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SPECIAL COMMITTEE ON THE SITUATION  
WITH REGARD TO THE IMPLEMENTATION  
OF THE DECLARATION ON THE GRANTING  
OF INDEPENDENCE TO COLONIAL COUNTRIES  
AND PEOPLES

TRUST TERRITORY OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Information on recent developments concerning the Trust Territory which was placed before the Trusteeship Council at its forty-seventh session is set out in the annex to the present report, and should be read in conjunction with the previous working paper on the Trust Territory (A/AC.109/L.1315). For supplementary information furnished by the Administering Authority to the Council at the same session, see T/PV.1496-1498 and T/PV.1501-1503.

Annex\*

OUTLINE OF CONDITIONS IN THE TRUST TERRITORY  
OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat for the  
Trusteeship Council at its forty-seventh session

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\* Excerpts from the work previously issued in English and French under the symbol T/L.1220 and Add.1-2.

A. GENERAL

Land and people

1. The Trust Territory of the Pacific Islands consists of three archipelagos: the Marshalls, the Carolines and the Marianas. The island of Guam in the Marianas is not a part of the Trust Territory. The islands and atolls of the Trust Territory have a combined land area of approximately 1,854 square kilometres.
2. According to the 1980 estimates, the population of the Territory totalled 136,490. The people are broadly classified as Micronesians, except for about 1,000 inhabitants of the outlying islands of Kapingamarangi and Nukuoro and a scattering of individuals of other racial groups. Language differences exist in the Territory, although each island language has a common Malayo-Polynesian source. Nine major languages, with dialect variations, are spoken in the Trust Territory: two in Yap, two in Ponape and one each in the Marshall Islands, Palau, Truk, Kosrae and the Northern Mariana Islands.
3. In the annual report under review covering the period from 1 October 1978 to 30 September 1979 (T/1817), the Administering Authority states that it has continued to work with the Federated States of Micronesia in an effort to create a national government and a capital. The Administering Authority will soon request additional funds to support the operations of the government. A total of \$US 15 million <sup>1/</sup> is included in the 1980/81 budget to assist the Federated States, the Marshall Islands and Palau in this regard.

Population movements

4. At its forty-sixth session, the Trusteeship Council noted that the Administering Authority had estimated that it would be another 30 to 60 years before Bikini was safe for agricultural purposes. The Administering Authority had further reported that Enyu, the other major island of the Bikini atoll (and the second choice of the Bikinians for settlement) would not be safe for habitation for another 20 to 25 years.
5. The Council was also pleased to note that steps were being taken to improve conditions for the Bikinians on Kili Island, which had not proved a satisfactory alternative place of settlement for various reasons, including the fact that it was inaccessible to shipping for a large part of the year. It therefore noted with satisfaction the report by the representative of the Administering Authority that a survey was under way to determine whether an all-weather dock was feasible, or alternatively a short-range air strip.
6. The Council noted with satisfaction that a clean-up of Enewetak was proceeding

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<sup>1/</sup> The local currency is the United States dollar (\$US).

according to schedule and should be completed in 1980. It further noted that some tests were currently being undertaken to assess the contamination present in the northern islands of the atoll and that, should the levels of radiation prove satisfactory for habitation, the resettlement programme would be modified to allow for the resettlement of families on Enjebi.

7. The Council urged the Administering Authority to take all necessary precautions to ensure that the inhabitants of the Marshall Islands were not further exposed to radiation hazards. It noted that the Special Adviser from the Marshall Islands and petitioners had expressed their desire to have independent experts survey the health hazards resulting from weapons-testing in the Marshall Islands. In view of the fears aroused in the Trust Territory as a result of the recent discovery that Bikini was not after all safe for resettlement, the Council suggested to the Administering Authority that it might consider the association of such experts in any future survey, in order to reassure the population. It also noted with satisfaction that compensation and continuing medical care were being provided for the inhabitants of the Bikini, Rongelap and Utirik atolls who had been exposed to radiation.

8. In its report, the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1980, <sup>2/</sup> recalled the adoption of United States Public Law No. 95-134 of 15 October 1977, which provided for compensation to the inhabitants of the Bikini, Rongelap and Utirik atolls who had been exposed to radiation, as well as for the payment of such compensation to the heirs of those who had died and for continued medical care. The Mission hoped that the funds authorized for that purpose would be made available as soon as possible and that all concerned would soon receive compensation.

9. The Mission had been assured by representatives of the Administering Authority that the health and general well-being of the people of those atolls were of primary concern to them and that the required periodic medical examinations and surveillance programme would be carried out on a continuing basis.

10. The Council noted with concern the continuing influx of population into the island of Ebeye, where over 8,000 inhabitants live in shanty-town conditions on a surface area of 30 hectares. Since that situation posed acute social problems, the Council hoped that the Administering Authority and the new government of the Marshall Islands would urgently consider solutions on both a short-term and long-term basis.

11. The current annual report states that the Administering Authority has given high priority to the Bikini issue, and that it is working with the Bikinians to reach a satisfactory solution to the problem. In view of the concern expressed by Bikinians regarding conditions on Kili Island, representatives of the Bikinian community and of the Administering Authority have been exploring possible alternative relocation sites, including islands within the Trust Territory, as well as other islands in the Pacific under the jurisdiction of the Administering Authority. It is anticipated that the Bikinians will make a decision on possible alternative resettlement sites within the next six months.

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<sup>2/</sup> Official Records of the Trusteeship Council, Forty-seventh Session, Supplement No. 2 (T/1816), paras. 493-494.

12. The annual report states that a temporary rehabilitation programme for Kili Island was completed during the year and that permanent rehabilitation facilities are being held in abeyance until the Bikinians decide on an alternate resettlement location. Preliminary studies indicate that an all-weather dock is not economically feasible. Alternative plans for a possible short-range air-strip are being studied.

13. The 1980 Visiting Mission noted the efforts made by the Administering Authority to find a solution to the tragic problem. It strongly recommended that a decision be taken on a programme which was both safe and acceptable to the Bikinian people. The Mission had welcomed the statement of understanding of 17 August 1978 by which the United States accepted responsibility for the well-being of the Bikinians and their descendants, since it believed that the Administering Authority should remain fully committed.

14. The annual report states that the clean-up and rehabilitation programmes of Enewetak Atoll were completed in early April 1980, as scheduled, and that the clean-up programme is already being phased out. It is planned that the people will return to the rehabilitated southern islands of the atoll at intervals beginning in the summer of 1980. The dri-Enjebi people of the atoll have requested the Administering Authority to rehabilitate the northern island of Enjebi and permit them to resettle there. The proposal is now under review by the Administering Authority.

15. The 1980 Visiting Mission thought that the radiological clean-up and rehabilitation project at Enewetak had been executed with meticulous thoroughness judging by the quality of scientific research and testing and the heavy cost of such a comprehensive operation. The Mission hoped that as the people of Enewetak began a new life after an absence of 33 years away from their home islands, all the necessary efforts would be made to ensure that they would be carefully looked after and that special attention would be given to the economic development of their islands. It noted with satisfaction the statements made by representatives of the Administering Authority that the required medical tests would be conducted on a continuing basis and that the health of the people of Enewetak would be fully protected.

16. The annual report further states that medical and other science experts continue to monitor the health of the displaced population. The general welfare of the people is of primary concern to the Administering Authority and the medical surveillance programme will be continued and expanded.

17. According to the annual report, the influx of population into the island of Ebeye continues to pose acute social problems. During the year under review, an emergency rehabilitation of the sewerage system was carried out following a major storm that had affected the already deteriorating condition. Funds for major capital improvement projects such as the replacement of the sewerage system, the installation of a new water system, the rehabilitation of the hospital and repair work on the roads was approved and those projects will be financed in 1979/80 and 1980/81. The Government of the Marshall Islands is continuing its long-range programme of encouraging migrants to return to their atolls of origin to alleviate crowded conditions on Ebeye.

18. Referring to the steps envisaged for Ebeye in the development plan for the Marshall Islands, the 1980 Visiting Mission noted that under that plan the people of Ebeye would be encouraged to return to their atolls of origin, where an effort would be made to improve their living conditions. Further, a programme would be undertaken to develop other islands of the Kwajalein Atoll where some of the people from Ebeye could make their home and still work at the missile range. The two migrations, in the view of the Visiting Mission that observed the referendum in the Marshall Islands in 1979, would enable Ebeye to regain a more normal population density. The 1980 Visiting Mission reiterated the observation that the plan appeared reasonable and the hope that the resources required for its implementation could be found.

19. With regard to the land issue on Kwajalein Atoll, the Mission stated that there was still some confusion and misunderstanding on the whole question of the land-use agreement and the level of compensation. If the question was to be finally settled, the Mission considered it important for the people of Kwajalein Atoll to be provided with clarifications which could help dispel any uncertainty they might have about the terms of the land agreement.

#### War and post-war damage claims

20. War damage claims by the inhabitants of the Trust Territory fall into two broad categories: claims against the Japanese Government, mainly for damages sustained by the indigenous inhabitants during the Second World War, and post-war claims against the Government of the United States.

21. The Micronesian Claims Act of 1971 (United States Law 92-39) established a Micronesian Claims Fund to consist of the contributions of the United States and Japan pursuant to the agreement of 18 April 1969. The Act also established a Micronesian Claims Commission with authority to receive, examine, adjudicate and render final decisions with respect to: (a) claims for damage directly resulting from the hostilities between the United States and Japan between 7 December 1941 and the dates of the securing of the various islands of Micronesia by the United States (Title I claims); and (b) claims arising as post-war claims between the dates of securing of the various islands by the United States and 1 July 1951 (Title II claims).

22. The Act authorized an appropriation of \$US 20 million for the settlement of post-war claims by Micronesian inhabitants against the United States or the Government of the Trust Territory.

23. The Micronesian Claims Commission completed its work on 30 July 1976 and issued its final report shortly thereafter. In that report, the total amounts awarded and certified by the Commission were \$US 34,349,509 under Title I and \$US 32,634,403 under Title II, leaving unpaid balances of about \$US 24.3 million and \$US 12.6 million respectively.

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24. At its forty-sixth session, the Trusteeship Council reiterated its concern that war damage claims had not yet been settled as determined by the Micronesian Claims Commission. It noted with satisfaction, however, that the United States Congress had authorized full payment of claims under Title II and that payment of all outstanding claims under that Title, amounting to \$US 12.6 million, was now virtually completed.
25. The Council noted with satisfaction that the United States Congress was considering a proposal which would authorize payment on an *ex gratia* basis of 50 per cent of the claims outstanding under Title I of the Micronesian Claims Act of 1971, without making its payment contingent on a comparable gesture by the Japanese Government. The Council noted with satisfaction the statement by the representative of the Administering Authority that that proposal had already been passed by the House of Representatives and that the legislation was now in the Senate, which should take action on it before the end of 1979.
26. The Council also took note of the statement by the representative of the United States that his Government, which had for many years been in close consultation with the Government of Japan on the issue, believed that the two Governments could evolve a way to express their sympathetic concern for the people of Micronesia. It also noted that, although there was not a viable legal claim, the United States Government believed that there was "a moral claim of substantial proportions".
27. The Council appealed to those concerned to make a further urgent effort finally to resolve the issue in the best interests of the innocent victims. In particular, the Council, taking into account the difficulties posed by that situation to the people of Micronesia, expressed the hope that the parties could achieve a humanitarian solution of the problem before the termination of the Trusteeship Agreement.
28. The current annual report states that the payment of claims under Title II has been completed by the Administering Authority at the full adjudicated level. The payment of claims under Title I, totalling \$US 10 million, was settled on a pro-rata basis by joint contributions from the Administering Authority and the Government of Japan. The amount awarded by the Micronesian Claims Commission under that category totalled \$US 34.3 million (see para. 22 above). The Congress of the United States approved a statute in 1978 authorizing the payment of 50 per cent of the claims under Title I, making its payment contingent upon the payment by the Government of Japan of the other 50 per cent. Subsequently, legislation authorizing the Government of the United States to pay 50 per cent of the balance under Title I without making it contingent upon the payment by Japan of the other 50 per cent was introduced in the Congress of the United States but failed to pass. The Administering Authority continues to press for a resolution of the Micronesian war claims issue in a form acceptable to all parties.
29. Referring to the appeal made by the Trusteeship Council to those concerned to make a further urgent effort finally to resolve this long-standing issue in the best interests of the innocent victims, the 1980 Visiting Mission renewed that appeal, particularly in the light of the disappointing report that the United States Congress had rejected the bill which would have authorized a unilateral settlement

by the United States; and of the evidence which the Mission had acquired in the course of its recent visit to the Trust Territory, that the failure to resolve the issue was causing Micronesians deep distress and indignation which was detrimental to their otherwise close and friendly relations with both parties.

## B. POLITICAL ADVANCEMENT

### General political structure

30. Executive and administrative authority for the Government of the Trust Territory and responsibility for carrying out international obligations undertaken by the United States with respect to the Territory are vested in a High Commissioner appointed by the President of the United States and confirmed by the United States Senate.

31. On 25 April 1979, the Secretary of the Interior of the United States issued Secretarial Order No. 3039, entitled "Recognition of Governmental Entities under Locally Ratified Constitutions in the Trust Territory of the Pacific Islands". <sup>3/</sup> The Order provides the maximum permissible degree of self-government for the Federated States of Micronesia, the Marshall Islands and Palau, pursuant to their respective constitutions when ratified, pending termination of the Trusteeship Agreement.

32. The current annual report states that in preparation for the assumption of full self-government and the promotion of effective local and national governments within the Trust Territory, viable constitutional governments have been established in the Northern Mariana Islands, the Federated States of Micronesia and the Marshall Islands and that progress towards the creation of a constitutional government is well under way in Palau.

33. The report further states that the Federated States of Micronesia and the Marshall Islands are in the process of completing work on the organization and structure of their respective governments. Talks have been conducted between the Administering Authority and each of those governments which has led to the transfer of certain functions and authorities from the Administering Authority to the individual governments.

### Territorial Government

#### Legislatures

34. The Congress of the Federated States of Micronesia is a unicameral body. The Congress consists of one member elected from congressional districts in each state apportioned by population. Members elected on the basis of state equality serve for four years, and all other members for two years. A state may provide for one of its seats to be set aside for a traditional leader.

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<sup>3/</sup> For the text of the Order, see Official Records of the Trusteeship Council Forty-sixth Session, Sessional Fascicle, Annexes, document T/1806, annex.



35. Members of the Congress are elected by residents of the Federated States of Micronesia who are 18 years of age or older. The first general election under the new Constitution took place on 27 March 1979.
36. The Northern Marianas Commonwealth Legislature is a bicameral body consisting of a Senate and a House of Representatives. The Senate has nine members elected at large for four-year terms from each of the three senatorial districts. The House of Representatives has 14 members elected for two-year terms. Twelve members of the House are elected from Saipan and the islands north of it, one member is elected from Rota and one member from the combined electorates of Tinian and Aguiguan.
37. Members of the Legislature are elected by residents of the Commonwealth of the Northern Marianas, 18 years of age or older, who are registered voters. The second general election took place on 4 November 1979.
38. The legislative power in the Marshall Islands is vested in the Nitijela (Parliament), consisting of 33 members. A general election is held every four years. The President of the Marshall Islands may, however, dissolve the Nitijela at any time if a motion of no confidence in the Cabinet has twice been carried and has twice lapsed, and if no other president has held office in the interval between the two votes of no confidence. He may also do so if no cabinet has been appointed within 30 days after the date on which the Nitijela has proceeded to elect a president for any reason other than the resignation of the president following a vote of no confidence.
39. Members of the Nitijela are elected by citizens of the Marshall Islands, 18 years of age or older, who are qualified voters. The first general election under the new Constitution took place on 10 April 1979.
40. There is also a Council of Iroi (traditional leaders) of the Marshall Islands consisting of 12 eligible persons. It considers, inter alia, bills affecting the customary law, any traditional practice, land tenure or any related matter adopted by the Nitijela.
41. Pursuant to Secretarial Order No. 3027, an interim legislative authority is vested in the District Legislature in Palau. On 2 April 1979, however, the Constitutional Convention of Palau adopted a draft constitution, and in a referendum held on 9 July 1979, 4/ the majority of the voters of the district approved it.
42. The current annual report of the Administering Authority states that the Palau Legislature now exercises all the legislative authority relating to Palau formerly held by the Congress of Micronesia. The provisions of Secretarial Order No. 3039 (see para. 31 above) will come into effect in Palau as soon as a constitutional government is installed, thereby facilitating a smooth transition from trusteeship administration to a full constitutionally self-governing body.

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4/ For the report of the United Nations Visiting Mission to Observe the Referendum in Palau, see Official Records of the Trusteeship Council, Forty-seventh Session, Supplement No. 1 (T/1813).

Executive

43. According to the current annual report, all chief executives of the constitutional governments are Micronesians and almost all of the key administrative posts in the new governments are held by Micronesians.

44. The executive power of the Government of the Federated States of Micronesia is vested in a President elected by the Congress for a four-year term. He may not serve for more than two consecutive terms. The Vice-President is elected in the same manner as the President and serves for the same term of office. He may not be a resident of the same state as the President.

45. The executive authority of the Government of the Northern Mariana Islands is vested in a Governor elected for a four-year term who must be at least 30 years of age, qualified to vote and a resident and domiciliary of the Commonwealth for at least seven years immediately preceding the date on which he takes office. In the performance of his duties, the Governor is assisted by a jointly elected Lieutenant Governor and by heads of executive departments.

46. In the Marshall Islands, executive authority is vested in the Cabinet, whose members are collectively responsible to the Nitijela. The Cabinet consists of the President, who must be a member of the Nitijela, and from 6 to 10 other members of the Nitijela, appointed as ministers by the Speaker on the nomination of the President. The President is elected by the Nitijela following each general election. The President is the head of state of the Marshall Islands. He is required to resign whenever a vote of no confidence is carried by the total membership of the Nitijela. His resignation might lapse however, if no successor has been elected within 14 days following his resignation.

47. Executive responsibility in Palau resides in the district administration headed by a District Administrator. The High Commissioner appoints the District Administrator.

48. The annual report under review states that Secretarial Order No. 3039 established the means by which the new constitutional governments may begin preparations for full self-government before the termination of the Trusteeship Agreement. In accordance with the provisions of the Order, most of the administrative functions and responsibilities previously exercised by the Administering Authority have been transferred to the new governments of the Federated States of Micronesia and the Marshall Islands. The Administering Authority has retained those functions and responsibilities required for the continued exercise of its responsibilities under the Trusteeship Agreement and for fiscal accountability in respect of grants from the United States. The transfer of functions and responsibilities were negotiated between representatives of the constitutional governments concerned and the Administering Authority, and established by memoranda of understanding.

49. According to the annual report, the authority to suspend laws has been used sparingly and only in cases when the right of free movement within the Trust

Territory or the responsibilities of the Administering Authority for the supervision of United States grants and foreign affairs are involved. In the area of foreign affairs, moreover, the Administering Authority is extending assistance to the new constitutional governments to increase their contacts with third countries and international organizations which will help prepare them for their responsibilities under free association.

#### State/district governments

50. The current annual report states that the new state governments of Truk, Ponape, Kosrae and Yap are carrying out their functions in accordance with the terms of their charters with fully elected executive and legislative branches of government. They exercise those authorities granted by their charters, the Constitution of the Federated States of Micronesia and Territory-wide laws which are applicable. The Administering Authority looks to the earliest possible establishment of a constitutional government in Palau so that the district can make progress and prepare for the termination of the Trusteeship Agreement simultaneously with the Marshall Islands and the Federated States of Micronesia.

51. According to the current annual report, the four states constituting the Federated States of Micronesia (Yap, Truk, Ponape and Kosrae) are headed by elected governors. Each of the states installed its first elected governor during 1979 except Truk which did so in 1978.

52. All the entities of the Trust Territory have popularly elected legislatures. The powers of the state legislatures in the Federated States are defined by the Constitution of the latter. In the Marshall Islands, the Nitijela has all legislative powers delegated to it by its Constitution. The Palau Legislature is constituted in accordance with its Charter and Secretarial Orders 2918 and 3027 which grant it legislative authority equivalent to that exercised by the former Congress of Micronesia with respect to Palau.

#### Civil service

53. The Constitution of the of the Federated States of Micronesia provides for the establishment of executive departments by statute. The President, with the advice and consent of the Congress, appoints the principal officers of those departments and such other officers as may be provided for by statute.

54. The Constitution of the Northern Mariana Islands provides for a civil service system which operates under a Civil Service Commission. The Commission administers personnel policies for the Government.

55. Under the Marshall Islands Constitution, the public service, headed by a Chief Secretary, comprises the employees necessary to assist the Cabinet in exercising executive authority and to perform other duties as required. The Constitution also contains provisions for the establishment of a Public Service Commission.

56. At its forty-sixth session, the Trusteeship Council noted with satisfaction that, during the past year, the Administering Authority had somewhat reduced the number of its employees. It also noted the Deputy High Commissioner's assurances that the great majority of the expatriate personnel employed had only short-term contracts which were not expected to be renewed. It again called upon the Administering Authority to pursue the "micronization" of all services, while at the same time ensuring that the future states were not left with complicated and costly administrative structures after the Trusteeship Agreement was terminated.

57. The current annual report states that the number of Trust Territory employees at headquarters on Saipan, both expatriates and Trust Territory citizens, continues to decrease through the planned transfer of functions to the constitutional entities. The reduction affects United States civil service employees, expatriate employees and Trust Territory citizens who serve under the regular programme, as well as Micronesians employed under the special grant programme. The number of expatriate employees serving at headquarters under the latter programme is not expected to decrease because of the increasing demand by local governments for the return of their qualified citizens and the reluctance of Micronesians to take up jobs at headquarters on a short-term basis have created a shortage of staff. The number of expatriate employees in Saipan will be reduced as local governments intensify their participation under the special grant programme.

58. In the view of the 1980 Visiting Mission, the civil services throughout the Trust Territory were much too large and placed a heavy burden on the budgets of the component entities. It was clear that the existing public services in the Territory should be both rationalized and reduced and that a greater proportion of the population should be employed in the productive sector rather than in government service. However, in view of the unemployment problem, priority should be given to increasing jobs in the private sector before reducing the civil service too drastically.

#### Political education

59. According to the current annual report, following the completion of the constitutional referendum in the Trust Territory of the Pacific Islands on 12 July 1978, 5/ the Education for Self-Government (ESG) programme limited its activities to the dissemination of information concerning the establishment of the new governments in the Federated States of Micronesia, the Marshall Islands 6/ and in respect of the developments in Palau. The programme was officially terminated in

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5/ For the report of the United Nations Visiting Mission to observe the referendum in the Trust Territory of the Pacific Islands, 1978, see Official Records of the Trusteeship Council, Forty-sixth Session, Supplement No. 2 (T/1795).

6/ For the report of the United Nations Visiting Mission to observe the referendum in the Marshall Islands, Trust Territory of the Pacific Islands, March 1979, see Official Records of the Trusteeship Council, Forty-sixth Session, Supplement No. 3 (T/1805).

September 1979 immediately after the installation of the constitutional governments in the Federated States and the Marshall Islands. The political education programme is now the responsibility of the new governments in the Trust Territory. Education for Self-Government Notes (formerly a bi-weekly publication) will be published as required and as may be appropriate on eventful occasions such as the installation of a new government in Palau and the completion of the political status negotiations.

60. The United Nations Visiting Mission to observe the referendum in Palau, Trust Territory of the Pacific Islands, observed in its report 7/ that as far as it could judge, there had been very little public debate, especially in the days immediately before the referendum, on the merits and demerits of the constitution. The Mission had formed the clear impression that Palauans were well aware of the issues at stake and had already made up their minds about them.

61. The 1980 Visiting Mission was concerned to discover that the ESG programme had officially been terminated in September 1979. It was to be hoped that that was not a final decision. The people of Micronesia were exceptionally isolated geographically; political parties which might otherwise help in the process of political education were not yet sufficiently developed or organized to undertake that role; and there were still virtually no newspapers. The Mission recommended that the ESG programme should be revived and take up its earlier mandate of informing the people of the Trust Territory about the political options open to them. In view of the time factor, the Visiting Mission hoped that an early decision would be taken and the necessary funds made available.

62. The Mission observed that general uncertainty about the future, including the steps leading to termination of the Trusteeship Agreement and the Micronesians' ability to survive economically in a post-Trusteeship world, was at present causing fear and despondency among the inhabitants of the Trust Territory. The Visiting Mission hoped, therefore, that the ESG programme would be speedily reactivated to dispel such fears and enable the people of the Trust Territory to exercise their final act of self-determination, in full knowledge of the political options and with an understanding of the steps leading to the termination of the Trusteeship Agreement.

#### Judiciary

63. The Trust Territory has three types of courts: the High Court, district courts and community courts. The highest judicial authority in the Territory is the High Court, which has appellate and trial divisions. The High Court consists of the Chief Justice, three associate justices and a panel of four temporary judges. The High Court judges are appointed by the United States Secretary of the Interior.

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7/ Official Records of the Trusteeship Council, Forty-seventh Session, Supplement No. 1 (T/1813), para. 122.

64. The judicial power of the Federated States of Micronesia is vested in a Supreme Court and subordinate courts established by statute. In the Marshall Islands, the judicial power is vested in a Supreme Court, a High Court, a Traditional Rights Court and district courts, community courts and other subordinate courts. In the Northern Mariana Islands, judicial power resides in a judiciary which includes trial and appeals courts established by the Legislature. The Legislature may establish a commonwealth trial court with original jurisdiction over actions involving land in the Commonwealth and other civil actions. The Legislature may also establish a Commonwealth Appeals Court.

65. According to the annual report, the judicial branch of government is entirely staffed by Micronesians except for a few presiding judges of the High Court and the community court judges at Kwajalein. A Trust Territory citizen is among the three associate judges serving on the High Court. The Director of the Administrative Office of the Courts and his deputy are Micronesians. All district court judges are Trust Territory citizens.

#### C. ECONOMIC ADVANCEMENT

##### General economy

66. The gross domestic product of the Territory is derived largely from United States expenditures for services and capital improvements and from tourism, the production of copra, subsistence and commercial farming and fishing and the sale of handicrafts.

67. In the Northern Mariana Islands, a large portion of the gross domestic product is also derived from expenditures for services and capital improvements by the United States. The tourist industry is an important source of revenue and there are agricultural and fishing activities on a commercial scale. Although imports of food-stuffs and other commodities exceed exports in the Northern Mariana Islands, its development, unlike that of the rest of the Trust Territory, is geared to a money economy with a good infrastructural basis.

68. In 1978/79, tuna fish exports totalled \$US 4.0 million, coconut oil \$US 18.0 million, copra \$US 3.0 million, and direct income from tourism amounted to \$US 2.4 million (excluding the Northern Mariana Islands). Imports during the period January 1978 to December 1978 (excluding the Northern Mariana Islands) totalled \$US 38.3 million.

69. The current annual report states that during 1978, the Territory received 31 applications from foreign companies for permits to do business in the Territory and issued 19 foreign business permits. Over-all investments (aggregate assets) amounted to \$US 18.7 million in 1978 (excluding the Northern Mariana Islands).

70. At its forty-sixth session, the Trusteeship Council noted with regret that the Territory's revenue was insufficient to meet its administrative and social expenditures. Dependence on grants from the Administering Authority was as great as in the past.

71. The Council noted with satisfaction that the Administering Authority had extended to the Territory the Generalized System of Tariff Preferences as had Canada and Japan. It urged the Administering Authority to include coconut oil in its system of tariff preferences, as requested by the High Commissioner.
72. The Council noted the Administering Authority's statement that it continued to support the five-year indicative development plan, the implementation of which was now the responsibility of the local Governments.
73. The Council regretted that the second-level capital improvement programme had been abandoned owing to lack of funds; it noted with interest the Deputy High Commissioner's statement that some of those projects might be carried out under the regular improvement programme or other federal programmes. Nevertheless, the Council hoped that the Administering Authority would consider whether further elements of the second-level capital development programme should be revived and carried out.
74. The current annual report states that although the Administering Authority is aware of the imbalances in the Micronesian economy and its dependence on outside grants, efforts to encourage local and foreign investment in the private sector in order to off-set this imbalance are continuing, and it is hoped that the transfer of direct development activities to the administrations of the new entities will provide impetus for development.
75. The report further states that the Administering Authority believes that income from local production can be expanded to help support the needs of the population and that it is assisting the new entities to implement projects in production and processing of local foods which can serve as import substitution.
76. According to the report, the reduction and elimination of the duty on coconut oil agreed to during negotiations in Tokyo became effective on 1 January 1980. It is also expected that this product will be included in the system of tariff preferences (see para. 71 above).
77. The current annual report states that the local units of government have all published indicative development plans for their islands. These plans have been refined and up-dated and implementation has begun. To date, most of the implementation has involved the economic infrastructure rather than development projects.
78. The second-level capital improvement programme continues to serve as a guideline for identification and implementation of projects (see para. 73 above). The assistance received by the Trust Territory from various federal programmes is utilized, as far as possible, to develop such projects. In addition, the entities have initiated discussions with the Administering Authority to incorporate the second-level capital improvement programme as part of the agreements under negotiation.

79. The 1980 Visiting Mission agreed with the 1976 Visiting Mission that Micronesia could only be self-sufficient if it reduced its standard of living to a point which would be unacceptable to the population. The need to pursue the course of economic self-sufficiency appeared to be particularly keenly felt now that the Micronesians had already chosen, or were on the verge of choosing, their own form of government.

80. The Mission observed that the elected representatives of Micronesia generally considered that, while the Administering Authority had performed its tasks in the political field fairly well, it had neglected the productive sector of the economy. No more than the 1976 Visiting Mission did the 1980 Mission wish to pronounce on the respective roles which government and private enterprise should play in the Territory's economic development. However, the 1980 Mission shared the view of the 1976 Mission that, given the special circumstances of Micronesia, with its lack of local capital and shortage of technical skills and experience, the Administration should play a galvanizing role in development. While it was the responsibility of the new political structures established in the Territory to choose their own economic options and to manage their own budgets, the fact remained that the nature of the assistance provided would be a decisive factor in ensuring their economic advancement.

81. The Mission considered that the five-year indicative development plan, drawn up by the Congress of Micronesia with the help of the United Nations Development Programme (UNDP) and the Administration, would help towards the rationalization of the Territory's economic choices. Although implementation of the plan had been delayed because of the political changes occurring in the Territory, and although some data needed to be reviewed or clarified in the light of the political options selected by the Micronesians, the Mission felt that it still contained some useful guidelines. It noted the efforts made by the Administering Authority to try to pursue the objectives laid down in the plan, particularly with regard to the infrastructure.

82. The Mission noted with satisfaction the additional efforts made by the Administering Authority to meet its commitments regarding capital investment programmes (it had stated in 1976 that it would spend \$US 145 million on such programmes). Throughout its visit to the Territory, the Mission had had an opportunity to see the progress made in building up the infrastructure. However, it had heard many appeals for increased assistance in such areas as the development of roads in population centres, improvements in the water supply and electricity and, in general, improvements in the infrastructure of the outer islands.

83. The Visiting Mission to observe the referendum in Palau noted that the current living standard of the Palauans was mainly subsidized by grants from the Administering Authority for governmental services and infrastructure costs. Over half of the working population was employed by the Administration; many others were involved in consumption-related activities and those which used imported goods. The volume of imports was more than 10 times greater than that of exports, and included most food-stuffs. Referring to the five-year development plan prepared



by experts from UNDP in anticipation of the end of trusteeship status, the Mission stated that four goals had been set: self-sufficiency in food production; diversification of resources; equitable distribution of increased income; and improvement of living standards.

84. The Mission was in agreement with those goals. Concerning the first in particular, it felt that the development of taro, cassava and sweet potato farming could enable rice and potato imports to be greatly reduced. The production of fruits, such as papaya and avocado, also offered interesting possibilities, and poultry, hog and cattle raising could fill local meat needs.

85. The Mission observed that since the production of electricity from petroleum was becoming more and more costly and led to an excessive dependence on petroleum supplies, there was an urgent need to study the possibility of using solar and wind energy.

86. The annual report states that the Administering Authority has recently completed an energy conservation plan which identifies some of the difficulties encountered by the Territory in providing energy to the people. Certain measures have been recommended which, if implemented, would result in significant savings of these scarce resources. In addition, funds are being sought to establish a Territory-wide energy programme.

#### Public finance

87. The costs of Trust Territory operations are met by grants from the Administering Authority in the form of annual appropriations and federal programme grants, as well as by local reimbursable revenue collections. Appropriation requests are subject to limits fixed by the United States Congress.

88. The grant from the Administering Authority to the Territory (excluding the Northern Mariana Islands) for 1979 was \$US 156.7 million. The revenue raised within the Territory totalled \$US 8.2 million, excluding taxes collected by district legislatures and municipal councils.

89. Since the Government of the Northern Mariana Islands is administered separately from the rest of the Trust Territory, it is responsible for maintaining the account of its budget operations. The grant from the Administering Authority is provided to the Northern Mariana Islands Government through the High Commissioner of the Trust Territory, who subsequently incorporates its report into the report of the Trust Territory Government for submission to the Administering Authority. In 1977/78, the grant amounted to \$US 6.1 million.

90. The current annual report states that since 1976, the budget process has originated at the local level, and that local authorities, including local legislatures, are given the opportunity to determine priorities of expenditures within budgetary limits.

91. The report also states that funds allocated to the Government of the Trust Territory and to the Federated States of Micronesia, Palau and the Marshall Islands for 1978/79-1980/81 are as follows:

	1978/79	1979/80	1980/81
	<u>(million United States dollars)</u>		
Trust Territory Government	17.0	14.0	5.0
Federated States of Micronesia	19.0	20.0	24.0
Palau	6.0	6.0	7.0
Marshall Islands	7.0	7.0	8.0

Assistance from international institutions and other countries

92. At its forty-sixth session, the Trusteeship Council strongly urged the leadership of the Territory to avail itself of the assistance of the various regional and international agencies.

93. It noted with satisfaction that the United Nations Development Programme (UNDP) was continuing to provide assistance in carrying out certain studies. It also noted with interest that the World Health Organization (WHO), the South Pacific Commission (SPC) and the United Nations Asian and Pacific Development Institute were providing assistance in the training of personnel.

94. The Council further noted with interest that the Japanese International Co-operation Agency was co-operating with the Trust Territory with regard to fishing in Palau. It hoped that the Federal Republic of Germany and Canada would heed the requests made to them for certain assistance.

95. The current annual report states that the Trust Territory continues to avail itself of the assistance from various regional and international agencies and that the only constraints are the insufficiency of funds for travel and the lack of qualified candidates. Experts from UNDP are providing services in statistics and planning. Short-term consultants have assisted in identifying ways of promoting particular sectors of the local economy.

96. The annual report further states that WHO has provided assistance in a number of areas, including the provision of instructors and consultants on health manpower development as well as financial contributions towards the cost of teaching equipment and books.

97. According to the annual report, the Japanese International Co-operation Agency has completed a project dealing with the adaptation of the existing seven fibreglass vessels for fishing purposes. Another project sponsored by the same agency is investigating the potential advantages to the local residents of holding bait in net cages in order to provide hardier bait. The utilization of this method will also make it possible to provide bait for pole-and-line fishing.

98. The 1980 Visiting Mission, stating that the leaders and members of the public of Micronesia to whom it talked had expressed their concern regarding the risk of isolation of the Trust Territory once the Trusteeship Agreement had been terminated, considered it highly desirable that the Micronesians should be encouraged to develop relationships at the regional level, which would enable them to benefit from the development experience of their neighbours. It also believed that multilateral aid programmes should allow for more participation by Micronesians. On the basis of their experience, they could thus make a constructive contribution to the implementation of such programmes.

#### Credit

99. The Economic Development Loan Fund makes direct loans and guarantees loans by commercial banks for development purposes. The Fund is administered by a nine-member Board of Directors. The current annual report states that on 13 November 1975 a moratorium was placed on granting new loans.

100. The current annual report states that other sources of credit are provided by credit unions. By the end of 1978, 37 chartered credit unions were operating in the Territory (excluding the Northern Mariana Islands). Of this number, over half were serving residents of villages and communities; the others were credit unions of employees, representing 80 per cent of the financial activity of the credit unions. Credit unions had a total of 9,338 members with assets of \$US 7.4 million (\$US 6.4 million in the previous year). During 1978, loans granted by credit unions aggregated \$US 4.8 million (\$US 4.6 million in the previous year). About 10 per cent of the population participates in credit union and co-operative programmes in the Territory.

101. At its forty-sixth session, the Trusteeship Council took note of the statements of the Deputy High Commissioner to the effect that the Territory's Economic Development Loan Fund would be reactivated shortly.

102. The current annual report states that the Fund is being restructured. The administrative manual has been reviewed and approved by the Administering Authority. The lending procedure of the Fund has been modified in order to include local leaders representing local economic interests in the decision-making process. Further, the Fund will assist in overseeing the establishment of three development banks within the constitutional entities. It will also help the officials concerned in setting up sound fiscal priorities and a management assistance programme.

Land

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

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

105. The current annual report states that the transfer of public lands to local authorities was completed during 1978/79 with the exception of small areas in Palau required for administrative purposes, which include the Micronesian Occupational College and the Micronesian Mariculture Center.

106. The annual report further states that the Trust Territory Government is proceeding with plans to expedite the return of lands that are not needed and to convert that portion of land that is still required for public use into holdings through leases and purchase. A request for funds to help finance the programme is being considered by the Administering Authority.

107. In its report, the 1980 Visiting Mission observed that almost all of the public land had been handed over to the territorial entities. It was of the view that, since land was a rare commodity in Micronesia, particular attention should be paid to the arable public land where commercial agriculture could be developed.

108. The annual report also states that during the period under review, 24 Micronesians were registered as land surveyors. By the end of 1978/79, \$US 4.7 million had been used for land identification and surveying which resulted in the delineation of about 780 square kilometres of public land and some 180 square kilometres of private land.

109. The 1980 Visiting Mission stressed the importance of continuing the programme for the cadastral surveying of private land, which should facilitate the settlement of land disputes. It was, however, aware of the problems presented by rapid changes in ownership.

Agriculture and livestock

110. Copra is the principal commercial agricultural product of the Territory. On Ponape, black pepper, rice and vegetables are being developed on a commercial scale. Taro, arrowroot, yams, sweet potatoes, cassava, bread-fruit, pandanus,

bananas, citrus and a number of other crops, used mainly for local subsistence, comprise the remaining principal crops.

111. The principal livestock in the Territory are swine and poultry. Cattle, goats and carabao are found on the high islands. Cattle, the third most important type of livestock, are concentrated mainly in the Northern Mariana Islands.

112. The current annual report states that the completion of a soil and forestry survey has improved access to farm sites and market facilities. These developments will also make it possible for the farmers to obtain funds at low interest rates. Furthermore, with improved technology and farm efficiency, agricultural and livestock production for local consumption and possible export should increase.

113. The annual report further states that the feasibility study for the development of a commercial pepper plantation on Ponape has been completed and that the project has been transferred to the government of Ponape for implementation. The Truk broiler project which will provide poultry is reported to be almost completed and is expected to be operational soon.

114. UNDP has been requested to provide an expert to evaluate the rice project on Ponape and, in addition, a co-operative has been formed in Ponape which is now looking into the possibility of taking over responsibility of the project from the government of Ponape.

115. In order to replace old and non-bearing coconut trees, a coconut variety (Thifou) from Yap has been widely distributed and the trees are already bearing fruit. The use of the hybrid coconut, however, will be scrutinized further.

116. Equipment for two sawmills has been ordered for Ponape and Kosrae. In addition, Ponape has two private sawmills in operation.

117. The 1980 Visiting Mission believed that the role to be played by Governments of the entities in bringing about balanced agricultural development would be decisive. In that connexion, the experience of other countries in the region could be studied, and technical assistance should be strengthened. While the Mission noted with satisfaction the various studies made, it nevertheless believed that any decision taken regarding them should be part of a carefully studied over-all plan. The Mission stressed the importance for the established copra stabilization boards to have the necessary funds for ensuring the copra producers a constant income.

#### Marine resources

118. The current annual report points out that, while the major potential for economic development based on marine resources is dependent on tuna catches in the oceanic area, the required capital and skill and the necessary infrastructure to exploit those resources successfully are not yet available. Many of the new

constitutional entities have, therefore, given top priority to the development of small-scale fisheries operations with a view to supplying fish to local markets and to introducing a commercial fisheries programme.

119. At its forty-sixth session, the Trusteeship Council noted with satisfaction the entry into force of Public Law No. 7-71 concerning the exploitation, management and conservation of marine resources in the 200-mile zone under the jurisdiction of the Federated States of Micronesia, and the establishment of the Micronesian Maritime Authority. It noted with interest that the Marshall Islands and Palau had also established a 200-mile zone and that Palau had created its own maritime authority. It urged the Administering Authority to pay particular attention to ensuring that foreign fishing vessels respected the rights of the Micronesians over those 200-mile zones.

120. The Council noted with satisfaction the fishing agreements concluded with Japan by the various entities of the Territory. It hoped that these entities would be able to become members of the proposed South Pacific regional fisheries association.

121. The annual report states that the maritime authorities of the Federated States of Micronesia, Palau and the Marshall Islands have begun operations by commissioning studies of the foreign fisheries operating within the fisheries zones of the Trust Territory as well as of the potential value of the resources within those zones. The three authorities have concluded separate one-year agreements with third country fishing associations providing access to fishing within those zones. The Government of the Marshall Islands, with the approval and support of the Administering Authority, is negotiating a new fisheries agreement with the Government of Japan. In addition to the fishing agreements with Japanese fishing associations, the three maritime authorities have concluded agreements with other foreign fishing associations. The three maritime authorities are also planning to enforce their regulations and to ensure that the 200-mile zones are protected. The Administering Authority will be extending assistance in this area.

122. The annual report further states that the Government of the Trust Territory continues to participate in and support projects for improving the exploitation of marine resources. It had participated in the SPC Skipjack Survey and Stock Assessment Program in 1978 and 1979; the surveys undertaken by the Pacific Tuna Development Foundation in Ponape and Truk in 1979; the continuing baitfish survey of the Japanese Marine Resources Center which was extended into Truk and Ponape; and in the Micronesian Mariculture Center which is continuing to provide research facilities for the Territory.

123. In its report, the 1980 Visiting Mission stated that efforts should be made to promote the development of marine resources. To that end, it would be necessary to develop vocational training programmes and agreements reached with foreign companies should contain provisions for the training of Micronesians. Fishermen should be assured not only of a stable income, but also of a marketing system for their products. The situation in the outer islands, with the related

problems of transport, should be studied carefully. Finally, it appeared realistic to suggest that small canneries be developed, which would make the Territory less dependent on foreign companies. A decision should also be taken on the establishment of a fisheries complex on Dublon for which the feasibility study had already been carried out.

124. According to the Visiting Mission to observe the referendum in Palau, fishing was a sector that could be developed not only for the local market but also for export. At the time of the Mission's visit, a United States company, the Van Camp Sea Food Company in Palau, was catching and refrigerating tuna before sending it to canneries. Large investments in fishing boats, tackle and cold-storage warehouses were necessary, as was extensive work in the field of vocational training.

125. The annual report indicates that the three Micronesian entities are anticipating membership in the proposed South Pacific Regional Fisheries Agency and have the support of the Administering Authority in this matter.

#### Third United Nations Conference on the Law of the Sea

126. The annual report of the Administering Authority for 1977/78 stated that since the inception of the United Nations Conference on the Law of the Sea, the Administering Authority has recognized that Micronesian interests might not coincide with its own position. Accordingly, the Administering Authority actively sought observer status for the Micronesian delegation so that the latter could explain its own position to the Conference.

127. The 1980 Visiting Mission pointed out that during its visit to the Northern Mariana Islands, the leaders of that entity had complained to it that the Administering Authority had taken no action on their request to participate in the Third United Nations Conference on the Law of the Sea.

#### Industry and tourism

128. The current annual report states that the Government of the Trust Territory obtained the services of a regional adviser from the Economic and Social Commission for Asia and the Pacific (ESCAP) who prepared a paper on industrialization in Micronesia to be used for the development of small industries. The Government is also working on the establishment of factories to manufacture trochus shell button and clay and coconut products. Further, the plan to establish a latorex factory has been delayed owing to a lack of funds. A more efficient design for the proposed plant is also under study.

129. The Council noted, however, that despite the satisfactory evidence of expansion, the tourist industry was active on a very small scale, owing to the lack of infrastructure and reception facilities, and that its geographical remoteness from world population centres was at present an obstacle to its development. The Council noted in that context that improved transport and communications was crucial.

130. While welcoming the expansion of the tourist industry, the Council hoped that the interests of the population would be safeguarded and the environment preserved.

131. The current annual report states that in 1978/79, of the 29 hotels in the Territory, 24 were owned by Micronesians and 25 had Micronesian managers. By late 1979, 23,111 visitors entered the Territory and an estimated 25,000 were expected by the end of 1979. Income for 1978/79 was estimated at \$US 2.4 million, compared with \$US 2.3 million for the previous year.

132. The 1980 Visiting Mission shared the opinion expressed in the five-year indicative development plan that tourism could only be developed gradually, with a carefully prepared over-all plan. While not claiming to make an in-depth study of the subject, the Mission wondered what profit the territorial entities could derive from the development of the tourist industry.

133. According to the annual report, the Trust Territory has obtained the services of a United Nations adviser on regional tourism marketing to prepare a plan which will help in the promotion of the tourist industry, emphasizing the Territory's unique cultures and location.

134. The annual report also states that a United Nations handicraft adviser has conducted workshops in the Territory to introduce new types of products. The results of a marketing test he conducted have not yet been submitted.

135. The entities are emphasizing the importance of promoting cultural centres and are endeavouring to ensure that they will function on a self-supporting basis. Assistance is being sought for that purpose from outside sources, including from the specialized agencies and organizations within the United Nations system.

#### Transport and communications

136. At its forty-sixth session, the Trusteeship Council noted that transport and communications continued to be a serious problem in the Trust Territory. It noted with satisfaction that the last of seven ships constructed for use in inter-island field trips was delivered to the Trust Territory in April 1979 and that all seven vessels were now deployed throughout the Territory. It further noted with satisfaction that seven shipping companies served the Trust Territory, three of which were owned by Micronesian interests.

137. The Council noted with satisfaction the improvement of inter-island communication with the initiation of the Satellite Project network by the United States Department of the Interior, utilizing the ATS-1 satellite of the National Aeronautics and Space Administration (NASA), which made possible conferences with American Samoa, Papua New Guinea, the state of Hawaii and New Zealand.

138. The current annual report states that the seven new ships deployed throughout the Trust Territory are operating satisfactorily. The management and control of three ships were transferred to the Government of the Marshall Islands in



July 1979. An agreement for the transfer of the remaining four ships to the Federated States of Micronesia has been concluded and was expected to take effect on 1 April 1980.

139. The annual report further states that the new dock at Majuro was completed on 23 February 1980 and the one at Yap was expected to be completed by April 1980. The contract for the dock at Kosrae has been awarded and construction work should start soon. In Truk and Palau the construction of docks is expected to begin as soon as funds become available.

140. The 1980 Visiting Mission welcomed the improvements made in the harbour installations of the larger population centres since the 1976 Visiting Mission. The 1980 Mission had visited the wharf in the harbours of Majuro and Yap, among other places. It had been told that the facilities in Koror (Palau) still fell short of the needs, in particular, of the copra plant.

141. According to the annual report, owing to world-wide increases in fuel costs, air travel in the Trust Territory suffered a decline in the number of weekly round trip flights connecting to Honolulu. For economic reasons, Air Micronesia had to reduce the number of weekly flights to the Territory from three to two. Because of the situation in international aviation, further consideration of expanded air cargo service to the west and south of the Trust Territory has been halted. Air taxi and commuter aviation service has increased. At least one, and as many as three, such services exist in each of the entities of the Trust Territory, which link the administrative centres and the outer islands. The Trust Territory Government is now evaluating the possibility of including routes between the entities where feasible.

142. The current annual report states that the development of the airport structure of the Territory is progressing. Construction contracts have been awarded for Ponape, Kosrae, and Palau. The contract for the Yap airport was expected to be awarded in April 1980. The Truk International airport is 40 per cent completed. It is expected that each of the Trust Territory's airports will be operational by 1981.

143. The 1980 Visiting Mission stated that the development of the road network must be considered essential to the economic development of the Territory, and could no longer be neglected. Substantial progress could be made with the help of manual labour, possibly as part of a community service. Some villagers told the Mission that they would be willing to help build their own roads if the necessary equipment were provided.

#### Proposal for a super-port in Palau

144. At its forty-sixth session, the Trusteeship Council stated that it continued to believe that attention should be given to the environmental impact of the development of a super-port in Palau.

145. The Council endorsed once again the suggestion of the 1976 Visiting Mission 8/ that, following completion of a feasibility study and before the proposal was put to the people of Palau, there should be a further study of the project by a body of experts having no vested interest in the matter.

146. The current annual report states that the Administering Authority supports the idea of an independent environmental study.

#### Co-operatives

147. In 1977, 74 co-operatives and 43 credit unions were active in the Territory, excluding the Northern Mariana Islands, primarily in importing, retailing, copra, handicrafts and the marketing of fish. Sales and revenue of co-operatives aggregated \$US 12.5 million in 1977. Merchandise sales predominated, followed by sales of copra. At the end of 1976, co-operatives had 12,466 members, showed net savings of \$US 807,000 and had paid \$US 59,740 in dividends and patronage refunds.

148. The current annual report states that the former co-operative functions of the Trust Territory have been transferred to the entities. The Administering Authority, however, will continue to encourage the development of farming co-operatives.

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8/ See Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 3 (T/1774), para. 264.

D. SOCIAL ADVANCEMENT

Human rights

149. 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.

Medical and health services

150. 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.

151. 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.

152. 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.

153. 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 equipment. 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.

154. According to the annual report, the Health Manpower Training Program is operational. Some members of the faculty have arrived at Ponape while additional

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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.

155. 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.

156. In its report, the 1980 Visiting Mission observed that the health services were still experiencing difficulties in recruiting suitably qualified Micronesian doctors. It suggested that the territorial Governments might wish to consider offering incentives to encourage young people to study medicine. The Mission was concerned to discover that not only were dispensaries being closed because of lack of staff, but that the MEDEX staff who operated the dispensaries in the past had been replaced by health assistants, some of whom had received as little as nine months' training. The situation was particularly serious in the case of the outer islands. It was also a false economy since it increased the number of medical referrals.

#### Labour

157. 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.

158. 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.

159. 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.

160. 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.

161. 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.

162. 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.

163. 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.

164. 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.

E. EDUCATIONAL ADVANCEMENT

General

165. 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.

166. 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.

167. 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.

168. The 1980 Visiting Mission believed that it was important that those concerned with the planning of educational policy should take into account the desirability of encouraging studies in subjects which would be relevant to the future development of the Trust Territory. That would not only be in the interest of the Territory, but would also be important for the students themselves, the majority of whom pursued their studies primarily with the aim of qualifying for a future career. It was particularly demoralizing after years of study to find that hard-earned qualifications proved to be in a field which offered no career opportunities.

Primary and secondary education

169. 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.

170. 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.

171. 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, 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.

172. 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.

173. 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.

174. In its report, the 1980 Visiting Mission noted that it was generally agreed that there had been at least a three-year gap between the level of graduation from a Micronesian high school and the level of entry into a United States college or university. The Mission suggested that the educational authorities in the Trust Territory might consider running pre-college courses for students in order to narrow that gap, in both the subject of their proposed studies and the English language.

#### Higher education

175. 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).

176. 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.

177. 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.

178. 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.

Vocational education

179. 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.

180. 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.

181. 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. 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.



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

182. 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.

183. 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.

(d) Palau is in the process of establishing a constitutional Government. In the meantime it continues to function under the authority of an appointed district administrator and a locally elected legislature which acts as the paramount local legislative authority.

184. On 2 April 1979, the Constitutional Convention of Palau adopted a draft constitution which was approved by the people in a referendum held on 9 July 1979.

185. The United Nations Visiting Mission to observe the referendum in Palau, noted in its report that in view of the special circumstances surrounding the referendum, particularly the Legislature's decision on 8 July to cancel the referendum, the participation rate had been considered high. The constitution was subsequently put to a further referendum on 9 July 1980 and the result of the earlier referendum was reaffirmed by 4,413 votes to 872.

186. 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.

187. 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.

188. 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.

189. 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, 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.

190. 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.

191. 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.

192. In its report, the 1980 Visiting Mission stated that the people of the Trust Territory would shortly be taking an historic decision which would determine the future course of Micronesia. It was important that they should do so with a full knowledge and understanding of the options open to them, including the economic options. It had already been stressed in earlier reports of the Trusteeship Council and of United Nations visiting missions that the Trust Territory was at present in a position of almost total economic and financial dependence on the Administering Authority. In those circumstances, any decision on future status would inevitably need to take full account of the economic implications of the various options. For that reason, the 1980 Visiting Mission wished to reiterate the recommendations made by the 1973 Visiting Mission that the people of Micronesia must be able to see more clearly the economic prospects likely to be open to them in the future. They must therefore be informed at an early stage about the level of United States financial support likely to be available, given different decisions on status. They must also have some idea of what support they could expect from the international community.

193. The Mission further stated that in its present form, the draft compact provided for annual grants of aid over a period of 15 years. It was not for the Visiting Mission to pass judgement either on the amount of aid contemplated by the Administering Authority or on the way in which it was to be provided. However, the

Mission considered that, as had been stated by the 1976 Visiting Mission, "a question as important as that of the political future of the Territory should not be made to depend solely on considerations of a financial nature". 9/

194. The Visiting Mission stated that it could not but be concerned by the sense of isolation which had been conveyed by so many of the questions put to it during its visit to the Trust Territory. That appeared to be due in part to an ignorance of developments and conditions in the rest of the world, including other developing countries, which shared many of the Trust Territory's problems. The Mission was therefore pleased to be informed by the Administering Authority that although the High Commissioner retained ultimate authority for the conduct of foreign affairs, present policy was to encourage the emerging entities in the Trust Territory to establish appropriate contact with third countries, particularly in the South Pacific region and with international and regional organizations.

195. As the target date for termination of the Trusteeship Agreement approached, it was of the first importance that the emerging entities should begin to establish external links, particularly with countries in the Asian and Pacific region. The Visiting Mission was thus pleased to note that those initial contacts had been made.

196. 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.

197. The Administering Authority continues to urge upon the Micronesian 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.

198. The 1980 Visiting Mission reiterated the hope that after the termination of the Trusteeship Agreement, the Micronesians would take all necessary steps to establish the all-Micronesian entity which they had agreed upon at Molokai, Hawaii, in October 1977.

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9/ Ibid., para. 430.