

## The Trust Territory of the Pacific Islands

*Following are statements made in the United Nations Trusteeship Council on June 8 by Eugenie Anderson, U.S. Representative on the Trusteeship Council; William R. Norwood, High Commissioner of the Trust Territory of the Pacific Islands and U.S. Special Representative on the Trusteeship Council; and Lazarus Salii, adviser to the U.S. delegation.*

### STATEMENT BY MRS. ANDERSON

The United States delegation is pleased to participate once again in the Trusteeship Council's consideration of the Trust Territory of the Pacific Islands. I should like to express my Government's appreciation to the members of the visiting mission for their probing and sympathetic consideration of the problems of the trust territory, while assessing both the achievements and the shortcomings of our administration. In particular, Madam President, I want to express our appreciation to you as the chairman of the visiting mission and to every member of the mission and to the members of the Secretariat also for their very faithful and energetic discharge of their duties throughout their arduous tour.

Having myself had the pleasure of spending several weeks in the territory, I know what a marvelous experience this was for all of you, and yet, at the same time, I know that this was a strenuous period also and that many hours were devoted, even beyond the call of duty, because you wanted to see as much as you could within a short time and to take full advantage of every opportunity. Believe me, I personally appreciate the dedication of the mission to the serious task and the serious way in which it carried out its task.

My Government welcomes constructive criticism, and we will give—in fact we have already given—serious consideration to the visiting mission's report<sup>1</sup> as well as to the Trusteeship Council's comments and recommendations, and

the Council may be sure that the visiting mission's report, as well as the Council's deliberations, will be of great help to my Government in formulating further plans for the advancement of the trust territory.

I should like to emphasize at the outset that my Government takes its obligation to promote the economic, political, and social development of this farflung territory most seriously. I stated last year that much progress had been made but that much more needed to be done.<sup>2</sup> Progress has continued during the past year, but I am frank to say that in terms of our goals and the needs of the people of Micronesia, there still remains a great deal yet to be achieved. Perhaps this past year could be best described as a period of planning and consolidation for the impending period ahead.

The Special Representative will consider the conditions in the territory in some detail, but I should like, at this time, just to mention a few of the more significant developments.

The Congress of Micronesia held its second regular session during July and August 1966 and held a special session to deal with appropriations measures in August 1966. Interim committees of both Houses were appointed in December 1966, toured the territory to discuss matters of interest with all Micronesians, and met with the visiting mission while it was in the territory. The second general election, on the basis of universal adult suffrage, was held in November. One of the Congressmen who was reelected at that time is here with us today. Those and other significant developments of the past year will be discussed in detail very shortly by the High Commissioner.

I would like at this time to comment briefly on the question of compensation for property damage and loss of life suffered by the Microne-

<sup>1</sup> U.N. doc. T/1658 and Add. 1.

<sup>2</sup> For U.S. statements made in the Trusteeship Council on June 27, 1966, see BULLETIN of Sept. 12, 1966, p. 387.

sians in the Second World War—a question which is familiar to members of the Council and which, I know, is of special concern to all members, as well as to the Micronesians themselves. This question has been discussed in numerous Council sessions and in the reports of several visiting missions, including the one which just recently returned from the trust territory. I am pleased to report to this session that substantial progress has been made toward a solution of this problem.

As I reported to the Council last year, a special United States representative was appointed to examine the claims question, and he met with representatives of the Government of Japan in Tokyo last June. The visiting mission was informed in January that we expected negotiations to be resumed early in 1967. In March 1967, further talks were held in Tokyo, with encouraging results. We believe that prospects for solution of the problem are better now than at any previous stage of negotiations. Discussions will be resumed with the representatives of Japan in the very near future. I can assure the Council that every effort will be made to reach an early agreement.

To conclude my brief introductory comments, I would like to reiterate that the United States is conscious of its responsibilities under the charter and the trust agreement. The Council and the people of the territory may be assured that the United States will continue and, indeed, increase its efforts to assist the people of Micronesia to attain the level of political, economic, social, and educational development which is their right.

#### STATEMENT BY MR. NORWOOD

It is a distinct pleasure for me to be before this body again this year, particularly in view of the present experience that we had in having the visiting mission with us. It is rewarding to have this opportunity to meet with the members of the mission again and to become re-acquainted with the other members of the Council.

Our annual report<sup>3</sup> which is before the

<sup>3</sup> *Trust Territory of the Pacific Islands* (Department of State publication 8205); for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (\$1.25).

Council provides information on the period from July 1, 1965, to June 30, 1966. Inasmuch as almost a year has elapsed since the latter date, I shall discuss events occurring in the period subsequent to that of the report. In so doing, my remarks may overlap to some extent the information supplied to the visiting mission when it was in Micronesia last February.

At the time of my report to you a year ago, the administering authority had determined that our responsibilities to the people of Micronesia and our obligations under the trusteeship agreement required an acceleration of effort and a reorganized and revitalized program of development.

Legislation was drafted requesting the Congress of the United States to authorize and appropriate funds for an expanded construction program totaling \$172 million over a 5-year period, with corresponding increases in operating expenses.

Confronted with numerous other pressing demands, the 89th Congress took the view that the proposal was too ambitious and that a scaled-down 2-year program would be more realistic.

Accordingly, the legislation was revised to raise the then existing trust territory ceiling of \$17.5 million to \$32 million in fiscal 1967 and \$35 million for 1968.

This legislation received strong support in both the United States Senate and the House of Representatives. It passed the Senate but failed to pass the House when it became involved in a logjam of legislation in the closing hours of the 89th Congress.

However, the momentum of support carried over into the 90th Congress. New trust territory legislation passed both Houses and was signed into law [Public Law 90-16] by President Johnson on May 10, 1967.

The new bill raised the ceiling to \$25 million for 1967 and to \$35 million—double the previous limit—for 1968 and 1969.

In a statement issued by President Johnson at the time he signed the bill, he said: <sup>4</sup>

We have made an appreciable start toward meeting that obligation—though a great deal remains to be done to raise living standards in the islands.

From my visit to American Samoa in October of last year, and from conversations with leaders of the trust territory in Guam last March,<sup>5</sup> I know of the urgency that attends this responsibility. I am happy

<sup>4</sup> BULLETIN of June 5, 1967, p. 865.

<sup>5</sup> For background, see *ibid.*, Apr. 10, 1965, p. 598.



to sign into law a measure that recognizes that urgency and allows us to respond to it meaningfully.

I have already asked that the Congress appropriate additional funds, both this year and next, so that among other projects we can build schools, hospitals, roads, airfields, and communication facilities, hire teachers and doctors and nurses, and provide for the economic development of the area. We are working to help the people of the islands become self-reliant, and ultimately joined in a full relationship with other nations bordering the Pacific.

It should be emphasized, however, that the passage of this legislation does not mean that the trust territory now has available for its use the total amounts of money indicated by the new, higher ceilings.

These are merely upper limits. Requests for appropriations within these limits must be thoroughly and convincingly justified to gain approval of the several committees of the Congress which are responsible for reviewing and evaluating the trust territory programs and their costs.

The committees of the Congress and the Bureau of the Budget, before which we have testified in quest of larger sums of money, have stressed that while they recognize the expanding financial requirements of the trust territory, they also expect to see more evidence of achievement, more progress in education, better health programs, more economic development, more evidence that the citizens of Micronesia are developing an increasing capability to share a larger responsibility for shaping and directing their destiny in a world that is rapidly closing in upon them.

It is evident, therefore, that the United States Congress and the Trusteeship Council of the United Nations look upon our administrative responsibilities in Micronesia in much the same light.

This has the effect of bringing the scrutiny to which our administration is subjected into a binocular focus of attention. This should clarify and sharpen our vision and lend a sense of immediacy and urgency to our task.

#### **A Period of Preparation**

In the period that has elapsed since I reported to you a year ago, the main thrust of our effort has been in the direction of reorganization and preparation for program expansion and new construction as the needed additional funds are made available to us.

There have been a significant number of staff changes which should add strength to our ad-

ministrative capability. Further changes are contemplated as we continue to assess our organizational and management requirements.

As a basic guideline for constructing new facilities and improving or expanding those presently existing, we believe that there should be the maximum possible coordination and planning.

What is built, where and when it is built, should depend largely on identified priorities and planning.

Power, water, and sanitation requirements were selected for first consideration. Through a consulting contract, we have obtained power studies and preengineering surveys of the islands with the largest populations.

Similarly, through a separate consulting contract, we have obtained water supply surveys of Saipan, Koror, and Moen and sewer surveys for Saipan and Koror.

The object of these surveys is not only to provide reliable data on which to base construction plans and budget projections as we seek to improve the residential areas of these various islands, but an equally important purpose is also to identify as far as possible the scope and cost of services required to encourage economic development.

We intend to prepare a comprehensive plan for the entire territory to provide guidelines for the highest and best use of the limited land areas. The objective here is to shape the direction and character of future development so that services and facilities are appropriately related to community needs and so that requirements for economic growth, urban expansion, and the protection of valuable resources are in an orderly and mutually beneficial relationship.

Because Micronesia is subjected to periodic typhoons, we occasionally are compelled by circumstances beyond our control to shift our administrative attention and our resources suddenly to meet emergencies.

The typhoon which devastated Koror and Babelthuap early in March, causing damage estimated at \$5 million, is an example of such an emergency. All available food supplies, construction materials, and medical assistance were rushed to the stricken islands. The reconstruction program, which will be financed in large part from funds made available through the United States Office of Emergency Planning, is now underway.

Rather than limiting the rebuilding to restoration of the previously existing structures



and facilities, we decided to convert the disaster into an opportunity to rebuild according to a new development plan. This required adjusting our 1967 budget projections to allocate an additional \$1,700,000 to supplement the Federal disaster assistance which we expect to receive. We look upon this as a sound investment, because the combination of reconstruction and new construction should not only result in a more desirable arrangement of buildings and facilities, but they should be sturdy enough to survive future typhoons.

### The Peace Corps

While we have been concentrating on efforts to improve our administration and on program planning, our ability to extend the reach and the effectiveness of existing programs has been strengthened substantially by the presence of the Peace Corps in Micronesia.

There are presently about 450 volunteers assigned to various districts. More than half of these are employed as teachers, principally in English-language instruction. Almost 100 others are serving in health programs as health aides, nurses, medical technicians, and X-ray technicians. The remainder of the group, including those serving as architects, lawyers, surveyors, business advisers, are assigned to a wide variety of activities including community development and miscellaneous other categories.

A new group of volunteers will begin training this summer at the Peace Corps training center on Udot Island in the Truk lagoon. By the end of this calendar year, it is estimated that there may be more than 700 Peace Corps volunteers in service throughout Micronesia.

At the outset of the movement of the Peace Corps into Micronesia a year ago, there was of course some concern about administrative and logistic support for the volunteers, as well as concern about jurisdictional relations between the Peace Corps and the Trust Territory Administration. We have in fact experienced some administrative growing pains. The visiting mission saw some evidence of this and has included some constructive comments in its report which we have taken into account in preparing training for the new group of volunteers.

The Peace Corps and the High Commissioner have initiated a basic agreement which places the Peace Corps under the full authority of the Trust Territory Administration. Peace Corps

programs are developed jointly between the Peace Corps and the High Commissioner. A Micronesian advisory council, composed of members of the Congress of Micronesia, has been formed to advise the High Commissioner and the Peace Corps.

There is one aspect of the Peace Corps involvement which I wish to highlight as particularly useful and timely. The volunteers are strongly service motivated. Their philosophy is to work with people in need of their services. Their desire to become directly involved in village life has facilitated the establishment of constructive rapport with Micronesians. This has enabled the volunteers to gain the confidence and respect of Micronesians and thus influence the planning of many useful community development projects by injecting a new revitalized spirit of self-help and self-assurance into the communities.

The administering authority and the citizens of the territory have gained much from the presence of the Peace Corps volunteers. Administrative and jurisdictional problems can and are being resolved, and we look forward to a full and compatible partnership that will benefit the people of Micronesia.

### Economic Development

One of our major objectives in Micronesia is to identify ways and means of developing the economy of these islands. This has been a problem of great concern to the Trusteeship Council, the administering authority, the Congress of the United States, and to the patient, deserving people of Micronesia.

Earlier this year, we took delivery of an economic development plan prepared by Robert R. Nathan and Associates. The plan is based on 2 years' study of various factors, conditions, and policies affecting economic development prospects. This massive report makes certain basic policy recommendations and establishes guidelines for coordinated program efforts to be implemented as rapidly as possible.

The administering authority accepts the validity of the great majority of the recommendations of this report. A few we accept with reservations or modification of approach. For example, we do not believe that it would be politically practical to change the existing law so that noncitizens could own land in Micronesia, which was one of the recommendations in the report. We feel that economic development

objectives can be well served by long-term leases.

We are already encouraging outside investors to explore business opportunities in Micronesia. The resulting enterprises, however, should provide employment opportunity for Micronesians and make provision for Micronesian participation in management and ownership.

The need to import some selected skills not locally available is recognized, but we doubt the necessity and the political acceptability of any large-scale importation of cheap foreign labor. The preferable alternative is to accelerate training programs and vocational instruction as rapidly as possible.

During the period of the Nathan study, the economy of Micronesia did not stand still. Progress has been slow, but there have been some gains. For example, we have experienced rapid growth of credit unions and cooperatives. By the end of the 1966 calendar year the number of credit unions throughout Micronesia increased from 26 to 41, or 57 percent. Their combined assets rose to \$½ million, an increase of 87 percent.

Cooperative activity also expanded during 1966. At the end of the year there were 24 cooperative associations in existence, an increase of eight from the preceding year. These cooperatives had approximately 6,200 members, or one member from every 2.5 families in Micronesia. They had gross revenues approaching \$4 million.

### Agriculture

Agriculture, with an estimated value product of close to \$12 million, is the largest source of real income and support for the people in Micronesia today. However, the administration, well aware of the impending increase in demand upon its limited labor supply and increasing costs of living, is not satisfied with the present level of agricultural production. A critical evaluation of the total agricultural program has been undertaken to determine ways and means of increasing production of both domestic and export crops and the subsequent return to the producers.

Programs will be reviewed to improve the technology of both home-garden and cash-crop production. A fertilizer demonstration program will be initiated. Funds have been set aside to purchase both heavy equipment for land clearing and machinery for demonstration farming

in those districts where mechanization is feasible and can provide the greatest impact. Consideration is being given to redirecting the emphasis of our agricultural stations away from experimentation and toward demonstration farming.

The rice, pepper, and cacao pilot projects are being evaluated. Results of the cacao feasibility study carried out by the Nathan team show that cacao at the current scale of production is uneconomical. Results of a revised program, with additional effort aimed at increasing production through fiscal 1968, will determine whether we will expand this program further or phase it out in fiscal 1969.

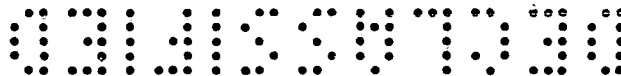
The plant disease and pest control sections are continuing their efforts to control the rhinoceros beetle in Palau and eradicate the melon fly on Rota, and efforts are being continued to determine the cause of the Pingelap disease of breadfruit. This disease is prevalent in the South Pacific, in the Marshalls, Ponape, Truk, and Marianas districts, and is a serious problem.

The new trust territory-Peace Corps program for agriculture, which will place major emphasis on increasing copra production has been developed, and it is expected to be implemented this fall with the arrival of the additional Peace Corps manpower. The objective here is to increase copra production by 30 percent in 2 to 4 years and possibly by more than 100 percent in 8 to 10 years.

During the year, 11 Micronesians have either completed or are undergoing agricultural technical training outside the trust territory. These include a plant quarantine and weed control training program at the East-West Center in Hawaii, a paddy rice culture training program in Taiwan, and a forestry training program at the Bulolo Forestry Training Center in the territory of Papua and New Guinea.

The administration is presently investigating the possibility and the benefits which might accrue from direct participation of the United States Department of Agriculture in ongoing trust territory agricultural programs.

We are anticipating a more than 100 percent increase in the total domestic demand for marketable foods by 1973 and a shift away from homegrown to marketed food items of some 50 percent by 1973. This could result in an increase of from \$5 million to \$10 million in food imports. Our objective here will be to increase the ability of the local farmers to produce to fill this anticipated gap. Consistent program



evaluation with redirection as necessary should provide the local producers with the necessary technical support to enable them to capture a fair share of the projected domestic market.

Copra continues to be the largest export item of the trust territory, with over 12,000 tons valued at \$2 million estimated to be exported during the fiscal period. However, this amounts to a decline in production and a decrease of \$600,000 in earnings from the previous year. This decline was largely the result of disruption of field-trip vessel service in the Marshalls and Truk districts and the low world market price of copra, which continued to decline up through November of 1966. The Copra Stabilization Fund now stands at a low of \$383,000, having paid the producers \$355,000 during this period while maintaining the price of a short ton of copra at \$102.50. In line with a resolution passed by the Congress of Micronesia at its last session, the membership of the board of directors of the Copra Stabilization Board has been increased to include a representative from each district in the territory.

Regardless of the extent to which the world price of copra may fluctuate, copra is, and as far as we can determine will continue to be, a major source of income to a large portion of the citizens of the trust territory for some time to come. In line with this reasoning, we are launching a program to upgrade our copra production through coconut grove rehabilitation in an effort to safeguard this very important source of income and subsistence to the outisland inhabitants.

A 2-year contract has been awarded to the United Micronesian Development Association to purchase and market copra in the territory. This was the first territory-wide contract awarded a Micronesian firm. Atkins-Kroll and Company of San Francisco has been the marketing agent for copra for the past 12 years.

Mobil Oil Micronesia, a corporation organized under the laws of the trust territory, was granted a contract for the establishment of a commercially operated petroleum supply, storage, and distribution system throughout the territory. The distribution of the petroleum had previously been handled by the Government.

The contract has resulted in a reduction in fuel costs generally approximating 15 percent, and it will provide private enterprise with Micronesian participation throughout the districts. Micronesian district managers are currently

being trained in the Philippines. Stock ownership by Micronesians is also available.

The Economic Development Loan Fund is presently capitalized at \$700,000, and our goal is to raise the capital level to \$1 million. Since last July, 19 direct loans totaling \$193,000 (an increase of \$37,000 over 1966) have been granted to individuals to assist in new enterprises or to expand existing businesses.

Additionally, the Fund guaranteed 10 bank loans for a total of \$285,700. This was an increase of \$158,000 over the previous period. The board of directors of the Fund is prepared to provide technical assistance to borrowers for the improvement of their projects. A loan specialist was hired to assist the board in carrying out this program and in following up the various loan applications and loan projects.

During the past year development of the marine resources of the territory continued. In Palau the boatbuilding cooperative built a total of 60 boats ranging up to 75 feet and valued at approximately \$150,000.

At the present time there are approximately 25 men participating in the Hawaii skipjack fisheries training program, which gives each man 2 years of commercial fishing experience. Returning trainees are expected to participate in commercial fishing in the trust territory.

The commercial tuna fishing vessels in Palau landed 3,010 short tons of tuna valued at \$280,000 during the year.

The Palau Fishermen's Cooperative, which produced approximately three-quarters of a million pounds of reef fish for local and export sales, recently has completed some packaging trials and is planning on setting up a small packaging operation. The fishing cooperative on Truk has purchased a small iceplant of its own and is now erecting a cold storage facility. These will make it possible to increase the production of reef fish in the Truk lagoon.

In the meantime, we have received many expressions of interest in the possibility of establishing a marine biological and oceanic research center in Palau. We believe that a useful program of pure and applied research can be established on Koror if we can finance suitable laboratories and buildings adequately equipped for research purposes.

An islander's most precious possession is his land. In Micronesia this attachment to the land is magnified by the fact that, in this ocean area of some 3 million square miles, the land area

of all the 2,000 islands combined totals only some 700 square miles.

The Division of Land Management, which has been established for nearly 2 years, is responsible for the administration of approximately 236,000 acres of public lands scattered over hundreds of islands and atolls. Land administration and land tenure problems are complex. They are typical of most developing territories of the Pacific, where there is an increasing requirement for land areas for expanding capital improvement programs. We need to establish criteria for determining Government requirements in relation to the enduring demand for return of lands to private ownership and use.

### Transportation

Our transportation services and equipment are obsolete and critically inadequate. One of our most pressing needs is to obtain new ships properly designed for trade and travel within and between the districts.

In this connection, I particularly noted the visiting mission's statement that it ". . . can think of no single step which would be better calculated to invigorate the economy and encourage its growth than the improvement of shipping services between the islands and the districts and the outside world."

We are currently considering acquisition of new vessels for administrative use so that our doctors, nurses, educational administrators, and other members of the staff do not have to depend on the tight, commercial schedules of the trading ships to get the necessary work done in the outlying islands.

The larger logistic ships on which we depend for inward and outward movement of goods and equipment also are obsolete. The present contract for the operation of these ships will expire at the end of August. We are at present developing a new set of specifications and will invite proposals from carriers who may be interested in providing services with newer ships better designed for our needs.

With respect to air transportation, the report of the visiting mission noted that "services provided are neither sufficient nor sufficiently regular and there is a requirement for improved air services."

The administration agrees, and we have issued an invitation for proposals from qualified

air carriers to provide improved services with better frequencies of flights and, we hope, better equipment. Our timetable calls for such improved services to be inaugurated no later than January 1 of next year.

### Education

The foregoing portion of this review has dwelt mainly on the material aspect of our various activities; that is, upon money, economic development, transportation, power, water, land. In the concluding portion of this report, therefore, I shall focus on the human element—the people of Micronesia—on what is being done to help them to cope with changing conditions, to help them develop self-reliance, a capacity for self-determination.

The program areas that have the most inter-related influence on the Micronesian citizen and his ability to deal successfully with the challenges and uncertainties confronting him are education, health, community development, and political action.

There is evidence that our approach to education and the present system of instruction in the elementary and secondary levels are not producing the results that the people of Micronesia deserve and that we had hoped to achieve.

Some statistics are impressive, showing a steady increase in school enrollment, more classrooms built, more scholarships offered each year. But we have other concerns: the quality and the content of education. These need attention, as noted in the report of the visiting mission.

These comments are not intended to minimize the substantial achievement of those Micronesians who have gone on to or through college or those who have developed skills in trades and professions. But it appears they have done so because they have been individually motivated and they cannot be claimed as typical products of our present educational system.

Perhaps we should not be too discouraged by what appears to be a lack of progress here, because it was as recent as 1961—only 6 years ago—that the administering authority undertook to accelerate and coordinate a greatly expanded educational program, including school construction.

This past year, we have been reevaluating our efforts. We are attempting to identify needs that are not being met and devise new concepts and new procedures to do a better job.



The Nathan study calls for more emphasis on vocational and trade training. We are planning to establish at least one polytechnic high school, and we will be placing more emphasis on vocational courses in the existing high schools.

We have had a study made of the feasibility of adapting educational television to our school program. The conclusion of that study was that educational television could be applied in some of the districts; but cost estimates were so substantial that we have temporarily deferred any decision or action.

Within the past few months we have contracted with the Stanford Research Institute to do an overall evaluation of our educational system. This will cover curriculum, goals, quality of instruction, administrative organization, and other related factors.

Meanwhile, during the year the number of public elementary schools increased from 171 to 178, while the enrollments in grades 1 to 8 climbed from 18,788 to 20,087, or an increase of 1,299. Enrollments in private schools increased 706 in grades 1 to 8, and over 200 in grades 9 to 12. Total enrollment in both public and private schools has increased during the past 4 years from 20,813 in 1963 to 29,724—almost 30,000—in 1967. Three hundred and eighteen Micronesian students are enrolled in the schools of Guam. The total estimated number of trust territory students who will graduate from high schools this year is 544.

Of the 291 Micronesian students seeking higher education abroad, 141 are on full-support Government scholarships. Forty-two of these are studying in medical or paramedical fields. Sixty-eight students received partial scholarship support in the form of tuition or transportation assistance. The remaining 82 students received assistance from various private sources. Additionally, 141 Micronesians received short-term training in 36 different fields at the Institute for Technical Interchange at the East-West Center in Hawaii. Five students were abroad under United Nations technical assistance programs. Many other Micronesians received technical training under various programs offered to the territory.

Major emphasis has been placed on the teaching of English as a second language. A system of instruction which has proved effective in other Pacific islands is being adapted to our educational program in Micronesia. This is known as the Tate Oral English Syllabus.

Some 19,000 public and 4,600 private school

children have benefited from programs under the provisions of the Elementary and Secondary Education Act. Special courses have been offered in remedial English and reading, commercial education, science instruction, and "catch up" education for youths who have dropped out of school. In addition, 41 experienced American teachers were employed in a project which emphasizes teaching English as a second language.

In the meantime, within the budget limits within which we were operating prior to the recent new ceiling legislation, we have continued some school construction. Ninety-six classrooms were completed during the year; 97 emergency classrooms for public elementary schools are expected to be completed by February of 1968.

### Health

Health services and facilities in Micronesia are far from satisfactory, as the visiting mission noted. We have not achieved nearly as much progress as we had hoped for following the critical report of the World Health Organization of more than a year ago. However, there have recently been some encouraging developments which lead us to believe that a year hence we shall have more to show for our efforts than we do at this time.

The year-long quest for a new director of health ended successfully a few weeks ago with the hiring of Dr. William Peck, whose experience appears especially applicable to our needs. Since 1964 Dr. Peck has been in Malawi in Central Africa, supervising health programs conducted in that country by the School of Public Health of the University of North Carolina. He has worked closely with the Malawi Ministry of Health and has supervised 41 Peace Corps volunteers, as well as African health workers. From 1959 to 1964 he was head of the Division of Public Health of the territory of Guam. While there, he helped coordinate health programs with the trust territory's medical director.

We are considering moving this position up to cabinet level to strengthen responsibility for health-program development and administration.

In the meantime, the departmental staff has been augmented by a hospital administrator, an administrative assistant, and a medical records librarian. The recruitment of eight fully accredited physicians has been authorized and





funded since 1964, but we have had great difficulty in filling these vacancies, largely because of the worldwide shortage of doctors.

A serious epidemic of infantile gastroenteritis broke out in Ebeye late in April of this year. Despite the imposition of rigorous sanitation measures and the prompt dispatch of medicines and a senior medical officer to the scene, five deaths resulted among the more than 700 cases of this disease. A quarantine was instituted, but it was not successful in preventing the spread of the disease to nearby Likiep atoll and to the district center of Majuro. In the two latter areas the epidemic, I am glad to say, has been milder in impact and less widespread, with no deaths reported to date.

Once again the outbreak of communicable disease on Ebeye has pointed up the urgency for reducing the population of that crowded island of some 72 acres. Plans are now underway to repatriate approximately 1,000 persons who are not native residents of that atoll and who we feel should return to their homes elsewhere in the Marshalls or other districts.

Following upon a territory-wide health census now 90 percent complete, plans have been made, in cooperation with the University of Hawaii, for surveys of the incidence of tuberculosis, leprosy, and filariasis. Peace Corps volunteers will be utilized to a large extent in this program.

During the past year the territory has been visited by 26 public health consultants, representing such agencies as the World Health Organization, the University of Hawaii, the University of Southern California, the National Institutes of Health, the College of Guam, and the Government of Guam.

Twelve students entered Central Medical School, Fiji, in January and are enrolled in medical, dental, and paramedical fields. These are the first Micronesians to attend the school in Fiji since the use of this institution was suspended in 1962. Forty other Micronesians are studying abroad at the present time on medical scholarships. Three completed WHO fellowships. Six members of the public health staff participated in WHO seminars in the fields of statistics, training of health workers, and environmental health.

The 13th annual medical survey of the people of Rongelap was carried out in March by joint teams representing the Atomic Energy Commission and the trust territory. Fortunately, no unusual findings were noticed during this sur-

vey. An exposed boy, who had not been examined during the past few years because he was living on another island, had developed a nodule in the thyroid gland. Hormone therapy was prescribed rather than surgery.

### Community Development

The community development program has continued in rural and urban areas throughout the territory, with increased emphasis on improving services and self-improvement efforts in the territory's congested urban communities, where more than 30 percent of the people of Micronesia now reside.

Community action agencies have been chartered in each of the six districts. These private, nonprofit bodies have applied for more than \$200,000 in grants from the Office of Economic Opportunity for the conduct of Head Start programs for an estimated 1,500 preschool children. An additional \$500,000 has been requested for other programs designed to mitigate the effects of poverty in our island communities. With such agencies actively functioning, it is anticipated that the people of Micronesia will be able to participate in other OEO-sponsored programs next year.

The program of Government grants-in-aid to communities has been active in all districts. In a typical grant-in-aid project, a community which has the manpower but insufficient financial resources joins forces with the Government to erect needed community facilities. Grants-in-aid may also be used for the purchase of capital equipment or otherwise unobtainable social services. Since December of last year over \$92,000 in Government funds has been awarded in grants ranging from \$700 to \$34,000 to 21 communities. As their share, the people have pledged all labor, valued at \$28,000, as well as \$5,600 of their meager cash resources.

### Postwar Damage Claims

During the period September 21 to November 4, 1966, a three-man team appointed by the Secretary of the Interior traveled throughout the trust territory to conduct an investigation of unpaid postsecure World War II damage claims against the United States.

As a result of the investigation, the team reported that there were a substantial number of unpaid claims against the United States for postwar damage to land, buildings, crops, trees,



and other personal property. A total of 389 claims has been received. It is expected that a small number of additional claims will be submitted, but it is believed that a substantial majority of possible claims have now been registered.

As a followup to the investigation, a claims office is being established in the office of the attorney general at trust territory headquarters. The major task of this office will be to refine the existing claims data to eliminate those resulting from wartime activities, identify those which appear to be duplications, and establish identification of claimants or their heirs. Once the claims data are evaluated and refined, the Government should be in a position to recommend a formula for settlement.

At the request of the Congress of Micronesia, an investigation of Japanese postal savings and Japanese yen currency conversion claims was made during the year. The response to requests for submission of such claims was negligible. This category of claims now appears to have been satisfactorily settled in 1957, when the Trust Territory Government received postal savings claims and paid out \$25,000 to the Micronesian claimants.

#### Political Affairs

If our record of achievement in Micronesia is not studded with success in all areas of administrative responsibility, there is one where the progress has been impressive.

In the relatively short time that they have been encouraged to do so, the Micronesians have demonstrated an ability to understand and use the democratic political process.

With perception and quality standards, they have selected some of the ablest individuals in the territory to represent them in the district legislatures and in the Congress of Micronesia. This not only reflects favorably on the growing maturity and reliability of the Micronesian voter, but it also credits, I believe, the prior administration with solid achievement in the area of political development.

From the administrative point of view, however, this progress presently tends to be somewhat paradoxically self-defeating. This is because most of the ablest legislators selected by the discriminating voters are also persons who have been chosen for responsible positions in the executive branch of government. Either the

legislative or the executive branches stand to lose some top talent in the 1968 elections when some Government employees who are also members of the Congress must decide whether to continue to run for office or pursue a career as a Government employee.

Fortunately, this day of decision will leave neither the legislative nor executive arms of the Government without reserves to draw upon to replace losses which either side may suffer. There are many promising persons in Government who are not members of the legislatures, and there should be opportunity for those with the proper training to move into vacated positions.

This, of course, also points up the urgency of developing the economy of the territory so that there will be more employment opportunity outside of Government service. In addition, it underscores the importance of better training for Government employees. This is necessary to have a reserve of qualified replacements for Micronesians who seek employment elsewhere. It is even more important in relation to our responsibility to prepare Micronesians adequately for positions now held by Americans.

We are making progress in this direction. The past year saw a start of a management intern program. This is designed to identify, select, and train young Micronesians for positions of leadership in government. The selections are by competitive examination to minimize personal favoritism. The first year of employment has been devoted to planned, systematic training in the fundamentals of the intern's field of specialization.

A program to rotate Micronesian assistant district administrators is being prepared. The object here is to broaden their experience and expose them to the differing political environments and the geographical conditions which distinguish each district and result in administrative requirements peculiar to each district.

In addition, it is planned to assign one Micronesian assistant district administrator as the administrative assistant to the High Commissioner. In this position he will become familiar with headquarters operations and have direct administrative contact with all departments at the headquarters level. The availability of such a person should also help strengthen administrative coordination between headquarters and the districts.

We have also recently established a policy to have representative Micronesian staff mem-

bers participate in cabinet meetings. The purpose is not only to acquaint Micronesian employees with major problems and issues confronting the administration, but to bring them actively into the planning and decisionmaking process.

A revision of the Micronesian title and pay plan will become effective July 1, 1967. This will provide for substantial wage increases for skilled craftsmen and craft supervisors. There will also be significant increases for clerical and administrative personnel.

### Congress of Micronesia

The second regular session of the Congress, which convened July 11, 1966, concluded its 30-day session on August 9. This was followed by a short special session to reconsider certain appropriation bills, a proposed election law, and to review the trust territory budget prior to its submission to Washington. Of the 149 bills introduced during the Congress, 29 passed both Houses, and 27 were signed into law.

One of the most important of these was the Merit System Act, covering Micronesian employees. Among the features incorporated in that important law were: (1) the appointment of a territorial personnel board; (2) the protection against arbitrary and discriminatory punishment of employees through procedural guarantees of due process and a system of appeals; (3) a provision for competitive appointments through examinations; (4) an employee council to act as official spokesman for employees on matters affecting their pay, status, and working conditions; and (5) authorization for a retirement system, group life insurance, annual and sick leave, and other benefits.

Over 90 percent of all Micronesian and contract employees are now covered by the group life and accident insurance. Recommendations for a complete social security plan, developed by the Chief Actuary of the United States Social Security Administration, providing retirement benefits for wage earners in both public and private employment are presently under consideration.

Our administration has been preparing a legislative program to present to the third regular session of the Congress of Micronesia, which will open July 10. We have transmitted to the Congress for advance study some 25 proposals originated by department heads and district ad-

ministrators. These proposals include the Government employees retirement plan previously mentioned, laws to standardize and improve the administration of elections, legislation for the conservation of both land and marine resources and for more effective tax collection, controls or protection to trust territory citizens in the areas of claims against the Government, laws regulating the sale of securities and providing for the standardization of weights and measures, and a law related to the acquisition of land for public use.

In making these remarks, I have referred at times to the report of the visiting mission. As an independent audit of the administration of the trust territory, this report was perceptive and helpful. Those of us who had the pleasure to meet the members of the visiting mission during their tour of the islands last February were impressed with the range and depth of their interest and their evident concern for the people of Micronesia, a concern which, I am sure, is shared by other members of the Trusteeship Council and by the administering authority.

In the foregoing report, I have sought to speak with candor. It serves neither pride nor purpose to gloss over failure or to overstate accomplishment. That some progress has been made is evident. That meaningful progress has lagged in some areas is also evident.

The capability of the Trust Territory Administration has been strengthened and will be strengthened further. The Congress and the President of the United States have recognized that we must have additional funds and resources to fulfill our responsibility to Micronesia under terms of the trusteeship agreement. They also insist that there must be a showing that results are being achieved. Members of the Trusteeship Council have provided an independent, perceptive, and constructive surveillance over our efforts.

The United Nations trusteeship agreement has been in existence for some 20 years. We all recognize that the time should be now approaching for the citizens of Micronesia to decide for themselves what future political and governmental structure they prefer.

Whatever this decision may be and whenever it may come, it should be made in an environment which offers hope, health, and opportunity to the citizens of Micronesia and assures them that we have fulfilled our obligation to them.



Madam President, I bring to you and to all the other members of this august body greetings from my colleagues in the House of Representatives and the Senate of the Congress of Micronesia and the people of the trust territory. It is a great privilege and honor for me to be accorded the opportunity to appear before you today. I shall always cherish the honor and the experience.

Our High Commissioner, the Honorable William R. Norwood, has amply presented to this Council the past accomplishments, the current programs, and the future planning for the Trust Territory Government, and there is no need for me to impose on the time and indulgence of this Council in repeating these matters.

There are three ways to view and to evaluate problems and conditions in the trust territory through the eyes of the United Nations visiting missions to the trust territory, the most recent such mission having visited the area earlier this year; through the eyes of the administering authority; or through the eyes of the Micronesian people themselves.

I would like to address myself to the task of presenting to this Council a brief review of some of the major problems we have and areas of progress which have been made, as I think the Micronesians in general see these problems and the areas of progress and, more specifically, as I think the Congress of Micronesia sees them.

It should be pointed out at the outset that the challenges in Micronesia are enormous in their complexity and magnitude and nearly overwhelming in their profusion and seeming ability to multiply, while the tools, the equipment, and the resources necessary to meet these challenges are not always available in either the quality or quantity required.

The mission of developing a viable economy—a primary consideration in the total advancement of the territory—has been difficult, although much has been accomplished and more continues to be accomplished. While recognizing that many of the difficulties in developing a viable economy in Micronesia are due to physical factors which have built-in limitations on what can be done, such as the islands' scattered location, small size, and insularity, as well as their deficiency in most of the natural resources generally considered essential for the development of an island industry, we feel that there are

existing problems and conditions which can and should be eliminated in order to accelerate further economic development and growth.

Several of these are easily identifiable.

The existing tariff on Micronesian goods entering the United States, the restrictions on trade between Micronesia and foreign countries; the restrictive policies on immigration and admission of non-United States citizens into the trust territory, and the infusion of more United States and foreign capital and skilled manpower should at this time be examined and evaluated in the light of present demands and the future economic needs of the trust territory.

The role of the Government in the total economy of Micronesia must be tempered by the increasing capacity of Micronesian entrepreneurs to assume a more active role and participation in the economic development of the Islands. Personally, I do not want to see the Government dominating the whole field of economic development programs merely because it has financial credit, monopoly of skilled manpower, size, and organization. I prefer seeing the Government steering away from economic development programs and providing incentives to the private sector to wax and grow in a *laissez faire* atmosphere. If this means bringing in foreign capital and labor, we should like to see a movement in that direction by abandoning certain restrictions with the approval of the Congress of Micronesia, maintaining or creating, however, whatever safeguards will be necessary to insure that the Micronesians will share in the resulting prosperity.

We should like to see in the trust territory greater progress in the modernization and rationalization of land development, agriculture, forestry, and fishery programs. Many Micronesians feel that the trust territory can benefit from the technical assistance and expertise available from other United States Government agencies such as the Department of Agriculture, Bureau of Land Management, Public Health Service, the Department of Labor, and so forth. The Peace Corps, on balance, has been a blessing to Micronesia, and the programs under the Office of Economic Opportunity which are just beginning to get off the ground look very promising indeed. Perhaps more technical assistance and experts could be obtained from South Pacific countries such as Australia, New Zealand, and others.

The Government continues to hold title to and control a great percentage of arable land in

Micronesia. The homestead program as a method of returning lands to Micronesians has not kept abreast with modern land development and land management practices, with the steadily growing population, and the concurrent demand for planned agriculture, industrial, and residential subdivisions. As land is basic to a viable economy, it is essential that land management be staffed in each district with experienced professional and technical personnel and that training programs currently in operation be enlarged.

In two and perhaps three districts the people have shown an eagerness to develop tourism as an industry, but such a proposition appears saddled with difficulties such as land-use planning, poor water systems, lack of power and sewage systems, combined with poor roads and a generally inadequate transportation system. It is encouraging to the Micronesians to note, however, that the administration is cognizant of these difficulties and of the great potential of tourism in Micronesia and has already taken some of the necessary first steps in the direction of developing this industry.

While traveling through the six districts in January and February, the interim committees of the Senate and the House of the Congress of Micronesia noted that public health services, especially in the outer islands, continue to be plagued by difficulties in communication and transportation, inadequate supplies, acceptable facilities, and properly trained manpower to do a decent job.

In the field of education, high school graduates are generally ill-prepared to earn a living in Micronesia at present. That is because the high school curriculum is primarily academic and college preparatory, even though the great majority of the high school graduates do not go on to college. It is our hope that the current study of our educational system will give breath, scope, orientation, and direction as to where our school program should head. It appears that we need Micronesians not only in law, medicine, and the liberal arts but also—and in greater numbers—those trained as technicians, administrative, executive, and managerial personnel, bookkeepers, skilled machine operators, craftsmen, and other skilled workers. Thus, our educational system should at this stage be oriented toward high-level Micronesian manpower for the critically important administrative, technical, and educational work of development and nation-building, together with

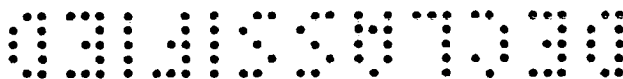
intermediate-level supporting occupations and toward making provision for training larger numbers of skilled manpower, artisans, craftsmen, and operatives required for an island economic development.

In commerce, the business capacity of corporations and businesses in the trust territory lacks the standing and stature to secure loans and financial credits on a par with like businesses and companies outside the territory at the prevailing market level of economic activity. The several credit unions and cooperative associations which now serve as a mainstay of commercial activity for many Micronesians are only recently beginning to have any significant influence on the stream of commerce and would not have any overriding effect on the total economy for some time to come.

By recounting all these things, I do not mean to slight the progress that has been made in Micronesia, nor do I intend to belittle the positive and ambitious plans and programs now being carried out in the trust territory. Nor do I mean to imply that these problems are the problems of the administering authority alone, and not of the Micronesians themselves as well. Rather, by doing so I feel that this body can better appreciate the many challenges, problems, and tasks remaining before all of us in Micronesia, despite unrelenting and sustained efforts of the administering authority and the people of Micronesia to seek and to explore new avenues of solutions to meet those problems.

My colleagues in the House and the Senate of the Congress of Micronesia place great trust and confidence in our energetic High Commissioner and in the United States as the administering authority for Micronesia. There is, I believe, a genuine feeling of partnership between the administration and the Congress of Micronesia. The development program for the trust territory which our High Commissioner has presented here has our explicit support. The newly raised ceiling of Federal grant expenditures in the trust territory, coming shortly after the release of the Nathan report and the economic development plan for Micronesia, is a timely blessing for the people of Micronesia.

The Congress of Micronesia intends to play a key role in the direction and the manner which the overall development of Micronesia will take. Although circumscribed by the extent of its legal authority and the resources available at its disposal, the Congress strongly favors more involvement and participation of Micro-



nesians in the political and economic development of the trust territory. There are already some very encouraging signs that we are going to move in this direction more rapidly in the future.

But perhaps this brief presentation will not be complete if I do not make mention of the political future of Micronesia. We in the Congress of Micronesia are well aware of the urgency of this question and have deliberated upon it during the last two sessions of the Congress. We recognize that Micronesia is but one of three remaining trusteeships, and the strides that Nauru and New Guinea are making toward self-determination and possible independence in the next few years have not gone unnoticed by the Congress of Micronesia. A number of bills and resolutions were introduced in the last session of the Congress proposing to create a commission to make a study and recommendations on this question;<sup>6</sup> others called upon designated persons to make such a study and make known their feelings. These expressions of interest, however, are only tentative and perhaps premature at this point. We do not want to exercise, at this time, our interest in the right of self-determination until our people have acquired a first-hand knowledge of both the benefits and the responsibilities under each of the possible alternatives available to us in the present 20th-century context. We want a chance to learn the issues so that we can wisely exercise our right of self-determination. We hope that time is on our side. We feel most fortunate that during this interim period we have as our partner in the development of our islands the United States of America.

The Micronesians do not ask for much. We do not want to see our islands as a political buffer area, nor do we want to be buffeted around in international politics. We would like to have, however, a measure of economic well-being, a measure of acceptable living standards, and a measure of political stability so that whatever the decision will be regarding our future political status, Micronesia can meaningfully contribute to the peace and security of the community of nations. This, after all, was the purpose, if not the reason, why Micronesia came under the Trusteeship Council of the United Nations, and it is certainly the reason for which I was selected by my colleagues in the Congress of Micronesia to appear before you today.

<sup>6</sup> See p. 363.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Atomic Energy

Statute of the International Atomic Energy Agency, as amended (TIAS 3873, 5284). Done at New York October 26, 1956. Entered into force July 29, 1957. *Acceptance deposited:* Uganda, August 30, 1967.

##### Finance

Convention on the settlement of investment disputes between states and nationals of other states. Done at Washington March 18, 1965. Entered into force October 14, 1966. TIAS 6090. *Ratifications deposited:* France, August 21, 1967; Japan, August 17, 1967; Norway, August 16, 1967; Togo, August 11, 1967.

##### Judicial Procedure

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague November 15, 1965.<sup>1</sup> *Ratification deposited:* United States, August 24, 1967.

##### Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Adopted by the U.N. General Assembly December 21, 1965.<sup>1</sup> *Signature:* Argentina, July 13, 1967. *Ratification deposited:* Sierra Leone, August 2, 1967.

##### Sea

Convention for the International Council for the Exploration of the Sea. Done at Copenhagen September 12, 1964.<sup>1</sup> *Ratification deposited:* Belgium, July 20, 1967.

#### BILATERAL

##### Canada

Agreement relating to cooperation on civil emergency planning, with statement of principles. Effected by exchange of notes at Ottawa August 8, 1967. Entered into force August 8, 1967.

##### India

Agreement relating to trade in cotton textiles, with annex. Effected by exchange of notes at Washington August 31, 1967. Entered into force August 31, 1967.

<sup>1</sup> Not in force.