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Forty-sixth session  
Agenda item 4

OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF  
THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Addendum

Note: Draft amendments to the working paper on conditions in the Trust Territory (T/L.1214 and Add.1-3) based on supplementary information supplied to the Trusteeship Council at its 1488th-1490th, and 1492nd meetings.

A. GENERAL

Land and people

1. In document T/L.1214/Add.2, after item 1, add the following two new paragraphs:

At the same session Mr. Sablan, Deputy High Commissioner and Special Representative, stated that \$200,000 had been made available for an architectural and engineering study on the permanent capital of the Federated States of Micronesia. For the interim period, \$300,000 had been made available to the Federated States for the renovation of the old Ponape Hospital to serve as a temporary facility.

At the same session, Senator Olter, Special Adviser, stated that the main concern of the Federated States in the renovation of the existing facilities was that although there was enough space to locate the offices there, it was inadequate for living facilities, especially if they were to recruit people from the various states and other areas.

Population movements

2. In document T/L.1214, after paragraph 12, add the following new paragraph:

At the forty-sixth session of the Trusteeship Council, the representative of

the United States said that the search for solutions to the problems of the Bikinians had been of high priority to his Government. However, it was now estimated that it would be another 30 to 60 years before Bikini was safe for agricultural purposes. Efforts had, therefore, been concentrated on improving conditions for Bikinians living on Kili. The majority of the Bikinians did not wish to remain on Kili permanently, primarily because of difficult access to the island. A survey was, however, under way to determine the feasibility of an all-weather dock for Kili; should that not prove feasible, the alternative proposal was to build a short-range airstrip. Exploration was also currently under way by the Bikinians and the High Commissioner of the Trust Territory for other areas of resettlement.

#### War and post-war damage claims

3. In document T/L.1214/Add.2, after item 4, add the following two new paragraphs:

At the same session, Senator Olter, Special Adviser, said that although the payment of war damage claims had been designated ex gratia, he did not recognize those payments as such, since they were required by international law and justice. The claims had arisen from a war for which Micronesia had no legal or moral responsibility and its war damages had been adjudicated and recognized by the Micronesian Claims Commission.

The Representative of the United States said at the same session that in its contact with the Government of Japan concerning the claims under Title I, the United States Government had indicated its concurrence with the position of that Government that there was no longer a legal claim which could be considered viable against either Government. He emphasized, however, that his Government's approach to the problem was based upon its understanding that there was a moral claim of substantial proportions.

### B. POLITICAL ADVANCEMENT

#### Territorial Government

##### Legislature

4. In document T/L.1214/Add.2, after item 5, add the following two new paragraphs:

At the same session, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that it was the desire of the Administering Authority not to be involved any more than was absolutely necessary in the internal workings of the new governments established under their constitutions. The veto power, under the Trusteeship Agreement, was one way by which the High Commissioner and the Secretary of the Interior could be protected from the enactment of legislation

which was inconsistent with the provisions of Secretarial Order No. 3039, the Trusteeship Agreement and United States treaties and laws applicable to the Trust Territory.

At the same session, Senator Olter, Special Adviser, stated that although Secretarial Order No. 3039 avoided use of the word "veto", the suspension power prescribed in that order was identical to it. The High Commissioner had the power under that order to render null and void any law passed by those legislative branches that he regarded as violating the Trusteeship Agreement or United States laws or regulations. An appeal could be taken to the Secretary of the Interior, but there was no deadline before which he should respond. The Department of the Interior had been unwilling to put enough faith in the three constitutional governments even to permit orderly judicial review by the territorial High Court as a substitute to that veto power.

#### Civil Service

5. In document T/L.1214/Add.2, after item 8, add the following new paragraph:

At the forty-sixth session of the Trusteeship Council, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that the great majority of the 1,000 expatriate positions were federal programme employees, a category of employees which had mainly short-term contracts, to a maximum of one year. Many of the programmes operating in Micronesia were slated for termination between July and September 1979, with a majority of them expected to be terminated at the end of 1980. The greater portion of the number of expatriate employees appearing in the statistics comprised temporary employees.

#### Decentralization

6. In document T/L.1214/Add.2, after item 9, add the following two new paragraphs:

The Special Representative stated that the Administering Authority, in anticipation of a rapid transition from the existing centralized governmental operation to a more decentralized and autonomous field operation, had created a special task force, consisting of the Deputy High Commissioner and representatives of the three Micronesian entities. The task force was given the responsibility of identifying specific administrative and executive functions now performed by the central Government which could and should be transferred to the new political entities as they became organized to assume those functions.

At the same session, Senator Olter, Special Adviser, stated that the Secretarial Order did not effect an immediate transfer of functions. It merely authorized the High Commissioner to transfer some of the functions of the Trust Territory administration to the constitutional governments when he determined that those governments were ready for them. There was no deadline or even a target date

by which the High Commissioner was expected to have made the transfer, or by which the Department of the Interior could be expected to provide adequate assistance for governmental infrastructure.

### C. ECONOMIC ADVANCEMENT

#### General economy

7. In document T/L.1214/Add.2, after the first paragraph of item 13, insert the following four new paragraphs:

The Special Representative stated that there was general agreement on the need to continue pursuing possibilities of implementing the second level of the capital improvement programme. However, because of financial constraints, they were unable to press ahead with the implementation of the plan. As to the five-year indicative development plan, not only had the basic plan itself been completed, but also the indicative plan of each individual district. There remained the implementation of the various plans and in that connexion an expert had been recruited to assist in identifying methods best suited to the implementation of the plans. It was expected that the programme could continue for as long as UNDP assistance was available to Micronesia.

The Special Representative stated that virtually all of the capital improvement projects which had been identified in full consultation with the Micronesian leaders in 1976 would be completed by the end of the Trusteeship period. The Administering Authority was assured that it would have made available to the succeeding Micronesian governments a basic and workable infrastructure, upon which each government could start to build its economy.

At the same session, Senator Olter, Special Adviser, said that the capital improvement programme now in progress did not by itself provide the infrastructure required to expand, or even hold constant the support structure for services needed in the coming years. The Government of the Federated States of Micronesia had requested from the Administering Authority those tools which could be used to tackle the problems and responsibilities of self-government.

At the same session, the representative of the United States stated that the Trust Territory Government was now able to receive special grants from the United States Department of Energy to establish and prepare a series of studies in connexion with solar energy and the general conservation of energy in Micronesia. With the exception of Ponape District, there had been no substantial effort to explore the possibility of hydroelectric energy, because of the lack of water resources in Micronesia, but concerted efforts in wind and solar energy were increasingly being undertaken.

8. In document T/L.1214, replace paragraph 89 with the following three new paragraphs:

The current annual report states that the Administering Authority has

extended to the Territory the Generalized System of Preference and that it is assisting the Territory to become eligible for preferential tariffs by other countries. The tariff treatment extended to the Territory by the Administering Authority will be dependent upon the agreements reached between the United States and the districts of the Trust Territory in respect of their future status.

At the forty-sixth session of the Trusteeship Council, the representative of the United States said that Canada and Japan had already extended the Generalized System of Preferences to the Trust Territory. The High Commissioner had submitted an application requesting that United States preferential treatment be extended to include the Trust Territory's major export item, coconut oil, which was under active consideration within the United States Government.

At the same session, Senator Olter, Special Adviser, stated that tariff barriers between Micronesia and the United States on tuna remained unchanged. These barriers severely restricted the development of fisheries, and failed to reflect what had been and would continue to be regarded as a special relationship between Micronesia and the United States.

Assistance from international institutions and other countries

9. In document T/L.1214/Add.2, after item 17, add the following new paragraph:

At the same session, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that the third national technical assistance programme was intended primarily to deal with assistance on a government-to-government basis and not to encompass private investments. Under that programme, technical assistance had been received from the Government of Japan in connexion with fisheries development projects in Palau, Truk and Ponape.

Credit

10. In document T/L.1214/Add.2, after item 18, add the following two new paragraphs:

At the same session, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that because of some prior problems in the management of the Economic Development Loan Fund, it had been necessary to review the structure of its management. A proposal had been forwarded for review to the Department of Interior, where it had received general concurrence. Final approval of the proposal by the Subcommittee on Interior and Insular Affairs of the United States Congress, was expected by June 1979.

At the same session, Senator Olter, Special Adviser, stated that although the Administering Authority had referred to the re-establishing of the Economic Development Loan Fund at some time in the future when final approvals were secured, the Fund was not yet in use, nor was there an organizational structure or guidance to place it in operation.

Agriculture and livestock

11. In document T/L.1214/Add.2, after item 22, add the following two new paragraphs:

At the same session, Senator Olter, Special Adviser, referring to the rice project on Ponape, stated that the funds originally requested by the former Congress of Micronesia had not yet become available and that the project was still experimental. Some problems encountered to date included supplying the site with workers and materials and having to use very small boats since no roads led to the work sites. The main problem foreseen when the project went into production was a lack of financing with which to attract workers or farmers to the project. There was at present a plan to set up the proper infrastructure to produce enough food-stuffs to feed the people of the Federated States of Micronesia and probably to export rice to nearby islands.

Marine resources

12. In document T/L.1214, after paragraph 160, add the following three new paragraphs:

At the forty-sixth session of the Trusteeship Council, the representative of the United States said that under the free association relationship contemplated by the parties, it was envisioned that the Federated States of Micronesia would have, during the post-Trusteeship period, complete authority to regulate fishing in their marine or natural resources zones, in addition to their territorial waters.

At the same session, Mr. Silmai, Special Adviser, stated that the initial one-year agreement between the Palau Maritime Authority and the Japanese fishing industry did not provide for employment. However, the agreement provided for a lump sum payment, which had already been made by the Japanese fishing industry, for the right to fish within the 200-mile economic zone.

At the same session, Mr. DeBrum, Special Adviser, stated that the Marshall Islands Maritime Authority had yet to conclude a fishing agreement with foreign fishing interests and was in the process of arranging suitable negotiations along those lines.

Proposal for a super-port in Palau

13. In document T/L.1214, after paragraph 186, add the following new paragraph:

At the forty-sixth session of the Trusteeship Council, the representative of the United States said that a proposed agreement for a feasibility study by a consortium of Japanese business firms was before the High Commissioner of the Trust Territory. It was the position of the Administering Authority that a feasibility study was a necessary first step; that the impact of such a project on

the Palauan environment should be thoroughly and objectively assessed; that the approval of the people of Palau would be required; and that any request for a super-port would have to comply with Palauan law, the Trust Territory Code and applicable United States laws.

Co-operatives

14. In document T/L.1214, after paragraph 189, add the following new paragraph:

At the forty-sixth session of the Trusteeship Council, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that there were 20 fishing co-operatives operating in Micronesia which were run primarily as private enterprises. It had been the intention of the Administering Authority, since the inception of the programme, to put emphasis on co-operative movements and credit unions. That same emphasis would continue to be placed on the development of that type of enterprise in Micronesia during the remainder of the Trusteeship period.

D. SOCIAL ADVANCEMENT

Medical and health services

15. In document T/L.1214/Add.3, after item 4, add the following paragraph:

At the forty-sixth session of the Trusteeship Council, the representative of the United States said that it was planned to replace the hospital at Majuro at an estimated cost of \$8 million. The Trust Territory Government was continuing its efforts to recruit a hospital administrator.

Community development

16. In document T/L.1214/Add.1, after paragraph 204, add the following new paragraph:

At the forty-sixth session of the Trusteeship Council, Mr. Sablan, Deputy High Commissioner and Special Representative, stated that there was an ongoing family planning programme in virtually all districts, although the people had been reluctant to participate actively in the programme. He emphasized the need to control population growth, stating that Micronesian resources would not in the near future be sufficient to support rapid population growth. The Trust Territory Government was pursuing the matter through government agencies. How successful the effort would be depended almost entirely on how Micronesians viewed the programme in the context of their own social structure.

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

17. In document T/L.1214/Add.3, before item 12, add the following four new paragraphs:

At the forty-sixth session of the Trusteeship Council, the representative of the United States said that one of the provisions of the statement of principles signed at Hilo 1/ had been that the ultimate free association agreement between the United States and each of the freely associated states should be made with a constitutional government formed by each of those entities. It was therefore incumbent upon each of the Micronesian entities to create a constitution and have it approved by popular referendum.

The United States Government believed that there must be some degree of co-ordination between its actions and the process whereby a constitution was framed to ensure its compatibility with the nature of the relationship now under negotiation.

In the particular case of Palau, in the Act establishing the Constitutional Convention of Palau, the Legislature had directed the Convention to create a constitution taking into account the relationship of free association. Accordingly, when the drafting of the constitution was about mid-way, the Palau Political Status Commission had invited the United States Government to offer its comments. The United States Government had transmitted its comments in respect of the document's compatibility with free association to the Commission. As a result, certain problems had been eliminated by changes in the draft, although other problems still remained, which made it doubtful whether that constitution could be a satisfactory basis for a relationship of free association. Accordingly, after the constitution containing a number of those provisions had been signed by most of the delegates to the Constitutional Convention, the Government of the United States had presented its view that the constitution raised a number of problems which would render free association impossible should it be adopted in that form.

The representative of the United States further said that at present the work of the Palau Legislature was impeded by that body's inability to assemble a quorum, a situation which had left pending the entire question of how the Palauan people wished to proceed. His Government had stated firmly its position that the question of the adoption of the constitution, with all its ramifications, was one for the people of Palau alone to determine. The United States Government felt that it was necessary for them to understand its attitude with regard to the possible consequences of the adoption of the constitution in its present form, and it had made those views known to them.

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1/ See Official Records of the Trusteeship Council, Forty-fifth Session, Sessional Fascicle, annexes, document T/1789, enclosure, para. 1.



18. In document T/L.1214/Add.3, after the fifth paragraph of item 13, insert the following new paragraph:

At the same session, the representative of the United States said that his Government felt that the economic assistance that it could provide under the free association agreement which was being negotiated with each of the three governments, together with the efforts of the peoples of each of those areas, would be sufficient to assure their economic future during the transitional period contemplated for the 15 years after the termination of the Trusteeship Agreement. His Government was hopeful that each of those governments would enter into fruitful economic relations with other countries to improve their over-all economic prospects.

19. In document T/L.1214/Add.3, after item 13, add the following four new paragraphs:

At the same session, referring to the resolution of disputes which might arise between the United States and each of the Micronesian entities concerning non-defence matters under the proposed compact of free association, the representative of the United States said that mechanisms had been set forth in that regard in the proposed compact and that there did not seem to be any serious disagreement as to the method set forth therein, which was arbitration. The issue of dealing with disagreements which might arise in the context of defence had proved to be a somewhat more difficult task for the negotiators.

According to the representative of the United States, it had been the position of the Marshall Islands Political Status Commission and of some of the other Micronesian delegations that the issue dealing with disagreements which might arise between the parties in the context of defence should ultimately be resolved in the federal courts of the United States. For various reasons, that was a concept which had not found favour within the United States Government. His Government had therefore presented a counter-proposal which was now before the Micronesian participants for their consideration and which would involve methodologies for the formulation of agreed standards in the environmental area.

The representative of the United States said that substantial agreement had been reached during the negotiations in Saipan with regard to authority for foreign affairs. Under that agreement, each of the Micronesian governments would exercise authority in the area of foreign affairs and would be able to represent itself in foreign capitals and to make such international agreements or treaties as it saw fit. The undertakings on that subject which would be incorporated in the compact of free association would involve continued consultations between the United States and each of the Micronesian governments in the area of foreign affairs to ensure that there would be no conflict between the exercise by the Micronesian Governments of their authority for foreign affairs and the exercise by the United States Government of its responsibilities in the areas of defence and security.

The representative of the United States further said that at the negotiations in Saipan in January 1979, each of the Micronesian delegations had submitted proposals for levels of United States economic assistance. The United States delegation had also submitted its proposals and they had been rather far apart. However, an undertaking had been given by each of the delegations at Saipan that further consideration would be given to the subject with an open mind.

20. In document T/L.1214/Add.3, after item 15, add the following five new paragraphs:

The representative of the United States said that the basic predilection towards unity which had characterized the deliberations of the Trusteeship Council for many years was shared by the United States. His Government had expressed the regret with which it had witnessed the disintegration of unity within the Trust Territory. The United States was also bound by its basic approach to its relationship to the Trust Territory and its responsibilities under the Trusteeship Agreement to respect the wishes of the people. The people had spoken on that subject and the United States had undertaken to abide by their decision. At the meeting held at Molokai, Hawaii, in October 1977, the representatives of the three areas within the Trust Territory had agreed that there would be an all-Micronesian entity and that it would have only such powers as each of the six districts decided to accord to it. The Government of the United States had continued throughout the negotiations to encourage the three political status commissions to find areas in which they could act together, both for greater economy and in order to preserve the links that had been built over the years.

At the same session, referring to the meeting held at Molokai, Senator Olter, Special Adviser, pointed out that the position of the Federated States of Micronesia had been and still was that unless the organization of the three entities would have governmental authority they would disagree on having such a loose organization to represent those entities.

At the same session, Mr. DeBrum, Special Adviser, stated that while it was true that in Molokai one of the few areas of agreement which the participants could find had been the question of establishing an all-Micronesian entity, it had been the position of the Marshall Islands Government that until all the various entities had fully organized their own constitutional governments, it would be premature to begin exploring the possibilities of such an entity.

The Special Adviser further stated that in the past two years the former and present governments of the Marshall Islands had participated in informal conferences and meetings with their neighbours in the Pacific. The Marshall Islands government wished to be able to engage in more productive interaction with its Pacific neighbours, and it hoped that the Administering Authority would see fit to remove some of the current restrictions on such activity.

At the same session, Mr. Camacho, Special Representative of the Administering Authority, said that the decision of the Northern Mariana Islands to choose closer ties with the United States had been made with the understanding that those islands

should pursue, if not closer, at least improved communications, not only with their brothers in Micronesia, but also with other islands in the South Pacific. In that respect, he thought that rather than competing with each other, the South Pacific islands should find ways of complementing each other. In the 16 months since the Northern Mariana Islands had become a Commonwealth, it had made it known not only to its neighbours in Micronesia but also to other islands in the South Pacific that it would like to maintain as close a tie as possible and that it wished to find ways of working together.

21. In document T/L.1214/Add.3, after item 16, add the following five new paragraphs:

Senator Olter, stated that the Federated States of Micronesia had no disagreement with 1981 as a target date for the termination of the Trusteeship Agreement. There were, however, certain obligations that the Administering Authority should have fulfilled before its obligation was lifted.

At the same session, Mr. DeBrum, Special Adviser, said that the Marshall Islands had formed a constitutional government in accordance with the mandate of the Trusteeship Council and of the United Nations. It had lived up to its part of the commitment to terminate the Trusteeship Agreement in an orderly fashion by 1981.

At the same session, Mr. Camacho, Special Representative of the Administering Authority, said that the Northern Mariana Islands was now in a position to request the Administering Authority to consider terminating the Trusteeship Agreement even earlier than 1981.

At the same session, Mr. Silmai, Special Adviser, pointed out that the goal of his government and of the people of Palau was to aim at 1981 as the year for the termination of the Trusteeship Agreement.

At the same session, the representative of the United States said that it was possible and desirable to terminate the Trusteeship Agreement by 1981. His Government expected that, through the negotiations that were currently in progress, the termination of the Agreement would take place on terms mutually acceptable to the peoples of the Trust Territory and to the Government of the United States. When the termination of the Trusteeship Agreement had finally been negotiated and concluded among the parties to the negotiations, his Government expected to report the results of those negotiations to the United Nations in accordance with the terms of the Charter of the United Nations and the Trusteeship Agreement.

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