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OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Addendum

D. SOCIAL ADVANCEMENT

Human rights

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

159. The right of petition is granted and inhabitants have petitioned the United Nations and the Administering Authority. Petitions have also been submitted to United Nations visiting missions verbally and in writing. The Universal Declaration of Human Rights has been translated into the Territory's nine major languages and copies have been distributed to local government institutions, schools and various community groups.

Medical and health services

160. The Bureau of Health Services has responsibility for planning, organizing and administering all medical and health programmes. The Office of Health Planning and Resources Development of that Bureau is responsible for health planning and resources development and also co-ordinates federal health programmes in the Trust

Territory at various levels. The Micronesia Health Co-ordinating Council, composed of members from the Federated States of Micronesia, the Marshall Islands and Palau, reviews and co-ordinates health services and the implementation plans of the Territory; prepares, and revises if necessary, a territory-wide health plan; reviews the annual budgets of the Office of Health Planning and Resource Development; and examines requests submitted for various federal grants.

161. There are seven main hospitals in the Territory and two small hospitals, one at Rota (Northern Mariana Islands) and the other at Ebeye (Marshall Islands). Plans are being made for the construction of a new hospital in Majuro (Marshall Islands). A new 116-bed hospital has been opened on Ponape. The construction of a new 50-bed hospital on Yap, which started in 1976, was completed in late 1979 and construction of a 35-bed hospital on Kosrae was completed in 1978. In addition, there are 173 dispensaries and medical aid posts scattered throughout the Territory.

162. In 1979, there were 34 persons on the staff of the Division of Public Health Services in the Northern Mariana Islands. A total of 10 physicians and 57 nurses served at the Dr. Torres Hospital in Saipan, which is the main hospital in those islands. The hospital at Rota had one physician and seven nurses.

163. At its forty-sixth session, the Trusteeship Council noted with satisfaction the progress made in strengthening the health and hospital infrastructure of the Trust Territory. It noted with concern, however, the adverse report of a Medicaid team on the hospital at Saipan which had been found to be antiquated, dangerous and impossible to renovate. It hoped that the necessary supplementary appropriations would be forthcoming for construction of a new building.

164. The Council noted with satisfaction that corrective measures had been taken to improve the serious deficiencies at Majuro, Marshall Islands. The Council also noted the statement by the Administering Authority that a new hospital was to be built at Majuro at an estimated cost of \$US 8 million. The Council noted with satisfaction the adoption of a proposal for a three-year training programme for health workers at Ponape Hospital; and the existence of training programmes for laboratory technicians in disease prevention. It further noted that the ultimate aim of the new three-year programme was to establish a permanent health training centre for Micronesia.

165. The current annual report states that all the units of the new hospital at Yap and the addition of a new out-patient building to the Palau hospital have been completed, furnished and supplied with medical equipments. The sum of \$US 24.4 million has recently been authorized by the Congress of the United States for public health services in the Northern Mariana Islands.

166. The annual report further states that the new hospital for the Marshall Islands is currently being designed. Preliminary architectural plans and engineering studies have been developed. However, the disaster caused by a flood in the Marshall Islands in December 1979 made it necessary to review the proposed site for the hospital which has delayed the completion of the engineering studies.

167. According to the annual report, the Health Manpower Training Program is operational. Some members of the faculty have arrived at Ponape while additional members are being recruited. Courses in public health care are being offered. Special training in psychiatry has been arranged through the Department of Psychiatry at the Medical Center of the University of Hawaii. The functions in respect of laboratory training will be transferred to the Health Manpower Training Program at Ponape.

168. The annual report points out that WHO and the SPC provide technical assistance to the Trust Territory. In 1979, WHO provided 18 fellowships for training in laboratory technology, nursing, pharmacy, dental nursing, anaesthesiology and medical equipment repairs. It also organized special seminars and workshops and provided assistance in health manpower development.

Community development

169. The principal organization involved in community development in the Trust Territory is the Community Development Division which co-ordinates the activities of various governmental programmes, provides technical advice for self-help activities and gives support to various community groups. The grant-in-aid programme represents one of its main activities.

170. Through the grant-in-aid programme, the Administration extends direct financial and technical assistance to village projects where the people participate in their planning and implementation. The projects involve, primarily, small-scale infrastructural facilities such as farm roads, small docks, simple water distribution systems and community meeting centres.

171. The current annual report states that approximately 400 community projects valued at about \$US 3.2 million have been financed through the grant-in-aid programme since 1967. Projects undertaken during 1978/79, were estimated to cost about \$US 150,000.

172. The Department of Community and Cultural Affairs of the Government of the Northern Mariana Islands is responsible, among others, for the family food distribution and the grant-in-aid programmes. It provides advice to community groups such as women's and youth organizations. The Division assists the elderly by identifying their basic needs and initiating appropriate programmes to meet such needs.

Labour

173. According to the current annual report, it is the policy of the Trust Territory Government to give employment preference to qualified Trust Territory citizens in employment at all levels. It is also the Government's policy to further its programme of "micronization" through more intensified training of executive managerial and supervisory personnel. Alien workers are employed only when skilled Micronesians are not available to fill vacancies.

174. The number of wage-earners in the private sector (excluding those in the Northern Mariana Islands) employed during the year under review was 9,200, of whom 1,100 were non-Micronesians.
175. The annual report states that employment service offices have been created in each entity with the main objective of establishing a central register where all persons seeking jobs can submit their applications for consideration by prospective employers. This procedure is expected to benefit both job seekers and employers.
176. At its forty-sixth session, the Trusteeship Council continued to be concerned at the serious unemployment problem and the imbalance between wage-earners employed in the public sector and those employed in the private sector.
177. The Council noted with satisfaction the creation of a Young Adult Conservation Corps in the Territory employing 300 men and women. It also commended the apprenticeship programme financed under the Comprehensive Employment and Training Act (CETA).
178. The Council noted with regret that the Continental Hotel at Koror, Palau, had still not resolved its labour dispute with its employees. The Council therefore urged the Administering Authority to do its utmost to promote a satisfactory settlement of the dispute.
179. The current annual report states that 39 Micronesians from all entities of the Trust Territory are currently enrolled in the apprenticeship programme financed by CETA, which is designed to develop skills in different trades. The programme was integrated into the Navy Apprenticeship Program on Guam and was fully implemented on 1 October 1978.
180. The annual report further states that the Administering Authority is making every effort to reduce the number of government employees, while at the same time encouraging the opening of new business and employment opportunities in the private sector.
181. The annual report points out that although the strike at the Palau Continental Hotel was not officially settled, the hotel is back in operation, with a token picket being maintained by some former employees outside the hotel grounds.

Housing

182. The current annual report of the Administering Authority states that there were an estimated 13,000 housing units in the Trust Territory in 1978, of which 36 per cent were in poor condition. In view of the shortage of housing and a rapidly growing population, it is estimated that over 1,000 units will have to be constructed or rehabilitated annually to meet housing needs.
183. The current annual report states that in 1979 the Trust Territory received from the United States Department of Housing and Urban Development (HUD) grants totalling \$US 1.0 million for housing development and \$US 220,000 for rent subsidies for lower income families.

184. The Mariana Islands Housing Authority (MIHA), a public corporate body entrusted with housing development, committed a total of \$US 1,087,000 for housing projects in 1978/79. It has made available home-ownership loans to over 350 families and has assisted them in the construction of safe and sanitary houses.

185. At its forty-sixth session, the Trusteeship Council noted with satisfaction the continued provision in 1978 by HUD of grants for housing development and rent subsidies for lower-income families, and by MIHA of home-ownership loans. It noted with interest that a request has been made to HUD for financing a "Latorex" plant (see T/L.1220, paras. 131-132), which would use local soils to produce building materials.

186. The current annual report indicates that the request made to HUD for financing a "Latorex" plant in Ponape has been disapproved. According to that report, an economic feasibility study has been undertaken by UNDP on the project.

Public safety

187. At its forty-fifth session, the Trusteeship Council noted with concern the increase in the number of offences committed by young people, particularly in the urban centres. The Council welcomed the efforts being made to combat delinquency in general and juvenile delinquency in particular, and recommended that preventive efforts should be continued.

188. In December 1978, the United States Law Enforcement Assistance Administration and the Office of Juvenile Justice and Delinquency Prevention awarded grants to the Trust Territory totalling \$US 376,250 for 1978/79, for projects designed to reduce crime and delinquency and to improve the criminal and juvenile justice systems in all six districts of the Trust Territory. Further, individual public safety departments have promoted organized athletic activities for youths in association and co-operation with local law enforcement officers.

Peace Corps

189. Peace Corps volunteers have continued to serve in education as well as in a number of other areas. They provide architects, engineers, lawyers, health professionals, accountants, construction workers, etc. According to the Administering Authority, the most significant contribution of the Peace Corps continues to be in the field of education. In 1979, Peace Corps volunteers in Micronesia numbered 148, of whom 40 were serving in Ponape, 28 in Palau, 27 in the Marshall Islands, 23 in Truk, 21 in Yap, 7 in Kosrae and 2 in the Northern Mariana Islands. The Peace Corps programme in the Northern Mariana Islands is to be phased out and replaced by VISTA, utilizing local volunteers.

190. The current annual report states that the Peace Corps programme in Micronesia will continue to work with each entity separately to ensure local determination of needs and development plans. Its programme will also continue to encourage self-reliance within the organizations served by the volunteers and will continue to be as responsive as possible to the needs of each entity. The Peace Corps is shifting its programme direction to meet the basic needs of Micronesia's poor, especially in the economic, health, and agricultural sectors.

E. EDUCATIONAL ADVANCEMENT

General

191. The current annual report of the Administering Authority states that the Trust Territory Bureau of Education is one of three branches within the Department of Community Services. The Bureau of Education has three divisions: Program Development, Federal Programs and Administrative Services. The Bureau also has three offices providing specialized services in research and planning, vocational rehabilitation, and in libraries/archives/publications.

192. The Board of Education of the Northern Mariana Islands makes the policy for the Department of Education in accordance with the Constitution of the Northern Mariana Islands. The Constitution further provides that free public education and appropriate adult education shall be provided at the elementary, secondary and post-secondary levels. The administration of the Department is headed by the Superintendent of Education who directly supervises the associate superintendents for administration and instruction.

193. At its forty-sixth session, the Trusteeship Council reaffirmed its satisfaction with the excellent record of the Administering Authority in the general field of education, in particular the universal instruction at the primary level and the high rate of secondary school attendance, as well as the increasing number of post-graduate students in the Trust Territory. It welcomed the fact that students in the Trust Territory could obtain grants and loans for higher education from the Government of the United States as well as from other Governments and international institutions. It hoped that students would be encouraged to choose areas of study which would equip them to assist in the development of Micronesia.

194. The current annual report states that educational information centres are being established for each of the local governments to assist those students planning to pursue higher education. These federally financed centres provide to prospective college students information and services designed to assist them in pursuing opportunities in higher education within Micronesia or abroad.

Primary and secondary education

195. In 1978, there were 228 public and 20 non-public schools in the Territory, including the Northern Mariana Islands. Pupils enrolled in public and private schools numbered 31,257, of whom 28,026 were attending public elementary schools.

196. The teaching staff in the public elementary schools consisted of 1,309 Micronesian teachers and 23 non-Micronesian teachers. The teaching staff in the private elementary schools consisted of 126 Micronesian teachers and 44 non-Micronesian teachers.

197. Secondary education was provided in 18 public and 12 private schools. There were four public schools in the Northern Mariana Islands, six in Truk, three in Yap,

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two in the Marshall Islands, and one each in Palau, Ponape and Kosrae. Of the private schools, there were five in Palau, four in the Marshall Islands and one each in the Northern Mariana Islands, Ponape and Truk.

198. Secondary school enrolment in 1978 totalled 6,287 in public schools and 1,695 in private schools. The secondary school staff consisted of 566 teachers (409 in public schools and 157 in private schools). Of the total number of secondary school teachers, 367 were Micronesians and 199 were non-Micronesians.

199. At its forty-sixth session, the Trusteeship Council noted with satisfaction the completion of grammar textbooks and dictionaries in seven Micronesian languages. It also noted with interest the work undertaken during the past year in the production of Micronesian achievement tests. The Council noted with satisfaction the completion of the secondary school complex at Kosrae.

200. The current annual report states that in January 1980, English language specialists from all parts of the Trust Territory met with the English language specialist from SPC to plan the formation of an English teaching unit in the Territory. This unit will be modelled on the highly successful English teaching unit in Fiji where several Micronesian language specialists received intensive training in the use of the Tate series. The purpose of the teaching unit will be to educate teacher trainers and class-room teachers in how to use the SPC/Tate language development programme to teach all aspects of English language usage: thinking, listening, speaking, reading and writing. The first phase of training will begin during the summer of 1980.

Higher education

201. Public Law No. 7-29, establishing the College of Micronesia under a Board of Regents, was enacted in 1977. That law integrated the educational institutions formerly known as the Community College of Micronesia (including the School of Nursing) and the Micronesian Occupational Center.

202. The College of Micronesia, located at Kolonia, Ponape, offers a two-year programme leading to an associate of science degree in elementary education. In 1977/78, the College had a co-educational enrolment of 166 students, of whom 129 were studying at the campus at Kolonia and 37 were at the nursing school on Saipan (which is affiliated with the College).

203. The Northern Mariana Islands Community College was established in 1976. The College, which is a two-year institution, is administered by the Department of Education of the Northern Mariana Islands. The Community College, through the Community Career College of the University of Guam, grants associate of arts degrees in elementary, secondary and special education.

204. Micronesian students attending institutions of higher learning abroad in 1978/79 numbered 2,051, including 1,250 recipients of student assistance grants from the Trust Territory Government. According to the current annual report, about 500 students were pursuing studies abroad with private support through federal assistance programmes.

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205. According to the annual report under review, students from the Northern Mariana Islands attending institutions of higher learning abroad in 1978/79 numbered 544. Almost all the students studying abroad receive grants from the Government of the Northern Mariana Islands and the federal aid programme.

206. At its forty-sixth session, the Trusteeship Council noted with satisfaction the selection of the first Board of Regents and hoped that an individual would soon be selected to fill the vacant position of Chancellor of the College of Micronesia.

Vocational education

207. The Micronesian Occupational College (formerly known as the Micronesian Occupational Center), located at Koror in Palau District, is a boarding school offering vocational and technical training to students from all areas of the Territory. Vocational courses are also offered in all public secondary schools. Most secondary schools also offer an industrial arts programme.

208. The College of Micronesia, in co-operation with the Ponape Agriculture and Trade School, offers teachers a two-year programme leading to an associate of science degree in secondary vocational education.

209. The current annual report states that vocational education in the Northern Mariana Islands emphasizes the practical use of skills and theory. A wide range of work is offered on campus and in the community.

210. The annual report further states that a five-year plan for vocational education in the Northern Mariana Islands was formulated and approved and that the programme is now receiving \$US 200,000 annually. The funds are being used to carry out existing vocational programmes and to improve as well as expand programmes in construction, agriculture and technical electronics.

211. The current annual report states that continued efforts are being made to strengthen vocational training programmes in high schools throughout the Territory in the areas of agriculture, mechanics, boat-building and construction.

212. The co-operative programme conducted by the University of Hawaii and the Micronesian Occupational College in Palau for teachers of vocational education was held again during the summer of 1979. In addition, the University of Hawaii offered transfer credit courses in mathematics and psychology and the Micronesian Occupational College offered credit courses in first aid, swine and poultry raising, electronics and management. Fifty-nine vocational education teachers from all areas of the Territory participated in the programme.

213. Regular vocational education programmes in grades 9 to 12 reached approximately 4,800 students. Two programmes, one in Yap and the other in the Marshall Islands, were also conducted in traditional island skills related to marine resources activities.

214. At its forty-sixth session, the Trusteeship Council noted with interest efforts being made to strengthen vocational training programmes at the secondary school level. It noted that the programme in the Northern Mariana Islands was receiving funds annually. It noted with satisfaction the success of the vocational rehabilitation programme which assisted severely disabled individuals to become gainfully employed.

215. The current annual report states that recent amendments to the Vocational Education Act, which supports vocational education in the Territory, require the Micronesia Board of Education to evaluate vocational programmes in the various schools of the Territory. In its first evaluation work, the Board reviewed the agricultural programmes in a group of representative schools. In co-operation with local vocational education supervisors, Board members visited seven public high schools in January and February 1980 where they interviewed principals, assistant principals, agricultural teachers and some students. The Board's report, which is being submitted to the United States Department of Education, will be used by the Vocational Planning Council in order to meet the needs of agricultural programmes in local schools and to strengthen those portions of the programme which have succeeded.

Teacher training

216. In 1979, the Administering Authority reported that various programmes had been instituted to upgrade qualifications of teachers for certification. The College of Micronesia offered courses both at its main campus and at extension centres in the districts for those planning to become teachers. It also offered courses for those specializing in the teaching of handicapped children. The Micronesian Occupational College, in co-operation with the University of Hawaii, offered summer teacher-training courses in academic vocational fields. A number of teachers were sent to the University of Hawaii for training in language arts and curriculum writing.

217. The current annual report states that in 1978/79 an additional 19 Micronesian teachers completed a year of training at the College of Micronesia and have returned to their respective islands to work as special education teachers. The number of Micronesian teachers employed on a full-time basis in the field of special education now numbered 123. A further 15 teachers work in that field on a part-time basis.

218. According to the annual report, in-service teacher education in the Northern Mariana Islands is offered by the Department of Education in co-operation with the University of Guam, San Jose State University, California, the University of Hawaii and the College of Micronesia. Several teachers and personnel of the Bureau of Education attended institutions of higher education in Guam, Hawaii and the United States in 1979.

219. The annual report states that most of the elementary school-teachers in the Northern Mariana Islands are not college graduates. A great effort is being made to provide college courses in teacher training in order to rectify the situation by 1981.

220. At its forty-sixth session, the Trusteeship Council noted with interest that, in addition to students enrolled at the College of Micronesia, 212 students were attending teacher-training colleges overseas.

221. The current annual report points out that recent legislation adopted by the United States makes available to United States Territories and the Trust Territory of the Pacific Islands a total of \$US 2 million annually to be divided among those Territories for the purpose of teacher education. The Bureau of Education of the Trust Territory Government will hold meetings with the local directors of education shortly to formulate a Territory-wide plan for submission to the United States Department of Education in order to obtain the additional funds for teacher education.

Dissemination of information on the United Nations

222. At its forty-sixth session, the Trusteeship Council welcomed the wide dissemination of information on the activities of the United Nations and the Trusteeship System in the Trust Territory. It noted however, the statement by the Director of the United Nations Information Centre at Tokyo that Micronesia was still very much in need of more information, and called upon the information centre and the Administering Authority to do their utmost to disseminate further information on the United Nations and the Trusteeship System, especially in the light of the intention of the Administering Authority to terminate the Trusteeship Agreement in 1981.

223. The current annual report of the Administering Authority states that information on the activities of the United Nations is widely disseminated in the Trust Territory. As in the preceding years, the proceedings of the Trusteeship Council at its session in 1979 were broadcast on all Trust Territory radio stations. Daily reports are relayed to Saipan by the Peacesat Satellite system for use by the Micronesian News Service and broadcasting stations.

224. The annual report further states that United Nations radio programmes, including "Scope" and "This Week at the United Nations", as well as United Nations Day messages are broadcast regularly on all radio stations. Several hundred copies of the annual report of the Administering Authority to the United Nations are distributed to various agencies of the Trust Territory Government.

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

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

226. The Council considered that the constitutional referendum held on 12 July 1978 in the Territory, excluding the Northern Mariana Islands, and in consequence of the

result thereof the referendum held on 1 March 1979 in the Marshall Islands, had been essential steps towards termination of the trusteeship. It noted with satisfaction that the chairmen of the visiting missions sent by the Council to observe the referendums had concluded that they had been held in conditions which had guaranteed the free expression of the wishes of the populations concerned. It noted that, as a result of those referendums, those concerned now had their own Governments.

227. The Council noted that the Palauans had made arrangements for the holding of a referendum on a draft constitution on 9 July 1979 and had invited it to send an observation mission for the occasion. Having decided to send such a mission, the Council hoped that the referendum would be held under the same conditions as the previous one.

228. The Council noted with interest the statements of the Administering Authority concerning the status of the negotiations on free association which had been undertaken with the Micronesians on the basis of the Hilo agreement.

229. The Council noted with interest the statements of the Special Advisers regarding those negotiations. In particular, it noted that all the Micronesian parties had emphasized their desire to maintain preferential and close relations with the Administering Authority after the termination of the trusteeship.

230. However, the Council noted the concern of the representatives of the Marshall Islands that adequate machinery should be available for the settlement of any disputes that might arise on environmental matters.

231. The Council noted that there was a dispute between groups in the Palau Islands regarding the compatibility of the draft constitution with the draft of the proposed treaty with the United States. It hoped that the parties concerned would find a solution in keeping with the wishes of the population.

232. The Council hoped that the ongoing negotiations between the Administering Authority and the Micronesian parties concerned would lead to a mutually satisfactory outcome which respected the personality of every party. It hoped that the Administering Authority would keep it informed of the status of the discussions.

233. The Council noted with interest that the Administering Authority had again stated that it would invite the United Nations to send a mission to observe the referendum which would be held on any free association agreement.

234. The Council reiterated its opinion that all the people of Micronesia should be given the fullest opportunity, before any such referendum, to inform themselves about the various political choices open to them including independence.

235. As in 1978, the Council did not wish to make precise recommendations on the future political status of the various Micronesian entities. It reiterated its view that free association was an option that was not incompatible with the Trusteeship Agreement, provided that the populations concerned had freely accepted it.

236. The Council urged the Administering Authority to consider in any event maintaining the amount of its aid, after the end of its mandate, at a level comparable to that which obtained at present.

237. The Council again expressed the hope that the Micronesians would take all necessary steps to establish, after termination of the trusteeship, the all-Micronesian entity which they had agreed upon at Molokai in October 1977.

238. The current annual report of the Administering Authority states that the further constitutional developments which occurred in the Trust Territory during the year under review as well as the significant progress achieved in the future political status negotiations were important milestones in the process of self-determination. The possibility of negotiations leading to independence has never been excluded if that was clearly the wish of the Micronesians. In accordance with the mutual preference of the peoples of Micronesia and the United States for a closer relationship, the political status negotiations have instead concentrated on the development of self-government in free association with the United States.

239. The annual report further states that among the recent major political developments which have taken place in the Trust Territory are the following:

(a) The locally drafted Constitution of the Federated States of Micronesia, which was ratified by the people of Kosrae, Yap, Ponape, and Truk in July 1978, came into effect on 10 May 1979. Five days later, a popularly elected constitutional government was installed. On 1 May 1979, the locally drafted Constitution of the Marshall Islands, ratified in a referendum on 1 March 1979, came into effect. A popularly elected constitutional government of the Marshall Islands took office that same day.

(b) In order to facilitate these developments, the Administering Authority, after extensive consultations with elected leaders from the Trust Territory, issued new administrative regulations which provide the maximum degree of local autonomy and self-government consistent with the responsibilities and obligations of the Administering Authority under the Trusteeship Agreement. As the elected constitutional governments assume greater responsibilities, the High Commissioner's powers have accordingly lessened. The establishment of fully functioning constitutional governments in the Federated States of Micronesia and the Marshall Islands is a landmark achievement by those peoples and constitutes a major step in the fulfilment of the objectives of the Trusteeship System.

(c) The governments of the Federated States of Micronesia and the Marshall Islands have, with the consent, assistance and support of the Administering Authority, begun to assume broader responsibilities in the area of foreign affairs. Since it is contemplated that they will have responsibility for their own foreign relations under the compact of free association, the Administering Authority and representatives of these constitutional governments have worked out transitional procedures for the conduct of activities in foreign affairs prior to termination. The governments of the Federated States of Micronesia and the Marshall Islands have made significant strides in this area. The Federated States of Micronesia has become a member of the South Pacific Bureau of Economic Co-operation and the Marshall Islands government has participated in fisheries negotiations.

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(d) Palau has not yet established a constitutional government, and it continues to function under the authority of an appointed district administrator and a locally elected legislature. This legislature is in the process of installing constitutional government in Palau. In the meantime, the Palau Legislature acts as the paramount local legislative authority.

240. The annual report points out that the future political status negotiations between the United States and Palau, the Marshall Islands and the Federated States of Micronesia approached completion in the past year. During the forty-sixth session of the Trusteeship Council in May 1979, a meeting was held in New York at the level of heads of delegation, which helped to resolve several of the issues outstanding from the previous plenary session at Saipan in January 1979, and provided the opportunity for the United States to make a new set of proposals concerning economic assistance under the proposed agreement of free association. The delegation of Palau, the Marshall Islands and the Federated States of Micronesia each considered these proposals and in August 1979, the latter two accepted them, subject to certain conditions. At the same time, a series of intensive consultations took place on other issues including the question of environmental procedures to be followed under the free association relationship.

241. A plenary session of the political status negotiations was held at Kona, Hawaii, from 7 to 14 January 1980. During that session, the compact of free association was fully negotiated and, at its conclusion, was initialed by Mr. Peter Rosenblatt, the Personal Representative of the President of the United States for the Micronesian Status Negotiations, and Mr. Amata Kabua, the President of the Marshall Islands. The Federated States of Micronesia, which participated fully in the negotiations, was not in a position to initial the compact until it completed a national and state-level review process. Palau was represented at Kona by a special delegation of its Seventh Legislature. Discussions continue between the United States and Palau and the Federated States of Micronesia.

242. According to the current annual report, there are several technical agreements subsidiary to the compact which must now be developed, which the delegations concerned in the negotiations are pursuing. At the same time, work is progressing to transfer governmental functions and authority from the Trust Territory Government to the locally elected constitutional governments.

243. The annual report indicates that the compact of free association is based on the Hilo principles of 1978, and recognizes the authority and responsibility of the governments of Palau, the Marshall Islands and the Federated States of Micronesia over their domestic and foreign affairs. The relationship of free association which the compact defines will be unilaterally terminable by any signatory government at any time, although United States defence responsibilities and economic assistance will continue for at least 15 years, irrespective of an earlier termination of the free association relationship.

244. The annual report also states that by its own terms, the compact will come into effect upon the termination of the Trusteeship Agreement. Prior to this, however,

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the compact must have received the endorsement of the people in a plebiscite, and formal approval by the governments of Palau, the Marshall Islands, the Federated States of Micronesia and the United States. The compact is drawn up in such a way as to respect the identity of each of its signatories.

245. The annual report states that the plebiscite on the compact of free association will take place simultaneously in Palau, the Marshall Islands, and the Federated States of Micronesia. The Administering Authority reaffirms its intention to invite the United Nations to send a mission to observe this plebiscite. The United States and the Marshall Islands, when they initialed the compact, agreed that the plebiscite ballot would indicate that in the event that the compact were not approved, the Government of the Marshall Islands and the United States would immediately begin negotiations on the terms of a relationship consistent with the political status of independence. The United States looks forward to reaching the same understanding with the Federated States of Micronesia and Palau. Finally, the Administering Authority has informed Palau, the Marshall Islands and the Federated States of Micronesia of its intention to hold the plebiscite not later than January 1981, assuming that the necessary agreements have been concluded in time to permit holding the plebiscite within that period. The plebiscite, which will be called jointly by the Administering Authority and the governments of Palau, the Marshall Islands and the Federated States of Micronesia, will be held on a date fixed by the Administering Authority. The plebiscite will be preceded by a programme of political education.

246. The annual report further states that it is the intention of the Administering Authority that Palau, the Marshall Islands or the Federated States of Micronesia will enter into free association only on the basis of the compact's having first been approved in a free and democratic plebiscite. The terms of the compact, including United States economic assistance thereunder, are designed to provide the means for the emerging entities to maintain their standards of living while allocating substantial sums, during the initial period of free association for economic development.

247. The annual report points out that the Administering Authority continues to see social, political and economic advantage in the maintenance and development of co-operation among all the people of Micronesia. The agreement of October 1977 among the delegations of the Trust Territory to form an all-Micronesian entity prior to termination of the Trusteeship Agreement continues to be supported fully by the Administering Authority. The integration of the freely associated states into Pacific regional affairs provides additional avenues for co-operation and co-ordination.

248. The Administering Authority continues to urge upon the Micronesia parties the desirability of forming an all-Micronesian entity and of assigning to such an entity substantial functions which would serve to preserve at least some of the original links which existed prior to the establishment of the new entities.