of non-citizens in order not to impair the wages and working conditions of Trust Territory workers.

258. The number of Micronesian wage earners employed during the year under review was 13,851. Of this number, 7,670 were employed by the Administration or by United States government agencies, and 6,181 were employed in the private sector. Wage rates in general follow the Trust Territory pay plan. Total wages paid to Micronesians were \$30.5 million, compared with \$28.9 million in the previous year. In 1973, there were 2,000 alien workers employed in the private sector, mainly in fisheries and construction work. Only skilled alien workers can be authorized for employment provided qualified Micronesians are not available.

259. According to the current annual report of the Administering Authority, trade unions do not exist in the Trust Territory although there is no prohibition against them. Trust Territory employees have the right to join or refrain from joining any lawful union, association or organization. No government employee, however, may strike against the Government or join any organization which claims the right to strike against the Government. The policy of the Trust Territory Government is to encourage understanding between management and labour.

8/ Ibid., para. 386.

260. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with interest the appointment of a full-time Chief of the Labor Division. It also notes the continuing efforts that are being made to train Micronesians for senior posts in both the private and the public sectors. It believes that these efforts should be intensified, in conformity with the expressed wishes of the Micronesian special advisers and of the Congress of Micronesia.

The Council notes with satisfaction that four of the eight major territorial departments are now headed by Micronesian directors, and that two more departments are scheduled to follow suit within the next year.

Housing

261. In 1973, the Congress of Micronesia passed the Community Housing Act, which established a Trust Territory 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. United Nations technical assistance has been provided to help develop the programme and the United States Department of Housing and Urban Development has provided technical assistance for upgrading district and headquarters managerial and planning skills.

262. At its fortieth session, the Trusteeship Council referred to the newly enacted law in regard to the low-cost housing programme and requested a report from the Administering Authority on the implementation of the programme at its forty-first session.

263. The annual report under review states that the High Commissioner has nominated a Micronesian to head the new territorial Housing Commission, subject to the concurrence of the Congress of Micronesia. Nominations for the six Micronesian commissioners were being received for submission to the Congress.

264. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council recalls that, at its fortieth session, it requested a report from the Administering Authority on the implementation of a low-cost housing programme. It trusts that such a report will become available in due course.

Public safety

265. At its fortieth session, the Trusteeship Council noted with concern that there had been an increase in certain categories of major crime and drew the attention of the Administering Authority to the suggestions made by the 1973 Visiting Mission in its report. 9/

9/ Ibid., para. 402.

266. The Trusteeship Council noted the concern expressed by one of the special advisers attending the fortieth session regarding enforcement of the Fire Arms Control Law; it would welcome, at its forty-first session, a report from the Administering Authority on the implementation of this law throughout the Trust Territory.

267. At the forty-first session of the Trusteeship Council, the Administering Authority stated that, as a result of extensive publicity concerning the new Weapons Control Law, the Territory had thus far received 591 applications for weapons identification cards to carry and possess firearms, dangerous devices and ammunition. Of this number, 576 identification cards had been issued, 5 had been rejected and 10 were pending. The Administration had received four applications for dealer's licences, all of which had been approved and issued by 25 June 1973. Enforcement of the criminal provisions of the act had been pursued vigorously from the beginning.

268. The Council reiterated its concern about the growing problem of juvenile delinquency in the Territory; it noted that there had been considerable research into this problem and that the authorities in the districts and the central Government were aware of the difficulties.

269. The current annual report of the Administering Authority states that the Division of Community Development has undertaken to assist three of the six districts in establishing a concerned citizens council (Youth Services Council) to plan co-ordinated community-based services for youth with the aim of preventing juvenile delinquency. Each council will be provided with a full-time youth services co-ordinator who will assume executive functions. The district councils will work for improvement of youth services, propose needed local and territorial legislation and recommend specific project approaches. The entire programme is being financed initially by a United States federal grant from the Department of Health, Education and Welfare.

270. The report also states that projects anticipated for further development are scouting, organized athletics and physical fitness programmes, employment counseling, health services referrals, community work experience and youth club activities.

271. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes the remarks made by Senator Wilfred Kendall, Special Adviser, on the need for judicial and penal reform, and would appreciate a report on the matter by the Administering Authority at the Council's forty-second session.

Peace Corps

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

273. In 1973, Peace Corps volunteers in Micronesia numbered 229, of whom 162 were serving in an educational capacity. The annual report states that, as Micronesians continue to assume responsibility for their own affairs, the number of needed Peace Corps volunteers will be reduced.

274. At its fortieth session, the Trusteeship Council recognized the useful contribution of the Peace Corps volunteers, particularly in the field of education. The Council expressed the hope that Peace Corps volunteers would continue to be made available through the programme Teaching English as a Second Language (TESL).

275. According to the Administering Authority the activities of Peace Corps volunteers were successful in many areas. The relative success of TESL, the linchpin of Micronesian unity, is the most striking example. The success of the programme can be measured to a large degree by the number of Peace Corps teachers being replaced by Micronesians trained in the process.

2. Observations of members of the Trusteeship Council
representing their individual opinions only

Medical and health services

276. The representative of Australia noted the improvements made in the social and educational fields in the past year. His delegation had been impressed by the facilities now available in the Territory's hospitals and elsewhere and by the construction programme under way. It had also noted the extensive health services available to the outer islands, facilitated by field service ships and aircraft.

E. EDUCATIONAL ADVANCEMENT

1. Outline of conditions and recommendations adopted
by the Trusteeship Council

General

277. 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 to develop the human resources in Micronesia in order to prepare the people for self-government and participation in economic and social development; to function as a unifying agent and to bring to the people a knowledge of their islands, the economy, the Government and the people who inhabit the Territory; and to provide Micronesians with skills which will be required in the development of the Territory.

278. The law provides for the establishment of boards of education at the territorial and district levels. 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. The Board's power and responsibilities include the defining of educational objectives; the provision of advice to the High Commissioner on educational policy; the recommendation of educational budgets; the establishment of a basic financial support plan for

education in each district; and the adoption of standards and guides for the preparation of curricula to be used throughout the Territory. During 1973, the Board held two sessions of a week's duration.

279. District boards of education have been established in the six districts. The function of the district boards is parallel in the districts to the work of the Micronesian Board of Education. All members of the district boards are Micronesians.

280. 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 two expatriates. The Council advises the High Commissioner, through the Director of Education, on manpower training needs for all of Micronesia in the areas of vocational, technical, adult and higher education. The Council also recommends priorities in higher education and reviews applications for scholarships in higher education.

281. In accordance with Public Law 30-36, 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.

282. 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. Educational opportunities are offered equally to boys and girls. According to the current annual report, there is no segregation on the basis of race, religion or colour in the Territory in either public or non-public schools.

283. At its fortieth session, the Trusteeship Council endorsed the recent recommendation of the Trust Territory Manpower Advisory Council urging the need for a study of manpower requirements in each district of the Territory to determine the job opportunities that would be available in the next 5 to 10 years. Such a study would enable proper planning of the type of vocational subjects that should be emphasized in schools and in adult education programmes.

284. The Trusteeship Council commended the progress that had been made in developing a curriculum for Micronesian schools especially suited to Micronesian needs. However, the Council considered that Micronesian students should, in addition to learning about their own districts and about Micronesia, be given more instruction about neighbouring Pacific countries and the varying experience of developing nations, not only in the Pacific but elsewhere.

285. The current annual report of the Administering Authority states that manpower surveys were initiated early in the current reporting period in five of the Territory's six districts. The results of the surveys are to be reviewed closely by private agencies, government agencies responsible for the training of government employees, and by the Department of Education whose vocational skills programmes depend on an accurate assessment of future needs.

286. The annual report further states that specialized educational programmes and curriculum development for the particular needs of Micronesia have been emphasized during the period in review.

287. At the forty-first session of the Trusteeship Council, the Administering Authority informed the Council of the continued development of curriculum materials, as had been noted in previous reports. Programmes in science, mathematics, health and social studies were constantly being tested and put into use. Of particular note was a new health curriculum which would be introduced at a summer workshop on Ponape in 1974. Federally financed bilingual education programmes were being developed in all districts, and a special course of study had been created at the University of Hawaii to prepare Micronesians to work with linguistics and vernacular language materials. The orthographies project was virtually complete; reference grammars and dictionaries for all major Micronesian languages were to be published by September 1974.

288. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council welcomes the efforts that have been made during the period under review to adapt curricula to the specific needs of the Micronesians. However, it feels that this new policy should aim increasingly at greater autonomy and a greater awareness of the outside world. The Council hopes that the Administering Authority will prepare a report explaining the additions which have actually been made to the curricula of Micronesian students so that they can learn more about neighbouring districts, in accordance with the law of 1969, the Pacific countries and the developing countries. It also feels that in these curricula more emphasis should be laid on subjects related to the development of a Micronesian cultural identity.

The Council, aware of the importance of vocational training for Micronesia, wishes again to stress the urgency of projecting manpower needs for each district. Such a projection would facilitate the adaptation of the programme of vocational training centres and would enable the authorities to make provision for the teaching of those additional subjects which should be added to the curriculum as soon as possible.

The Council also hopes that a similar projection will be made for higher education. While it welcomes the fact that nearly 1,000 Micronesians already have degrees ranging from Associate of Arts to doctoral degrees it would wish to avoid in the future too great a discrepancy between the fields chosen by students and those where a real need exists for the Territory.

Primary and secondary education

289. According to the annual report of the Administering Authority, there were 220 public and 24 non-public schools in the Territory at 30 June 1973. Pupils enrolled in public and non-public schools numbered 30,756, of whom 27,371 were attending public elementary schools.

290. The teaching staff in public elementary schools consisted of 1,240 Micronesian teachers (1,016 certified and 224 non-certified) and 90 non-Micronesian teachers (79 certified and 11 non-certified). The teaching staff in non-public elementary schools consisted of 101 Micronesian teachers (72 certified and 29 non-certified) and 49 non-Micronesian teachers (41 certified and 8 non-certified).

291. Secondary education was provided in 16 public and 12 non-public schools. There were four public schools in Mariana Islands District, one in the Marshall Islands, two in Palau, two in Ponape, five in Truk and two in Yap. Of the non-public schools, one was located in Ponape District, one in Truk, four in Palau, five in the Marshalls and one in the Mariana Islands District.

292. Secondary school enrolment totalled 5,597 in public schools and 1,557 in non-public schools, compared with 5,039 and 1,408 respectively in the previous year. In addition, 184 students were enrolled in secondary schools abroad. The number of students who completed their secondary school education in the Territory was 1,067 (826 in public schools and 241 in non-public schools). The secondary school staff consisted of 433 teachers (301 in public schools and 132 in non-public schools). Of the total number of secondary school teachers, 186 were Micronesians and 247 were non-Micronesians.

293. At the forty-first session of the Trusteeship Council, the representative of the United States said that an estimated 99 per cent of the children of elementary school age were in school and an estimated 53 per cent of the children of high school age were attending high school.

294. At the same session of the Trusteeship Council, the Administering Authority stated that classroom shortages had been considerably reduced in Truk by the creation of a system of feeder high schools. Secondary schools with grades nine and ten were located on two outer islands (Satawan and Ulul), two islands within the Truk Lagoon (Tol and Dublon) and at the district centre on Moen Island. Students in the eleventh and twelfth grades were accommodated at Truk High School, also on Moen, which in 1974 had opened a large complex of two-storey, modern classrooms to replace quonsets and other less permanent structures.

295. According to the Administering Authority, 93 per cent of the Territory's school teachers are Micronesians under the supervision of headquarters and district staff with a high proportion of Micronesian participation. School facilities were made available for more than 1,000 new students at all levels in the 1972/73 academic year.

296. Recurrent expenditure for education in the fiscal year 1973 totalled \$11.8 million, including \$5.1 million for elementary education and \$3.2 million for secondary education.

Higher education

297. The Community College of Micronesia located at Kolonia, Ponape, offers a two-year programme leading to an Associate of Science Degree in Elementary Education. At 30 June 1973, the Community College had a student body of 120 men and women from all districts of the Territory. Fifty-one students received their degrees in elementary education in June 1973.

298. The Community College has instituted an extension programme under which off-campus courses can be taken for credit. In 1973, 500 people were enrolled in the extension courses.

299. At its forty-first session, the Trusteeship Council was informed that an

Evaluation Commission had been established at the Community College of Micronesia to conduct a survey of the current role of the school in relation to community expectations and desires and to recommend programme directions for the future. The Commission's study had been completed, and its report would be used to support budget requests for the two-phase construction of a new college facility on Ponape with a capacity of 360 students. The report would also be used as a guide in redirecting the current programme towards occupational development.

300. Micronesian students attending institutions of higher learning abroad numbered 871 in 1973, compared with 778 in the previous year. Of this number, 114 were on Trust Territory government scholarships, 72 were on Congress of Micronesia scholarships, 150 were supported by the district legislatures, 17 by religious organizations, 11 by the East-West Center in Hawaii, 5 by the Government of Guam, and 502 by other scholarship programmes or private funds.

301. Of the 871 Micronesian students in higher education abroad, 358 were attending school in Guam, 245 on the United States mainland, 187 in Hawaii, 27 in the Philippines, 13 in Papua New Guinea, 9 in Canada, 8 in Fiji and 24 elsewhere.

302. At the forty-first session of the Trusteeship Council, the representative of the United States said that approximately 1,000 Micronesians held degrees in higher education. The number of Micronesians annually enrolled in institutions of higher education was about 1,000, including those at the two institutions of higher education in Micronesia, the Micronesian Community College and the Micronesian Occupational Center, and those studying at the University of Guam, the University of Hawaii and other universities abroad.

Vocational education

303. The Micronesian Occupational Center, located on Koror, Palau, is a boarding school offering vocational and technical training to students from the six 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 provides each district in the Territory with a vocational education supervisor who co-ordinates pre-vocational, vocational and industrial arts programmes in the district.

304. In 1973, the Center had an enrolment of 309 students, of whom 72 were secondary, 182 post-secondary and 55 adult students. During the year, 59 students completed certificate or diploma courses which brought to 300 the number of graduates of the Center in the few years of its operation.

305. In the period under review, 12 students followed vocational teacher-training programmes: seven were enrolled at the Micronesian Occupational Center and five were enrolled at the Ponape Agriculture and Trade School.

306. Vocational courses are offered in all public secondary schools in the Territory. Most secondary schools also offer an industrial arts programme. Specific plans for the forthcoming school year envisages an enrolment of approximately 2,500 students for vocational training in the secondary schools of the Trust Territory.

307. At its forty-first session, the Trusteeship Council was informed that during the year, comprehensive manpower inventories had been started in each of the districts to assess current inadequacies and future needs in both the governmental and private sectors. The inventories were being undertaken to prepare a grant application for Trust Territory participation in the Comprehensive Employment and Training Act, which would provide \$2 million for the Territories of the United States Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands.

308. Important information from the September 1973 census had been made available to the Department of Education and to the Training Division in the categories of occupational groupings, educational attainments and age groupings. This information would not only allow completion of the manpower inventories, but would also assist in adequate planning of vocational education programmes and facilities in Trust Territory schools to meet longer range requirements.

Teacher training

309. According to the current annual report, in addition to the 120 students enrolled at the Community College (see para. 297 above), 251 students, attending institutions of higher learning abroad, are reported to be pursuing studies in the field of education.

310. Each district in the Territory, except Yap, has a teacher-training centre which offers a nine-month programme to persons with previous teaching experience in the elementary schools of the district. These in-service centres trained 368 elementary school teachers during the year under review.

Dissemination of information on the United Nations

311. 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 United Nations Monthly Chronicle and the UNESCO Courier are supplied to all school libraries and to the two public libraries in the Trust Territory. United Nations picture and poster sets are also supplied to the schools. Movies and filmstrips about the United Nations are available for school use through community development film libraries.

312. The annual report further states that the Declaration on the Granting of Independence to Colonial Countries and Peoples, the Trusteeship Agreement on Micronesia, the Universal Declaration of Human Rights and other materials concerning the United Nations have been distributed widely in the Territory. The entire tape-recorded proceedings of the fortieth session of the Trusteeship Council were broadcast on all radio stations of the Trust Territory.

313. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council, while welcoming the favourable reactions of Micronesians to the Visiting Missions, hopes that additional efforts will be made to disseminate their recommendations and their observations among the inhabitants.

**2. Observations of members of the Trusteeship Council
representing their individual opinions**

General

314. The representative of France, referring to the educational programmes of the Territory, considered that it was necessary to reinforce the adaptation of education to the needs of the Territory. His delegation had noted with interest that the Manpower Advisory Council was playing a role in this respect, but considered that a study should be made of the employment opportunities which would be available in the near future, in view of the economic alternatives envisaged. Such a study should result in modifications of educational programmes which would make it possible to direct young Micronesians to the most useful professions.

315. The representative of the United Kingdom said that the Administering Authority's record in the educational field was excellent. There was near-universal instruction at the primary level and a high rate of secondary school attendance. The rate of post-graduate education compared very favourably with the over-all population of the Territory. His delegation's only concern was whether there might be a risk that the supply of educated people would shortly outpace the number of jobs available to them. He was encouraged by the assurance that the Manpower Advisory Council was trying to ensure that Micronesian students applied only for courses which were of use to the community, but he thought that the problem might need further study. The United Kingdom delegation therefore endorsed the proposals of one of the special advisers for a comprehensive manpower survey and it noted that the United States Secretary of the Interior had likewise instructed that this task be carried out. A continued emphasis on vocational rather than academic training was required.

316. The representative of Australia commented that the achievements in education in the Territory were most impressive. He noted the continuing concern to ensure that vocational education programmes received a proper priority within the educational system and commented that this, together with curricula designed specifically to meet the needs of Micronesia, was an important facet of the Territory's educational system.

**F. ESTABLISHMENT OF INTERMEDIATE TARGET DATES AND FINAL
TIME-TABLE FOR THE ATTAINMENT OF SELF-DETERMINATION
OR INDEPENDENCE**

**1. Outline of conditions and recommendations adopted
by the Trusteeship Council**

317. At its fortieth session, the Trusteeship Council very much regretted the adjournment of the talks between the Joint Committee on Future Status of the Congress of Micronesia and the delegation of the United States, following the meeting at Barber's Point, Hawaii, in October 1972, after the five previous rounds of talks had left the impression that agreement had almost been completed on the general outline of a status of "free association".

318. Without trying to apportion responsibility for the adjournment, the Trusteeship Council noted with interest that informal talks had been held at the beginning of May 1973 between the heads of the Micronesian and United States

delegations responsible for negotiating the future status, in order to prepare for the resumption of the formal discussions at the end of the summer. Inasmuch as the question of the return of the public lands to the districts had once again been raised during these talks, the Council expressed the hope that the Administering Authority would rapidly make a study of this problem, whose solution was considered by the Micronesian delegation to be a prerequisite for any equitable compact. It recommended that no district should be placed at a disadvantage in the organization of the study and, in particular, that the study should not be accelerated in one of the six districts at the expense of the others.

319. Observing that the question of independence had been raised at Barber's Point, the Council noted the remark made by Senator Amaraich, Special Adviser, in his introductory statement to the Council, to the effect that "independence was not a new issue; the Micronesian delegation had stated previously that 'we have come here /to Hana, Maui, Hawaii, in 1971/ to discuss independence'". The Council noted, in addition, the statement of the representative of the Administering Authority that the United States had never refused to discuss independence as an alternative solution but had believed that there were several possible kinds of independence, and that it had been unable to obtain a specific proposal from the Joint Committee on Future Status regarding the type of independence to be discussed. The Council further noted that, also according to the representative of the Administering Authority, the United States would continue to work for an agreement which would take into account its special security interests in the geographic area, the terms of the Trusteeship Agreement and the obligations assumed under it and the views of the Micronesian people.

320. The Trusteeship Council noted, as did the 1973 Visiting Mission and the representatives and special advisers of the Administering Authority, that all points of view existing in Micronesia with regard to the future of the Territory and all the possible solutions (commonwealth, association or independence) commanded some support. It noted that the Joint Committee on Future Status had asserted at Barber's Point that if the Micronesians were questioned about their future through a plebiscite their choice should not be limited to one solution. It took note, in addition, of the statements by the representative of the Administering Authority to the effect that the future political status of the Territory would ultimately have to be approved by the population, after the form of the act of self-determination had been studied and defined at the talks. It noted, moreover, that the United Nations would be kept informed of developments by the Administering Authority and would be invited to exercise some kind of observation, whatever the nature - plebiscite or other process - of the act of self-determination.

321. While acknowledging the existence of strong separatist trends in the Mariana Islands District, the Trusteeship Council recalled its earlier recommendations concerning the unity of the Territory and regretted that the situation should have developed to a point where Mariana Islands District might have a different political status from that of the rest of the Territory. The Council was also aware, however, of the view expressed by the Congress and by its Joint Committee on Future Status that they would not object to a form of separate political union involving the Mariana Islands District, if that union reflected the freely expressed wishes of the majority of its inhabitants and if the inhabitants could not accept the future status proposed for the Territory as a whole.

322. The Trusteeship Council noted from the joint communiqué issued on 4 June 1973 at the end of the second round of talks between the Marianas Political Status Commission and the United States delegation that both parties had agreed that any compact between them would have to be approved by the Legislature of the Mariana Islands District, by the people of the Marianas through a plebiscite and by the Congress of the United States. The Council interpreted the statements of the United States delegation promising to keep the United Nations informed of the progress towards any act of self-determination and to enable it to exercise some kind of observation as applying to a consultation of the people of the Marianas. It hoped that, if a plebiscite limited to the Mariana Islands was held, it would not take place before the conclusion of the talks conducted by the Joint Committee on Future Status.

323. The Trusteeship Council recalled its previously expressed opinion that separate status negotiations should not be undertaken without the consent, however expressed, of the Congress of Micronesia. It emphasized that the Congress, which represented the entire population of the Territory, had adopted a resolution during its session in January and February 1973 expressing the view that the Joint Committee on Future Status was the sole organ competent to conduct negotiations with the Administering Authority on behalf of all the districts of the Territory. The Council, moreover, expressed the hope that the members of the Mariana Islands delegation who were also members of the Joint Committee would continue to take their places in the Joint Committee when the latter resumed its discussions with the United States delegation, as they had said they were prepared to do. It hoped that the members of the Congress representing Mariana Islands District would report to the Congress on the progress of the separate negotiations.

324. The Trusteeship Council noted the information given by the Administering Authority on the studies already carried out or still in progress on the practical effects of any separation of the Mariana Islands, particularly with regard to the establishment of a new capital.

325. The Trusteeship Council also took note of the statements of the United States delegation to the effect that it was still United States policy to maintain the unity of the territories remaining in Micronesia. It expressed the hope that, if the secession of the Mariana Islands could not be avoided for the moment, the three delegations concerned would endeavour to seek solutions which would enable them to maintain as close links as possible in political, economic and cultural matters, and thus leave open the possibility for the Marianas to rejoin Micronesia without difficulty if the population of the Marianas should in the future manifest a desire for reunification.

326. The Trusteeship Council emphasized that the Administering Authority had once again affirmed its intention of ending the Trusteeship Agreement simultaneously for all parts of Micronesia, and not for one part separately. In the light of the explanations given by the United States representative, the Council interpreted this statement as signifying that if one part of the Territory should be administered separately before the termination of the Trusteeship Agreement, it would still be under trusteeship.

327. The Trusteeship Council expressed its disappointment that no substantial progress had been made since the previous year in the process of preparing for self-determination, with regard to the drawing up of a transitional political and

economic programme and the convening of a constitutional convention. Convinced that the preparation and adoption of a constitution was one of the major stages along the path to self-determination, the Council took note of the statements of the Special Representative, who undertook to facilitate material arrangements for the holding of a constitutional convention, and recommended that the greatest attention should be given to that question so that effective progress might be achieved during the coming months.

328. The Trusteeship Council fervently hoped that the negotiations would resume very shortly between the Joint Committee on Future Status of the Congress of Micronesia, with the participation of representatives of the Mariana Islands, and the United States delegation, and that they would be conducted in a climate of understanding, realism and clarity which would make mutual concessions possible. It hoped that it was not yet too late, provided that the will to succeed existed, to devise and negotiate a proposal regarding future status acceptable to all six districts which, until it was decided otherwise, formed the Trust Territory of Micronesia. It noted the assurances given by the representative of the Administering Authority regarding the latter's intention to keep the Council regularly and speedily informed of the development of the negotiations conducted with both the Joint Committee on Future Status and with the Marianas Political Status Commission.

329. 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, the Trusteeship Agreement and General Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960.

330. The current annual report of the Administering Authority states that the seventh round of negotiations on the future political status of Micronesia, held in Washington, D.C., in November 1973, centred on the levels of United States financial assistance in the post-trusteeship period under a free association arrangement. The Joint Committee on Future Status of the Congress of Micronesia proposed assistance levels approximately double the current levels and insisted that none of the remaining provisions of the draft compact could be negotiated until a tentative agreement on this matter had been reached. The United States offer, which its delegation described as permitting the continuation of current operations and development programmes, was based on current needs and expenditures. It also took into account anticipated progress towards greater economic self-sufficiency, simplification of governmental organization and a separate status for the Mariana Islands District.

331. The annual report further states that in order to break this deadlock, the United States delegation proposed that the question of financial assistance be temporarily set aside so that consideration of the remaining parts of the compact could be completed. The Joint Committee on Future Status rejected this proposal, but alternative suggestions for breaking the impasse, suggested by the Joint Committee, were considered unacceptable by the United States delegation. The Joint Committee also asserted that, unless the United States offered a better proposal before the Congress of Micronesia met in January 1974, the Committee would have to advise that the talks on free association had proved unproductive and that some other course should be considered.

332. The annual report points out that, despite the impasse and the lack of formal consideration of remaining titles of the draft compact of free association, there

was considerable informal discussion of the language of the finance title, of a title relating to the applicability of laws and of a title covering possible future changes of political status, including termination of the compact. Exchanges of draft language made clear that the two delegations may be close to agreement in these areas.

333. The seventh round of negotiations adjourned with expressions of regret from both delegations. The United States delegation reaffirmed the intention of its Government to seek a proper way to end the trusteeship in a manner consistent with its moral and legal obligations to the people of Micronesia.

334. The annual report further points out that on the question of progress in preparing the people of Micronesia for self-determination, it should be noted that, during the seventh round of negotiations, the United States reaffirmed its commitment to defray the costs of a constitutional convention, noting that funds for this had been requested from the United States Congress, and described the decision on the return of public lands as a significant step towards greater internal self-government. The new programme of "education for self-government" was also mentioned by the Chairman of the United States delegation as a major step towards self-government.

335. In regard to the question of the Mariana Islands, the third round of negotiations between the United States delegation and the Marianas Political Status Commission was held on Saipan from 6 to 19 December 1973. At the conclusion of the negotiations, on 19 December 1973, a joint communiqué was issued. 10/

336. The joint communiqué states that the discussions dealt initially with the constitutional, legal and fiscal aspects of the future political relationship within the framework of a commonwealth of the Marianas under the sovereignty of the United States. The discussion then moved to economic and financial assistance, land matters, including United States land requirements, and methods of assuring an orderly transition to the new political status, including United States assistance for the planning and implementation of necessary transition measures.

337. The communiqué further states that, during the negotiations, the parties arrived at several specific agreements within the broad areas of understanding reached in May/June 1973. Although a variety of specific formulations were discussed, there was no attempt to agree on language for a final agreement. The two sides reaffirmed that any such final agreement had to be approved by the Marianas District Legislature, the people of the Marianas in a plebiscite and the United States Congress.

338. According to the communiqué, both delegations agreed that the third round of negotiations had resulted in substantial progress towards the common goal of a secure and enduring place in the United States political family for the people of the Marianas. Much work, however, remained to be done on a range of complex issues before the signing of a final agreement. To this end, a number of technical

10/ Copies of the proceedings of the third round of negotiations on the Mariana Islands future political status were transmitted to members of the Trusteeship Council by the Administering Authority on 1 April 1974.

questions had been referred to panels of experts for further study between negotiating sessions.

339. At the forty-first session of the Trusteeship Council, the representative of the United States stated that although financial arrangements had been discussed at length at the seventh round of negotiations on the future status of Micronesia, no agreement had been reached on the size of the United States contribution to Micronesia after the termination of the Trusteeship Agreement. She informed the Council that discussion on the subject had been resumed on Saipan in January 1974. Ambassador Franklin Haydn Williams, the head of the United States delegation, had proposed and Senator Lazarus Salii, the Chairman of the Joint Committee on Future Status, had agreed that the future financial needs of Micronesia should be explored informally and in depth through joint conversations between experts on both sides. This exploration was conducted on Saipan in February 1974.

340. In April 1974, leaders of the two delegations met informally in Carmel, California, to discuss the results of the financial study as well as remaining issues in the draft compact of free association. Subsequently, there were two more meetings between Ambassador Williams and Senator Salii on Guam. Both sides expressed satisfaction with the progress recently achieved, and a further informal meeting between them was scheduled for early July 1974.

341. It was anticipated that another formal negotiating session would take place soon after the July meeting to consider all remaining issues. These would include arrangements for the plebiscite through which the people of Micronesia would be consulted on their own future, and transitional arrangements for establishing a new government before the termination of the Trusteeship Agreement.

342. Concerning a communication from the Marshall Islands requesting separate negotiations with the United States, which was before the Council, the United States representative, in referring to the press conference by Ambassador Williams on Saipan on 16 May 1974, said that it continued to be the hope of the United States Government that the Marshalls and Carolines, which at present comprise five of the six districts of the Trust Territory, would form a single political entity after the termination of the Trusteeship Agreement. The United States believed that the issues which had provoked this manifestation of separatist sentiment could be resolved by further talks among the Micronesians and that they were essentially internal questions in which the United States should not intervene. The United States delegation felt that the forthcoming constitutional convention would provide an excellent forum for debate and resolution of such questions, and it hoped that representatives of the Marshalls would participate in that convention.

343. In regard to the negotiations with the Marianas Political Status Commission, the representative of the United States informed the Council that, at the fourth round of talks, concluded on 31 May at Saipan, the two delegations had affirmed basic decisions with respect to the establishment of a commonwealth of the Northern Marianas under United States sovereignty, with maximum internal self-government, including the right of the people to draft and adopt their own constitution, to establish local courts and to administer local laws. In the light of the progress achieved in those talks, the United States and Northern Marianas delegations had agreed to establish a joint drafting committee to prepare a status agreement. This draft would be presented to the Marianas Political Status Commission and the United States delegation at the next negotiating session. Both sides reaffirmed that any

final agreement would have to be approved by the Mariana Islands District Legislature, by the people of Mariana Islands District through a plebiscite and by the Congress of the United States. The successful conclusion of this latest round of talks with the Marianas had encouraged the United States delegation to believe that negotiations to establish a commonwealth of the Marianas in permanent association with the United States might also be completed rapidly.

344. The United States delegation stated that it was fully aware of the Trusteeship Council's concern over the years with the maintenance of the unity of Trust Territories. The Council was well aware, however, of the special situation of the Marianas, the great majority of whose inhabitants, as the 1973 United Nations Visiting Mission report had noted, favoured separation from the rest of the Trust Territory. For over 20 years the Council had received petitions from the Marianas to this effect. Hoping that it would be possible to maintain the principle of unity, the United States had declined until 1972 to enter into separate negotiations. It had agreed to separate negotiations only after elected representatives of the Marianas had made it clear that the future political status being sought by the Congress of Micronesia - free association with provision for unilateral termination - was unacceptable to their people, who wished a closer relationship with the United States and a permanent one.

345. The representative of the United States reiterated the intention of her Government, announced at the fortieth session of the Trusteeship Council, to terminate the Trusteeship Agreement simultaneously for all parts of Micronesia and not for one part at a time. The United States considered, however, that it had the legal right to administer one part of the Territory separately from the others under the Trusteeship Agreement, and that it had, in fact, done so in the case of most of the present Mariana Islands District between 1951 and 1962.

346. The United States representative further said that, as her delegation had stated on several previous occasions, the United States expected and would welcome a United Nations presence during the act of self-determination.

347. The United States was confident that the two sets of negotiations - with the Joint Committee on Future Status of the Congress of Micronesia and with the Marianas Political Status Commission - were proceeding in accordance with the wishes of the peoples concerned, through their elected representatives. In the case of the former, it should be noted particularly that the negotiations embodied principles established by the Micronesians themselves and explicitly affirmed by them at the conclusion of the fourth round of talks in Koror in March 1972. To ensure that the peoples of Micronesia fully understood the issues which they will face at the time of a plebiscite, the Administration was committed to a vigorous programme of education for self-government.

348. Senator Wilfred Kendall, Special Adviser, referring to the above-mentioned discussions held early in the year by the heads of the two delegations, said that he was pleased to report that considerable progress had been made towards agreement on a final compact of free association between the United States and Micronesia, including tentative agreements on the important subjects of future financial support and termination of the compact. The tentative draft was under consideration by the two delegations. It was hoped that a completed draft could be referred to the Congress of Micronesia at its next regular session, in January 1975.

349. Senator Kendall further said that the Joint Committee on Future Status had originally proposed a level of financial assistance which was unacceptable to the United States. This level of assistance envisaged the completion of infrastructure after the termination of the Trusteeship Agreement. The United States had agreed to the completion of this programme prior to the termination of the Trusteeship Agreement through annual appropriations under the accelerated five-year plan. For this reason, although the Congress of Micronesia fully supported termination of the trusteeship agreement as soon as possible, it recognized that this might not be practically possible until 1981.

350. Senator Kendall also said that the Congress of Micronesia had always recognized the inalienable right of self-determination to which all the peoples of the Trust Territory were entitled. It considered, however, that the Administering Authority should leave the door open for any possibility for the future unity of Micronesia. The holding of a plebiscite within the Marianas as soon as the separate negotiations with the Marianas Political Status Commission were completed, regardless of whether the negotiations were completed between the remainder of Micronesia and the Administering Authority, would prevent the people of the Marianas from having a genuine choice on the question of future political status. It had been the position of the Congress of Micronesia that the draft compact of free association must come to a vote simultaneously in all the districts of Micronesia.

351. At its forty-first session, the Trusteeship Council heard two petitioners, Messrs. Daniel T. Muna and Jose R. Cruz, members of the Marianas Political Status Commission. In his statement, Mr. Muna said that the people of the Marianas believed that a close political association with the United States could take the form of a relationship that would fulfil their desires for maximum internal self-government. The views of the people of the Marianas were not the same as those of the people of the remainder of the Trust Territory as represented on the Joint Committee on Future Status. They recognized the right of the Joint Committee to explore alternative political status for the Trust Territory as a whole. While respecting the rights of the Joint Committee, however, the people of the Marianas could not permit either the Joint Committee or the Congress of Micronesia to dictate the terms of a future political status for the people of the Marianas contrary to their freely expressed wishes.

352. Mr. Muna further stated that the Marianas Political Status Commission had reported to the District Legislature on the progress made at each of the four sessions of negotiations with the United States delegation. The Legislature had continued to support the Commission in its efforts to work out the terms under which the Mariana Islands District would become a part of the United States political family. Members of the Commission had also reported to the people of the Mariana Islands in public meetings on the progress of the negotiations. Those public meetings, held throughout the Marianas, had shown that the people of the Marianas were firm in their desire for a close political relationship with the United States. The agreement which the Commission was now negotiating with the United States would be submitted for approval to the Mariana Islands District Legislature, and subsequently to the people of the Marianas. The people of the Marianas hoped that the United Nations would understand their political aspirations and would support their right to choose their own political destiny, which is the right assured to all peoples under the Charter of the United Nations.

353. In his statement, Mr. Cruz said that the people of the Marianas had established the Marianas Political Status Commission in order to pursue their goal of a close political association with the United States. The members of the Commission included representatives from the different islands in the Marianas chain, from the Congress of Micronesia, the District Legislature, the municipal councils, both local political parties in the Marianas, the local business community and from the major ethnic and cultural groups in the islands. During the four sessions of negotiations with the United States, a number of important tentative agreements had been reached. The future political relationship between the Marianas and the United States would take the form of a commonwealth arrangement, as defined by a formal political status agreement. The Marianas Government would exercise maximum self-government with respect to internal affairs, while the United States would have sovereignty over the Marianas and exercise authority in the fields of defence and foreign affairs. The new Government of the Marianas would be established under a locally approved constitution. The fundamental terms of this relationship, as defined in the political status agreement, would be subject to modification only by mutual consent. Provisions of the Constitution of the United States would apply in the Marianas so as to protect individual rights. Persons in the Marianas would become United States citizens, or, if they preferred, United States nationals.

354. Mr. Cruz further said that the United States had agreed to provide financial assistance to the new Government over a seven-year period. This assistance was designed to move the Marianas progressively towards economic self-sufficiency, and to assure higher personal income and living standards for the people, capital improvements for economic and social growth, and improved public services. The Marianas Political Status Commission had consulted with the people often and widely concerning United States land requirements. At the recently concluded round of negotiations, tentative agreement had been reached to meet the revised United States land requirements in the Marianas, although the terms of the arrangement and the compensation to be provided to the people of the Marianas for the land which would be used remained to be settled. In view of the progress already made, the Commission was hopeful that, by the end of 1974, the negotiations could be concluded and a formal status agreement prepared. After the formal agreement was approved by the Commission and by the United States delegation, it would be submitted to the District Legislature and, if approved, to the people of the Mariana Islands District.

355. At its forty-first session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction that, during the resumed discussions in Washington, D.C. in November 1973, between the Joint Committee on Future Status of the Congress of Micronesia and the United States delegation, the latter announced the decision of the Administering Authority to return control over public lands to the districts.

The Council regrets that, since no agreement could be reached on United States assistance to Micronesia on the termination of the Trusteeship Agreement, the discussions were again adjourned; however, it noted that contacts between the heads of the two delegations were never broken off. It also notes that both the Administering Authority and the special advisers have expressed their satisfaction at the progress accomplished during the past year and have announced that official discussions would be resumed during the summer of 1974. The Council hopes that in

the search for an agreement the Administering Authority will not lose sight of the moral and legal obligations it has accepted to fulfil vis-à-vis the Territory.

The Council notes that, without ruling out the alternative of independence, according to the statements of the Administering Authority and the special advisers, the discussions continue to be oriented towards the choice of free association for the five districts of the Marshall Islands, Ponape, Truk, Yap and Palau. With regard to the Northern Marianas, separate negotiations are taking place and they are tending towards the establishment of a commonwealth under United States sovereignty. While recognizing that future negotiations may be facilitated by the private conversations now taking place, the Council expresses the hope that it will be kept fully informed during the months to come on the important developments taking place.

The Council notes that the two parties have agreed that the future political status of Micronesia should be approved not only by the United States Congress but also by the Congress of Micronesia and particularly by the people of Micronesia by means of a free consultation, which will take place in a form to be decided. It is also expected that this consultation will take place in the presence of the United Nations.

The Council expresses the hope that the terms of the consultation will be clearly defined and that no alternative, including independence, will be ruled out.

The Council recalls its earlier recommendations concerning the unity of the Territory and its previously expressed opinion that separate status negotiations should not be undertaken without the consent, however expressed, of the Congress of Micronesia. The Council is also aware, however, of the view expressed by that Congress and by its Joint Committee on Future Status that they would not object to a form of separate political union involving the Mariana Islands District, if that union reflected the freely expressed wishes of the majority of its inhabitants.

The Council, having heard the statements of the Administering Authority, feels that, if the people of the Marianas are consulted separately from the people of the rest of Micronesia, the Congress of Micronesia should be informed in advance of their future political status. The Council considers that the consultation of the people of the Marianas should also take place in the presence of the United Nations and should not exclude any alternative.

The Council earnestly hopes that the three delegations will conduct the negotiations in such a way that, if separate plebiscites have to be held in the Marianas and in the other districts of Micronesia, these consultations will be carried out simultaneously.

As during the previous session, the Council expresses the hope that, if the secession of the Marianas cannot be avoided, the three delegations will strive for solutions allowing the maintenance of the closest possible links in all fields and leaving open the possibility for the Marianas to rejoin Micronesia without difficulty if their people should express the desire for reunification in the future.

The Council stresses that the Administering Authority has again affirmed its intention to terminate the Trusteeship Agreement simultaneously for all parts of

Micronesia and not for one part separately. In the light of the explanations given by the United States representative, the Council interprets this statement as meaning that trusteeship would continue to apply to a part of the Territory administered separately before the termination of the Trusteeship Agreement.

The Council notes with genuine concern that the Marshall Islands has also expressed its intention of initiating separate negotiations with the Administering Authority. It notes that the Administering Authority has expressed on several occasions the desire to preserve the unity of the Marshalls and the Carolines. It expresses its firm conviction that the problems underlying this trend will be settled in such a way that the unity of these districts will be maintained.

The Council hopes that the Administering Authority, which has announced the development of a programme of political education at the village level, will ensure that it is implemented. It welcomes the progress made towards the convening of a constitutional convention preceded by elections throughout the Territory and designed to play a determining role in the achievement of self-government.

The Council, however, feels that more substantial progress should be made in training Micronesian personnel to take over from expatriates and in achieving internal self-government even before the termination of trusteeship.

The Council has expressed the wish to be kept informed as fully as possible about the conditions in which trusteeship will be exercised during the interim period. It expresses its concern at the statements by the special Micronesian advisers to the effect that the future status of the Territory may be settled only in 1981 and hopes that the termination of trusteeship will occur sooner, with due regard nevertheless to the interests of Micronesia.

The 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 and General Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960.

2. Observations of members of the Trusteeship Council representing their individual opinions only

356. The representative of France noted that the statements made by the representatives of the Administering Authority and by the special advisers indicated that the negotiations on the future status of the Territory were due to resume in July 1974 and that it was highly probable that an agreement would be reached very soon. The French delegation was pleased at this encouraging prospect and hoped that the Trusteeship Council would have before it the text of an agreement at its forty-second session. The French delegation was confident that the compact would take into account the interests of the two parties, bearing in mind the economic realities and the principles contained in the Charter of the United Nations.

357. The French representative further noted that the status of free association was the objective sought in the negotiations and, while realizing that at the present stage it was too early to discuss the negotiations in detail, considered it important that the Council had been given the assurance that the population would exercise its right to self-determination in accordance with the Charter,

and also that the Administering Authority would welcome a United Nations presence during the act of self-determination.

358. The French representative considered it essential that the population of the Mariana Islands have, like those of the other districts, the possibility to express through a referendum, or any other form of consultation, the manner in which they wished to exercise their right to self-determination and that such consultation be held under the auspices of the United Nations. The French delegation considered that in the event that a referendum was held for the Marianas alone, it should not take place before the end of the negotiations now in progress with the Joint Committee of the Congress of Micronesia. Furthermore, although the Marianas had apparently decided to live in close association with the United States, it seemed appropriate not to preclude the possibility for them to rejoin Micronesia later should they so desire.

359. The French representative noted with great interest the assurances given by the Administering Authority that it would not agree to conduct separate negotiations with the Marshall Islands. It hoped that the issues which had generated separatist sentiments in that district would be settled rapidly by the Micronesians themselves.

360. The representative of the United Kingdom recalled that, at the fortieth session of the Trusteeship Council, his delegation had said that the Council should recognize realities. In its view, when account was taken of the particular circumstances of Micronesia, it was clear that it was not possible, despite all hopes to the contrary, to maintain the unity of the Territory after the termination of the Trusteeship Agreement. The United Kingdom representative noted that the representatives of the Marianas had confirmed once again this year that it remained their intention to seek a closer form of association with the United States. His delegation felt bound to respect that wish, which had been made known over so many years.

361. At the same time, however, the United Kingdom continued to hope that when the time came for the people of the Marianas to vote on their future status, the negotiations which were being conducted by the Congress of Micronesia's Joint Committee on Future Status for a free association agreement with the United States would either be completed or near completion. In the view of his delegation it was important that the people of the Marianas should be aware of what was being negotiated for Micronesia as a whole. His delegation was, of course, aware that the Marianas were represented in the Congress of Micronesia's negotiating team, and it recognized also that they had already elected their representatives to the forthcoming constitutional convention. To that extent the leaders of Marianan opinion were well informed about what was going on. The United Kingdom delegation was not entirely certain that the same could be said for the people of the Marianas as a whole. It was difficult to inform inhabitants of so scattered a Territory about what was happening at the national level.

362. It was not possible to say whether the two sets of negotiations now going on would be completed at roughly the same time or whether the negotiations for the compact of free association would continue for some time to come. In the view of the United Kingdom delegation, it was not essential that a referendum on the one agreement should be timed to coincide with a referendum on the other. That might result in entirely unreasonable delays for one or the other party. However, as

much information as possible should be made available to the people of the Marianas, should they be called upon to vote first, about what was happening in the wider series of negotiations. That was all the more important because those latter negotiations were still developing. The financial arrangements, in particular, might well have been adjusted in the period since the seventh round. It would be a pity if hasty decisions were taken without the benefit of the maximum possible information, the more so if some time had still to elapse before the formal termination of the Trusteeship Agreement.

363. The United Kingdom representative hoped that the two negotiating parties from Micronesia would bear in mind their common interests. It was inevitable that the Marianas, in choosing a closer form of link with the United States, had also accepted for themselves the consequences that flow from such a link in the fields, for example, of citizenship and trade. Nevertheless, it should be possible and in everyone's interests to maintain some common services between the Marianas and the rest of Micronesia.

364. The United Kingdom delegation fervently hoped that the difficulties of the Marshall Islands, which appeared to stem largely from the Territory's revenue-sharing arrangements, would be satisfactorily settled in the course of the coming Constitutional Convention. It would view with distress and concern any step which might tend towards the separation of the Marshall islanders from their brothers in Micronesia.

365. The United Kingdom representative further said that he wondered whether it was really practical politics for the trusteeship status of Micronesia to remain in being until 1981 if, as now seemed quite possible, agreements on both its external and internal status could be reached in the next two or three years. It had been the United Kingdom's experience that once a dependent Territory achieved internal self-government, or was in sight of it, pressure grew for an early transfer of formal power.

366. The representative of Australia said that from the statement made by the United States representative and Senator Kendall, Special Adviser, it seemed clear that the negotiations were poised at a critical and important point where agreements on a draft compact of free association between the United States and Micronesia and on a status agreement with the Marianas might both be imminent. The Australian delegation had noted the indication given by Senator Kendall that a completed draft compact could be referred to the full Congress of Micronesia at its January 1975 regular session; this seemed to be an indication of smooth and timely progress.

367. On the other hand, the Australian delegation had noted that it was anticipated that the compact would take effect in 1981. It was obviously appreciated within the Congress of Micronesia that such a transition period would be a lengthy one. It would certainly seem so to the Australian delegation. Without wishing to make too much of that date, which the Australian delegation treated as being only indicative, it would hope, nevertheless, that the Micronesian people would feel encouraged to exercise their right to self-determination, including independence, and to take charge of their affairs well before 1981. The Australian delegation would like to see them take advantage of the opportunity of proceeding with such important tasks as the development of their economic infrastructure themselves, with their own priorities and in their own time, rather than approaching that task as an obligation necessarily to be completely discharged by the Administering Authority

before self-government. Provided sufficient financial assistance was forthcoming from the former Administering Authority after self-determination, the actual work of development would, in the view of the Australian delegation, be more appropriately planned and executed by the Micronesian people themselves.

368. The Australian representative further said that the importance his delegation attached to the principle of national unity needed no elaboration in the Trusteeship Council. It had been reassured that at the current session of the Council, the United States representative had been able to reaffirm Ambassador Williams' latest statement that it continued to be the hope of the United States that there would be a single solution for the Marshalls and the Carolines, that they would form a united Micronesia and that the Constitutional Convention would contribute to resolving such questions as those being raised in the Marshall Islands. Australia shared with the Administering Authority the sense of importance to be attached to the unity of the five districts. Australia would urge on it, if any further urging were necessary, the importance of promoting national unity in those districts through the programme of political education for self-government.

369. The representative of Australia noted also that the processes of self-determination in the Marianas, as in the Carolines and Marshalls, were to be subject to United Nations participation so as to ensure that the rights of the peoples concerned to self-determination, including the right to independence, were fully and freely exercised in a properly informed manner.

370. The representative of the Union of Soviet Socialist Republics said that the documents before the Trusteeship Council and an analysis of the situation in the Territory showed that the development of Micronesia towards self-determination and independence was proceeding extremely slowly and that the purposes of the trusteeship were far from having been achieved. That fact had been admitted in his message to the people of Micronesia this year by Mr. Rogers B. Morton, the United States Secretary of the Interior, when, according to one of the documents before the Council, he stated that no final solution to the future of Micronesia had yet been found.

371. Statements by the representative of the United States and by the Special Representative at the forty-first session of the Council had offered an optimistic appraisal of developments in the Pacific Islands. However, statements by the representatives of the Congress of Micronesia, information concerning unanimous decisions by the House and Senate of the Congress of Micronesia and various petitions addressed to the Council contained a very different assessment of the situation. For many years the people of Micronesia had been pressing for an end to the trusteeship and the transformation of their country into a self-determining State in which the Micronesians could enjoy full powers in all spheres of life, including the right to conclude treaties with any country. However, the efforts of the Micronesian people had invariably met resistance from the administering Power as a result of which the principal question, that of the Trust Territory's political future, had remained unsolved.

372. The talks, conducted for several years between representatives of the Micronesian people and representatives of the Administering Authority, in the course of which the Micronesians had put forward and persistently upheld the well-known four principles reflecting the essential strivings of the people of the

islands and their aspirations to independent national development, had not yet produced the desired result. The fact that those talks had been held in secret at the request of the Administering Authority had made it difficult for the Council to keep abreast of developments in the talks and had prevented it from bringing its influence to bear on the course of the talks. The results of the talks were not communicated in good time either to the organs of the United Nations or to the public. Furthermore, the parties to those talks did not participate on an equal footing, which enabled the Administering Authority to bring certain pressure to bear on the delegation of Micronesia to accept terms proposed by the United States which did not take into account the will of the overwhelming majority of the Territory's people.

373. In the view of the Soviet delegation, a vivid illustration of that pressure was the statement of Ambassador Williams at the closing meeting of the seventh round of the talks on 21 November 1973 in Washington, D.C. Ambassador Williams had said that at one pole there was commonwealth, or joining the family of the United States, with all the obligations and advantages that entails, including a broad range of Federal programmes and services. At the other pole, he had said, was independence without any financial commitment on the part of the United States. Even from the information available to the Council, it could be seen that throughout the talks the United States representatives had put forward proposals aimed at keeping the Territory, in one form or another, within the orbit of the United States.

374. Initially, the United States had been pressing for the so-called incorporation of Micronesia. At subsequent stages of the negotiations, however, the formula of a compact of either commonwealth or free association were put forward. What this really meant was that the United States would exercise great power in Micronesia's external relations as well as in the economic and trade policy of Micronesia. The Soviet delegation considered it inadmissible that any such pressure should be brought to bear by the United States on the representatives of Micronesia with a view to compelling them to accept provisions in such an agreement which might perpetuate United States control over the Territory.

375. The Soviet Union, on the basis of its position of principle of supporting the colonial peoples, was in favour of the exercise of the right of the people of Micronesia to self-determination, independence and freedom. The attitude of the Soviet delegation towards the results of the talks between the Micronesians and the United States concerning the political future of the Territory would be determined when the final terms of the agreement were known, having in mind the inalienable right of the people of Micronesia to self-determination up to complete independence. The question of the final political future of the Trust Territory of the Pacific Islands could be settled in accordance with the Charter only by the Security Council.

376. In the view of the Soviet delegation, separate negotiations by the United States with representatives of the Marianas could not be regarded as legal. The plans of the United States to dismember the Trust Territory and to separate the Marianas from the Territory and include it in the United States were contrary to the will of the overwhelming majority of Micronesians, the United Nations Charter and many decisions of the United Nations. The Declaration on the Granting of Independence to Colonial Countries and Peoples stated that any attempt aimed at the partial or total disrupting of the national unity and the territorial integrity of a country was incompatible with the purposes and principles of the Charter of the

United Nations. The resolution adopted by the Congress of Micronesia on 22 March 1973 made the same point. The Soviet delegation supported the recommendation of the 1973 Visiting Mission that the Administering Authority should take all necessary steps to ensure the national unity of Micronesia.

377. The Soviet Union representative further said that the military activity of the United States in the region, including the Trust Territory, involved the construction of military bases which represented a danger to the peace and security of the peoples of Asia and Oceania as well as the people of the Trust Territory. That activity was also an impediment to the proper economic and social development of the Trust Territory.

378. The Soviet Union representative finally said that the Soviet Union wished to see the people of Micronesia, just like those of other colonial Territories, exercising in the nearest possible future their inalienable right to self-determination and independence, as laid down in the United Nations Charter, in the Declaration on the Granting of Independence to Colonial Countries and Peoples and in the Trusteeship Agreement.

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