



REPORT OF THE TRUSTEESHIP COUNCIL TO THE SECURITY COUNCIL  
ON THE TRUST TERRITORY OF THE PACIFIC ISLANDS  
(20 June 1970-18 June 1971)

# **SECURITY COUNCIL OFFICIAL RECORDS**

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**NOTE**

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

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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 1970 <sup>1/</sup> was transmitted to members of the Trusteeship Council on 6 May 1971 by a note of the Secretary-General (T/1716) and placed on the agenda of the Council at its thirty-eighth session.
3. The Trusteeship Council began its examination of the annual report at the 1372nd meeting, held on 26 May 1971. The representative of the United States of America and the Special Representative of the Administering Authority, Mr. Edward E. Johnston, High Commissioner of the Trust Territory, made opening statements. Senator Petrus Tun and Representative Sasauo Haruo, members of the Congress of Micronesia, who served as special advisers to the United States delegation, also made statements.
4. At the 1373rd and 1374th meetings, on 27 and 28 May, 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 1375th and 1376th meetings, on 1 June, the Council held a general debate on conditions in the Trust Territory.
5. At the 1380th meeting, on 4 June, the representative of the United States, the Special Representative and Representative Haruo made closing statements, and the Trusteeship Council decided to circulate a statement by Senator Tun. At the same meeting, the Council appointed a drafting committee, composed of the representatives of France and the United Kingdom to propose, on the basis of the discussion which had taken place in the Council, conclusions and recommendations on conditions in the Trust Territory. The Committee was also asked 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 1386th meeting on 17 June, the Council considered the report of the Drafting Committee (T/L.1163) and adopted conclusions and recommendations contained therein by 5 votes to none, with 1 abstention. The Council also decided to include those conclusions and recommendations at the end of each appropriate section of its report to the Security Council.
7. In explanation of his vote, the representative of the Union of Soviet Socialist Republics said that the report did not indicate the solution to the main problems confronting the Territory in the political and economic fields nor

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<sup>1/</sup> United States of America: 23rd Annual Report to the United Nations on the Administration of the Trust Territory of the Pacific Islands, July 1, 1969 to June 30, 1970, Department of State Publication 8520 (Washington D.C., Government Printing Office, 1971).

did it mention in its recommendations the military activities in the Territory. The Soviet Union representative also considered that the reference in the report to General Assembly resolution 1541 (XV) of 14 December 1970 could be interpreted as signifying that the Council did not exclude the possibility of a solution of the question of the Territory's future which would amount to its integration with the United States, a solution which was in contradiction to the position of the Congress of Micronesia. The Soviet Union representative said that his delegation, therefore, was unable to support the report and would abstain in the vote. He added that his delegation supported the just demands of the Congress of Micronesia contained in the four essential principles which it had presented as a basis for forthcoming negotiations with the United States of America on the question of its future.

8. At its 1386th meeting, the Council also adopted the revised working paper on conditions in the Trust Territory of the Pacific Islands (T/L.1160 and Add.1) as the basic text for that part of its report to the Security Council dealing with conditions in the Territory. At its 1387th meeting on 18 June, the Council decided to include in the appropriate sections of its report the observations of members of the Council reflecting their individual opinions. The report on conditions in the Territory, as adopted at the 1386th and 1387th meetings, forms part II below.

## B. EXAMINATION OF PETITIONS

9. At its thirty-eighth session, the Trusteeship Council granted oral hearings to four petitioners, one of whom had requested a hearing in support of a previously submitted written petition (T/PET.10/44). The Council heard the petitioners at its 1374th meeting on 28 May 1971, during its examination of the annual report on the Trust Territory of the Pacific Islands (T/1716).

10. At its thirty-eighth session, the Trusteeship Council had on its agenda 21 communications which had been circulated in documents T/COM.10/L.52 to T/COM.10/L.72, under rule 24 of the Council's rules of procedure. At its 1374th meeting, the Council decided to add to its agenda a communication which had been circulated in document T/COM.10/L.73.

11. At the same meeting, the Trusteeship Council considered and examined these communications and decided, without objection, to take note of them.

12. The Trusteeship Council, at its thirty-eighth session, also had on its agenda three petitions circulated in documents T/PET.10/44 and Add.1, T/PET.10/66, and T/PET.10/67, under rule 85, paragraph 1, of the Council's rules of procedure. The observations of the Administering Authority, in accordance with rule 86, paragraph 4, were circulated in documents T/OBS.10/16, T/OBS.10/37 and T/OBS.10/38.

13. The petitions and observations of the Administering Authority, mentioned in the preceding paragraph, were as follows:

(a) A petition from the Mariana Islands District Legislature (T/PET.10/44), dated 7 March 1969. The observations of the Administering Authority (T/OBS.10/16). The President of the Mariana Islands District Legislature, Mr. Vicente N. Santos, in a letter dated 3 June 1969 (T/PET.10/44/Add.1), requested the Trusteeship Council to defer consideration of this petition. In a letter dated 11 March 1971, Mr. Santos requested the inclusion of the petition in the agenda of the thirty-eighth session of the Council. The petition contained a report, dated 26 February 1968, of a Select Committee on Land Problems in Mariana Islands District in which it was requested that land problems be resolved. In its written observations, the Administering Authority stated that it was very much aware of the need to resolve the problem of land title and the settlement of land claims in the Territory. The Administration was studying this problem carefully with the intention of taking definite steps to reach an equitable solution throughout the Territory. The work of the Mariana Islands District Legislature's Select Committee as contained in the petition and the testimony which the Legislature's delegation would make before the Council would be carefully considered and evaluated. An oral presentation of this petition was made at the 1374th meeting of the Council on 28 May 1971. Comments on the remarks and recommendations of the petitioner were made by the Special Representative of the Administering Authority at the 1380th meeting of the Council, on 4 June 1971.

(b) A petition (T/PET.10/66) transmitting a copy of resolution No. 13-1970, adopted by the Mariana Islands District Legislature on 24 August 1970. This resolution requested the United Nations to recognize the cultural differences

between the districts of the Trust Territory and to allow each district to choose its own political future. The Administering Authority, in its written observations (T/OBS.10/37), pointed out that the Trusteeship Council and its visiting missions had noted the differences between the districts, and the sentiments of the people of the Marianas in particular, and had indicated that they would have to be accommodated in some manner at the time of self-determination. The United States, for its part, had always acknowledged that the people of the Marianas had a right to expect their views and aspirations to be taken into account upon the termination of the Trusteeship Agreement. It was an aim of the United States and of the Trusteeship System to provide the right of self-determination to all of the peoples of Micronesia, including the people of the Marianas. The United States remained confident that, through the current status discussions, with each of the districts being represented, such a solution could be achieved. In the meantime, it was the aim of the Trust Territory Administration, through its policy of decentralization, to give greater authority to the districts in the management of their own affairs.

(c) A petition (T/PET.10/67) transmitting a copy of House Joint Resolution No. 104, H.D.1, adopted by the Congress of Micronesia on 26 August 1970. This resolution requested the High Commissioner of the Trust Territory of the Pacific Islands to procure the services of the International Bank for Reconstruction and Development (IBRD) and its affiliated agencies to make a complete assessment of present and projected financial needs and services in Micronesia and to make recommendations and provide assistance, including development loans, for their realization. The resolution further requested the United Nations to aid IBRD and its affiliated agencies in implementing any of its recommendations. In its written observations (T/OBS.10/38), the Administering Authority stated that, while it was in accord with the intent of the petition to procure the services of IBRD and its affiliated agencies to aid the economic development of Micronesia, it believed that the type of general economic survey indicated in the petition was unnecessary, since it would duplicate extensive general surveys already undertaken by private consultant firms for the Trust Territory Administration. The Trust Territory Administration had invited the attention of the Congress of Micronesia to those surveys and had sought the opportunity to work with the Congress to identify areas of specific interest. The United States would, of course, expedite any request for IBRD assistance thus developed.

14. The Trusteeship Council considered and examined these petitions at its 1374th meeting on 28 May 1971 and decided, without objection, to draw the attention of the petitioners to the observations of the Administering Authority and to statements by members at the current session.



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

A. GENERAL

Outline of conditions and recommendations adopted by the  
Trusteeship Council

Land and people

15. The Trust Territory of the Pacific Islands consists of three archipelagos: the Carolines, the Marshalls and the Marianas. The island of Guam in the Marianas is not a part of the Trust Territory. The three archipelagos include more than 2,000 islands and atolls scattered over an area of some 3 million square miles of the western Pacific, north of the Equator. The distance from Tobi Island in the Western Carolinas to Mili Island in the Marshalls is approximately 2,400 nautical miles and at its greatest width the area extends 1,300 nautical miles north and south. The islands and atolls of the Trust Territory have a combined land area of approximately 700 square miles.

16. The people of the Trust Territory are broadly classified as Micronesians, except for about 1,000 Polynesian inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups.

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

18. Nine major languages, with variations of dialect, are spoken in the Territory. These languages are in everyday use and most people know only the language of their home island. In islands where the Japanese influence was strongest, many other people know at least conversational Japanese. Efforts are being made to establish English as a general language for communication and instruction.

19. The population of the Territory totalled 102,250 at June 1970, compared with 98,000 the previous year. The distribution of the resident population in the six districts was as follows: the Mariana Islands, 12,256; Palau, 12,525; Yap, 7,247; Truk, 29,208; Ponape, 20,808; and the Marshall Islands, 20,206.

Population movements

20. In the report for the year under review (T/1716), covering the period 1 July 1969 to 30 June 1970, the Administering Authority stated that since 1968, when the President of the United States of America announced that Bikini Atoll was again safe for human habitation, the Trust Territory Government and United States federal agencies had been preparing the atoll for resettlement by Bikinians, who have been living on Kili. To date, the island had reportedly

been cleared of debris, and an agricultural replanting programme was under way as was the initial construction of homes. The Government had also begun a rehabilitation programme on Ujelang, temporary home of the former residents of Eniwetok. The people of Bikini and Eniwetok had been directly involved in key planning decisions for the rehabilitation of their islands.

21. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the Bikini project was proceeding on schedule. The seed planting to provide the necessary foods to sustain life on Bikini and the Enyeu islands was 75 per cent complete. The Bikini Council - now the Kili Council - had played a very active role in the rehabilitation process. A group representing that Council had recently visited Bikini with representatives of the Administration and selected the places where homes should be built.

22. At the same session, the Special Representative informed the Council that the United States Army had recently negotiated an up-dated agreement with the displaced persons of the mid-corridor islands of Kwajalein Atoll. They were now receiving a total of \$420,000 a year. The Trust Territory Government had provided them with a boat to go to those islands and harvest their copra.

23. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction the statement of the Special Representative that the rehabilitation of Bikini Atoll is continuing on schedule.

The Council reiterates the hope expressed at its thirty-seventh session that, as soon as feasible, similar measures will be taken in respect of other displaced communities.

The Council notes that the United States Army has recently negotiated a new agreement with the displaced persons from the Mid-Corridor Islands of Kwajalein Atoll which provides them with an increased annuity, and that the Government of the Trust Territory has supplied them with the means of harvesting crops on the islands where they formerly lived.

#### War damage claims

24. The question of compensation for war damage suffered by the inhabitants of the Trust Territory has been the subject of recommendations by the Trusteeship Council and its visiting missions since it was first raised in 1950 in petitions. Two broad categories of claims have been considered: claims against the Japanese Government, mostly for damages sustained by the indigenous inhabitants during the Second World War; and "post-secure" claims against the United States Government.

25. At its thirty-seventh session, the Trusteeship Council recalled its previous recommendations on the question of the settlement of Micronesian claims for compensation for war damage during the Second World War, particularly the hope expressed at its thirty-sixth session that measures necessary for the implementation of the agreement on this subject concluded between the Governments of the United States of America and Japan would be quickly completed and payments

rapidly made. The Council noted the statement made by the representative of the Administering Authority that there was legislation before the United States Congress to create a Micronesian War Claims Commission, which would receive, adjudicate and authorize payment of Micronesian war damage claims up to the amount of \$10 million. The Council expressed the hope that the legislation before the United States Congress would meet with early approval, and that the Commission to be established thereby would complete its work as soon as possible.

26. At the same session, the Trusteeship Council noted that no settlement of the post-secure claims against the United States had yet been made. It took note of the statement by the Special Representative that legislation for expediting payment of such claims had been proposed but had not yet been acted upon by either house of the United States Congress. The Council once again expressed the hope that a definite solution to this question would be reached quickly and that payments would be made at the earliest possible date.

27. At the thirty-eighth session of the Trusteeship Council, the representative of the United States recalled that during the previous year there had been legislation before the United States Congress to authorize payment of war damage claims and to establish a claims commission, and informed the Council that a bill had later been introduced in both the Senate and the House of Representatives which provided for the settlement of war damage claims and post secure claims. It authorized \$20 million for the settlement of post-secure claims, in addition to the United States share of \$5 million for war damage claims, and it also provided that the same commission adjudicate both types of claims. The Senate passed the combined bill but the House was unable to complete action prior to the end of the ninety-first United States Congress. With the advent of the new Congress, the Administration had again submitted draft legislation to both houses, advocating joint action on the two categories of claims. The Senate had decided to combine the joint claims with other legislation related to Micronesia and a bill to that effect had been adopted in the Senate. The House, on the other hand, was still considering legislation dealing only with the two categories of claims. The Foreign Affairs Committee had held hearings on the legislation and quite recently had reported favourably on the bill. The United States representative said that there was every reason to hope for positive action by the House in the very near future and that the different approaches of the two houses would be reconciled without undue difficulty. The Administration was therefore most hopeful that action on authorizing legislation for both war damage and post-secure claims would be completed shortly. Appropriations would still have to be made, but the process of finally settling those claims should be under way well before the next Council session.

28. At the same session of the Council, the United States representative further stated that under the terms of the agreement on war damage claims between the United States and Japan, the contribution of Japan would become effective at such time as the United States contribution of \$5 million had been approved as an appropriation.

29. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council recalls its previous recommendations on the question of the settlement of Micronesian claims for compensation for war and for

"post-secure" damage. In this respect the Council notes that legislation aimed at the settlement of both categories of claims is still before the United States Congress.

In view of the impression reported by the 1970 Visiting Mission that the settlement of these claims was a matter of major importance to many Micronesians, in some cases to the exclusion of any other aspect of the Territory's affairs, the Council, stressing the urgency of this problem, regrets the continuing delay in resolving it, and once again expresses the hope that a definite solution will soon be arrived at so that payments will be made at the earliest possible date.

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

General

30. The representative of China stated that during the period under consideration, the Administering Authority had made increasing efforts to carry out its obligations under the Charter of the United Nations and the Trusteeship Agreement to promote the political, economic, social and educational advancement of the Territory.

War damage claims

31. The representative of the Union of Soviet Socialist Republics stated that the question of compensation for the damages suffered by the population of the Territory had yet to be settled and that it was not clear when the problem would be solved.

32. The representative of Australia observed that failure to settle the issue of war claims seemed to have exacerbated problems in various spheres and had been clearly a cause for hardship to many individuals, a situation which should be rectified without further delay. His delegation earnestly hoped that the United States Congress would be able to dispose of that problem within the next few months.

33. The representative of the United Kingdom stated that the delay in settling the claims had had side effects which had been unhappy both for the Territory and its people. Although the inhabitants of the Territory might not be satisfied with the amount of compensation envisaged by the Administering Authority, it would be far better that the boil should be lanced now than that it should continue to grow and irritate the patient with all the risks involved.

34. The representative of China stated that his delegation was pleased with the progress that had been made concerning the issues of war and post-secure claims. As the settlement of those claims had long been overdue, it was to be hoped that the required legislation would be completed soon so that the payments could be realized without further delay.

35. The representative of France said that the problem of war claims should be solved concretely by the adoption of the laws which were being considered currently in the United States Congress. That would appease the legitimate bitterness of claimants, many of whom had been waiting for 20 years.

## B. POLITICAL ADVANCEMENT

### Outline of conditions and recommendations adopted by the Trusteeship Council

#### General Political structure

36. Executive and administrative authority for the government of the 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.

37. Legislative authority resides in the Congress of Micronesia, as specified in the Secretary of the Interior's Order No. 2918 of 27 December 1968, which replaced and consolidated the previous secretarial orders and amendments.

38. The judicial authority is independent of the executive and the legislature. The High Court is the highest judicial authority in the Territory. It has appellate and trial divisions. The High Court consists of the Chief Justice, the associate justices, and a panel of three temporary judges who are appointed by the Secretary of the Interior. There are also district courts and community courts in the Territory.

#### Territorial Government

39. The territorial Government has primary responsibility for matters of a territory-wide nature: (a) construction and maintenance of primary roads and harbour facilities; (b) control of banking; (c) organization of business corporations, business associations, credit unions and co-operatives, insurance, sale of securities, and public utilities; (d) control of the establishment and operation of, and investment in, business and conditions under which importing and exporting licences shall be issued; (e) making of grants to districts and municipalities; (f) exclusive control of import, export, and income taxes; (g) support of all judicial activities except for assistance from municipalities; (h) support of public education and public health; and (i) law enforcement.

#### Legislature

40. The Congress of Micronesia is a bicameral legislature, consisting of a Senate and a House of Representatives. The Senate consists of 12 members, two elected at large from each of the six districts for four-year terms. The House of Representatives consists of 21 members who are elected for two-year terms from single-member electoral districts of approximately equal population. The present apportionment of representatives is as follows: two from Yap, three from Palau, three from the Mariana Islands, four from Ponape, four from the Marshall Islands, and five from Truk. Each of the two houses has standing committees, which are authorized to carry on activities pertinent to legislative matters between sessions of the houses.

41. 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. The Congress also has power to appropriate funds available from revenues raised pursuant to territorial tax and revenue laws and to review and make recommendations on the High Commissioner's proposed requests for funds to be appropriated by the United States Congress.

42. Secretarial Order No. 2918 provides that, before the High Commissioner finally submits the annual requests for United States funds for 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 expenditures 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 he does not adopt. The Congress may take whatever action it deems advisable on the High Commissioner's request for appropriations of locally derived revenue.

43. At its thirty-seventh session, the Trusteeship Council was glad to note the opinion of the 1970 Visiting Mission that the Congress of Micronesia was gaining confidence, authority and expertise in the discharge of its duties, and that its members were doing more in the way of initiating legislation. The Council noted that the Administration had made a greater effort to associate the Congress of Micronesia with the planning of the budget. It also noted that the Administration intended to expand and deepen the consultations between the Executive and the Congress of Micronesia, and between district administrators and district legislatures.

44. The Council agreed with the Visiting Mission's opinion that a system of continuous and effective consultation between the executive and the Congress of Micronesia, and between the district administrators and the district legislatures would fall short of a situation in which the Congress of Micronesia itself held decisive financial power. The Council again expressed the hope that steps would be taken to enlarge the financial responsibility of the Congress by progressively extending its powers to include appropriations of United States financial subsidies.

45. In the annual report under review, the Administering Authority stated that to encourage Micronesian participation in the planning and decision-making process, the executive branch had made it a matter of policy that the final Trust Territory budget request for federal funds should be a product of the combined efforts of the executive and legislative branches of the Government, both at the district and the territorial levels.

46. At the thirty-eighth session of the Trusteeship Council, the Special Adviser, Senator Tun, said that while the need to involve Micronesians in the decision-making of budgetary processes was recognized, the difficulty of maintaining the integrity of the Micronesian recommendations on the budget once it had reached the United States Government level nullified the Micronesian efforts and participation in the budget review and decisions.

47. At the same session, the Special Representative said that the Government of the Trust Territory, jointly through its executive and legislative branches, had presented the entire budget to the United States Congress for approval. The Government of the Trust Territory was now on record, in hearings before the United States Congress, that it felt the time had come when consideration should be given to allocating the United States grants in a lump sum and allowing the Congress of Micronesia actually to appropriate those funds in the best interest of Micronesia.

48. Secretarial Order No. 2918 provides that the High Commissioner has the power to approve or disapprove every bill passed by the Congress. He may also disapprove items of appropriation of money within bills otherwise approved. If he wishes to veto a bill he must do so within ten consecutive calendar days, unless the Congress, by adjournment, prevents its return; otherwise it becomes law. If adjournment prevents return of a bill, it becomes law if the High Commissioner signs it within thirty days after it has been presented to him. The Congress may repass a bill vetoed 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 Secretary of the Interior, who either approves or disapproves the bill within ninety days after receipt.

49. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that Secretarial Order No. 2918 had been amended to eliminate the possibility of vetoing an act of the Legislature by merely failing to sign it. Under the new provisions, the High Commissioner, within a certain period of days, depending on when a bill was passed, must either approve the bill or return it to the Congress with a message stating the reasons for his disapproval. If he failed to take either of these measures, the bill would become law without his signature.

50. At the same session, the Special Representative further stated that the Congress of Micronesia had genuine legislative powers within the framework of the Trust Territory Government and that the veto power of the High Commissioner was no more than the normal power given to a chief executive in that system of government.

51. 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. The first general election took place in January 1965. Following that election, general elections have been held biennially in each even-numbered year. The third general election took place in November 1968.

52. The annual report under review stated that a candidate's reputation, position in the community, and traditional ties continued to be important in obtaining public support. Political campaigning in the commonly understood sense had begun a decade ago and had varied from extremely lively campaigns in the Mariana Islands and Palau districts to more sedate campaigns in other districts. Candidates were given radio broadcast time to describe their programmes. Organized, registered political parties existed only in the Mariana Islands and Palau districts. The Mariana Islands district had two parties: the Popular Party and the Territorial Party. An indication of their strength was that in recent years no candidate for public office had run independently of the parties. In Palau, two parties, the Liberal Party and the Progressive Party, had been active since 1963.

53. During the year under review, the Third Congress of Micronesia met twice. The second regular session was held in July-August 1969. At this session, the Congress passed 39 bills and 32 were signed into law. In addition, 78 resolutions were adopted. The Congress held a special session in January 1970. At this session, eight bills were passed and seven were signed into law. In addition, 13 resolutions were adopted.

54. The annual report under review stated that major action at the regular session included acceptance of the report of the Future Political Status Commission and the creation of a ten-member delegation to continue discussions on the political status of Micronesia. The Congress of Micronesia appropriated \$2 million of its own funds, and recommended to the executive branch priorities for the United States Congress appropriation for the fiscal year 1971. The Congress appropriated \$200,000 from its own funds for scholarships. The supplemental appropriation for the fiscal year 1970 approved by the United States Congress had provided \$200,000 to the Public Affairs Division for an accelerated programme of political education.

55. At the special session, the Congress of Mirconesia held an extensive debate on a proposed Trust Territory income tax but the question was deferred until the next regular session. The Congress passed a Foreign Investors Bill, which was signed into law, establishing an Economic Development Board in each district of the Territory. The Congress also passed a measure authorizing the creation of a single pay plan for all Government employees in the Territory.

56. The report further stated that, between sessions, congressional committees continued in-depth studies of the organization of the Government, inter-island shipping and programme planning, and budget matters. Reports of the committees were to be presented to the Congress. The Political Status Delegation held two rounds of meetings with representatives of the United States, and at the close of the reporting year was preparing its report to the Congress of Micronesia.

57. At the thirty-eighth session, the representative of the United States informed the Trusteeship Council that the Congress of Micronesia had met three times during the 1970/1971 period. It had held its third and final session of the Third Congress in July and August 1970. This had been followed by territory-wide elections in November for all of the 21 seats of the House of Representatives and half of the 12 Senate seats. As a result of a decision by the House, when it convened in January 1971 for the first session of the Fourth Congress, the House elections in the Palau district had been declared invalid and new elections had been held there at the end of March 1971. The result of both elections had been the re-election of 17 representatives and four senators. Of particular interest was the active role played by local political parties in both the Marianas and Palau.

58. The new Congress was scheduled for a 50-day session in January-February 1971 under a change in Secretarial Order No. 2918, made at the request of the Congress of Micronesia. The new schedule was more in line with the United States budgetary schedule and would allow the Congress of Micronesia to play a more direct and useful role in the planning of the Territory's budget. As the result of a fire which destroyed both of the legislative chambers, it had been necessary for the Congress to adjourn some two weeks early. With much of the Congress's work uncompleted, a special session had been convened in Truk from 5 to 22 May 1971.



59. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council is glad to note from the statements of the Administering Authority and the Special Advisers that the Congress of Micronesia has taken on greater responsibilities in 1970-1971, and has enacted several important legislative measures which will have long-range effects in the Territory.

The Council also welcomes the greater participation in the period under review by the Congress of Micronesia, as well as by the District Legislatures, in the preparation of the Territory's budget for the forthcoming fiscal year. In this connexion the Council is pleased to note that at the request of the Congress of Micronesia its session has been rescheduled so that it can play a more direct and useful role in planning the budget.

In this respect the Council recalls the hope expressed at its thirty-seventh session that steps will be taken to enlarge the financial responsibility of the Congress of Micronesia by progressively extending its powers to include appropriation of United States financial subsidies. The Council notes that, although this has not yet been done, the Government of the Trust Territory was now on record, in hearings before the United States Congress, that it felt the time had come when consideration should be given to allocating the United States grant funds in a lump sum and allowing the Congress of Micronesia to actually appropriate those funds in the best interest of Micronesia. The Council notes from the statement of the Special Representative that this request is being given serious consideration by the Chairman of the United States Senate Appropriations Sub-Committee and expresses the hope that approval will be forthcoming.

#### Executive

60. During the year under review, the executive branch of the Trust Territory Government was reorganized in implementation of the recommendations of the Committee on Government Organization of the Congress of Micronesia.

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

62. The Office of the High Commissioner consists of the Deputy High Commissioner; the Executive Officer; the Special Consultant; the Attorney-General; the directors for education, finance, health services, personnel, public affairs, public works, resources and development, and transportation and communications; the Programme and Budget Officer; the Public Defender; and the Internal Auditor.

63. The Deputy High Commissioner, the Executive Officer, the Special Consultant, the eight directors and the Attorney-General serve collectively to advise the High Commissioner on matters of policy and programme functioning as a de facto "cabinet".

64. Under the directors are division chiefs and specialists responsible for technical direction of programme operations throughout the Territory and for provision of necessary staff and professional and technical services.

65. At its thirty-seventh session, the Trusteeship Council commended the Administering Authority for the number of appointments of Micronesians to senior positions in the executive branch of government, and reiterated its belief that Micronesians should gain early experience in the framing of policy and the exercise of political responsibility at cabinet level. The Council drew the attention of the Administering Authority to the comments of the 1970 Visiting Mission regarding the possibility of creating a form of cabinet government in Micronesia and endorsed the Mission's suggestion that further attention be given to this idea.

66. The annual report under review stated that substantial progress had been achieved during the year in the continuing efforts to place Micronesians in many of the key positions in the executive branch. The new established position of Executive Officer was occupied by a qualified Micronesian, who had served on a number of occasions as Acting Deputy High Commissioner during the absences of the High Commissioner and the Deputy High Commissioner. The Special Consultant to the High Commissioner, the two deputy directors of health services, and the deputy directors of the resources and development and public affairs departments were also Micronesians. A number of division chiefs and assistant chiefs, in addition to other professional and technical staff, were Micronesians and five district administrators, four deputy district administrators and three district public affairs officers were also Micronesians.

67. The report further stated that the Trust Territory Code, the body of laws which governs Micronesia, was updated, modernized and reorganized by the Attorney-General's staff working with the Congress of Micronesia and was to be presented to the Congress for review.

68. At the thirty-eighth session of the Trusteeship Council, the special adviser, Representative Haruo, stated that the Administration was in full accord with the Congress to give its advice and consent to appointments of department heads in the executive branch.

69. At the same session of the Council, the Special Representative said he had been officially informed that in the session of the Congress of Micronesia which had concluded on 22 May 1971, both houses of the Congress had passed and would shortly transmit to the High Commissioner a bill under which the High Commissioner must submit to the Congress of Micronesia for its advice and consent all appointments to certain designated positions within the Trust Territory Government. Those positions would definitely include department heads of cabinet rank and the division heads serving under them.

70. The Special Representative further stated that the Executive Officer, the Special Consultant and the head of the Department of Transportation and Communications were Micronesians, and that the Department of Public Affairs would shortly be headed by a Micronesian. The other departments, with the exception of those concerned with personnel and public works, had Micronesian deputy directors. In regard to other responsible positions, the Special Representative informed the Council that the Trust Territory Social Security System, with an enrolment of 19,000 and estimated revenues of \$400,000 per year, had been placed under the management of a Micronesian.

71. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council again commends the Administering Authority for the further appointments of Micronesians to senior positions in the Executive made in the period under review. The Council notes that the Executive branch of the territorial government is in accord with the Congress of Micronesia on legislation just passed by the Congress providing for submission to the latter for its advice and consent appointments to certain positions, including department heads of cabinet rank within the Government of the Trust Territory.

The Council nevertheless recalls its endorsement at the thirty-seventh session of the comments of the 1970 Visiting Mission, regarding the desirability of including popularly elected Micronesians as soon as possible in the most senior Councils of the Executive. It also recalls the Special Representative's statement at that session that he favours the election of officials in Micronesia at the earliest possible moment, and it expresses the hope that further attention will be given to the possibility of establishing in the near future a territorial executive that will include at least some elected members.

#### District government

72. Subject to all territory-wide laws, the district governments are primarily responsible for liquor control, including collection of wholesale liquor licence fees and imposition of taxes on alcoholic beverages; land law; inheritance law; domestic relations; construction and maintenance of secondary roads and docks; exclusive licensing and collecting licence fees from wholesale business other than banking, insurance, sale of securities, and public utilities; imposition and collection of sales taxes; and support of public education and public health as may be required by law.

#### District administrators

73. 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 executing the district laws. Each district administration consists of a number of officers and departments paralleling those of the headquarters staff.

74. The annual report under review stated that with the implementation of the decentralization policy, increased authority and responsibilities had been delegated to the district administrators.

75. The Special Representative informed the thirty-eighth session of the Trusteeship Council that a bill had been introduced in the Congress of Micronesia which provided for the election of district administrators.

76. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes the statement of the Special Representative that, under the Administration's current programme of decentralization, the District Administrator occupies the most important position in the framework of the Territory government. The Council welcomes the comments made by the Special Representative, commending the work of the Micronesians occupying these positions in the last two years.

The Council notes with approval the introduction of a bill into the Congress of Micronesia during the period under review, providing for the election of District Administrators.

#### District legislatures

77. All six districts had legislative bodies with jurisdiction throughout the entire district. They exercise the legislative authority of the district government and act under charters granted by the territorial Government.

78. 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. However, they are not entitled to vote. In the Marshall Islands District Legislature, which consists of 24 members, 8 elected seats are reserved for Iroi (traditional chiefs).

79. No uniform plan exists for representation in the various legislative bodies. While 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.

80. 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.

81. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the recommendation of the 1970 Visiting Mission that the participation of the Congress of Micronesia in the budgetary process should be extended to the district legislatures had been accomplished to a great degree during the past year.

82. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with approval the statement of the Administering Authority that the District Legislatures have taken on greater responsibilities during the period under review, and notes the participation by the District Legislatures in the formulation of the Territory's budget.

### Local government

83. 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.

84. Subject to all territory-wide laws and all district laws of their respective district, municipalities are primarily responsible for the peace, safety and public welfare of their inhabitants: licensing and collecting licence fees of retail and service business; imposition and collection of excise taxes authorized by the district legislature, head taxes and property taxes; construction and maintenance of municipal streets, roads, and docks; all necessary law enforcement not otherwise provided for; support of court sittings within the municipality away from established courthouses; and support of public education and public health as may be required by law.

85. Some municipalities function under a charter; others are unchartered. Some of the latter elect only an executive officer and others 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, election procedures, terms of office and duties and responsibilities of 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.

87. At its thirty-seventh session, the Trusteeship Council took note of the observations of the 1970 Visiting Mission that the municipal administration had fallen far short of expectations, and that most of the municipal councils had only an inadequate knowledge of the scope of their powers and responsibilities. The Council endorsed the view of the Mission that municipal councils should become dynamic bodies capable of promoting the well-being of the people under their jurisdiction, and noted the Mission's suggestion that the allocation to municipalities of certain parcels of public land might strengthen their authority and prestige and might also help to propagate the idea that property held in the public domain really belonged to the Micronesian people.

### Civil service

88. United States citizens, with certain exceptions, are employed under and subject to United States civil service regulations and procedures. The exceptions are teachers, medical and hospital personnel, engineers, trades personnel and engineer aides, all of whom are contract personnel.

89. Micronesians are employed in accordance with the terms of the Trust Territory Merit System, enacted by the Congress of Micronesia as Public Law No. 2-2, and with policies and procedures established by the High Commissioner.

90. The Trust Territory Merit System defines the terms, conditions and benefits of employment in the Trust Territory executive branch and gives legal force to the rights of employees. Among the features of the systems are: (a) a Territorial Personnel Board to supervise and evaluate operations of the merit system; (b) protection against arbitrary and discriminatory punishment of employees through procedural guarantees of due process and a system of appeals; (c) competitive appointments through examinations; (d) employee councils which act as official spokesmen for employees on matters affecting their pay, status and working conditions; and (e) a retirement system, group life insurance, annual and sick leave and other benefits. The above features have already been implemented, including the social security system.

91. Micronesians who qualify are offered first opportunity for government positions. When qualified Micronesian personnel are not available, selections are made through the United States Federal Civil Service Registers, or personnel are recruited under contract.

92. Qualification standards for Micronesian employees, specifications of approved positions, and standardized rates of pay are described in the Micronesian Title and Pay Plan. This plan provides for five distinct pay schedules: annual occupations and skilled crafts; clerical, administrative and protective positions; professional and managerial positions; educational personnel; and medical and hospital personnel.

93. Competitive examinations for Micronesian applicants are used for most professional, administrative and clerical positions. New employees must meet a required minimum score on a written examination. To supplement, and in certain cases replace, the written test, the Department of Personnel has developed qualification standards for rating an individual's experience and training for various occupations.

94. In June 1970, the total number of Micronesians employed in the executive branch of the Government was 4,960. Of this number, 334 occupied senior, professional and executive positions; 3,098 occupied professional and administrative positions; and 1,528 were in manual occupations and skilled crafts.

95. Non-Micronesian employees on the headquarters staff of the executive totalled 213 (62 contract personnel) and those in the districts 326 (241 contract personnel).

96. The annual report under review stated that the Management Interne Programme initiated in 1966 to select and train young Micronesians for administrative posts continued to prove successful. By the end of the fiscal year 1970, about 45 Micronesians had completed the programme and were assigned to management positions in resources and development, budget and finance, education, land management, public information, personnel administration, and other administrative areas at headquarters and in the districts.

97. The report further stated that the Government provided opportunities for employees to train in their specialized fields through the East-West Center in Hawaii, the South Pacific Commission, the World Health Organization, the United Nations and other organizations and institutions.

98. At its thirty-seventh session, the Trusteeship Council welcomed the steps taken by the Administration towards the equalization of United States and Micronesian pay scales and trusted that when the new scales were finally established they would bear some relation to the general wage level of the Territory and thus to the general level of productivity.

99. The annual report under review stated that periodic reviews of the Micronesian Title and Pay Plan had led to reclassification and salary increases for manual occupations and skilled crafts, clerical and administrative personnel, medical officers and education personnel. During the reporting year, substantial progress was made in reclassifying jobs in the executive branch as a step towards establishing a single pay schedule for government employees. The reclassification was to be presented to the Congress for further study and implementation.

100. The Special Representative informed the thirty-eighth session of the Trusteeship Council that a new Trust Territory Merit Plan for government employees had been passed by the Congress of Micronesia on 22 May 1971. The bill had not yet been officially transmitted to the High Commissioner's Office. It was the Special Representative's understanding that the bill, as passed, contained a single salary schedule for all employees and he would certainly give a full and complete report on it to the next session of the Council.

101. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council welcomes the further appointments of Micronesians to senior position in the civil service in the period under review, including that of Acting Director of the Department of Transportation and Communication, and notes with approval that the next Director of the Department of Public Affairs is to be a Micronesian. The Council also notes with approval the statement of the Special Representative that in almost every department at present a Micronesian Deputy Director will, within the foreseeable future, replace the expatriate incumbents.

The Council also notes the statement of the Special Representative that out of a civil service totalling approximately 5,700 persons, 5,200 are Micronesian citizens.

The Council takes note of the statement by the Special Representative that the Congress of Micronesia passed on 22 May 1971 a bill containing a new Trust Territory Merit Plan for government employees. The Council notes that as the bill has not yet been transmitted to the High Commissioner for approval precise information on the provisions of the plan is not available.

The Council reiterates the hope expressed at the thirty-seventh session that the bill as passed contains a single salary scale for all employees - Micronesian or expatriate - and that the new pay-scale will bear some relation to the general wage level of the territory and of the level of productivity, thus avoiding a distorting or inflationary effect on the economy. In this regard, the Council looks forward to receiving detailed information on the plan before its thirty-ninth session.

## Peace Corps

102. At its thirty-seventh session, the Trusteeship Council noted that the Peace Corps, in the light of four years' experience and in consultation with the Administering Authority, had reduced the over-all number of volunteers in the Trust Territory, and was endeavouring to concentrate its efforts on areas where the need was most obvious and where the introduction of professional skills and techniques could make the maximum contribution. The Council recognized the importance of concentration of effort but trusted that it would not mean a neglect of areas in which the Peace Corps had performed valuable work.

103. The annual report under review stated that the Peace Corps continued to provide valuable assistance in education, health and agriculture programmes. During the year, 369 volunteers worked in the Territory. The Peace Corps health programme was incorporated into the activities of the Department of Health Services and by year's end consisted entirely of specialists in various health fields.

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

The Trusteeship Council notes that the number of volunteers working in the Territory has decreased in the period under review.

With regard to the concern expressed by the 1970 Visiting Mission that the Peace Corps volunteers engaged in the teaching of English as a second language might be phased out over two or three years, the Council welcomes the statement of the Special Representative that the Peace Corps programme in this field will be continued until a sufficient number of Micronesians are trained to ensure the continuance of this important programme.

## Political education

105. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the Administration was aware of the necessity for upgrading and increasing the political education programme. In the High Commissioner's State of the Territory Message to the first session of the Fourth Congress, in January 1971, the Congress of Micronesia was invited to enact legislation, or adopt a resolution, setting up a joint committee of members of the executive and legislative branches to set the guidelines and develop a programme of political education for the whole Trust Territory. Additionally, arrangements had been made to translate the report of the Political Status Delegation into the various languages of the Trust Territory.

106. At the same session of the Council, the special adviser, Senator Tun, stated that the Committee of the Congress of Micronesia on political status was considering the possibility and desirability of including in it members of the executive branch of the Trust Territory Government. He hoped that would be decided shortly. The special adviser considered that if the Micronesian people must soon exercise their right to self-determination, a comprehensive programme of political education must be carried out. He was concerned that, although much was being done in the way of political education, the great mass of the people of Micronesia were still not aware of many fundamental matters concerning the



political status question, and he thought that there was much to be done to solve the problem. The special adviser further stated that the Trusteeship Council might consider assisting the people of the Trust Territory in explaining the issues involved in terminating the Trusteeship Agreement.

107. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes the statement by the special adviser, Senator Tun, stressing the importance of embarking in the Trust Territory on a comprehensive programme of political education, so as to engender amongst the people as a whole a sense of political consciousness and an awareness of the benefits and opportunities open to them with regard to their present and future political status. The Council supports this view and is pleased to note that the executive branch of the Administration is aware of the need for upgrading and increasing the Administration's political education programme, and that the Congress of Micronesia has been invited to set up a joint committee with the executive branch to develop a new programme for the Territory.

The Council notes the request by Senator Tun that it should consider assisting the people of the Trust Territory in explaining the issues involved in terminating the Trusteeship Agreements. In this respect, the Council recalls the comments of the 1970 Visiting Mission that the prime responsibility in this task lies with the Congress of Micronesia and with the Administration of the Territory, and feels that the joint committee, when set up, should make the explanation of all the issues involved to as many people as possible as one of its primary aims. Nevertheless, the Council agrees that the benefits of the United Nations previous experience in the ways whereby the people of former Trust Territories opted to decide their future should be made available to the Administering Authority and the Congress of Micronesia. The experience of free association such as the Cook Islands could also be relevant.

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

Territorial government

Legislature

108. The representative of the Union of Soviet Socialist Republics stated that it was known that the constitution presented by the United States to the Territory had deprived the Congress of Micronesia of the right to act as a sovereign organ. During the discussion, his delegation had attempted in vain to ascertain from the High Commissioner what changes or additions had been made to the Constitution that would expand the right of the Congress and restrict those of the High Commissioner, so as to prepare the way to self-determination and independence.

109. He further stated that the Congress was deprived of any legislative authority and had been turned into a purely deliberative body attached to the High Commissioner. There was no government responsible to the Congress of Micronesia.

110. The representative of China said it was gratifying that the elected representatives of the people were now allowed to participate more intimately in the preparation of the budget at the territorial, as well as district, levels. The new budgetary process no doubt gave much more influence to the Micronesian legislatures in determining the priority and direction of the development programmes to satisfy the Territory's needs. Meanwhile, it was also gratifying to note that the Fourth Congress of Micronesia had passed its first income tax act.

111. The representative of France observed that the November 1970 elections had introduced a note of stability. Most of the representatives and the senators were there and the electors wanted continuity. It seemed to his delegation that the members of the Congress had helped to develop a sense of territorial unity among their people. At the same time, his delegation wondered whether the term of office of the representatives was not too short. It was true that it had been based on the metropolitan model, but in a country which was at the beginning of democracy the electors should not be called to the polls too often and those elected should have sufficient time to become aware of public matters and to discharge their duties effectively.

#### Executive

112. The representative of the Union of Soviet Socialist Republics said that in the period under review there had been no substantial changes in the extent of rights enjoyed by the High Commissioner. Executive authority in the Territory was not controlled by the Micronesians. The High Commissioner was a sort of uncrowned king in the Territory with limitless rights and authority in the field of legislative and administrative power. The High Commissioner's authority even extended to the activities of the municipal legislative and executive bodies. He could confirm and reject laws and appoint and remove officials. Thus the Administering Authority had not taken any steps to change the political structure, and had done nothing to expand the rights and authority of the Congress and transfer the executive power to the representatives of the population. The Micronesians were justifiably calling for an end to that situation, thus demonstrating their political maturity and readiness for self-government.

113. The representative of the United Kingdom observed that his delegation had hoped that there might have been some movement towards establishing a territorial executive that would include some elected members, as for instance in the other Trust Territories and also in the adjacent Gilbert and Ellice Islands.

#### District government

114. The representative of the United Kingdom said it was gratifying to learn that during the previous year a bill had been introduced in the Congress of Micronesia providing for the election of district administrators.

115. The representative of France stated that it was a fact that the Administration had spared no efforts to awaken in the population a sense of civil duty. It has increased - perhaps somewhat over-increased - the number of representative bodies. In that connexion it would be a good idea to re-examine the situation in the case of municipalities whose revenues hardly covered their operating expenditure, but the general orientation of the policy regarding local communities remained fundamentally sound.

116. His delegation wished to express satisfaction at learning that throughout all the archipelagos the District Chiefs, or at least their deputies, were indigenous people. The movement to replace expatriates by indigenous people at the heads of local services demonstrated that the evolution of the public service was keeping pace with that of other institutions.

#### Civil Service

117. The representative of the Union of Soviet Socialist Republics stated that an important factor in the process of preparing the population for self-determination and independence was that of representatives of the local population being able to occupy leading administrative posts in the Territory. However, in that area the situation remained extremely unfortunate. Representatives of the indigenous population continued to be kept from active participation in the work of the administration, and consequently were deprived of the possibility of having any substantial influence in its affairs. From the High Commissioner's replies to the questions put by the Soviet delegation it was quite clear that Americans were in complete control of the situation in the Territory. Of the eight highest administrative posts, only one was occupied by a Micronesian. A number of less important posts at the municipal level, or posts of deputies of departmental heads, had been transferred to the Micronesians in the period under review, but that by no means changed the unsatisfactory situation in the area as a whole.

118. The representative of Australia said that his delegation had been much impressed by the continuing rate at which Micronesians were taking over administrative and decision-making processes in the Territory and would like to commend the Administering Authority for its efforts in that field.

119. The representative of the United Kingdom observed that it seemed most important that civil service salary scales be fixed so that they bear relation to the general wage level of the Trust Territory and be thus associated with general productivity levels. His delegation was in favour of equalized pay scales which should, on the one hand, avoid the danger of seriously distorting and damaging the economy, and on the other, satisfy the natural requirements that the basic pay of an expatriate should be the same as that of an indigenous civil servant performing the same job. From the statement of the Special Representative, he noted that there had been considerable progress, at least in the appointment of Micronesians to general or executive posts in the administration.

#### Peace Corps

120. The representative of France stated that with regard to the desirability of the Micronization of the entire teaching staff at the elementary level, the considerable decrease in the members of the Peace Corps during the past year would be entirely justified. For the time being, his delegation was very interested to learn that the reduction in the number of volunteers was attributable not to the desire to get rid of them, but the desire to use their abilities to the best advantage.

## C. ECONOMIC ADVANCEMENT

### Outline of conditions and recommendations adopted by the Trusteeship Council

#### General economy

121. The level of economic development in the Territory 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 to augment their subsistence resources. The Territory has a weak economic base. Labour, land, natural resources and capital, basic to development, are meagre and are spread over many isolated islands. The gross product of the Territory is derived largely from United States expenditures for services and capital improvement, from tourism, the production of copra, subsistence farming, fishing, and from sales of scrap metal and handicrafts.

122. The annual report under review (T/1716) stated that the Administration was continuing to seek means to promote the development of the economy of Micronesia so that it would become geared to the world money economy and its subsistence aspects would become supplemental. Two areas for potential major growth were large-scale commercial fishing and tourism. Significant improvement would require more skilled labour, capital, and managerial capacity than was currently available in the Territory.

123. In its report, the Administering Authority outlined the principles which have guided the economic development of the Territory as: (a) increasing food production through improvement of crop farming and encouraging the use of local materials for local enterprises; (b) developing transportation and communications systems; (c) encouraging the development of tourism; (d) maintaining a wage structure and conditions of employment consonant with the advancing social and economic conditions of the Territory; (e) reserving to the inhabitants their land and resources; (f) providing the basic physical and resource developments necessary for economic growth by expansion of a territory-wide construction programme which includes rehabilitating and building roads, airports and harbour facilities, and improving and expanding water, electrical, sanitary, and other facilities; (g) encouraging Micronesians to establish their own business enterprises by providing them with necessary technical assistance and long-term loans; and (h) providing for capital participation in economic enterprises which would otherwise be beyond the financial capacity of local investors.

124. Estimates prepared by the Resources and Development Department indicate that the total value of all goods and services available for investment and consumption, plus net additions to capital facilities in 1969, amounted to about \$98.2 million, or about \$1,000 per capita. This compares with an estimated \$38 million in 1966, or about \$430 per capita. About 54 per cent of the 1969 gross product consisted of government provided goods and services; about 16 per cent resulted from local production of both subsistence and locally marketed products; and the remaining 30 per cent came from goods imported into the private markets of the economy. Income from wages and exports available to Trust Territory citizens was estimated at \$26 million in 1970, compared with \$18.2 million in 1969 and \$14.9 million in 1968.

125. At its thirty-seventh session, the Trusteeship Council noted the assessment of the 1970 Visiting Mission that, while standards of living of the population of the Territory compared favourably with those in many developing countries, the situation might deteriorate unless vigorous steps were taken to remedy the economic stagnation. The Mission drew attention to serious obstacles to economic development in the Territory, including the remoteness of the Territory and the limitations of its natural resources. The Mission stated that deficiencies in the systems of transport and communications were a major obstacle to development. The Council again recommended that greater priority be given to the development of basic transport and communication services and other improvements in the economic infrastructure. The Council commended to the attention of the Administering Authority the observations of the Visiting Mission on the condition of the economy and the Mission's recommendations concerning the need for action to stimulate economic development, including development of local financial resources and the important question of the attitudes and motivation of the people of Micronesia.

126. The annual report under review stated that with the expansion of Trust Territory funding, new and improved roads, harbours, airfields, new and extended water systems, new sewer systems, and new and extended power systems had spread economic growth and improved the general welfare of Micronesians. More than one quarter of the people of Micronesia would be provided with new and improved water facilities when projects now under way were completed. Power plant construction now in progress would increase Trust Territory electrical capacity by 50 per cent. In speeding up capital improvement projects, an effort was made in all cases to award construction contracts to local Micronesian contractors. In spite of the improvements during the year, much remained to be done. The report further stated that the thrust of government development efforts during the year had continued in the area of essential public services and the social and physical infrastructure. As significant progress had been made in those areas, the emphasis would shift to advisory and financial assistance to stimulate economic development. Major developments during the period under review were in the expanding field of tourism, and in the increase in private business and investment activity.

127. The Foreign Investor Business Permit Act of 17 February 1970 set up district economic development boards whose duties include evaluating applications for business permits. The law established the criteria by which the applications should be evaluated. They include: (a) economic need for the service or activity; (b) degree to which the operation would effect an increase in exports or a decrease in imports; (c) extent to which such an operation would deplete non-renewable natural resources or pollute the atmosphere or water; (d) extent of Micronesian participation in ownership; (e) employment preference and training for Micronesians; and (f) extent to which the operation would contribute to the overall economic well-being of the district without adversely affecting the existing social and cultural values of the district.

128. The Special Representative informed the Trusteeship Council at its thirty-eighth session that as at 30 June 1970, of 121 corporate entities in the Trust Territory 5 were United States corporations permitted to do business in the Territory, 49 were corporations with some United States ownership, but chartered as Micronesian corporations, and 72 were corporations totally owned by Micronesian citizens. The Special Representative further stated that, since February 1970, investment of foreign capital in the Trust Territory had been forbidden without the express permission of the foreign economic development boards made up of Micronesian citizens in the six administrative districts.

129. The value of commodities exported during the fiscal year 1970 totalled \$4.1 million, compared with \$2.85 million for the previous year. Copra exports in the year under review were valued at \$2,683,192 and represented 64 per cent of the total, while export of fish, valued at \$988,801, made up 24 per cent. In addition, tourism was estimated to have brought a direct income of \$906,500 into the Territory. Imports continued to rise during the year under review, totalling \$20.9 million. Notable import increases were for canned meat, petroleum oil and lubricants, clothing, textiles and milk. The current report pointed out that while imports would continue to rise in the next fiscal period, government development efforts were aimed at expanding exports, especially of fish and agricultural products.

130. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council has noted that the gross national product amounted to approximately \$1,000 per capita, a figure comparable to that of a developed country. It points out, however, that this average figure conceals sizeable inequalities between inhabitants, particularly between urban and rural dwellers, and between civil servants and farmers or fishermen, and that it has been arrived at largely by including very large outside financial contributions in the calculations. It recommends that a planning effort should be made with a view to harmonizing and co-ordinating action by the administration in the various fields and to reducing inequalities in the standard of living as between Micronesians.

The Council notes that for the past ten years the territory has succeeded in curbing the rise in prices and recommends that special attention should continue to be paid to anti-inflationary measures, which are particularly important, since the purchase price of the main local products has also shown little increase during the past decade.

The Council was impressed with the number of credit unions operating in the Territory, this being an indication of the keen interest which the inhabitants are taking in increasing their assets. It recommends that particular attention should be paid to the introduction of simple savings and loan schemes in the various districts.

It recommends that the efforts made in this field, as in the case of credit unions, should be directed towards re-establishing a balance between the civil servants and other inhabitants.

The Council took careful note of the information that the Economic Development Fund had practically exhausted its resources and that, as a result, its available capital could undoubtedly be increased to \$5 million. It sees this situation as an indication that the procedural deficiencies referred to by the Visiting Mission have been corrected. Although it is pleased that the percentage of unpaid debts has been reduced from 61 per cent to 32 per cent in one year, the Council considers that further efforts should be made to reduce this still excessive percentage.

The Council has taken due note of the adoption of the Foreign Investor Business Permit Act, providing that all applications for permits shall be evaluated by the Economic Development Board of the district concerned. This takes account in particular of the extent of Micronesian participation in ownership.

Public finance

131. 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 expenditure, which was \$25 million in 1967, was increased to \$35 million in 1968 and to \$50 million in 1970 and 1971. Sources of funds for the fiscal years 1968 to 1970 were as follows:

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	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Estimate</u> <u>1971</u>
	(United States dollars)			
Territorial taxes and other revenues	1,442,459	1,298,114	1,434,800	1,392,100
Direct United States appropriations	543,000	541,000	586,000	561,000
Grants from United States Congress	29,657,000	29,459,000	47,526,000	49,189,000
Unobligated funds brought forward	6,355,488	9,954,296	3,347,656	1,562,709
Total	<u>37,997,947</u>	<u>41,252,410</u>	<u>52,894,456</u>	<u>52,704,809</u>

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132. The annual report under review stated that appropriations from the United States Congress, which had already reached nearly \$50 million annually, had allowed substantial increases in budgets in areas of concern. Requests for larger amounts were anticipated in the next fiscal year, with presentation of a five-year development programme allowing for more thorough advanced planning.

133. The report further stated that the preparation of 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 Programme and Budget Officer. After screening and necessary modification, including review by the appropriate directors, those estimates are presented to the High Commissioner for approval. The Programme and Budget Officer, using the final approved recommendations, draws up a preliminary budget plan for the coming fiscal year. This preliminary budget plan 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 Secretariat Order No. 2918, the High Commissioner adopts those recommendations of the Congress which he deems appropriate, but he must also transmit to the Secretary of the Interior all recommendations he does not adopt. The report points out that the Congress of Micronesia has assumed increasing responsibility for the final budget proposal as it is presented to the United States Congress. The High Commissioner has made it policy that the budget requests forwarded to him from the Congress of Micronesia will be the budget he forwards to the Secretary of the Interior.

134. District governments control and administer financial operations at the district level. Each district administrator is required by law to present annually to the district legislature a proposed budget based on revenues anticipated from district and territorial taxes. After considering the district administrator's proposals, as well as proposals of individual members, the district legislature enacts a budget for the district in the form of one or more appropriation bills. Appropriation acts are submitted to the district administrator for action. Upon approval, the appropriation acts become law, and expenditures are made in accordance with their provisions.

135. Control of fiscal operations at the municipal level rests with the municipal administration, the district administrator having certain powers of supervision and approval. Local officials prepare the annual municipal budget and refer it to the municipal council for approval before it is transmitted to the district administrator for ratification. The approved budget determines the extent of expenditure which may be made locally during the fiscal year from municipal revenues.

136. The current report stated that, during the fiscal year 1970, the Trust Territory Government had entered into a contract with a private consulting firm to establish a new financial management system for the Territory. Introduction of automated data processing equipment had already eliminated some of the more antiquated procedures followed in the past.

137. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the United States Congress had increased the appropriation ceiling for the Trust Territory to \$60 million for the fiscal year 1971. Of this amount, \$50 million had already been appropriated, and a supplemental appropriation of \$10 million was being considered in the United States Congress. The Special Representative pointed out that approximately 50 per cent of the total budget was for capital improvements.

138. The Economic Development Fund makes direct loans and guarantees loans by commercial banks for development purposes. The Fund is administered by a seven-member Board of Directors; its Chairman is the Director of Resources and Development. The loans directly granted by the Fund totalled \$641,803 during the year under review, compared with \$94,182 in 1969 and \$115,300 in 1968. The guaranteed bank loans totalled \$729,812 during the review year, compared with \$96,000 in 1969 and \$164,200 in 1968.

139. The current annual report stated that during the year the Economic Development Fund had exhausted its available capital of slightly over \$1 million, and attempts were being made to have it increased to \$5 million. To assist recipients of loans from the Fund and other new or potential businessmen, advisers were being placed in each administrative district.

140. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that the Economic Development Fund was being used to much greater advantage than ever before in its history. At that time, direct loans to Micronesian citizens totalled \$1,243,635. Guaranteed loans totalled \$917,140. The balance in the Fund at the end of April 1971 had been only \$18,000. The Administration was hopeful that the United States Congress would soon increase the Fund's available capital to \$5 million.



141. Other sources of credit are provided by credit unions. By the end of 1969, 41 chartered credit unions were operating in the Trust Territory. They had 8,654 members and their total assets amounted to \$1.70 million, compared with \$1.24 million the previous year. During 1969, loans granted by credit unions aggregated \$1.99 million, compared with \$1.5 million in the previous year.

142. At the thirty-eighth session of the Trusteeship Council, the special adviser, Representative Haruo, said that the Congress of Micronesia, in order to provide a sound basis for the establishment of a Bank of Micronesia, had created a Joint Committee to appraise the current economic situation in the Territory and to determine current needs for an improved level of financial services. Upon completion of the study being carried out by the Committee, it was hoped that a banking institution to meet the needs of Micronesia would be established.

143. At its thirty-seventh session, the Trusteeship Council welcomed the increase in annual grants from the Administering Authority, and noted that further increases were planned by the Administration. The Council noted the comment of the 1970 Visiting Mission that the total amount allocated for economic development in the budget appeared to have shown a percentage increase, and shared the Mission's view that the strengthening of the social services, to which the Administration had so far devoted most of its attention and financial resources, should be carried out on a sound economic foundation. The Council noted the Mission's opinion that the Territory could not in the near future finance its development from its own financial resources, and commended to the attention of the Administering Authority and the Congress of Micronesia the recommendations of the Mission concerning increased financing of development from the Territory's own public and private resources.

144. The Council recalled its recommendations that the Congress of Micronesia should consider the adoption of a suitable system of direct taxation applicable to all residents of the Territory, and noted that proposed tax legislation had been considered during the special session of the Congress in January 1970, although the question had been deferred for further consideration at the regular session in July 1970. The Council expressed the hope that the Congress of Micronesia would give special attention to taxation and other methods of raising revenue because they were important not only as a source of funds for economic development, but also for the exercise by the Congress of Micronesia of greater financial and political responsibility.

145. At the thirty-eighth session of the Trusteeship Council, the Special Representative informed the Council that the Fourth Congress of Micronesia, at its first regular session, had passed an act providing for the Trust Territory's first income tax. The act had been signed into Public Law 4C-2 and would become effective on 1 July 1971. It was estimated that the new law would, at the start, produce annual revenues of approximately \$2.5 million, to be appropriated by the Congress of Micronesia. The Special Representative further stated that at the Special Session of the Congress of Micronesia held in May 1971 the tax law had been amended. The amendments had not yet been officially transmitted to the High Commissioner but it was his understanding that they made provision for deductions so that persons earning less than \$1,000 a year would be exempt.

146. At the same session the special adviser, Representative Haruo, said that the income tax law was the result of two years of discussions and debates within and

without the Congress of Micronesia as to the type of taxation most suitable for Micronesia and the rates to be imposed upon the people and the Micronesian economy. The law, as finally enacted, levies a 3 per cent tax on all wages and salaries earned by employees within the Trust Territory and imposes a 1 per cent tax on gross receipts of business.

147. Representative Haruo also said that much interest had been expressed by nationals and companies of nations other than the Administering Authority concerning investment opportunities in Micronesia. Such investments, if properly controlled by limitations which could now be imposed by Micronesians, would be a stimulus to the economy. The special adviser felt that it was necessary to consider the possibility of relaxing the strict interpretation of the most-favoured nation clause of the Trusteeship Agreement to accommodate the change in the circumstances and conditions prevailing in Micronesia.

148. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction that the amount of grants made available to the administration increased still further during the last fiscal year, thus exceeding the sum of \$50 million, while, as indicated above, the Congress of Micronesia and the district legislatures participated more actively in the preparation of the budget. Nevertheless, as excessive dependence on external assistance prevents the establishment of a solid financial base within the Territory, the Council welcomes the fact that the Congress of Micronesia has finally passed a bill introducing an income tax at a low rate, which will increase the Territory's own revenue and develop a sense of financial autonomy among the inhabitants.

The Council notes that the system of maintaining a relatively high rate of taxation on exports and low taxes on imports still has its supporters in the Territory but continues to believe that a long-term fiscal policy favourable to the interests of the inhabitants would require a revision of the system of import and export duties.

149. The traditional systems of land tenure are maintained in most areas of the Territory. They vary greatly from one district to another, and even from island to island. Only in the Mariana Islands is individual ownership and the sale of land commonly accepted practice. Ownership of land by non-citizens of the Territory is prohibited by law, but under certain circumstances land may be leased to non-citizens.

150. The land area of the Trust Territory comprises 700 square miles. Approximately 42 per cent of this land is classified as arable. Of this arable land, 12,784 acres are used for agricultural and garden crops; 84,911 acres are planted with tree crops; and 93,985 acres are categorized as unused. The remaining area of the Territory includes 50,336 acres of grazing land, 98,843 of forest land and 106,648 of bushland, swamps, rock and built-up land. Approximately 40 per cent of the total area of the Territory is privately owned and 60 per cent is public land.

151. The annual report under review stated that in the consideration of land use and agricultural production, account should be taken of traditional practices. Areas which may appear to be unused may make a substantial contribution to the food supply of the local population. The report further stated that a land use capability study had been initiated.

152. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the current annual report listed some 183,036 acres of land in the Trust Territory as public land not in productive use. Of this total over 135,000 acres were lands suitable only for such purposes as watershed, grazing or conservation areas, leaving approximately 48,000 acres which could still be used for agricultural, residential or commercial purposes. The Government of the Trust Territory would continue its policy of attempting to put all lands in the Trust Territory to their most productive use. The Special Representative further stated that lands which were classified as public lands were held in trust for and belonged to the citizens of Micronesia.

153. In 1968, the Administration announced a land policy establishing procedures for the allocation of public land or the acquisition of private land for public purposes, particularly for sites for the construction of capital improvement projects. The basic consideration of the policy is that, whenever possible, capital improvement projects should be situated on public land. If no such land is available or suitable for the contemplated project, appropriate interests in private land may be acquired by the Government, but only if in the public interest. It further provides that an interest in private land may be acquired by negotiation or by the exercise of the right of eminent domain. Use of this right, however, is restricted to those few situations where land cannot be acquired by negotiation and the land is essential for public use. The Attorney-General is responsible for initiating any action in the courts pursuant to the provisions of the Trust Territory Code to acquire land by the exercise of the right of eminent domain.

154. At its thirty-seventh session, the Trusteeship Council noted the comments of the 1970 Visiting Mission on the vital questions of land tenure and land utilization in the Trust Territory, and on the Congress of Micronesia's Land Commissions Act, 1966, and the operation of the land title survey and registration project. The Council took note of the considerable amount of work which would have to be done by the land commissions which were being appointed in all six districts. The Council recommended that the Administering Authority make every effort to complete the survey as soon as possible. It recommended also that the Administration and the Congress of Micronesia explain to the people of Micronesia the benefits to themselves that would result from the rapid completion of the programme. The Council continued to hope that more public land not required for government use would be made available to the people of the Territory for productive use. In this context, the Council endorsed the hope expressed by the Visiting Mission that the Administering Authority would keep the extent of "defence retention" land under constant review so that if such land were no longer required for defence purposes it could be returned to the original inhabitants.

155. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the acreage of military retention lands continued to be reduced and, with the recent release of all defence retention lands in Truk District, a total of 21,141 acres had been released during the past few years. Military retention lands at present existed in only two districts - the Marianas and the Marshalls - and that problem was under continuing study by both the legislative and executive branches of the Trust Territory Government.

156. The annual report under review stated that land commissions had been established in four districts and that commissions would be established in the other two districts in the near future. Each commission appoints a land registration team of Micronesian citizens of the municipality in which it works. The team,

composed of five or more members, investigates land ownership, determines boundary points in dispute and makes recommendations concerning ownership to the commission. The commission in turn reviews the findings and recommendations of its land registration team and makes a determination of ownership. This determination becomes final if not appealed within 120 days. Appeal may be made to the High Court concerning any determination of ownership made by a commission.

157. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the land cadaster programme was well under way, and as at 31 March 1971 had produced the following results: (a) control surveys had been fully completed in all six districts and land commissions had been fully implemented in five of the six districts; (b) 1,053 parcels of land had been surveyed; (c) 2,765 preliminary inquiries had been held; and (d) 1,265 formal hearings had been completed, resulting in the issuance of 656 preliminary titles and 500 final titles.

158. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council has noted with interest that the Land Commission's Act of 2 September 1966, as amended on 10 September 1968, has entered into force, that five of the six commissions have been established, and that over 1,000 parcels have been surveyed and 500 land titles have been issued. Nevertheless, this is only a fraction of the 348,000 parcels of land in the Territory. It hopes that the sixth land commission will soon be set up. Having heard a complaint from a petitioner on this point, it noted the assurance which has been given that the proceedings of the land teams and commissions apply to all parcels without distinction, including those that are the subject of conflicting claims.

In view of the fact that the land title survey is now expected to take from five to seven years to complete, the Council recommends that special attention should be given to bringing the land titles up to date, after issue, so as to ensure that these costly operations will produce their full effect.

The Council renews its recommendations concerning the reduction of the amount of public land in the Territory, so that it may be made available to the population, particularly in districts, such as those in the Mariana Islands, where it covers a large area.

It is pleased to note that, in keeping with its earlier recommendations, all the military retention land in Truk, and some of the land retained for that purpose in other districts, has been made available to the people of the Territory for productive use and recommends that efforts in that direction should be continued.

#### Agriculture and livestock

159. Copra is the principal commercial agricultural product of the Territory. It is hoped that cacao may become another cash crop in the districts of Ponape and Truk. At Ponape, black pepper is being established on a commercial scale, and a pilot project in rice production for local consumption is under way. Taro, arrowroot, yam, sweet potato, cassava, breadfruit, pandanus, banana, citrus and a number of other introduced crops, used mainly for local subsistence, comprise the remaining principal crops.

160. The annual report under review stated that although agricultural efficiency was very low compared to that of highly developed areas, it compared favourably with similar developing countries. The introduction of cacao to high islands for intercropping with coconuts, bananas, and breadfruit would increase the income per acre. The cacao programme was based on assisting local farmers in promoting cacao production, rather than on promotion of large government or privately owned demonstration farms. A production of 50 tons of cacao beans for export was expected by 1973. The black pepper project had produced about 12,000 pounds of black pepper, during the year under review, on 80 acres planted by approximately 500 farmers. The rice pilot project had produced about 200,000 pounds of polished rice.

161. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that vegetable production had risen from 157,000 pounds at a value of \$19,000 in the fiscal year 1969 to over 1,350,000 pounds at a value of over \$200,000 in the fiscal year 1971. A farmers' market operation had been opened in Marianas District the previous year and was proving successful. Operations of this nature had been extended to other districts.

162. At the same session of the Council, the special adviser, Representative Haruo, said that Micronesia needed agricultural projects that could serve as models for single individuals or small groups of people. Those projects should involve products that would either provide a dependable and adequate flow of cash income to the people, or contribute to the subsistence of the Micronesians concerned, thus lessening damaging dependence on imported foods. Development in areas such as pepper, cacao, bananas and vegetables, would not need to be on a large scale, but should be at a level commensurate with the life style of the island people.

163. The coconut industry has the highest priority for development. A territory-wide coconut replanting programme is in its tenth year of operation. During the year under review, about 1,500 acres of groves were thinned and more than 40,000 coconut seedlings planted. Copra remained the Territory's largest export item with 15,688 short tons, valued at \$2,683,198 in 1970, compared with 14,080 short tons, valued at \$2,199,422 the previous year.

164. The Copra Stabilization Board, whose membership includes one representative from each district, has the function of stabilizing copra prices to producers, thus alleviating the uncertainty and insecurity of world market fluctuations. For this purpose it administers the Copra Stabilization Fund. Copra is marketed by the United Micronesia Development Corporation, a company incorporated in the Territory and owned by Micronesians, which is under contract to the Copra Stabilization Board. The price of copra on the world market fluctuated widely during the year, from a low of \$146 per ton in August 1969 to \$209 per ton in December, dropping to \$167 in January 1970, rising to \$208 in March, and dropping again to \$164 in June. The purchase price of copra was maintained at \$112.50 by the Board. During the period under review, the Copra Stabilization Fund rose from \$870,000 to \$971,700.

165. The annual report under review stated that the Agriculture Division was urging improvement of transportation and copra storage by demonstrating better types of small boats and better warehousing design for use in outlying areas. Promoting producer-consumer co-operatives was also an important part of the programme.

166. The report further stated that existing subsistence crops were being improved through selection and propagation of higher yielding, disease-resistant varieties, and by demonstration and training in better cultivation and fertilization practices. United States and Micronesian extension workers handled the extension service programme of the Agriculture Division.

167. The principal livestock in the Territory are swine and poultry. In addition, cattle, goats, and carabao are found on the high islands. Cattle, the third most important type of livestock, are concentrated mostly in Mariana Islands District which has about 5,000 head out of a total of 5,500 in the Territory. The carabao is used as a draft animal on Palau and Ponape.

168. In 1964, a non-indigenous firm, the Micronesian Development Company, was given a lease to develop 7,000 acres of land on Tinian, Mariana Islands District, for livestock. Some 500 acres have been planted with mixed feed, corn, peanuts and sorghum, and 3,000 acres of pasture land have been improved. The cattle herd increased from 3,000 head in 1969 to 3,500 in the year under review. The company also has 3,000 hogs.

169. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that the Department of Resources and Development had entered into a contract with an expert from Hawaii to develop poultry farming. From one to seven poultry farms were already in successful operation in each district as a result of that programme. When the programme started, the Territory was producing some 8,500 chickens per year. It was predicted that within the next 18 months the total would be raised to 24,000 and a further 50 per cent increase in production was possible by March 1972. The Special Representative further stated that, largely because of the ranching effort on the island of Tinian, the production of meat for domestic consumption and export to Guam had risen from 21,000 pounds in the fiscal year 1969 to 140,000 pounds in the fiscal year 1971. In addition to this ranching operation, 60 Micronesian citizens were involved in smaller ranching projects in Marianas District. According to expert opinion, further substantial progress could be made in this field and it would receive the continuing attention of the Department of Resources and Development. Rather than seeking large-scale ranching development, the Administration would prefer the approach of small successful local ranching projects throughout the various districts.

170. At its thirty-seventh session, the Trusteeship Council, aware of the importance of agriculture to the economy of the Territory, took note of the comment of the Visiting Mission that the present condition of agriculture seemed to be one of stagnation and noted the Administration's statement that during the next financial year one of the largest estimated increases in expenditure would be used for encouraging expansion in agriculture and marine resources.

171. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council has heard with interest the statement of the Special Representative that increased emphasis has been placed on production rather than on study. It is pleased to note that agricultural production is growing and that over a two-year period copra production rose by 2,000 tons, while vegetable production increased tenfold.

It notes, however, that the recent increase in copra production followed a long period of stagnation.

The Council was impressed by the fact that, over a two-year period, meat production increased eightfold.

It recommends the continuation of efforts to develop Micronesian small-holdings in addition to the large ranch on Tinian.

The Council will be interested to learn at its next session the final results of the project undertaken since November 1970 to introduce poultry farming on a wider scale.

The Council regrets to find that food imports amounted to \$7 million in 1970, an increase over 1969, in a predominantly agricultural area, and expresses the hope that the increase in locally-produced food-stuff will lessen dependence on imports.

#### Marine resources

172. The annual report under review stated that the goal of the Marine Resources Development Programme was to conserve, develop and use the Territory's greatest natural resource - the ocean and its products - for the nutritional and economic enrichment of Micronesians. To this end, the Administration was engaged in seven major programmes: conservation, starfish control, off-shore and inshore fisheries development, boat-building, research and training.

173. At its thirty-seventh session, the Trusteeship Council noted with pleasure the statements of the 1970 Visiting Mission that it was very much impressed by the work of the Marine Resources Division and that the Administering Authority had recently taken steps to develop the potential of the sea for the economic advancement of the Territory. The Council endorsed the suggestions made by the Mission about research into, and conservation of, marine resources, which constitute one of the major potential assets of the Territory. The Council noted the developments in commercial fishing, particularly in Palau District, and endorsed the suggestions made by the Mission for the strengthening and further development of commercial fishing operations.

174. The current annual report stated that a starfish control programme had been established as a result of a survey, conducted in 1969, on the conditions of the Territory's coral reefs. The survey showed that the presence of the crown-of-thorns starfish was widespread. The Administration earmarked \$200,000 to finance the programme during the year. In November 1969, legislation was introduced in the United States Congress to provide up to \$4.5 million for research and control of starfish in Guam, Hawaii, American Samoa, and the Trust Territory.

175. The annual report pointed out that the object of the off-shore fisheries development programme was to promote the commercial exploitation of "skipjack" tuna stocks by Micronesian fishermen, and to develop freezing, canning and processing operations, as well as boat-building and repair facilities, at suitable locations throughout the Territory. The Administration was sponsoring an advanced fisheries training programme in Hawaii, where Micronesian fishermen work on skipjack boats, and in Palau, where training and employment was offered on both government-owned and private tuna fishing vessels.

176. The boat-building programme sought to provide the necessary technical supervision and assistance to develop the boat-building and dry-docking industry, and to meet the major construction and maintenance requirements for boats operated by the commercial fishing industry, the Administration and other commercial enterprises. The Palau shipyard continued to build and repair boats of all types and sizes up to 75 feet. During the year, 43 boats, valued at about \$77,590, were built and 61 boats, valued at about \$130,780, were repaired.

177. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that fishing companies from outside the Territory had shown interest in the great potential for a large-scale fishing industry in Micronesia. The Special Representative considered that the current thinking of the people of Micronesia was that, rather than take a minor part in a hugh commercial development, they would wait a few years to develop the industry more slowly, with local resources, local capital and complete local participation.

178. At the same session of the Trusteeship Council, the special adviser, Representative Haruo, said that the fishery programme to be carried out in Micronesia should provide assistance to individual fishermen and Micronesian-owned business and include aid in freezing, preserving, canning and marketing operations at suitable locations throughout Micronesia. The local people in the various districts were interested in developing the fisheries industries. They would like to start with small-scale projects. Their interest had been expressed through the district legislatures by providing funds and making appropriations to allow for the purchase of boats and fishing equipment to permit them to engage in the fishing industry.

179. During the year under review, the Second Trust Territory Marine Resources Conference met in Honolulu at the East-West Center. A report with recommendations covering such subjects as off-shore skipjack fishing operations, fisheries training, marine research, starfish control, inshore fishing, drugs from the sea and recreational marine resources, was issued by the Conference.

180. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the Administration was engaged in several projects to increase the percentage of the population involved in exploiting the vast marine resources of the Territory. In that connexion, the Governors of Hawaii, American Samoa and Guam had joined with the High Commissioner in forming the Pacific Islands Development Commission. The organization, which was formed in February 1970, had already taken some positive steps to involve the commercial fishing industry, the Federal Government and the various territorial Governments in joint projects for further development of the fishing resources. The Territory had participated in many international fisheries conferences and had recently held two local conferences on marine resources, one in Truk and the other in Ponape. The Congress of Micronesia was most interested in the problem, as were most of the district legislatures.

181. In co-operation with the Trust Territory Government, the Janss Foundation of California is constructing a marine laboratory at Koror, Palau District. The annual report under review pointed out that the laboratory would provide complete support facilities, including a modern research vessel, to organizations interested in scientific research in Micronesia. Studies to be carried out would provide the knowledge necessary to develop the area's marine resources for the benefit of the people of the Pacific. The research vessel arrived during the summer of 1970 and



would carry out a field survey of the Northern Marianas in conjunction with the University of Guam, before proceeding to its home base in Palau. The Foundation would also provide scholarships for selecting Micronesians with an aptitude and interest in ocean studies and encourage students to participate in science-oriented activities at the laboratory.

182. The Trust Territory Marine Resources Division would also set up a laboratory in conjunction with the Micronesia Institute of the Janss Foundation, to carry out studies essential to the development and proper management of the marine resources of the Trust Territory.

183. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council was gratified to note that the sale of fish now ranked second in Micronesia's foreign trade, a position that is in keeping with the maritime character of the Territory. It regrets, however, that the value of these efforts still barely exceeds that of tinned fish imports.

The Council notes with interest that the off-shore fisheries development programme is continuing and that construction of the Koror marine laboratory, which had been announced earlier, is now under way. It hopes that the research vessel which arrived in 1970 will pursue in the rest of the Territory, especially on Palau, the work conducted in the Marianas, and that research will also be carried out on inshore and lagoon fishing in order to facilitate the development of small fishing enterprises.

#### Industry and tourism

184. Manufacturing in the Territory consists primarily of cottage-type activities in the subsistence sector. 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, except for the Palau shipyard, it is carried on by individual craftsmen working in their own homes. Some small-scale handicraft production exists. Handicraft products are readily salable, but production at reasonable prices needs to be stimulated. Limited quantities are available for export. The demand for Micronesian handicraft is high, owing mainly to the increased number of visitors. Most small industries fall into the service classification.

185. In regard to tourism, the annual report under review stated that it continued to be a major hope for the economic development of the Territory. During 1969, the number of visitors entering the Territory totalled 20,600, a 58 per cent increase over the previous year. Visitors were estimated to have spent \$906,500 in the Territory, making the tourist industry the third largest income-earner. The report points out that more than 32,000 visitors were expected by the end of 1970 and it was anticipated that the number would increase to 120,000 in 1973.

186. The report stated that the foundations of the tourist industry had been laid, but that the projected increases in the number of tourists over the next few years would present a challenge. A priority need for the Territory was the construction of additional hotel rooms to accommodate the influx of tourists. Construction on

two of the six hotels proposed to be built by Continental Air Micronesia was under way in Truk and Palau districts. The Administering Authority was encouraging Micronesian participation in the development of this industry to the extent possible. Where Micronesians did not have financial and technical capability, foreign capital and expertise had been made available.

187. At its thirty-seventh session, the Trusteeship Council noted the opinion of the 1970 Visiting Mission that, although there had been spectacular progress in the tourist industry recently, in contrast to other sectors of the economy, the development of this industry could be expected to give rise to some difficult problems. It should therefore be approached with caution and should not divert efforts from promotion of the balanced economic and social advancement of the Territory. The Council commended to the attention of the Administering Authority the Mission's observations and suggestions on tourism.

188. The current annual report stated that the tourist industry in Micronesia had set its own directions, developing in a somewhat haphazard manner as transportation and accommodations became available. To avoid any adverse effects from rapid expansion of tourism in the future, the Administration was examining the possibility of planned and co-ordinated development of tourism through a central agency in the Department of Resources and Development. While the tourist industry was important to Micronesia, the Administration was also encouraging developments in other economic areas, such as agriculture and marine resources.

189. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that major progress in the field of tourism had been made during the year. Since the executive and legislative branches of the Trust Territory Government shared the concern of the Trusteeship Council that tourism in Micronesia must be developed as a viable economic asset without in any way destroying the beauty or the culture of the area, tourism commissions of Micronesian citizens were being established in each of the six districts to monitor and direct that phase of economic development properly.

190. As its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with satisfaction that tourism is expanding at a considerably faster rate than had been foreseen, that the income derived from it ranks third among the Territory's external sources of revenue and that a senior official is now responsible for promoting tourism. It recommends that efforts should be made to ensure that all the archipelagos benefit as equally as possible from the increase in tourism and that the role played by Micronesians in tourist activities at all levels should be further widened.

#### Transport and communications

191. The logistic services of the Trust Territory are operated by the Micronesian Interocean Line, Incorporated (MILI), which provides direct service from the United States West Coast and from Far Eastern ports. According to the annual report under review, service had improved but surface transportation continued to be one of the Territory's most perplexing problems.

192. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that MILI had a ten-year contract for the operation of the logistic services. The contract had been investigated by a special committee of the Congress of Micronesia and certain recommendations had been made by that committee. Some of those recommendations had been adopted by the shipping line upon the urging of the Administration, but the situation continued to be a difficult one. The contract had been put into effect because at the time it was considered that there were not enough shipping requirements to develop genuine competition and to leave other shipping lines to make regular port calls in Micronesia. Therefore a contract of a monopolistic nature had been granted.

193. Micronesian companies operate the fleet of government-owned field service vessels which provide services between the islands of each district. The Government subsidizes portions of operating costs to meet service requirements in all areas. In addition, government vessels are used to meet educational, medical and community service requirements. The current annual report pointed out that intradistrict surface transportation was augmented by the addition of naval landing craft on indefinite loan to the fleets of field service vessels in all districts.

194. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that the Administration had acquired two additional field trip vessels, plus time charters of two privately-owned vessels, making a total of 13 ships in service. The outer islands were receiving service at intervals of at least 30 days and most of them every 20 to 25 days. One result of the increased service and its regularity had been an increase in copra production at the rate of 1,000 tons annually in each of the past two years. Over the next five years, if the Administration was successful in securing the revenues which had been budgeted, the entire fleet of over-aged vessels would be replaced by new, modern vessels designed specifically for service in Micronesia.

195. The current annual report stated that Air Micronesia had continued to improve service among the districts. The new Ponape airfield was opened during the year to allow jet aircraft operations in that district. Water landings had been eliminated completely, with four of the six districts served by jets, and the other two by DC-6 aircraft.

196. The regular service, by Boeing 727, links Honolulu, Guam, Okinawa, Nauru, the Marshall Islands, Ponape, Truk and the Marianas. The service by DC-6 links Palau, Yap, Guam, Rota and Saipan. The jet service will be extended to Yap and Palau, when the airfields in those districts are improved. The number of passengers carried rose from 29,000 in 1966 to 78,144 in 1969 and 94,565 in 1970. Freight traffic rose from 367,255 pounds in 1966 to 3,309,335 pounds in 1969 and 5,119,159 pounds in 1970.

197. Air Micronesia is conducting a training programme for eventual placement of Micronesian employees in all phases of its operations. Micronesians have already taken over some positions originally filled by United States employees.

198. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that commercial air service throughout the Trust Territory by Air Micronesia, with its over 1,100 stockholders, had continued to play an important part in the development of the area. The regular commercial air service

had been supplemented by air taxi services in two of the districts, the Marianas and the Marshalls, and similar services in other areas were expected in the near future. The island of Kusaie, a subdistrict centre in Ponape District, with a population of over 4,000 now had a master plan and greatest priority would be given to the construction of an air field.

199. The current report stated that roads in the Territory ranged from concrete and macadam in good condition to dirt roads that were little more than footpaths. Road maintenance was difficult, especially in the high islands where heavy rainfall washed out road-beds, and limited budgets made difficult any more than token upkeep of roads outside district centres. Limited budgets had also kept road construction at a minimum, even though the Administration considered roads important links to the outlying villages on islands where road networks were possible. A designated road system existed throughout the Territory. Construction and maintenance of primary roads were the responsibility of the territorial Government through district administrations. District governments were responsible for roads designated as secondary, and municipal governments for local roads not designated as either primary or secondary.

200. In regard to communications, the current report stated that major communication stations in each district centre formed a closely integrated network, communicating with each other and with outside points through common radio-teletype and radio-telephone networks. Twenty-four hour communications were maintained between headquarters and district centres through a central receiving and transmitting station at Saipan. A new telephone communications link with Guam had made it easier to co-ordinate the activities of the Government among the districts, and between headquarters and Washington, D.C. Improved communications projects were progressing on schedule.

201. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that during the past year the new and modern voice communications system had been virtually completed. The radio network reached over 97 per cent of the population. With the co-operation of the Congress of Micronesia, the Administration was engaged in a programme of increased political education in each of the various languages of the Territory. Commercial television was now well established on Saipan and it was projected that it would soon be established in Truk and Palau Districts. Although the stations were operated commercially by the private sector, a few hours a day were made available to the Government for such purposes as political education, adult education and programmes of general community interest.

202. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council, which has in recent years stressed the need to improve maritime and land communications, was not surprised to learn that an increase in the size of the inter-island fleet and a resulting reduction to 30 days of the period between calls had permitted a substantial increase in copra production.

It noted with interest the opening of the Dublon navigation school, in the Truk District, whose activities have unfortunately been affected by a typhoon in recent months.

It hopes that the programme for replacing superannuated boats by modern vessels will be continued so that the inhabitants can, as soon as possible, be ensured of reliable and regular maritime services.

It recommends that particular attention should be paid to the activities and freight charges of the shipping company which now has a monopoly of maritime links with the outside world.

The Council is pleased that the Territory's largest air company is owned by a thousand or so small and medium Micronesian shareholders and employs a high number of indigenous workers.

It recommends that a special effort should also be made to employ indigenous navigation personnel, a step which would have considerable technical significance and psychological impact.

The Council notes with interest that during the past year, in accordance with the recommendations of the Visiting Mission, radio and telephone links have been improved and that now all the districts, except Palau, are linked by radio-telephone with Saipan and the rest of the world, while the isolated islands can communicate by radio with the main town in their district. It hopes that the interterritorial network will be completed in the near future.

#### Co-operatives

203. Co-operatives in the Territory increased in number and volume of business during the year under review. In 1969, 35 co-operatives were active in the Territory, primarily in importing, retailing, buying and marketing copra, producing and marketing handicrafts and marketing of fish. Sales and revenue of co-operatives aggregated \$6,544,888 in calendar year 1969. Merchandise sales predominated, followed by sales of copra. At the end of 1969, co-operatives had 10,186 members, showed net savings of \$493,137 and paid \$159,877 in dividends and patronage refunds. The current report pointed out that new co-operatives were being encouraged mainly in areas such as agricultural co-operatives, where long-range economic benefits may be realized in the form of increased exports or decreased imports.

204. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council is pleased that approximately one quarter of the working population are members of co-operatives and that their annual volume of business has increased by more than \$1 million.

#### Observations of members of the Trusteeship Council representing their individual opinions only

##### General economy

205. The representative of the Union of Soviet Socialist Republics stated that the whole policy of the Administering Power in that field was designed to convert the Territory into an economic appendage of the metropolitan country, a source of raw material for products which were necessary for the United States and also a market for American goods and a destination for American capital.

206. He further stated that according to the voluminous material at the disposal of the Council, the Territory had undergone "a state of economic stagnation". If anything was being done in that field, it was only for the needs for the Americans themselves in order to carry out their military-strategic tasks. Such a situation was acknowledged by the United States Senate when considering the matter of appropriations for the development of the Territory in 1970. On that occasion, the Senate had expressed the opinion that "in the field of economic development of the Trust Territory there has been little if any progress since 1947". 2/

207. The representative of the United Kingdom said that the maximum possible utilization of the Territory's own resources both for internal consumption and for export was of great importance. Subsidies from the Administering Authority were vital to the sustenance of the economy and current living standards, yet they did not provide the final answer. As the Visiting Mission had observed in 1970, the excessive financial dependence of the Territory upon the Administration was one of the most serious of its current political problems. That was why his delegation had noted with approval the introduction of an income tax system in the Territory. Although the scale was rather modest, it was a beginning and the Congress should be commended on its introduction. In the context of raising revenue, the United Kingdom delegation again referred to the desirability of the Trust Territory taxing goods imported into Kwajalein even if that should mean a corresponding reduction in the grant received from the Administering Authority.

208. The representative of France observed that judging from trade statistics, his delegation felt that there was some cause for concern in the export-import balance. The value of imports had grown progressively from about \$4 million in 1957 to \$21 million in 1970. Tourism had also grown and at present provided half as much income as the primary export of the Territory, namely copra. The Mariana Islands received four-fifths of the tourists and it was to be hoped that the steps proposed in other islands would contribute to greater diversification.

#### Public finance

209. The representative of Australia said his delegation had heard with interest and understanding the Special Representative's answer to the question concerning taxation. He appreciated that that question was fully within the competence of the Congress of Micronesia. At the same time his delegation wished to stress the importance of generating internal revenues to the maximum possible extent and the desirability of accentuating through law the responsibilities which went with wealth. There appeared to be no reason why a system of progressive taxation could not be made simple enough to conform with the economy of the Territory and his delegation hoped that in the future the Congress might consider it appropriate to raise rates on higher incomes of individuals and businesses.

210. Referring to a request made by Representative Haruo, who had sought the assistance of the Council and of the specialized agencies to help the Congress of Micronesia in establishing a banking institution suitable for the Territory, the representative of the United Kingdom suggested that, subject to the views of the Administering Authority, the Council might transmit that request to agencies such as the International Bank for Reconstruction and Development and the United Nations Development Programme.

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2/ United States of America, Congressional Record: Proceedings and Debates of the 91st Congress, Second Session, vol. 116, No. 79 (18 May 1970), p. S 7270.

211. The representative of China said that his delegation welcomed the passage by the Congress of Micronesia of its first income tax act as an important step towards statehood. The locally-generated new revenues under the Act would augment the financial powers of the Congress and enable it to supplement the deficiencies in the budget of the Administration.

212. The representative of France observed that a cursory study of the demographic statistics led to the question of whether or not certain districts could support their operation: rapid urbanization had occurred and an abnormally high proportion of the population was employed in public administration. That was not surprising in view of the imbalance between subsidies provided by the Administering Authority and the local revenues. Considering the problems which such an influx of funds created, his delegation wished to praise the Administering Authority which, after having abandoned the Territory to a state of mediocrity for some time, had decided to devote considerable sums to transforming it. Furthermore, the initiative by the Congress of Micronesia to institute an income tax was a praiseworthy step towards increasing reliance on the Territory's own resources.

#### Land

213. The representative of the Union of the Soviet Socialist Republics said that the difficult economic situation of the indigenous population had been made worse by the fact that the American authorities had expropriated some 58 per cent of the total land area of the Territory for military and other purposes.

214. He observed that as seen from the Administering Authority's report, the Administration was stubbornly resisting attempts on the part of the indigenous population to encroach on its right to sell local land. In continuing the tradition of his predecessors, the High Commissioner had twice imposed the veto on amendments introduced by the Congress of Micronesia to the notorious law of eminent domain. It was necessary to take measures to cease the exploiting activities of the international monopolies in the Territory. The local population must have its own lands restored to it: those lands had been taken away for the construction of military installations or had been given by contract to foreign persons and firms.

215. The representative of the United Kingdom said that his delegation was glad to hear from the Special Representative that the programme relating to land ownership was well under way. The problem was one of great importance to the individual Micronesian and every indication of substantial progress in that field would be welcomed. At that stage, his delegation would like to refer in particular to one of the four suggestions by a petitioner, namely, that the Administering Authority should not invoke its claim of sovereign immunity when the local inhabitants sought the assistance of the courts in establishing their ownership to land. It was of course the Administration's duty to pursue its claim vigorously to any land which it regarded as public. But there was often much uncertainty as to ownership, and if private individuals had claims against such land, it would be right and fair that their claims and those of the Administration should be tested by judicial process, rather than that such a test should be denied because one of the parties happened to be the Government of the Trust Territory.

216. The representative of France stated that satisfactory solutions to the land tenure problem must be found soon. However, there would be delays and difficulties in registering lands if modern techniques of land registration and topographic survey had to contend with the traditional system of land ownership as practised in the Territory. The question of public domain was largely a false problem since the indigenous population very often forgot that public lands did not belong to the Administering Authority but to the Micronesian people. Still the fact remained that the extent of the public domain was the cause of some discontent among the indigenous people. To resolve the problem, the Administration had undertaken actions which would envisage a reduction of the holdings of public land. That would help to bring some funds back into economic circulation and also in certain regions reduce the pressures of the people on the land.

#### Agriculture and fisheries

217. The representative of the Union of Soviet Socialist Republics stated that the possibilities were not being exploited for the development of local branches of industry such as fishing. Agriculture was being conducted by primitive methods and was not in keeping with the most elementary requirements of the population. Support was given only to those sectors of the economy which produced exports and earned substantial revenues for United States companies.

218. He further stated that impending agrarian reforms had been assigned to oblivion: all the Administration was doing was simply carrying out a programme of land registration. There had been a sharp reduction of land under cultivation: the local farmers were not in a position to compete with an influx of cheap products from the mainland; the situation had been made worse by the fact that imported food was subject to only token taxation of 1 per cent of the cost while the local producers of copra had been forced to pay 10 per cent export tax. In addition, the Congress of Micronesia was deprived of the right to tax the property of United States citizens above the level of assessments for the Micronesians themselves. As a result, Micronesia had been forced, without compensation, to tolerate United States military bases and installations in its Territory and United States companies could dominate the economy of the Territory with impunity.

219. The representative of Australia said that his delegation had been impressed by what Representative Haruo had to say about the need in the agricultural field to develop projects which would serve as models for smaller-scale activities by the local people. Likewise, developments in the marine resources area were encouraging and his delegation hoped that both the Administration and the Legislature would continue to promote intensive development of fisheries and other products of the sea.

220. The representative of the United Kingdom stated that agriculture was the only proven resource of Micronesia and deserved primary attention. His delegation had been happy to note the considerable increase in the production of vegetables and meat and had also been interested to hear from Representative Haruo his views on the need for model projects in fields such as the production of peppers, bananas, rice, etc. In regard to fisheries, successive visiting missions had been impressed with the work of the Marine Resources Department of the Administration, yet there was still a great deal of uncertainty as to what the marine resources of the



Territory and its surrounding waters actually amounted to. His delegation therefore hoped that maximum efforts would be made in that field. It was perhaps specially in regard to fishery products that the prospects for the Territory's export earnings might be increased if the Administering Authority were able to secure the implementation of the pledge to urge duty-free entry into the United States of Micronesian products.

#### Transport and communications

221. The representative of France observed that the statement of the Special Representative had shown that, as expected, improvements in inter-island communications had not been slow to produce results since the production of copra had increased by 2,000 tons over the last two years.

## D. SOCIAL ADVANCEMENT

### Outline of conditions and recommendations adopted by the Trusteeship Council

#### Medical and health services

222. Medical and health services in the Territory are provided through the Department of Health Services. At the district level, there is a district director who is responsible for the direction and supervision of all district health programmes, hospitals and dispensaries. Guam Naval Hospital is the referral hospital for difficult and complicated cases.

223. 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 147 dispensaries and medical aid posts scattered throughout the Territory.

224. In June 1970, there were 960 persons on the staff of the Trust Territory's Department of Health Services, 54 at headquarters and 906 in the districts. Of this number, 35 were expatriate personnel, 11 were Peace Corps volunteers and 914 were Micronesians.

225. The Micronesian personnel included 35 medical officers, 18 dental officers, 4 registered or university trained nurses, and 142 graduate nurses (Trust Territory School of Nursing). Positions occupied by Micronesians included the two posts of deputy director of the Department of Health Services and the six district directors of health services. The expatriate personnel included 10 physicians and 15 registered nurses. Of the Peace Corps volunteers, five were physicians.

226. Recurrent expenditure on public health in 1970 amounted to \$4,340,688, compared with \$3,777,959 in 1969 and \$3,437,527 in 1968.

227. According to the annual report under review (T/1716), well over 40,000 people live within the immediate vicinity of district centres; another 29,000 are within reach of district or subdistrict hospitals, while the remaining 24,000 people live on outer islands. The out-islanders receive medical or public health services only when regular government field trip ships touch at their islands, or by aircraft or special trip when emergencies arise. More than 200 small radio stations outside district centres offer communication for health workers, thus providing information to district centres more readily, especially in medical emergencies.

228. The Trust Territory Health Planning Council held several meetings in different districts of the Territory during the year under review. The Council is composed of the six district directors of health services and 12 other Micronesians. 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 being organized in all six districts. These district councils will serve as the health planning advisory bodies to the district directors of health services.

229. The Trust Territory general scholarship programme has separate funds for medical education and training. During the year under review, 61 students were studying on scholarships in medical and para-medical fields.

230. The World Health Organization, the South Pacific Commission and the East-West Center in Honolulu offer post-graduate training fellowships for medical and para-medical personnel. Medical officers receive post-graduate training in both general and special fields in hospitals in Guam, Hawaii, and New Zealand.

231. The new building for the Trust Territory School of Nursing was inaugurated in March 1970. At the end of the year under review, the School of Nursing had an enrolment of 78, compared with 42 in the previous year.

232. At its thirty-seventh session, the Trusteeship Council took note of the developments in the health services during the period under review, particularly the construction of the new hospital in Truk District and the extensions to hospitals in other district centres. It noted the plans of the Administering Authority for the expansion of hospital facilities, including the eventual building of a referral-teaching hospital at Ponape and the rebuilding of all three subdistrict hospitals. The Council noted that about half the population of the Territory depended on the services provided by the dispensaries of the Department of Health Services. The Council noted the comments made on the work of the dispensaries by the 1970 Visiting Mission and endorsed the Mission's recommendation that the Administration should give top priority to the improvement of services provided by the dispensaries.

233. The annual report under review stated that the new hospital in Truk was scheduled to open in the fall of 1970. The site for the central training-referral hospital in Ponape was being cleared and prepared for construction in 1973. The new hospital for Yap was also scheduled for completion in 1973. The subdistrict hospital in Rota had been replaced by a new one; a new hospital for Ebeye would be completed in 1971; and a new hospital would be built in Kusaie. The report further stated that, following the recommendation on accelerated construction of dispensaries which was made in a survey carried out in the Trust Territory at the request of the High Commissioner and the Secretary of the Interior, 25 new dispensaries were under construction during the year under review.

234. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council notes with pleasure the fact that approximately 70 per cent of the population has direct access to a district or subdistrict hospital and that recurrent expenditure on public health increased by almost \$1 million over the period 1968-1970.

The Council regrets to note, however, that despite the construction of the hospital in Truk, the number and capacity of hospitals has not substantially changed since consideration of the 1966-1967 report. It hopes that the construction planned for the future, particularly in Ponape and Yap, will be completed as soon as possible. It endorses the view of the representative of the World Health Organization that in the islands out of reach of hospitals, the most critical need for improving the health services lies at the dispensary and health aid post level. It notes with approval that the Administering Authority is giving priority to this task and that progress has been made in the period under review.

The Council is pleased to note that a new school of nursing has been opened and that over the past four years the number of indigenous nurses had increased by approximately 50 per cent. It is disappointed to find, however, that the number of Micronesian physicians and expatriate staff has remained substantially the same while the number of Peace Corps medical personnel has shown a marked decline.

#### Community development

235. The annual report under review stated that the government grant-in-aid programme represented the largest single investment of community development personnel and financial resources. 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 construction of facilities and services such as roads, schools, dispensaries, ferryboats and electric plants. During the fiscal year 1970 such projects were estimated to be worth about \$245,000, of which the Government's share was over \$145,000. Matching contributions by 32 participating communities totalled nearly \$100,000 in cash, volunteer labour, materials, land or other forms of in-kind contribution. In addition, 20 health dispensaries were constructed through the grant-in-aid programme as a result of an agreement between the Health Services Department and the Community Development Division. The projects were valued at \$175,000, of which \$100,000 was contributed by the Government.

236. The report further stated that the Community Development Division continued to administer expanding participation in Economic Opportunity Act programmes such as the community action agencies, the Neighbourhood Youth Corps and the Job Corps. Each district had a community action agency, which was a private, non-profit corporation administered by a locally-elected governing body. Community action programmes were financed by the United States Office of Economic Opportunity. With authorized funding of \$1.2 million, the community action agencies had served more than 12,000 Micronesians during the period under review. Among major programmes were 11 neighbourhood centres, 2 training centres and various mobile health education units. At least 400 Micronesians received vocational training in outboard and automobile mechanics, construction trades, health services, secretarial services and agriculture. In addition, the basis for a comprehensive employment service was established in co-operation with the Community Development Division.

237. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the Director and the Deputy Director of the territorial Office of Economic Opportunity, which had been organized during the past year, were Micronesians. The six community action directors were also Micronesians.

238. The Special Representative informed the Trusteeship Council at its thirty-eighth session that the United States Office of Economic Opportunity, at the request of the Congress of Micronesia, had instituted a lawyer training programme which provided for two supervising attorneys for the Trust Territory and at least one attorney in each of the six districts. Those attorneys would be available on a no-fee basis to citizens of Micronesia.

239. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council is pleased to note that free legal aid is being made available to the population and that more than 12,000 people are benefiting from the work of volunteer community action agencies.

### Labour

240. The statistics for the Social Security Administration indicate that the number of wage earners employed during the year under review was 12,436. Of this number, 7,239 were employed by territorial and United States Government agencies, and 5,197 were employed in the private sector. The corresponding figures for the previous year were 5,630 and 3,584 respectively. Wage rates in general follow the Trust Territory Title and Pay Plan. The total Micronesian wage income in the year under review was \$20,550,544.

241. The report under review stated that the Government and the local community action agencies were developing a skilled Micronesian labour force to meet the demands of the construction and other industries. A significant step towards this goal had been the opening of the Micronesian Occupational Center, which would offer nearly two dozen vocational programmes. In addition, increasing emphasis on vocational education within and outside the Territory had been fostered through scholarship assistance and adult education programmes.

242. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

While appreciating the fact that wage earners in the public sector are playing an effective part in co-operative and credit union schemes, the Trusteeship Council notes that, partly because of the high number of civil servants, there are practically no trade-union activities in the Territory.

### Housing

243. At its thirty-seventh session, the Trusteeship Council recalled its earlier recommendations on low-cost housing, taking into account the view of the 1970 Visiting Mission that the achievements of the Administration in low-cost housing had not been notable, and endorsed the Mission's suggestion for further experimental pilot projects.

244. The annual report under review stated that a substantial appropriation for low-cost housing was included in the budget plan for the fiscal year 1971. It was anticipated that United Nations assistance and advice on low-cost housing projects would be sought. This matter was considered a priority item in the development of infrastructure facilities by the Government. During the period under review, the low-cost housing programme at headquarters level was transferred from the Economic Development Division in the Department of Resources and Development to the Community Development Division, Department of Public Affairs.

245. The report further stated that housing authorities operated throughout the Territory to develop and administer low-cost housing and urban renewal projects. They included organizations in the Marianas, at Ebeye in the Marshalls, in Truk and Yap districts, in Angaur, Palau district, and the Metalanim Housing Co-operative in Ponape. A new Palau Housing Authority was formed late in the year and received an initial grant from the district legislature.

246. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the need for low-cost housing projects throughout Micronesia, which had been stressed by the 1970 Visiting Mission, had resulted in a budget appropriation of \$500,000 to start the programme in the six districts. The Administration was continuing with the creation of housing authorities in the districts. Officials of the Administration and members of the Congress of Micronesia had studied and investigated low-cost housing projects.

247. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council is glad to note that the observations of the Visiting Mission and its own recommendations have resulted in the initiation of a large-scale programme for the construction of low-cost housing. In this connexion the Council looks forward to the assistance which will be rendered by the United Nations housing experts whose services have been requested by the Government of the Trust Territory.

#### Public safety

248. "At its thirty-seventh session, the Trusteeship Council noted the comments made by the Visiting Mission on the question of public safety and endorsed the Mission's opinion that a strictly enforced system of controls in the importation and possession of fire-arms in the Trust Territory would be desirable. In that connexion, the Council noted that there was pending before the Congress of Micronesia at that time a proposal to regulate the use and sale of fire-arms.

249. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that the executive branch of the Trust Territory Government was in complete agreement with the Visiting Mission's conclusions regarding the need for much stricter control of fire-arms in the Territory and informed the Council that the Congress of Micronesia, in its special session held in May 1971, had passed and sent to the High Commissioner a bill providing for such control throughout Micronesia.

250. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council welcomes the adoption of legislation regulating the use and sale of fire-arms in accordance with the recommendations of the 1970 Visiting Mission and hoped to be informed at its next session of the progress achieved in implementing this legislation.

#### Population growth

251. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council, noting that as a result of the combination of good sanitary conditions and a high birth rate the population has increased by 28 per cent, so that it has approximately doubled, over 20 years, draws the attention of the Administering Authority to a phenomenon which intensified the movement to urban centres.

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

General

252. The representative of the Union of Soviet Socialist Republics said that the Administering Authority's efforts in the social field and in the fields of education and health were very far from its obligations under the Trusteeship Agreement and the requirements of the Charter. Numerous research projects and official statements demonstrated that the overwhelming majority of the population continued to live under extremely harsh conditions, in poverty and in crowded, unsanitary conditions. Supplies, including even the most elementary consumption products, were not being distributed to the inhabitants regularly.

Medical and health services

253. The representative of the Union of Soviet Socialist Republics observed that a still unsatisfactory situation existed with regard to the medical services furnished to the population. There was a severe shortage of doctors, medical personnel and the necessary medical facilities.

254. The representative of the United Kingdom said that his delegation was pleased to hear of the improvement in rural health dispensary services, both with regard to facilities and in the training of health aides.

## E. EDUCATIONAL ADVANCEMENT

### Outline of conditions and recommendations adopted by the Trusteeship Council

#### General

255. The policy of the Government of the Trust Territory, according to the annual report under review, was to provide educational opportunities for all Micronesians to enable them to develop their capacities fully. The educational system was concentrated in elementary and secondary schools, although post-secondary education was provided at the Micronesian Occupational Center in Palau, at the newly designated Community College of Micronesia, in Ponape, and at the School of Nursing on Saipan. English was the language of instruction in the Territory's school system wherever qualified teachers were available. An effort was being made to establish orthographic bases for nine local languages so that some instruction could be given in local languages. The educational goal of the Government was a universal, free public school system from elementary through high school, with advanced training in the trades and professions for those who could profit by further schooling.

256. The Administration is responsible for the construction of schools, provision of books, supplies and equipment, professional training of teachers and setting educational standards. Although local communities are encouraged to share in support of their schools, the territorial Government bears the major responsibility for providing the necessary funds to support public education throughout Micronesia.

257. In addition to the public schools, there are elementary and high schools operated by Christian missions. Charters are granted to non-governmental agencies to operate schools under the supervision of the Administration if it appears that an educational programme will be conducted that achieves the goals established by the Administration. Mission schools are open to children of all denominations. The current annual report stated that no segregation of school children existed or was permitted for any reason.

258. Education is compulsory for children from six to fourteen years of age or until graduation from the eighth grade. No fees are charged in the public schools. Girls are offered equal educational opportunities with boys. The current report pointed out that enrolment of girls tended to be equal with boys in elementary schools, but that, in some districts, a substantial number of girls continued to drop out at the high school level. Except for the high school on Saipan, public high schools were boarding schools with subsistence provided without charge. Slightly more than 60 per cent of the public school students lived in dormitories.

259. The Administering Authority's current report stated that the acceleration of educational programmes set in motion in 1962 had continued, with the result that, during the year under review, a larger number of students than ever before were enrolled in schools in the Trust Territory. The quality of education and materials



had been improved. The use of some 249 Peace Corps volunteers as teachers had provided many outlying schools with their first English-speaking teachers, and the availability of funds resulting from the Trust Territory's participation in the United States Elementary and Secondary Education Act had made possible improved instructional materials and had increased educational resources. During the year under review, the Government of the Territory had continued to re-evaluate its efforts to identify needs not being met and to devise new concepts and procedures. Although statistics were impressive - showing a steady increase in school enrolment year by year, more classrooms built, more scholarships offered - continuing needs should be met. Quality and content of education should be improved. Facilities should be expanded to accommodate students who could not continue beyond the eighth grade and the increased enrolments estimated from population projections.

260. The report further stated that the Stanford Research Institute report of 1967, entitled Planning for Education and Manpower in Micronesia, the Nathan report of 1966, the Cooke report and the findings of a study conducted under the auspices of the High Commissioner's Office were being used, along with departmental programme evaluations, to analyse problems and seek solutions. Those evaluations so far had led to greater emphasis on vocational and trade training, teacher education and curriculum development.

261. The Special Representative informed the Trusteeship Council at its thirty-eighth session that the programme Teaching English as a Second Language, one of the most important educational programmes in the Territory, was now headed by a Micronesian. Through this programme the Administration was attempting to provide an increasing degree of fluency in English without detriment to the local languages. To this effect, the Administration had instituted during the past year the Micronesian Linguistic Project with the co-operation of the East-West Center, the University of Hawaii and the Pacific and Asian Linguistic Institute.

262. Public Law 3C-36 of 10 October 1969 provided for the establishment of boards of education at the territorial, district and community levels. According to the current annual report, the Micronesia Board of Education was to be functioning at the beginning of the academic year 1970/1971. The district boards had already been established.

263. At its thirty-seventh session, the Trusteeship Council noted with interest the attention which the Congress of Micronesia had given to the objectives and operation of the educational system, particularly the report of its Committee on Education and the adoption in October 1969 of Public Law No. 3C-36, which defines the educational framework of the Territory and which, when fully implemented, would ensure participation by Micronesians at all levels at which educational policy was formulated.

264. The Council was pleased to note that the Micronesian Occupational Center was in operation and to note also the statement of the Special Representative that, as at 1 June 1970, the Micronesian Teacher Education Center in Ponape had been designated the "Community College of Micronesia", thus becoming the first institute for higher education in the Trust Territory.

265. The Council drew the attention of the Administering Authority to the view of the Visiting Mission that the main requirements for the next few years were to ensure that all children attended elementary school; to improve teaching standards;

to improve and expand vocational and technical education, especially at the high school level; to create one or two selective high schools to prepare students proceeding to higher education; and to reform the curricula in elementary and secondary schools to give greater attention to subjects of more relevance to Micronesian society and to the economy.

266. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that a concerted effort was being made to bring into existence a comprehensive vocational programme in each district to supplement the technical programmes offered by the Micronesian Occupational Center in Koror, in the Palau District. That action was in direct reaction to the Visiting Mission's recommendation and also the manifest desires and aspirations of the Micronesians themselves. The programme included the development of vocational training at the secondary level in each district and for this purpose new facilities would be built in 1971 and 1972. As a result of the various programmes in operation a practical course of vocational education had been made available to approximately 60 per cent of students at the secondary level.

267. At the same session of the Council, the Special Representative stated that in order to comply with the Visiting Mission's recommendations to create and implement a relevant Micronesian curriculum, a territory-wide Curriculum Council had been set up with almost total Micronesian participation, and through its efforts teaching materials in social studies, mathematics and vernacular languages in the various districts were now in use in the classrooms. The Special Representative further stated that the Manpower Advisory Council which assessed the needs for certain specialized training throughout the Territory and in set priorities for scholarships for advanced training had been very active during the year.

268. At its thirty-eighth session, the Trusteeship Council adopted the following conclusions and recommendations:

The Trusteeship Council reiterates its view stated at its thirty-seventh session that the main requirements for the next few years are: to ensure that all children attend elementary school; to improve teaching standards; to improve and expand vocational and technical education, especially at high school level; to create one or two selective high schools as a preparation for students proceeding to higher education; and to reform the curricula in elementary and secondary schools so as to give more attention to subjects of more relevance to Micronesian society and to the economy.

The Council is pleased to note from the statement of the Special Representative that the Administering Authority, taking into account the comments of the 1970 Visiting Mission and its own recommendations, is seeking to implement these suggestions.

The Council notes in this respect the Administering Authority's efforts to bring into existence a comprehensive vocational training programme in each District to supplement the work of the Micronesian Occupational Center in Koror which now has, as the Council is pleased to note, 300 students enrolled in 14 occupational training areas. The Council notes with approval the establishment of a Curriculum Council and that it is the intention of the Administering Authority to make the curriculum in the school system more responsive to the desires and needs of the people of Micronesia.

The Council also notes with approval the increase in the number of Micronesians who have received degrees from various institutions of higher education in the five-year period 1967-1971, as compared with the period 1962-1966.

The Council notes that the percentage of non-indigenous teachers is still a high one and appreciates the difficulties facing the Administering Authority in recruiting local staff. The Council hopes that every effort will be made to localize the teaching service with particular emphasis on the elementary level and notes in this regard that less than 4 per cent of public elementary school teachers are non-indigenous.

The Council notes with approval the statement by the Special Representative that the programme for teaching English as a second language is not intended to be operated to the detriment of the various local languages.

#### Primary and secondary education

269. In 1970, there were 197 public elementary schools and 20 private elementary schools in the Territory. The total number of pupils, including those over 14 years of age enrolled in the first to the eighth grades was 28,360. Of this number, 24,881 were attending public elementary schools and 3,479 were at private elementary schools.

270. The annual report under review stated that the number of children between five and fourteen years of age was estimated at 27,790. Of this number, 25,020 were attending school. The districts of the Mariana Islands, Palau and Ponape had close to 100 per cent enrolment of school-age children. In Yap, Truk, and the Marshall Islands, a certain proportion of children of school-age were not in school.

271. In 1970, the teaching staff in elementary schools consisted of 1,112 Micronesian teachers (947 certified teachers and 165 non-certified) and 97 non-Micronesian certified teachers. Peace Corps volunteers on elementary school staffs totalled 193.

272. Secondary education was provided in eight public senior high schools and 10 mission high schools. There was a public high school in each of the six district centres, one on Kusaie (Ponape District) and one on Ulithi (Yap District). Of the private high schools, one was located on Saipan, one in Ponape, two in Truk, four in Palau, and two in the Marshalls. In addition, there were three public intermediate schools in Truk District.

273. At 30 June 1970, high school enrolment was 3,721 in public high schools and 1,465 in mission high schools, compared with 3,288 and 1,342 the previous year. In addition, 175 students were enrolled in high schools abroad. In addition, there were 641 graduates of public high schools and 229 of mission high schools, compared with 417 public high school and 117 private high school graduates the previous year.

274. In 1970, the teaching staff in public high schools consisted of 240 teachers. Of this number, 148 (75 Micronesians and 73 non-Micronesians) were in public high schools and 92 (29 Micronesians and 63 non-Micronesians) were in private high schools.

275. The current annual report stated that while not all elementary school graduates could as yet be accommodated in local public and non-public high schools, 68 per cent had enrolled during the period under review. Expansion of public high school facilities continued with consequent increased enrolments. Many graduates of mission elementary schools went to one of the ten mission high schools. Still others elected to enter private or public high schools on Guam, Hawaii, or the United States mainland.

276. Territorial Government expenditure for education totalled \$9,538,528 in 1970, compared with \$7,264,790 in 1969. Expenditure in 1970 included \$3,085,000 for elementary education and \$1,614,000 for secondary education.

277. The current annual report stated that school construction had been accelerated during the year and, as a result, more than 100 new elementary classrooms would be ready for use at the beginning of the new school year. Curriculum development had been intensified by territory-wide workshops involving teachers with departmental specialists and outside consultants. Exchange of ideas and mutual support with the Territory of Papua and the Trust Territory of New Guinea had been increased, and had assisted in both staff and curriculum development.

278. The report further stated that boards of education were active in five districts. District legislatures were taking an increasingly active role in education. Assisting in improvement of education in the Territory during the year were ten consultants from the University of Hawaii, two from the Hawaii State Department of Education, two from Australia and others from Stanford University, the North West Regional Laboratory and the State University of New York.

279. In regard to educational facilities provided for children of pre-school age, the current report stated that the Head Start Program had been operating in all districts since 1968. The Government had provided \$375,000 for the programme, which served 2,850 Micronesian children between four and seven years of age. The report pointed out that Head Start was a comprehensive anti-poverty programme designed to provide pre-school children from disadvantaged backgrounds with special educational, medical, dental and nutritional services. The programme involved co-ordination among community action agencies, educational offices, Peace Corps volunteers, health services and voluntary agencies in the districts. More than 75 per cent of the eligible children within the areas served by the Head Start centre were enrolled in the programme. Furthermore, 97 per cent of the staff employed was Micronesian and nearly all classroom teachers were Micronesian.

#### Vocational education

280. The Micronesian Occupational Center, established at Koror, Palau District, provides advanced vocational education for all Micronesia. The current report stated that some classes had begun in September 1969, and others in February 1970. An enrolment of 300 students was expected by October 1970. When the construction of the school was completed in 1971, it would be able to accommodate 500 students.

281. The report further stated that, in order to develop a co-ordination occupational training programme for the Territory, work was being carried out to: develop a complete operational plan for the Micronesian Occupational Center; define occupational training needs and determine how the educational system in

each district can best meet those needs; determine to what extent occupational training should be conducted in existing secondary schools, or in institutions outside Micronesia; develop occupational curricula for each secondary school and for the Micronesian Occupational Center; prepare Micronesian vocational instructors for developed programmes; and plan a job placement system to place students as they complete their training.

282. At the thirty-eighth session of the Trusteeship Council, the Special Representative stated that, in November 1970, the Micronesian Occupational Center had reached the second stage of its operation with 300 students enrolled in 14 occupational training areas. The Special Representative further stated that a most valuable phase of the vocational education programme had begun in January 1971 with the opening of a seamanship institute on the island of Dublon in Truk District to train 40 Micronesians to man the vessels of the inter-island transportation fleet. Although typhoon "Amy" had virtually destroyed the physical facilities of the school, the programme would be continued and the school rebuilt.

283. At the same session of the Trusteeship Council, the Special Representative stated that 3,664 Micronesians had received vocational training in the period from 1962 to 1966, while 5,654 Micronesians had followed short-term courses and 10,216 long-term courses in vocational training in the period from 1967 to 1971.

#### Teacher training

284. The Administering Authority's current report stated that the upgrading of Micronesian teachers continued to be one of the vital responsibilities of the Department of Education. The goal was to provide each teacher with the equivalent of at least four years of training beyond high school in teaching techniques and subject matter. In addition to the large number of scholarships provided to teachers and potential teachers each year, in-service training and workshops conducted by the University of Guam, Northwest Regional Educational Laboratory, and the East-West Center played an important role in the teacher training programme. The objective was also advanced through summer training sessions in each district; specialized training at the Community College of Micronesia, formerly the Micronesian Teacher Education Center, in Ponape, and the six in-district teacher training programmes.

285. During the year under review, the Micronesian Teacher Education Center completed its eighth year and also changed its status to that of a community college. During its first six years, the Center had enrolled 45 students a year, but in September 1968, enrolment increased to 90. In the past, the Center had combined high school work with specialized training in teacher education. Recently, it had been oriented towards upgrading the competence of teachers who had completed high school work. As a community college, it would continue to offer a programme to prepare elementary teachers and co-operating teachers (teachers of teachers). It would grant an Associate of Science degree.

286. The six in-district teacher education programmes offered formal educational opportunities to 92 Micronesians, mainly experienced teachers. In addition, during the past year, programmes designed to prepare co-operating teachers had been offered. To date, 70 co-operating teacher certificates had been issued by the Department of Education.

287. In December 1969, the Department of Education completed a proposal for a single salary scale for Micronesian and non-Micronesian personnel and submitted it to the High Commissioner. This was part of the over-all reclassification of jobs and salaries which was nearing completion as the review year ended.

#### Higher education

288. Three specialized schools, the Community College of Micronesia, the School of Nursing and the Micronesian Occupational Center, offer programmes for post-graduate high school students.

289. At the thirty-eighth session of the Trusteeship Council, the Special Representative said that the Community College of Micronesia had greatly improved the standard of teacher training during the previous year, not only by training new, qualified teachers but also by upgrading the qualifications of those already in the school system. A master plan for the College's physical development had been prepared. A road to the proposed site was under construction and the building of new facilities would begin in the fiscal year 1972.

290. Higher education for Micronesians is provided outside the Territory through the Government's scholarship programme and through partial subsidies, including transportation grants, to private scholarship holders or sponsored students. During the year under review, about \$763,000 was made available for general and medical scholarships. This sum included \$200,000 appropriated by the Congress of Micronesia for 29 scholarships for higher education and for 11 senior high school students attending high schools in the United States.

291. In 1970, the number of Micronesian students attending institutions of higher learning abroad was 595, compared with 445 the previous year. Of this number, 291 were on Trust Territory scholarships (61 in medical or para-medical fields). In addition to those on Trust Territory scholarships, 304 other Micronesian students were in colleges and technical schools outside the Territory. Of these, 28 were supported by the Congress of Micronesia, 37 by district legislatures, 51 by religious organizations, 8 by the East-West Center, 5 by the Government of Guam, 29 by other scholarship programmes and 146 by private funds. Of the total number of students in higher education, 307 were attending school in Guam, 98 in Hawaii, 117 on the United States mainland, 35 in the Philippines, 1 in Japan, 20 in Fiji, 12 in the Territory of Papua and the Trust Territory of New Guinea and 5 elsewhere.

292. At the thirty-eighth session of the Trusteeship Council, the Special Representative informed the Council that the degrees received by Micronesians in the period from 1962 through 1966 had number 78. In the period 1967 through 1971 that number had risen to 371, including 52 medical and dental degrees, 143 bachelor's degrees, 10 master's degrees and 5 doctor's degrees. The remaining 161 were two-year degrees in teaching or nursing. The Special Representative further stated that there were 665 students currently attending institutions of higher learning. That represented a 530 per cent increase over the number in 1962, and a 230 per cent increase over that in 1967.

## Dissemination of information on the United Nations

293. According to the Administering Authority's current report, the aims and work of the United Nations and the Trusteeship System are part of the school curricula. United Nations informational materials are distributed to all districts and are used in the social studies programme. Movies, filmstrips, posters, periodicals and radio broadcasts dealing with the work of the United Nations are available for school and community use. United Nations Day is an official holiday for Micronesians and is a major celebration in the Territory.

### Observations of members of the Trusteeship Council representing their individual opinion only

#### General

294. The representative of the Union of Soviet Socialist Republics stated that after 24 years of administration by the United States the education of the children was still not universal. The policy of the Administering Authority in the field was a constituent part of the well-thought-out programme of Americanization of Micronesian culture and society. In order to attain that end, the Administration had intensified the teaching of English to the detriment of the local languages. An important factor in the latter policy had been the invitation to American teachers under contract and volunteers from the Peace Corps, whose number in the Territory had increased.

295. The representative of Australia said that his delegation had been impressed by the progress in vocational and technical education programmes and had noted the creation of a territory-wide Curriculum Council to devise and implement Micronesian curricula.

296. The representative of the United Kingdom said his delegation had heard with interest of the efforts being made to establish a comprehensive vocational training programme in each district. It had also been glad to hear of the progress made at the impressive Micronesian Occupational Center at Koror. The efforts to revise the school curricula in accordance with the desires and needs of the population were highly commendable as was the improvement in the teacher training scheme, particularly that currently operated at the Community College of Micronesia in Ponape.

297. The representative of France stated that the Territory enjoyed a relatively high literacy rate for a developing country. Despite the Micronization of instruction, the number of non-indigenous teachers remained very high: it would be desirable if the entire teaching staff at the elementary level could be Micronesian as soon as possible.

#### Higher education

298. The representative of the Union of Soviet Socialist Republics said that there was a very low level of secondary education. Professional and technical education

remained so far at a very low level: higher education still remained within the reach of only a very few fortunate persons. It was clear that progress in the field of secondary and higher education and in the areas of vocational or professional training for the previous ten years had not been in keeping with the requirements and needs of the Micronesians.



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

Outline of conditions and recommendations adopted by the Trusteeship Council

299. At its thirty-seventh session, the Trusteeship Council took note of the 1970 Visiting Mission's comments on the discussions which it had held in the Territory concerning the future of Micronesia, including its discussion with the Political Status Delegation of the Congress of Micronesia. The Council noted with great interest the report of the Future Political Status Commission of the Congress of Micronesia, which was summarized in the Visiting Mission's report; it also noted that the Political Status Delegation had held two series of discussions with officials of the Administering Authority concerning the future of the Territory, but that at that time both parties wished to keep the proceedings of those discussions confidential. The Council noted that the Political Status Delegation would be reporting to the Congress of Micronesia on the results of the discussions in July 1970, and that the Council looked forward to receiving copies of the Status Delegation's report. 3/

300. The Council commended the Future Political Status Commission for the thorough examination it had made of the issues facing the Micronesian people and their elected representatives.

301. The Council also noted the interest shown by the Political Status Delegation and by the public in the role which the United Nations had played when the Trusteeship Agreements for former Trust Territories were being terminated.

302. The 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.

303. The Council, taking account of the responsibility of the Congress of Micronesia to acquaint the people of the Territory with the nature and consequences of the choice before them, and the responsibility of the Administration in the matter, and taking further account of the unique difficulties of the Territory, including its geographical situation, endorsed the opinion expressed by the 1970 Visiting Mission that it would be desirable for the people of Micronesia to determine their future status sooner rather than later.

304. The Council urged the Administering Authority vigorously to pursue its efforts, in co-operation with the Congress of Micronesia, to prepare the people of the Territory to exercise their right to determine their own future.

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  / On 20 January 1971, the Administering Authority transmitted copies of the report of the Political Status Delegation to the members of the Trusteeship Council through the Secretary-General.

305. At the thirty-eighth session of the Trusteeship Council, the representative of the United States said that at the discussions on the future of the Territory which were held by the Status Delegation of the Congress of Micronesia with officials of the Administering Authority in May 1970, each delegation had prepared what might be called a statement of principle. The United States statement had included the proposal for commonwealth status and the discussions which followed had been largely an exchange of written position papers. Although those discussions had not always provided detailed clarification of essential issues, they had brought out the relevant importance of some of them and were of considerable value. The United States representative further stated that, following the submission to the Congress of Micronesia of the delegation's report, the Congress had endorsed the four principles which the delegation considered as essential to the status of free association, declared the Commonwealth offer unacceptable in its present form and authorized the creation of a Joint Political Status Committee charged with resuming discussions with the United States.

306. In March 1971, the President of the United States had appointed Dr. Franklin H. Williams as his personal representative to carry on the future status discussions. Dr. Williams had begun to examine the past discussions and the issues involved. He had met informally with the co-chairmen of the Joint Political Status Committee, as a result of which tentative agreement had been reached to resume discussions in the summer of 1971.

307. The United States representative further said that the United States was not attempting to impose any particular solution on the Micronesian people but was working to achieve a mutually agreed status of self-government in association with the United States for which the Micronesians had expressed a preference. The United States was considering the Micronesian position carefully and was reviewing its own, and expected that the Micronesians would do likewise. The United States looked forward to a continuation of the dialogue, remained confident that agreement would be reached after full, unhurried consideration, and that that agreement would satisfy the obligations of the United States under the Trusteeship Agreement and the Charter of the United Nations.

308. In regard to the views in favour of a separate solution expressed by representatives of the Mariana Islands in communications before the Trusteeship Council, the representative of the United States said that that sentiment, particularly in the form of a desire for reunification with Guam, was not new to the Council and especially to its visiting missions. The Council had long acknowledged the strength and the sincerity of the sentiment and had agreed with the views of its visiting missions that those attitudes would have to receive consideration as part of the process of self-determination. The United States, for its part, had stated that it had always regarded Micronesia as an administrative entity. It had further stated that it did not necessarily rule out any particular choice that might be offered to the people at the time of self-determination, but that such decisions would depend primarily on the wishes of the Micronesian people. The communications before the Council from the Marianas District Legislature endorsed the commonwealth proposal. That view apparently had popular support, since a pro-commonwealth slate of candidates had achieved a total victory in the Congress of Micronesia elections in November 1970.

309. The United States representative further said that the United States had encouraged the leaders of the Marianas to work within the system. It had urged that they participate in territory-wide activities, such as the Congress of

Micronesia and the Joint Political Status Committee, and that they seek accommodation of their views within those forums. While the United States felt that all of the people of Micronesia were entitled to self-determination, it was committed to discussions on a territory-wide basis at this time and could not now contemplate separate discussions with the Marianas. The United States had urged them to participate in the over-all discussions and to avoid precipitate actions which would make more difficult the attainment of a satisfactory agreement and which were not necessary to ensure their self-determination. That continued to be the Administering Authority's position.

310. The United States representative reiterated the statement made by his delegate at the thirty-seventh session of the Trusteeship Council that, while believing that the precise timing of the act of self-determination should be strongly influenced by the wishes of the people, the United States had no desire to delay that process. The United States appreciated the view of the 1970 Visiting Mission that self-determination for Micronesia should be sooner rather than later.

311. At the same session of the Trusteeship Council, the special adviser, Representative Haruo, said that the predominant feeling amongst his colleagues in the Congress of Micronesia was that Micronesia had reached a crucial point in her history. Soon she must decide her status in relation to the other members of the world community. But while they were brought ever closer to that day, they wished to consider carefully the many facets and consequences of such a move.

312. At the same session of the Trusteeship Council, the special adviser, Senator Tun, said that he had been most encouraged by the remarks made by the representative of the United States relating to the forthcoming discussions between representatives of Micronesia and the United States on the future political status of the Territory. The way was clear for the Micronesian delegation and the delegation of the United States to resume another round of discussions on that important issue and to explore various alternatives and steps whereby a mutually acceptable free associated constitutional and political status for Micronesia might be forged.

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

The Trusteeship Council has noted with great interest the report of the Political Status Delegation of the Congress of Micronesia, the statements of the Administering Authority, the Special Representative and special advisers on the discussion between the Political Status Delegation and the Administering Authority on the future of the Territory.

The Council notes the appointment of a Joint Political Status Committee of the Congress of Micronesia and the appointment of Dr. Franklin H. Williams as the personal representative of the President of the United States, to carry on the future status discussions. The Council notes with approval that further discussions are due to take place in the summer of 1971 and that both parties to the discussion are reviewing their respective positions in advance of these talks.

The Council has noted the offer to the representatives of the Congress of Micronesia by the Administering Authority of commonwealth status and the reaction to this of the Congress of Micronesia. It also notes the statement by the representative of the Administering Authority that the Administering Authority is

not attempting to impose any particular solution on the Micronesian people but is "working with the Joint Political Status Committee of the Congress of Micronesia to achieve a mutually-agreed status of self-government in association with the United States". The Council further notes the statements of the representative of the Administering Authority that the Administering Authority had studied the Micronesian "four principles" and other aspects of their position with care, and considered its own position accordingly, and that the Administering Authority was optimistic that a mutually-agreed status could be achieved. The Council believes that the four principles formulated by the Joint Political Status Committee of the Congress of Micronesia appear to define the Committee's view of the status of free association. The Council also believes that these statements, while not committing the Administering Authority to any particular status for the Trust Territory, are indicative of an open-minded, flexible approach to the forthcoming talks by the Administering Authority, and augur well for their success.

The Council has noted the conflicting statements of petitioners and the observations of the Administering Authority on the situation of the Mariana Islands, and recalls the analysis of this problem as set out in the report of the Future Political Status Commission of the Congress of Micronesia in 1969, and in particular the view of the Commission that a solution must be found which represents the interests of Micronesia at large, the interests of the Mariana Islands District and the interests of the minorities within the District.

The Council endorses this view of the Commission, and notes the statement by the Commission that it would not oppose a political union involving the Mariana Islands District if it reflected the freely-expressed desires of the majority of the people of the District. The Council shares the hope expressed by the Commission that the course of separation would not be considered until all possibilities for partnership have been explored, and urges all the people of the Mariana Islands District to co-operate with the Congress of Micronesia and with the Administering Authority in the search for a mutually-acceptable solution.

The Council reaffirms the inalienable right of the people of Micronesia to self-determination, including the right to independence, in accordance with the United Nations Charter and the Trusteeship Agreement and General Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960.

The Council again affirms its conviction that, in view of the particular situation of the Trust Territory and its problems, it would be desirable for the people of Micronesia to determine their future status sooner rather than later.

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

314. The representative of the Union of Soviet Socialist Republics stated that despite its obligations under the Charter and the Trusteeship Agreement, the United States was virtually turning the Territory into an appendage of the metropolitan country and depriving the people of any development towards independence and achievement of independence even in the remote future. The United States had in fact embarked on a policy of converting the Territory into its own military and strategic bulwark in the western Pacific.

315. He further stated that as to the time-table for independence, according to the United States that would depend "on how soon, as it is determined by the Micronesians themselves and when the United States is convinced that Micronesia is prepared for this sort of choice". If that position was compared with the Administering Authority's plan for a commonwealth, which was designed to secure the Trust Territory for the United States for an unlimited period of time, it would become clear that the Territory was having prepared for it the fate of a semi-colony to be used for the military purposes of the United States. The confirmation of such a policy was provided in a statement by Mr. Rogers Morton, the then Secretary of the Interior-Designate, to the effect that the Islands "are extremely important for the United States", and his country "has every conceivable right to have the American flag flying over these possessions".

316. The import of that statement was quite clear. In making such a statement, Mr. Morton had been describing a course of action completely at variance with the obligations of the United States under the United Nations Charter and the Trusteeship Agreement, which provided that the Administering Authority - the United States - was not to absorb the Territory but to lead it to self-government and independence. The Soviet delegation fully shared the view of the Micronesian delegation, as set out in its report, that Micronesia considered the right to independence a fundamental and inalienable right of its people and that independence was the future political status most in keeping with the purpose of the Trusteeship Agreement.

317. The representative of the United States rejected the statement of the Soviet Union representative that the United States was failing to fulfil its obligations to further the political, economic, social and educational development of Micronesia. With respect to the strategic character of the islands, to which the Soviet Union representative had paid so much attention, that character had been explicitly recognized by the Security Council. It was done with the agreement of the Soviet Union in the establishment of the terms of the Trusteeship Agreement and the strategic significance recognized in 1947 still remained valid. However, the Agreement also recognized the right of the Micronesian people to self-determination. The United States did not consider those two elements of the Agreement to be incompatible in 1947, nor did it find them so in 1971. More important, the United States was actively engaged with the people of Micronesia in preparing for that exercise of self-determination. The United States was not seeking to make Micronesia its military and strategic appendage, nor was it attempting to impose any particular solution on the Micronesian people. It was working with the Joint Political Status Committee of the Congress of Micronesia to achieve a mutually-agreed status of self-government in association with the United States - which was the Micronesian stated preference.

318. The representative of the Union of Soviet Socialist Republics, replying to the statement by the United States representative, said that the USSR had certainly not opposed the establishment of the United States trusteeship over the Pacific Islands but, according to the Charter of the United Nations, it was not intended to be perpetual. In that connexion, he drew attention to Article 83 of the Charter, which stated that the basic objectives of the trusteeship system set forth in Article 76 were also applicable to "the people of each strategic area".

319. The United States trusteeship over the Pacific Islands had been established a quarter of a century before. Since then, the United States had had ample opportunity to prepare the Territory for self-government or independence.

320. The representative of Australia stated that on the question of the future status of the Territory it was clear that the Congress of Micronesia, the district legislatures, the Administering Authority and the Trusteeship Council were in agreement that the question should be resolved sooner rather than later. There seemed also to be some agreement regarding the fact that the unity of the Territory should be preserved.

321. The nub of the question of unity, in the Marianas District as elsewhere, appeared to rest on the fundamental question of what future status would be negotiated between the Administering Authority and the Congress of Micronesia. As the special advisers had pointed out, the latter issue was affected by practically everything that was taking place in the Territory.

322. The Australian delegation welcomed the statement of the United States representative at the 1372nd meeting on 26 May 1971, to the effect that the Administering Authority continued: "... to be hopeful that a mutually agreeable status, in the best interests of both the Micronesian people and the United States, and fully consistent with the provisions of the United Nations Charter and the Trusteeship Agreement, can be reached". The real interests of both sides regarding the future status of the Territory seemed to be very close and his delegation was optimistic that that would prove to be the case when the Council met in 1972.

323. The representative of Australia having noted the statement by Senator Tun to the effect that the Council should be prepared to give advice, counsel and guidance in regard to the forthcoming negotiations between Micronesia and the United States, stated that at that point he could not see precisely what additional role the Council, or any other United Nations organ, could play. There would be better prospects for a fruitful dialogue if the approach were one of informality. It was always possible for the Congress of Micronesia to seek the Council's advice at any stage if necessary. Under the existing circumstances, where the positions of the two sides were so close, the Council might well need to be no more than a benevolent and distant observer.

324. The representative of the United Kingdom said that during the previous year, with confidential negotiations in progress between the Administering Authority and a delegation from the Congress of Micronesia, the Council had not been able to deal substantively with the question, but during the current year the Council was in a rather different position. The representative of the United States and Senator Tun had each spoken about the course of the negotiations. In addition, the United States delegation had made available the report of the Political Status Delegation of the Congress of Micronesia and the Council had before it the views of the Congress of Micronesia in a number of communications. From those various sources it seemed clear to his delegation that events had moved at a considerable pace during the previous twelve months.

325. He would not propose to comment at that stage on the advantages or disadvantages of any particular type of status the Micronesians might eventually choose in exercise of their inalienable right to self-determination. Any definitive view would have to await the attainment of agreement between the Administering Authority and the Micronesian delegation responsible for carrying out negotiations. Only then could his delegation formulate a view as to whether the agreed status - subject to its endorsement by the peoples of Micronesia - represented a full discharge of the obligations under Article 76 of the Charter.

However, it seemed clear from the sources cited that both parties to the negotiations had borne that factor very prominently in mind and would no doubt continue to do so.

326. In connexion with the suggestion by Senator Tun that the Council consider giving advice, counsel and guidance in the course of the forthcoming Micronesia-United States talks on the future status of the Territory, it was the feeling of the United Kingdom delegation that subject to the views of the Administering Authority, it would be useful for the Council during its current session to make contingency arrangements so that if it were invited by both parties to play some part in the talks it would be able to respond positively.

327. Referring to Senator Tun's request that the Council consider assisting the people of the Territory in establishing the issues involved in terminating the Trusteeship Agreement, the United Kingdom delegation felt that the United Nations had a great deal of experience regarding the ways in which the peoples of former Trust Territories, and other Territories such as the Cook Islands, had decided on their own future. It would, therefore, suggest that the Secretariat be requested to compile an account of how the previous acts of self-determination had been carried out and how the United Nations requirements in each case had been satisfied. Such information should then be transmitted to the Administering Authority and the Congress of Micronesia for their guidance.

328. In regard to the particular situation of the Mariana Islands, the United Kingdom representative observed that no discussion of the future of Micronesia could avoid consideration of that question and guidance on that difficult question could only be found among the people of Micronesia themselves. The Future Political Status Commission of the Congress of Micronesia had recorded its view that the Administering Authority and the United Nations, as well as Micronesians, must consider the issue and arrive at an accommodation which represented the interests of Micronesia at large, the interests of Mariana Islands District and the interests of minorities within the Mariana Islands District. The Commission had urged the Congress of Micronesia to assist in a resolution of that particular circumstance which would be generally satisfactory and had said that, unless the possible harm to minorities in the Marianas or to Micronesia at large was intolerable, it would not oppose a political union which reflected the freely-expressed desires of a majority of the residents in the district. It also, however, registered its hope that the course of separation would not be taken until all possibilities for partnership had been explored. His delegation thought that those were wise words, illustrative of the tolerance and humane good sense of the people of Micronesia and their representatives, and it hoped that the Council would commend those words in its report.

329. The United Kingdom representative further observed that in 1970 the Council had endorsed the view of the 1970 Visiting Mission that, notwithstanding all the difficulties, it would be desirable for the people of Micronesia to determine their future status sooner rather than later. That aspiration was shared by the Administering Authority. The United Kingdom delegation had remarked the previous year the capacity of the United States to make a pragmatic and flexible response to the expressed wishes of the peoples of its former territories. His delegation, encouraged by what it had heard at the current session, had every hope that agreement on proposals for the future status of Micronesia might be reached during

the forthcoming period between representatives of the Administering Authority and the Joint Political Status Committee of the Congress of Micronesia. It would hope that, if such agreement were reached, the proposals would be in terms which would commend themselves to the Congress and eventually to all the peoples of Micronesia and that they would lead to the fulfilment of the Trusteeship Agreement, with the co-operation and participation of the United Nations, so that the peoples of Micronesia might become responsible for the conduct of their own affairs and the control of their own destiny.

Preparation of the people for exercise of act of self-determination

330. The representative of China referred to the statement before the Council by Representative Haruo at the 1382nd meeting on 26 May 1971, and said that his delegation fully understood the feeling he had expressed to the effect that Micronesians did not wish to be pushed too quickly in deciding their future status without being able to consider carefully the many facets and consequences of such a move. The Council's responsibility was to see that the Administering Authority carried out its obligations under the Trusteeship Agreement and the Charter.

331. The representative of China also stated that Senator Tun had rightly pointed out that the exercise of the right of self-determination must be preceded by extensive political education for the great mass of Micronesian people. One could draw only one conclusion from that remark, namely, that either the political education programmes in the Territory were far too inadequate or the people were not very much interested in those programmes. Whatever the case, the need for improvement in that area was most obvious. In that respect the Congress of Micronesia had as much responsibility as the Administration. It would not be enough to start an intensified political education programme only after the alternative to be put before the people had been agreed upon: the people should get acquainted with the meaning and implications of various options before them immediately.

332. The representative of France said that his delegation had been favourably impressed by the number of members of co-operatives and the number of credit unions established by the Administering Authority. The creation of organs such as those through which the Micronesians could manage their own affairs could be speeded up by organizing political education campaigns. His delegation was gratified to have heard the Special Representative give information to the effect that, thanks to an excellent radio network, such campaigns had already been undertaken and were to be developed in the future.

333. The representative of Australia observed that in his statement before the Council at its 1372nd meeting on 26 May 1971, Representative Haruo had stated that the people of the Territory did not wish to be pushed too quickly into making a choice regarding the future position of the Territory without being able to consider carefully the many facets and consequences of such a move.

334. He further observed that from the statements heard and communications received by the Council, it was clear that both the Administering Authority and the peoples' representatives recognized the importance of the sentiments expressed by Representative Haruo as to how essential it was for the population to be fully and completely informed about what was at stake, and what consequences would flow from various decisions relating to the future status of the Territory.



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