

## The Trust Territory of the Pacific Islands

*Following are statements made in the 37th session of the United Nations Trusteeship Council by S. Harry Wright, U.S. Representative on the Trusteeship Council; Edward E. Johnston, High Commissioner of the Trust Territory of the Pacific Islands and U.S. Special Representative on the Trusteeship Council; and Ambilos Iehsi and Benjamin T. Manglona, Special Advisers to the U.S. delegation.*

### STATEMENT BY AMBASSADOR WRIGHT, JUNE 3

U.S./U.N. press release 73 dated June 3

The United States is once again pleased to report on our administration of the Trust Territory of the Pacific Islands during the last 12 months. It is indeed a personal privilege for me to be able to do so for the first time.

I should like first to express on behalf of the United States Government our great appreciation to the members of the Visiting Mission for their extensive, searching, and yet sympathetic consideration of the conditions and problems of the trust territory. I should like particularly to express to Mr. Rogers [Kenneth Rogers, of Australia], as chairman of the mission, our appreciation for having agreed to assume this task and for bringing to the mission the benefit of his extensive knowledge of the territory and his experience as a member of the 1967 Visiting Mission. We are also most grateful to the other members of the mission and also to the members of the Secretariat who, at no small inconvenience and with the need for considerable endurance and fortitude in view of the busy schedule, brought their knowledge and judgment to bear on the achievements and shortcomings of our administration of the territory.

Having just returned from several weeks in

Micronesia myself, I know that your visit was not without its hardships and problems. But I feel quite confident in my belief that you must have also found your stay to be a most rewarding one as well. Certainly the beauty of the islands, the warmth of the people, and, I believe, the progress being made must have provided compensation for the arduousness of your duties. We are only sorry that the mission did not have more time in the territory, not just to see more things but also to have been able to rest and enjoy the beauty of Micronesia. We do, however, greatly appreciate the energetic and conscientious manner in which the mission pursued its tasks.

The United States Government certainly welcomes constructive criticism and fresh insights such as are embodied in the Visiting Mission's report.<sup>1</sup> We have already begun and will continue to study the findings set forth in the report, and I am sure we will gain new ideas and perspectives from it. The Council may be assured that the mission's report, together with the deliberations of the Council itself, will be of great assistance to my Government, both in Washington and in Micronesia, in pursuing its goals of advancement in all areas for the trust territory and its people.

The United States certainly takes most seriously its obligation to promote the political, economic, educational, and social development of the territory. We fully realize the problems involved in meeting these obligations and the fact that much remains to be done. But we believe—and I saw the evidence, as I believe did the members of the mission—that progress is being made and that particularly in the past

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year, under the leadership of High Commissioner Johnston and with the goals of Secretary [of the Interior Walter J.] Hickel's action program, significant steps have been initiated which promise even greater advancement in the next several years.

The U.S. Special Representative will describe in some detail the developments in the trust territory since the 36th session of the Trusteeship Council and will discuss some of the plans for the future. I should like, however, to mention several of the major events of the past year.

The Congress of Micronesia held its second session of its Third Congress in July and then had a further special session in January. In addition to its normal business, the Congress confirmed its desire to retain its present bicameral structure—a decision made at the time of its establishment which it had agreed to review in the light of experience.

The efforts to rehabilitate Bikini have continued, highlighted by the official return of the atoll by the U.S. Government to the trust territory in March—an act witnessed by the Visiting Mission. Later full legal title will be formally transferred back to the people of Bikini. In the meantime the Bikinians are not only actively involved in planning for the various rehabilitation programs but are actually taking turns working on the atoll on various projects. Intensive planting of coconuts and other subsistence plants has been underway since late 1969. Within the next 2 or 3 years, public buildings and homes will be completed and with the development of the subsistence crops the people of Bikini will be returned permanently to their atoll.

In January Assistant Secretary of the Interior Harrison Loesch, in the opening address to the Congress of Micronesia, highlighted two major points of emphasis of our administration: Micronesian involvement in the budget process and decentralization, both of which the Special Representative will discuss in greater detail. Mr. Loesch also inaugurated the critically important land cadastre program, through which it is hoped that many of the longstanding land problems of the territory can finally be resolved.

The Council will, I am sure, be interested to know that legislation has been introduced in the Congress to create a Micronesian War Claims Commission, working under the Foreign Claims Settlement Commission, which would receive, adjudicate, and authorize payment of Micronesian war claims up to the amount of \$10 million resulting from the agreement reached last year with Japan. The commission would consist of five members, at least two of them to be Micronesians selected from nominees submitted by the Congress of Micronesia. Committee hearings on this legislation are scheduled in both Houses of the U.S. Congress later this month. As soon as this legislation is enacted, the preliminary work of the commission will begin and actual appropriations will be sought.

Turning to the matter of the future of the territory, the Council will recall that at its last session the U.S. delegation pointed out the considerable advances in Micronesian thinking—particularly that of their Status Commission—on the problems and possibilities of Micronesia's future and will also recall that we expressed our belief that the time had now come for direct talks between the Micronesian leaders and U.S. Government representatives.<sup>2</sup>

During the intervening year there have been a number of significant developments. The Micronesian Status Commission has issued its report recommending a status providing for Micronesian self-government in free association with the United States. The report was considered by the Congress of Micronesia at its July–August 1969 session, but it was not officially endorsed. The Congress did, however, authorize a 10-member delegation—including all six members of the Status Commission—to come to Washington for preliminary discussions as suggested by President Nixon and Secretary Hickel.

These discussions took place for 2½ weeks in October 1969 and provided the opportunity for a useful exchange of views and position papers. Both delegations agreed to reassess

<sup>2</sup> For U.S. statements made in the Trusteeship Council on June 6 and June 13, 1969, see BULLETIN of Sept. 8, 1969, p. 220.

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their positions, and in January 1970 Assistant Secretary Loesch, the chairman of the U.S. delegation, used the occasion of his trip to the territory to convey some additional views and proposals to the Micronesian delegation. This was followed by agreement to hold a second discussion session, this time in Saipan. This meeting took place in early May and lasted for a week. The delegation exchanged statements, and during the remainder of the week the various views and issues raised in the statements were explored. The two delegations agreed that, in a matter of such vital interest to the people of Micronesia, the first public report of the results of the discussions should be that which the Micronesian delegation will be making to the Congress of Micronesia this July. I am sure that the Council will appreciate this decision and will, as a result, understand my inability to discuss the results of either the October or May meetings on the status question in any detail. I can say, however, that the discussions were most useful in increasing the understanding of the various views on both sides, and I can assure the Council that as soon as the status delegation's report to the Congress of Micronesia is released, copies will be provided to the Council.

I can also assure the Council that the United States is still dedicated, under the provisions of the U.N. Charter and the trusteeship agreement, to providing the people of Micronesia with the opportunity to exercise their right of self-determination without undue delay. While we believe that the wishes of the people must be given great importance in deciding the exact timing of the transition to any new status, we would certainly agree with the view of the Visiting Mission that this change should take place sooner rather than later—and that it is incumbent on the United States as administering authority to work with the people of Micronesia so that they will be ready for that day.

I should like at this point to introduce the U.S. Special Representative and the two Special Advisers selected by the Congress of Micronesia and the other members of the U.S. delegation.

Mr. Edward E. Johnston is undoubtedly

known to most if not all members of the Council. Not only did he serve last year as Special Representative, but he has, of course, just hosted the Visiting Mission during its stay in Micronesia. Unlike last year, when he had only just assumed his position, Mr. Johnston appears before the Council this year after a full year as High Commissioner of the Trust Territory—a year which, in no small part due to Mr. Johnston's efforts, has been marked by much activity in the territory.

Accompanying Mr. Johnston are Mr. Leo Falcam, the Executive Officer of the trust territory, and Mr. N. Neiman Craley, Jr., the Director of Public Affairs. Both Mr. Falcam and Mr. Craley are well known to the members of the Council, both having been members of the U.S. delegation to the 36th session, and in Mr. Craley's case several previous sessions as well.

As I stated, the Congress of Micronesia has designated two of its members to serve as Special Advisers to the U.S. delegation. The Honorable Ambilos Iehsi, Senator from Ponape, has been a member of the Senate since January 1969, having won a special election to fill the remainder of the term of the incumbent who resigned. Senator Iehsi serves on the Senate's Committees on Resources and Development and on Judiciary and Governmental Affairs. Prior to his election to the Senate, Senator Iehsi had served from 1967 to 1968 in the House of Representatives, acting as floor leader.

Aside from his service in the Congress of Micronesia, Senator Iehsi was a teacher for several years and was dean of students at the Pacific Islands Central School. Subsequently he was Political Affairs Officer for the Ponape District.

The Honorable Benjamin T. Manglona, a Representative from Rota in the Mariana Islands District, is a member of the Marianas Territorial Party and has served in the House of Representatives since its inception in 1965. Representative Manglona is chairman of the House Committee on Resources and Development and a member of the Committee on Appropriations. He is also a member of the Standing Committee on Government Organization and has served for the past year as a member of the Micronesian political status dele-

gation, participating in the meetings and discussions described earlier.

In addition to his activities in the Congress of Micronesia, Representative Manglona has served in the Mariana Islands District Legislature and was a delegate from the trust territory to the South Pacific Conference in 1967.

Last, but certainly not least, Mr. Kaleb Udui, the legislative counsel of the Congress of Micronesia, has this year officially joined the U.S. delegation. The Council will recall that Mr. Udui was an observer at last year's session, and thus is known to most members. Mr. Udui, who received his law degree from George Washington University Law School in Washington, D.C., has held his position since 1966, most of the life of the Congress of Micronesia. He has previous service as Assistant Attorney General in the trust territory government.

I know that I speak for all the members of the U.S. delegation in saying that I welcome the opportunity to be here and that I look forward to participating in the Council's thorough and constructive discussion of the United States administration of the Trust Territory of the Pacific Islands.

#### STATEMENT BY MR. JOHNSTON, JUNE 3

U.S./U.N. press release 77 dated June 3

It is once again a pleasure to meet with the distinguished members of the Trusteeship Council to discuss the progress which has been made in the Trust Territory of the Pacific Islands during the past year. Senator Iehsi, Representative Manglona, and I look forward to our discussions with you and stand ready to answer any questions which the members of the Council may have on any phase of activity in Micronesia.

Since this year we will be discussing the report of the United Nations Visiting Mission, my opening remarks will be brief but will cover the highlights of the past 12 months, which we believe have been very significant months for the Trust Territory of the Pacific Islands. You may recall that when I appeared before this distinguished Council last year, I had been in office for approximately 5 weeks, only 3 of

which had been spent in the trust territory. During the past year, I have traveled over 200,000 miles and have visited each of the six administrative districts as often as possible, with trips to outlying districts which had never before been visited by a High Commissioner.

During this period of time, our total appropriations from the United States Congress reached almost \$50 million, an alltime high for Micronesia. On the basis of advanced planning for the next 5 years, we will be requesting even larger sums from the United States Congress and, at the same time, assisting the Congress of Micronesia in the development of additional resources of locally generated revenues.

Before outlining the specific progress in the various departments of the trust territory government, I would like to comment on two special events which I am sure would be of interest to the Trusteeship Council. First, from July 4 to 14, 1969, the first MicOlympics were held on Saipan, with competition among our six administrative districts in such sports as baseball, basketball, swimming, tennis, volleyball, track and field, and such purely Micronesian contests as coconut husking, spear throwing, and canoe racing. This event was tremendously successful and brought together the youth of our widely scattered islands for the first time in the history of Micronesia. The second MicOlympics have already been scheduled for the Palau District in July 1971, and it is hoped that this program will continue to amalgamate our citizens of varying cultures and languages, as well as training our athletes for participation in the South Pacific Games and even possibly the Olympics.

Secondly, I had the pleasure, on October 24, of witnessing my first United Nations Day in Micronesia, and I can assure you, gentlemen, that this is the outstanding single event each year throughout the entire Trust Territory of the Pacific Islands. Competition for a United Nations queen, elaborate floats in parade, and various athletic events combined to make United Nations Day the Micronesians' number-one holiday.

Shortly before our meeting last year, United States Secretary of the Interior Walter J. Hickel had visited Micronesia and set forth a

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trust territory. We have traveled over 200,000 miles of the six districts as possible, with which had never before. Commissioner.

Our total appropriation to the States Congress is an all-time high for advanced planning. We are requesting even more from the States Congress and the Congress for an amount of additional revenues.

Our progress in the trust territory government on two special events would be of interest to you, from July 4 to August 15. Meetings were held on Saipan, our six districts, sports as baseball, volleyball, track and field, Micronesian contests, swimming, and canoeing. We have been very successful in a number of our widely publicized events in the history of Micronesia. The Palau District hoped that this year we would gamate our citizens, as well as participation in the event possibly the

On October 24, we celebrated Nations Day in Saipan, gentlemen, a single event each district. Trust Territory of Saipan for a United Nations parade, and we planned to make Micronesians' number-

Last year, United States Senator Walter J. Rosten and set forth a

blueprint for progress which has been followed throughout the past 12 months. May we now briefly review the specific progress which has been made in the various areas of government since the last meeting of the Council.

#### **Communications, Education, and Health**

In the field of communications, a major breakthrough occurred in late 1969 when an important telephone link between Saipan and Guam was completed so that we can contact Honolulu, San Francisco, New York, Washington, and other parts of the world with relatively little difficulty. A total system of improved communication among our six districts specifically tailored to meet trust territory requirements was designed in cooperation with engineers of the Federal Aviation Administration, and new construction and electronic installation is progressing in the districts with completion scheduled for October 1970. We are also moving as rapidly as possible to upgrade the radio communications from our more remote islands to each district center and hope to have not only operational radios but complete emergency standby systems in each location by the end of this year.

Our Department of Education has again made considerable progress. Based on suggestions of a team of experts, headed by Dr. Paul Cook of the Massachusetts Institute of Technology, which visited the trust territory at the request of the Secretary of the Interior and the High Commissioner, school construction has been accelerated this year so that over 100 elementary classrooms, double the number originally planned, will be ready for use next school term. In secondary education, school enrollment will be increased by an estimated 300 students next year, due to enlargement of facilities. Curriculum development has been enhanced by territory-wide workshops involving teachers with departmental and outside resources people. The exchange of ideas and mutual support with the Territory of Papua/New Guinea has been considerably increased and has assisted us in both staff development and curriculum development.

The Micronesian Occupational Center, which we discussed with you last year, is now in oper-

ation, with over 300 students scheduled for enrollment the coming school year and at least 500 the following year. A series of excellent posters and brochures has been prepared encouraging Micronesians in all districts to apply for this valuable new source of secondary, post-secondary, and adult training.

Both during our report last year and the visit of the United Nations mission this year, various members of this distinguished Council have expressed the hope that we in Micronesia would have at least one institution of higher learning within the near future. In this respect, I am very pleased to inform you that as of June 1, 1970, the Micronesian Teacher Education Center on Ponape has been officially designated "The Community College of Micronesia." This facility offers a 2-year teacher-training course culminating in the awarding of an associate of science degree in elementary teacher preparation. Starting next year a new facility for the college will be constructed at a different site, and the present facility will be converted to an elementary school. Our eventual plans are to enlarge the community college in connection with our proposed Ponape training and referral hospital and increased facilities for advanced agricultural training.

Dr. Cook's committee, which we referred to a few minutes ago, also made recommendations concerning methods of accelerating dispensary construction in the field of health services, and 25 new dispensaries are being built out of current funding utilizing standardized design and local labor services. The 125-bed modern hospital in Truk should be operational by September of this year, and the Rota Hospital in the Marianas District should also be completed by that time.

A major event for all of Micronesia was the official opening in February of our new Trust Territory School of Nursing on Saipan. The members of the United Nations Visiting Mission were present at the dedication ceremonies, and the Honorable Kenneth Rogers, chairman of the mission, addressed the large group which had gathered for the occasion. Our present capacity of 53 nursing students will be expanded to 80 by September this year. In addition to our nurses training, there are presently 59 students

under trust territory scholarship programs studying in medical or paramedical specialties outside the trust territory. Grants for WHO [World Health Organization] fellowships were awarded to 11 personnel during the year. One of our medical officers, a graduate of the Fiji College of Medicine, was awarded a master of public health degree at the University of Hawaii.

In the field of preventive medicine, which received a considerable amount of additional stress this past year, our all-islands immunizing program proceeded even ahead of schedule, and an environmental early-warning system was implemented with special emphasis on water pollution studies in every district.

### Construction and Transportation

With the expansion in trust territory funding, new and improved roads, harbors, airfields, new and extended water systems, new sewer systems, and new and extended power systems are spreading economic growth and improving the general welfare of Micronesians. As one example of progress, powerplant construction now underway will increase trust territory electrical capacity by 50 percent. Every district will benefit by this program, and it will reach areas of district centers which have never before received the benefits of electricity. More than one-quarter of the people of Micronesia will be provided with new and improved water facilities when projects now underway are completed, and our advance planning will extend these facilities eventually to all residents of major population centers.

In speeding up our construction program, efforts are being made to award construction projects to local Micronesian contractors. This policy serves the dual purpose of putting many additional dollars into the private sector of the Micronesian economy and training Micronesians in engineering, building trades, procurement, inspection, and other phases of construction.

With the opening of the Ponape International Airport in February, our tired old water-landing planes were retired, and the jet age was extended to another area. Air Micronesia's 727 jets now service four of our districts, and their recently renovated DC-6 serves the other two.

Starting June 1, the Guam, Saipan, Truk, Ponape segment of the route will have three weekly flights, and since December 1969 Air Micronesia jets have connected Majuro in the Marshall Islands with the Republic of Nauru on a twice-per-month schedule. The excellent service provided by Air Micronesia (with its over 1,100 Micronesian stockholders) has been a major factor both in linking our widely spread districts to each other and in developing the economy of each area. In keeping with their contract with the trust territory to develop first-class modern hotels in each district, Continental/Air Micronesia will this year open its new hotels in Truk and Palau, with the other four to follow within 18 months to 2 years.

Surface transportation continues to be a problem, but during the year the service of Micronesian InterOcean Lines, Inc. (MILI), has improved in the field of commercial shipping. Our antiquated field-trip vessels which serve the islands within each district will be replaced over the next 5 years. In the meantime, the assignment of an LCU as an administrative vessel in each district will be of considerable benefit.

For many years one major problem in the Trust Territory of the Pacific Islands has been the at times almost total lack of proper financial management and good accounting practices. To remedy this situation, during fiscal year 1970 the trust territory government contracted with the certified public accountant firm of Peat, Marwick and Mitchell to design a new financial management and financial information system. Their report should be completed later this month and forwarded to the Department of the Interior for review and approval. During the past year we have already eliminated some of our more antiquated procedures with the increased use of automatic data-processing equipment.

Along with the attempts to improve our financial management and accounting, we have made considerable strides in the field of long-range planning and budgeting. Important in this respect has been the continually increasing involvement of the Congress of Micronesia in the budgeting and planning process; and recently, for the first time, the legislators and

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administrators of our six administrative districts have played an important part in preparing our annual budget. In fact, one district, the Marianas, last month produced its own 5-year plan and proposed budget.

Pursuant to a law passed by the Congress of Micronesia, members of our attorney general's staff have worked closely with the Congress of Micronesia on a new trust territory code. The new code will update, modernize, and reorganize the existing one and should make access to the laws of the trust territory much easier for the citizens of Micronesia. The completed manuscript is scheduled to be submitted to the July 1970 session of the Congress of Micronesia for its approval.

### **Economic Development**

Economic development continues to be a major source of concern to the trust territory government; and although there is much to be done in this vital field, some progress can be reported. The Economic Development Loan Fund, which at the start of this administration had loaned only \$200,000 in several years, has now almost exhausted its slightly over \$1 million, and we are attempting to have the loan fund increased to \$5 million. To assist recipients of such loans and other new or potential businessmen, business advisers are being placed in each administrative district. In February 1970 a new Foreign Investors Business Permit Act was signed into law creating an Economic Development Board of Micronesian citizens in each district, whose duties will include evaluating applications for business permits.

During fiscal year 1971, one of the largest increases in proposed spending throughout the trust territory will be to encourage expansion in the fields of agriculture and marine resources. During the past year, the agriculture extension service made 16,000 contacts with farmers through individual calls, group meetings, and demonstrations, and this service will be gradually extended in 1971.

Tourism continues to be a major hope for the future of Micronesia, with 20,600 visitors in calendar year 1969—a 58 percent increase over the previous year. With the addition of new

hotel rooms and expanded air service, we anticipate 32,000 visitors during calendar year 1970. The administering authority is encouraging Micronesian participation in the development of this important industry to the maximum extent possible.

At last year's session of the Trusteeship Council the Honorable Chutomu Nimwes stated that not one certificate of title had ever been issued for any parcel of land in Micronesia. During the past year, with the assistance of 20 surveyors from the United States Department of the Interior Bureau of Land Management and the United States Geological Survey, and an expanded staff in our Lands and Surveys Division, we have embarked on a 5-year, \$5 million land registration program, which is making rapid progress. Land titles are actually being issued for the first time in the history of our area. In the Marianas District, 269 preliminary certificates of title had been issued by May 1, 1970, and several hundred more were in the process of determination. These certificates of title become final at the expiration of a statutory 120-day appeal period. It is important to note that Micronesian citizens occupy the majority of positions in this new program and will be trained to carry on the program on a permanent basis after all land has been properly identified and registered.

Efforts continued during the year to combat the crown of thorns starfish. It is hoped that the trust territory's efforts in the control of this menace will be augmented by funds which would be provided under legislation introduced by United States Senators Fong and Inouye of Hawaii to provide funds for starfish control in Guam, Hawaii, the trust territory, and American Samoa. These four areas are also working together in the field of developing new methods of fishing for skipjack tuna throughout the Pacific and, at a recent conference of chief executives of each area and their marine resources directors formed a Pacific Islands Development Commission. In April 1970, a Marine Resources Conference was held on Truk to specifically consider the development of marine resources in this our largest district.

In cooperation with the trust territory government, the Janss Foundation of California is

constructing a marine laboratory in Koror, Palau District. The laboratory will provide facilities to organizations and individuals from all nations interested in marine research in tropical waters. The foundation will also operate a floating marine laboratory and will provide scholarships for Micronesians who show an aptitude and interest in ocean studies.

A major concern to this Council for many years has been the political development of Micronesia. To encourage additional interest and participation by Micronesians in their own government, \$200,000 was appropriated in fiscal year 1970 for a trust-territory-wide political education program, and this effort will be further expanded in fiscal year 1971.

Our radio stations in each district—still our one means of communication with virtually all Micronesian citizens—have been expanded and improved during the year, and a new 10,000-watt station in Majuro in the Marshalls District will be completed by the end of this calendar year. This station will not only cover the entire expanse of the Marshall Islands District, but will be heard in Nauru, Fiji, Tonga, the Gilberts, and possibly Hawaii.

Ambassador Wright has reported our progress in the rehabilitation of Bikini Atoll. Another group of displaced Micronesians—now living on Ujelang and formerly of Eniwetok Atoll—were given \$1,020,000 by the United States Government in 1969 to establish a trust fund. In addition, during the past year the people of Ujelang received \$80,000 worth of building materials and tools for reconstruction of homes and public buildings. The trust territory government is continuing to work for the eventual return to the Micronesians of the Eniwetok Atoll.

Major assistance in improving conditions for Micronesian citizens of all districts was provided during the year by United States civic action teams. There are now seven of these teams in operation throughout the trust territory assisting in small construction projects and training the Micronesians who are working with them on each project. This program has been exceptionally popular with the Micronesian people, and the budget committee of the

Congress of Micronesia has recommended its continuance at least through 1976.

Peace Corps volunteers continue to assist in many vital programs throughout the trust territory in education, agriculture, community development, and other fields. Current planning is for approximately 338 Peace Corps volunteers in Micronesia in fiscal year 1971.

The judiciary branch of the government of the Trust Territory of the Pacific Islands continued during the past year its program of training more and more Micronesians in various aspects of the court system. A major event occurred in late April 1970, when the first jury trial in the history of the trust territory was held in the Marshall Islands District.

#### **Micronesian Involvement in Government**

I have left until the last of this report to the Trusteeship Council one of the keystones of Secretary Hickel's program for Micronesia and possibly the major goal of our administration. A year ago Secretary Hickel pledged "ever increasing Micronesian involvement in their own government" and "equal pay for equal work and equal qualifications." We are especially pleased to report that substantial progress has been made toward fulfilling both of these pledges. A team of personnel classification experts from the United States mainland will complete, no later than June 30, a single pay schedule for the trust territory government, and it will be presented to the Congress of Micronesia at its session beginning July 15. The existence in a government for only 100,000 people of some 16 separate pay schedules and classification plans not only resulted in inexcusable inequities in pay but made the work of our personnel department virtually impossible to accomplish. A single pay plan will certainly be a major step forward for the government of Micronesia.

We have also made rapid strides in the placing of qualified Micronesians in positions of ever-greater responsibility at all levels of our government. When our government was reorganized late last year along lines set up by the Committee on Government Organization of the Congress of Micronesia, Mr. Leo A. Falcam,



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to assist in the trust territory, community development. Current plan- Peace Corps vol- year 1971.

government of the Pacific Islands con- sists of Micronesians in vari- ous districts. A major event in the first jury trial in the trust territory was in the district.

### Government

This report to the keystone of Micronesia and its administration. It is pledged "ever in- creasing in their own equal work and especially pleased progress has been made these pledges. In experts from all complete, no schedule for and it will be Micronesia at its existence in a ple of some 16 ification plans inequities in personnel de- accomplish. A a major step Micronesia. es in the plac- positions of levels of our ent was reor- set up by the ization of the o A. Falcam,

who is with us today, became the Executive Officer of the trust territory government. On several occasions since then, as one of the three top-ranking government executives, he has served as the acting chief executive during periods when both the High Commissioner and the Deputy High Commissioner have been absent from the territory. This is the first time in the history of the people of our 3-million-square-mile area that a native-born Microne- sian has actually served even temporarily in the top decisionmaking role in government. You can rest assured that the advice of Mr. Falcam and of Mr. Dwight Heine, who has also ap- peared before this Trusteeship Council and now serves as Special Consultant to the High Commissioner, is sought in every major execu- tive decision. Micronesians have become deputy directors of three of our Cabinet-level departments and division chiefs of five major divisions. A few months ago, the Honorable Chutomu Nimwes, who appeared before you last year, became the first Micronesian District Director of Education.

But perhaps our greatest progress has been in the field of our decentralization program, which gives far more authority for decision- making and carrying out programs to the dis- trict administrators of each of our six districts. At the present time, five of our district admin- istrators are Micronesians and the sixth is of part Polynesian ancestry in the only district which has any large number of Polynesian in- habitants. Four of our deputy district admin- istrators are Micronesian citizens, and in the Palau District both the district administrator and his deputy are native-born Palauans. The administering authority pledges to you that we will continue to accelerate this program of de- centralizing our government into the six ad- ministrative districts with only overall techni- cal supervision by trust territory headquarters personnel and will continue to involve capable, well-trained Micronesian citizens to an increas- ing degree in the government.

My colleagues from the Congress of Micro- nesia and I, and our staffs, look forward to our discussions with you during the next few days. Again, thank you for the privilege of being with you to make these opening remarks.

### STATEMENT BY SENATOR IEHSI, JUNE 3

U.S./U.N. press release 74 dated June 3

We are greatly honored for the opportunity to appear before you today. It is most encour- aging that this Council has taken such a great interest in progress being made in Micronesia. The visit of several distinguished members of this Council to our islands this year further demonstrates the extent of such interest. The report of the Visiting Mission indicates the deep understanding of this Council of the prob- lems in Micronesia and will be carefully studied for guidance and direction.

Just about a year ago this week, my colleague in the Senate of the Congress of Micronesia, the Honorable Olympio T. Borja, mentioned to this Council several important areas to which our Congress, through its interim committees, was directing its attention. These were the areas of government, education, budget, and the po- litical status question. The findings and recom- mendations which resulted from the work of these congressional committees have proved most useful in laying the basic groundwork upon which essential programs and services in these fields should be carried out in Micronesia.

The organizational changes recommended by the Committee on Government Organization are at various stages of implementation. Our Congress in its regular session this July will review the extent to which the executive branch of government has reorganized itself so that its structure is in line with our political objectives and present programs and activities are being carried out in such a way so as to achieve our long-range goals and objectives. Such a review will also determine how far we still have to go to make the present system of government sufficiently responsive to what our people want and expect.

The report submitted to our Congress by the Joint Senate and House Interim Committee on Education last year served as the backdrop in the enactment of legislation making significant changes in our system of education. The report and the legislation set forth the necessary cri- teria and minimum requirements in curriculum, training of teachers, and vocational training aimed at the present and future practical needs

and requirements of the Micronesian people. It is expected that the efforts of the congressional committee in this important field will have re-oriented the system of education in Micronesia to become more responsive to the needs of the people on the Micronesian islands and that the educational system could truly be of Micronesia as well as for Micronesia.

The Joint Congressional Committee on Finance continued to work with the administration in the preparation of the budget for the trust territory. This committee, which was initially established by our Congress in 1968, was reconstituted and empowered to participate not only in the preparation of the budget but also in long-range planning and programming for the trust territory during and in between sessions. It is most encouraging that Micronesians through their own Congress are being given increasing responsibility of setting priorities in programs and public services that the administration proposes to undertake and to finance.

The final report of the Future Political Status Commission served the useful purpose of generating greater public interest and directing attention to the important issue of political status. This increase in the awareness of having to resolve the future political status of Micronesia prompted our Congress to push for an early resolution of the question, and a delegation of the Congress was created and directed to undertake the important task of bringing about this objective. A report from the delegation is expected to be submitted to the Congress as to the progress that has been made to date on this important issue.

The appetite for self-government is clearly evident in Micronesia. But self-government and self-determination cannot truly exist as long as the people in Micronesia continue to depend on handouts from the United States for the financing of their basic governmental services.

In recognition of these facts, our Congress has taken it upon itself to explore ways and means whereby more local revenues could be raised to support the Micronesian government. But while it is desirable that Micronesia should seek ways to generate more wealth locally so that the people themselves could bear a greater

share in paying for their government, our efforts in this direction do not lead so easily to practical solutions. The much attention which we have given to the possibility of adopting the United States income tax system for Micronesia has only given rise to difficulties. The distinct cultural and social conditions and special circumstances of Micronesia would seem to speak against any outright adoption and application of a tax system tailored for the more sophisticated economy of the United States vis-a-vis subsistence economy of Micronesia. Determinations on the taxable capacity of the Micronesian people readily invite the danger of imbalances likely to result in social and political spheres. A form of taxation deemed most feasible for Micronesia faces the difficulty of administration and easy compliance. Other goals and objectives in Micronesia must need to be consistent with such taxation.

Last year a proposed tax legislation patterned after that of the United States income tax system was introduced for consideration by our Congress. But questions touching upon the application of such a tax to individuals and companies whose presence in Micronesia is clearly at the behest of the administering authority, its agencies, and instrumentalities contributed to the general reluctance in enacting such taxation. Abrupt imposition of a typically American tax system on a people so culturally different from the American people does not appear advisable, and the challenge before us is to devise a form of taxation that will be in keeping with our other express goals and should take into account the practical, legal, and other limitations.

But if Micronesia's economy must be geared up to bear an increasing burden of its development, favorable conditions should be created to facilitate the achievement of such objective.

Seeming inconsistencies and legal limitations to be found in the present trusteeship agreement for the Micronesian islands have turned out to be more of a deterrent in the development of Micronesia than one might readily realize. The statement of objectives, as contained in the trusteeship agreement, to promote the political, economic, social, and educational advancement of the inhabitants of Micronesia does not always

appear to be compatible with the "strategic area" character of these islands.

Because Micronesia is designated a "strategic area," not all members of the United Nations and their nationals are accorded similar or equal treatment in social, economic, and commercial matters in the trust territory. Under the trusteeship agreement the United States as an administering authority is permitted to discriminate in favor of its own nationals. The "strategic" character of the Pacific trust territory makes Micronesia a commercial preserve for the nationals, companies, and associations of the administering authority.

Mounting interest on the part of nationals and companies of other countries to invest in Micronesia has frequently been frustrated when strategic considerations of these islands have prevailed over economic benefits to be derived by allowing foreign capital investments and technical assistance. A review of the "most favored nation" provision of the agreement appears to be in order. The "strategic" character of Micronesia should in my view be reconciled with, if not tempered by, the overriding effort to shift greater economic activity from the government to the private sector and to increase the responsibility of the private sector of the economy to support itself.

Recent events would seem to make such an examination of the trusteeship agreement especially relevant. Last year the United States and Japan finally reached an agreement whereby both countries would make certain *ex gratia* payment to inhabitants of the trust territory who suffered damages during World War II. By the terms of this treaty, Japan was given the right to salvage sunken Japanese vessels in the waters of Truk and Palau Districts. These same two districts were also opened to Japanese fishing boats to enter for provisioning purposes.

Aside from the wisdom in making such concessions, it has occurred to many of us that perhaps the "most favored nation" clause in the trusteeship agreement should be examined in the light of this executive agreement between Japan and the United States. Such inquiry might prove most useful if the final result of it will be an increase in technical assistance

and more capital investments flowing into Micronesia.

Certain existing statutory laws of the United States over which we have no power to change also serve to stifle economic development and growth of Micronesia. Despite past assurances of lowering tariff barriers for Micronesian products entering the United States, our products and exports have yet to enjoy similar preferential, duty-free status as those now afforded products of territories and possessions of the United States.

Existing travel barriers between Micronesia and the United States stand in the way of giving more Micronesians the opportunity to seek better and higher education, employment, and business opportunities in the United States.

Regulatory powers over air and sea transportation systems in Micronesia originate from agencies of the United States, and the opportunity of the Micronesian general public to be heard in matters of freight rates and in the conditions and terms under which these essentially "public utility" services should be conducted invariably becomes compromised. The increase in the tariff rates for passengers and air cargo and for selected commodities carried by logistic vessels in the trust territory received approval from the government with little opportunity on the part of the interested Micronesian public to be heard. Considering the important role that air and sea transportation network plays in the total economy of Micronesia, it would seem most desirable that more Micronesian input be obtained as to how these public services ought to be performed. Our concern over the availability and quality of these essential infrastructure services compares well with the degree of our shortcomings in these important program areas.

While communications between Micronesia and the outside world and between and among administrative districts are planned to be improved, deficiencies are to be found in communications networks within each of the administrative-commercial centers and also between these centers and the outlying areas.

Logistic sea transportation and intradistrict shipping services suffer both from inadequate terminal and docking facilities and from in-

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efficient stevedoring services. In spite of this fact, there have been no budgetary allowances to correct these harbor and terminal deficiencies in major domestic ports. Existing ports appear to be nearing their tonnage peaks at the district centers. The current revenue tonnage of 110,000 is estimated to double by 1976 on the basis of government expenditures alone.

The shipping service provided by wholly Micronesian-staffed personnel is seriously affected by lack of training and ability of personnel. Any existing plan to make improvement in the area of logistic surface transportation and shipping will still be insufficient to meet increasing administrative and outer-islands needs.

The intradistrict shipping service, which is already heavily subsidized for operation cost and freight rates, shows every sign of reaching a disastrous point where retail prices of commodities in the outlying islands will become unbearably exorbitant. At the same time, no reduction in subsidy and no prospect of investment, domestic or foreign, seem to be forthcoming.

In air service, none of the existing runways under the jurisdiction of the trust territory government meets the standards set by the Federal Aviation Administration, and flight scheduling by the airline is adversely affected by the restriction in confining flights to daylight hours.

The needs, requirements, and the aspirations of the Micronesian people will continue to change. This fact would require that the government of Micronesia must continue to give both the drive and the evidence of drive to development of Micronesia. One aspect of this drive is a definite timetable of development and specific goals to be achieved on a year-by-year basis with such timetable. Thus, if one of the goals is to encourage more Micronesians to assume positions of greater responsibility and voice in running their government, specific guidelines should be prescribed to encourage maximum effort by the Americans to work themselves out of jobs by training Micronesians and within specific times and dates. It is all too easy for the trust territory to become a career for Americans in government service.

The other aspect of the drive that government should initiate to bolster further development is its disposition to get things done—to search out the needs and requirements of the people and to find ways and means to meet them.

The tendency toward proliferation of reports and forms in triplicate, the reluctance to make commitments, and the principle of getting everything "cleared" from above must give way to a genuine desire to be of service to the people by and for whom the government justifies its existence. We want to see in Micronesia the results of one's work being more important than the sacrosanct bureaucratic principles; to be sure that the authority is being delegated to the lowest possible degree; to know that communication lines between the headquarters and the districts are truly opened and genuine commitments made using them; and that one is more susceptible of getting into trouble for doing too little than too much, and not necessarily the other way around; and that an answer to a specific request be "I'll see what I can do," and not an unequivocal "no."

The myriads of problems and shortcomings in Micronesia must in the end require a government capable of meeting the changing needs and aspirations of its people. The basic challenge is to win the hearts and minds of the Micronesian people as they strive to conquer poverty, acute hardship, ignorance, and disease. Indeed, if it is the job of the government to lead the people to the mainstream of modernity, a concerted Micronesian program should be prepared for the promotion of economic and social development during the decade of the 1970's.

#### STATEMENT BY REPRESENTATIVE MANGLONA, JUNE 3

U.S./U.N. press release 76 dated June 3

It is indeed most exciting for me to visit the great city of New York and to attend the meeting of the Trusteeship Council. I feel most humble to have been chosen by my colleagues in our Congress to represent our small constituency of Micronesians, and I appreciate the

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honor to present my views on the administration of the trust territory.

This Council has before it the report of the 1970 U.N. Visiting Mission to the Trust Territory of the Pacific Islands. Our High Commissioner, the Honorable Edward E. Johnston, has reviewed for this Council the highlights of progress and development for the year under review and has presented plans for the future of Micronesia. It seems to me, therefore, not necessary that I belabor these matters.

I would like, instead, to use this opportunity to bring before this Council matters of immediate concern and where, in my opinion, future challenges in Micronesia should be met.

The one dominant factor which has had the overriding impact in the development of the trust territory is the increase in the annual appropriations. This budgetary increase has enabled the trust territory government to move forward in planning and construction of essential physical facilities. Increased funding is making it possible to focus more attention on the development of Micronesia's human resources and to direct a major portion of the budget to public services of every kind, especially education and public health. Increased money flows from the increased budget are inducing the expansion of the private sector of the economy. Indeed, Micronesia is now at the threshold of a real upswing in private sector business and commercial activities. The nurturing of this upswing should mark both the shift in the proportion of economic activity from the government to the private sector and an increasing responsibility of the private sector to support itself.

But if these increases in governmental activities are going to be meaningful at all and if their results will be to benefit the rank and file of the Micronesian people, I consider it overwhelmingly important that these developments be brought down to the people in their villages and in their outlying islands.

Our past efforts have always seemed to fail us in this direction. All too often the allocation of limited capital, physical, and manpower resources has tended only to maintain and operate the government, with development aspects

of programs serving only as justification of the expenditure for budget purposes.

It is said that the combined revenues expenditure in the trust territory by the territorial and local governments and by other government agencies reached \$52 million in 1969. Yet, of this amount, only \$22 million had any multiplier effect within the Micronesian economy. Total net worth of assets in commercial banks, credit unions, insurance services, and financial funds in the trust territory amounted to more than \$12 million in 1969, but less than 35 percent of this amount was available for investment in Micronesia. Financial institutions operating in the trust territory are ill prepared to handle the increasing volumes of commercial transactions, not to mention the need to use a portion of the privately invested capital to meet a projected private sector investment need of \$70 million between now and 1976. If economic growth in Micronesia is to be sustained, it becomes quite obvious that we must find better ways to utilize accumulated capital already in Micronesia and to have ready access to investment capital resources from outside the trust territory.

For years it has been the practice to request funds from the United States Government for planned land management and land use program, for land to be devoted to agriculture, for commercial and residential use, and for infrastructure. But so far there is really no planned public land management program. Well over half of good agricultural, commercial, and residential lands now owned and controlled by the government is idle and nonproductive. Agricultural, forestry, and conservation programs, outside of coconut replanting efforts, look as though they will remain for some time to come in experimental stages.

Lands best suited for commercial and residential use are either made available to outside investors on a preferential basis over Micronesian applicants or set aside for staff residential housing or sites for secondary supporting facilities of the government. In the meantime, the homesteading program, as a way to divest the government of some of its landholdings and to put lands into the hands of private individuals to be developed as residential, grazing, and agricultural lots, has virtually come to a

standstill, with the whole program practically defunct.

The land cadastral survey program recently initiated to establish control points for land title registration purposes needs to be closely coordinated in its efforts with what our Lands and Survey Division and Land Commissions are presently doing. Any failure to coordinate efforts in establishing land title coordinates system, control points, and other land survey information will run the risk of creating more problems in the already difficult, if not complex, land tenure systems in Micronesia.

In education, while classrooms and teachers' housing are being built primarily in the administrative and commercial centers, the peripheral communities, which account for about 50 percent of the total Micronesia population, still have to make do with inadequate classrooms, shortage of quality teachers and teaching aids and materials.

In public health, a great portion of expenditures earmarked for public health and medical services benefit primarily those within the administrative and commercial centers. Subdistricts and outer islands health services have remained substandard both in dispensary facilities and health aid manpower. A good comprehensive health care system for the average Micronesian remains to be carried out.

Shortfalls in scarce skill areas of our labor force and supply will require us to import and employ more and more alien workers; yet unemployment and underemployment of able-bodied Micronesians continue to be a chronic problem of major dimension. Total construction expenditures in fiscal year 1969 were between \$7.8 to \$8.9 million—\$6.4 million in capital expenditures and \$1.5 to \$2.3 million in private sector construction. These are expected to reach between \$20.8 to \$26.8 million by 1976. To support this projected increase in construction expenditures, the construction labor force will need to be increased from its present 500 to 700 workers (58 percent of which were foreign nationals in 1969) to 1,200 to 2,300 by 1976. And if the present situation is not altered by training more skilled Micronesian workers at a greater rate than our present capabilities have been able to do, the labor demand for skills

in the administrative, professional, semiprofessional, and skilled categories will have to be filled by alien workers. Micronesian workers will then be relegated only to lower paying semiskilled, helper, laborer, and clerical categories.

Constraints being placed on commerce and industry (in wholesale and retail trades) are contributing directly to the inflationary trends prevailing in Micronesia. Inadequate marketing system, sporadic transportation network, limited short- and long-term credit in wholesale and retail trades, and lack of proper methods of accounting desperately require assistance, guidance, and direction from the government to the Micronesian businessmen and the general public.

In the field of tourist and travel industry, which promises to have the most immediate and direct impact on the total economy of Micronesia, the trust territory government is ill prepared to meet the anticipated tourist industry requirements. The 20,000 visitors who entered the trust territory in 1969 for leisure, business, and other purposes are expected to number between 250,000 to 300,000 by 1976. Tourist expenditures will then have reached between \$26 to \$34 million and, taking into account high leakage and a multiplier of 3.0, a \$100 million impact on the Micronesian economy is said to be possible. But all these prospects of economic expansion, new jobs, income, and training opportunities depend upon hotel accommodations, labor force, and transportation facilities being available in Micronesia—an unlikely situation from any point of analysis. To support the tourist industry an estimate of 5,000 workers is projected, 2,000 of whom will work in hotels alone. The demand will unduly overtax the already short supply of Micronesian labor force, assuming qualifications and skills are available. This is not to mention, of course, the estimated required \$21 to \$28 million investment in 1,200 to 1,600 hotel rooms and other supporting facilities to serve the influx of visitors.

The foreign-based offshore fishing fleets which annually harvest 30 to 35 thousand metric tons of skipjack in the waters surrounding the trust territory provide little, if any, economic benefits to the people in the various islands in

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Micronesia. All is taken to other countries for sale.

Economic benefits to be derived from fisheries in the trust territory must still await the projected plans to install basic support facilities such as docks and ice and cold storage plants and to develop less labor-intensive methods and techniques which will make possible the most effective use of local available labor sources. The financial commitment of \$3 million to provide these essential support facilities in the development of commercial fisheries in Truk, Ponape, and Marshalls Districts, where fisheries potential appears to be great, is surely a modest sum when compared with the full \$10 million potential that could be realized annually from the marine resources in the trust territory waters.

Developments in commercial agriculture in the trust territory have been more of a reaction to the prevailing demands than a systematic planned economic endeavor and program. Agricultural development, in commercial terms, is at modified subsistence or embryonic stage. Small production units and low levels of investment and technology characterize the trust territory's agricultural program. With the progressively widening gap between imports and exports of commodities in Micronesia, it is fast becoming critical that developments in agriculture be used to offset this undesirable trend. What seems to be needed at this time in any agricultural programs to be instituted in Micronesia is the necessary infusion of larger capital and technology. At the same time, there will have to be efforts made to remove institutional restraints that have retarded agricultural expansion and productivity. The government needs to assist the farmers in finding for them the principal sources of credit which at present do not exist in Micronesia. A present-day Micronesian farmer does not recover his cost in production or expansion until his crops are sold. He must rely on his limited capital reserves and assume his own risk; and regardless of the market demand and his desire to expand, he is limited by his capital resources.

The trust territory government should provide assistance in the transportation and marketing of farm produce. The marketing

mechanism for farm produce is not only uncoordinated and slipshod but basically nonexistent. "Consignment swindles," crops spoiling at dockside while waiting for a ship 2 days behind schedule, loss from poor packing and handling at all stages, and market flooding are a few of the host of examples showing the present-day condition.

If the objective to be achieved in Micronesia is to develop the islands at the earliest possible rate with maximum Micronesian participation, I consider it necessary that Micronesians in all walks of life should share in and be involved in the whole developmental process. Maximum participation means the fullest degree of employment for Micronesians or an acceptable level of unemployment. It means, to the extent possible, underemployment should be minimized and productivity on the part of every Micronesian considerably increased. It means a more imaginative, if not dynamic, program to train more Micronesians in skilled crafts and professions; care must be taken that training is tied in to present demands and projected needs in order that the labor market not be flooded with skills for which no jobs are available; it means to maximize the productivity of the most essential and important resource in the trust territory—the people of these islands.

Significant progress has been and will certainly continue to be made. And I hasten to say that all is not lost in Micronesia. I am most happy to note that, in our endeavor to better the conditions of lives in these farflung islands, we have the most sympathetic ears and the closest of attention from the United States and the community of nations through this distinguished Council.

#### STATEMENT BY AMBASSADOR WRIGHT, JUNE 11

U.S./U.N. press release 84 dated June 11

Mr. President: The principal concluding statements of my delegation will be made by the Special Representative and the Special Advisers. However, before you turn over the floor to them, I would like to make a few brief remarks.

The Council is now concluding a careful and

thorough examination of my Government's administration of the Trust Territory of the Pacific Islands. Our work has been immeasurably assisted by the excellent report of the 1970 United Nations Visiting Mission. We look upon the report, particularly its suggestions and recommendations, as a valuable aid to us. We are grateful to those members of the Council and of the Secretariat who gave so generously of their time and energies to prepare the report.

During our debates here, all of us in the United States delegation have done our best to be frank and forthcoming with you. We appreciate the friendly candor which marked the questions and the statements of our distinguished colleagues on the Council. We have appreciated, Mr. President, the able and objective leadership which you have given us during our deliberations.

The Trusteeship Council has demonstrated once more how an organ of the United Nations can contribute meaningfully to the achievement of certain very worthwhile objectives which the founders of the United Nations embodied in the charter.

While I have the floor, I should like to address myself to a statement by the distinguished Representative of the Soviet Union. In his general debate statement, he drew attention to a petition containing a resolution of the House of Representatives of the Congress of Micronesia. This petition clearly demonstrated the fact that the Congress of Micronesia and the elected representatives of the people of Micronesia are free to say what they wish about any aspects of the United States administration of the territory. But the petition in question was unfounded. While we can hardly agree with the interpretation placed upon the charter and the trusteeship agreement by the distinguished Representative of the Soviet Union, I can categorically state that no tests of biological materials or agents have taken place in the Trust Territory of the Pacific Islands since U.S. occupation of the islands during World War II. Furthermore, as a matter of policy, the United States has no intention of testing any such material or agents at Eniwetok or, for that matter, anywhere in the trust territory.

I should also like to comment on the allega-

tion of the distinguished Representative of the Soviet Union that the United States is failing to carry out its obligation to develop the people of the territory toward self-determination. This is clearly not the case. Quite the contrary, we believe that, due at least in part to our efforts, there is growing political awareness and maturity in the territory. These necessary ingredients to any meaningful act of self-determination are, as our delegation stated before the Council last year, clearly shown by the increased number of thoughtful—even if not always accurate—petitions and communications submitted to the Council from the territory.

My delegation also finds it interesting that while professing to advocate self-determination for the people of Micronesia, the distinguished Representative of the Soviet Union feels compelled to dictate the choice which the people must make and the timing in which they should make it. My delegation does not believe that this is the proper role of the Council or, for that matter, of the United States. Rather, and as we have reported to the Council, the United States has been working with the elected representatives of the Micronesian people to learn their desires regarding their future status and to try to work out a mutually suitable arrangement consistent with these wishes and our trusteeship obligations.

In concluding, Mr. President, I would like to say that in my opening remarks before this Council, I referred to myself as one of the new members of the Council. I would note in this connection that both you, Mr. President, and I have completed our apprenticeship. I look forward to returning to this Council with you and with our other colleagues as veterans. Thank you.

#### STATEMENT BY SENATOR IEHSI, JUNE 11

U.S./U.N. press release 82 dated June 11

It has been a great privilege for me to participate in the deliberations of this Council. The observations and comments made by the different members of the Council have been most constructive. They evidence to me a common



interest and an abiding concern by this Council of insuring that the governance of Micronesia follows closely the statement of fundamental obligations devolving upon the United States as an administering authority as set forth in the trusteeship agreement for the Pacific trust territory and in the declaration regarding non-self-governing territories.

It was of great interest to me to hear comments and observations of the various members of this Council about the present system of government in Micronesia. The views expressed regarding the future political advancement of the people of Micronesia reflected, in my opinion, the deep understanding of the difficulties being faced in Micronesia.

I am encouraged to learn that this Council considers the approach taken by our Future Political Status Commission to seek an early resolution of the political status question to be in the right direction. The opinion expressed by the 1970 Visiting Mission to Micronesia that there should be more technical assistance to the Congress of Micronesia in the job of political education is well taken, and I concur with the view of the Visiting Mission and that of the distinguished Representatives from the United Kingdom and China that the future status question should be determined "sooner rather than later."

With regard to the observations and recommendations made touching upon the need of involving more Micronesians in the decision-making processes of the executive branch of our government and of closer consultations between the administering authority and our Congress, particularly on the budget and fiscal matters, it might be of interest to this Council to note that specific steps in this direction have been most encouraging. As I stated in my opening remarks, the recommendations of our Committee on Government Organization are now at various stages of implementation by the administration. Full implementation of this committee's recommendations, when accomplished, would in my opinion bring about a system of government in which the Micronesians themselves would be placed in a better position to make most major policy decisions. I have every reason to believe that greater progress in this

regard will be forthcoming in the immediate months ahead.

It is correct to say in all fairness that the Congress of Micronesia is increasingly being given the responsibility to determine the full dimension and total scope of budgetary and fiscal matters for the trust territory. Further expansion of this financial responsibility for the Congress of Micronesia is quite desirable. I appreciate the observation of this Council that ways should be found to increase substantially the locally generated revenues for the Micronesian government. I am grateful for the suggestions made by the distinguished Representative from the United Kingdom that systems of taxation presently used by certain territories in the Western Pacific be consulted for possible models.

I share his view that both in political terms and in terms of sound fiscal development it would be desirable to increase substantially the locally generated government revenues, thereby encourage self-reliance and allow for an eventual decline in the need for grant funds to administer Micronesia.

As has become quite evident from the deliberations of this Council, there remain many problems to be resolved in Micronesia if the needs and requirements of the Micronesian people are to be met. It is to be admitted readily that there are and will continue to be obstacles in the way of achieving the objectives that have been set forth for Micronesia. In this connection, the deliberations of this distinguished Council and the report of the 1970 U.N. Visiting Mission to Micronesia have indicated the program areas requiring more attention and how best to seek solutions to some of the more difficult problems.

In my opinion it is important, however, that the administrative structure of the government be truly responsive to the demands and needs of the people. There is merit in the proposition that Micronesians themselves see their problems with greater degree of intensity and in their total configuration and to allow sufficient leeway for them to try and resolve their own difficulties would in the end give them lasting satisfaction. It is in this spirit, Mr. President,

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that Micronesians seek to have removed legal and policy restrictions placed on their government and practical constraints which adversely affect both the pace and direction of their development effort.

Finally, Mr. President, I would like to thank you and the members of this distinguished Council for the many courtesies extended to us. I appreciate your allowing us to participate in the deliberation of this august body and for making our visit to New York a memorable one. Thank you.

#### **STATEMENT BY REPRESENTATIVE MANGLONA, JUNE 11**

U.S./U.N. press release 83 dated June 11

It has been a real privilege for me to attend and to participate in the deliberations of this Council. The examination by the Council of the manner in which the United States as an administering authority has carried out its obligations to administer the islands of Micronesia has been most comprehensive and thorough and, if I may say so, most encouraging from my standpoint.

The observations and recommendations made by the different members of the Council respecting the conditions to be found in the Micronesian islands reflect this Council's full understanding and appreciation of the complexity of problems, needs, and requirements of our people. This was further borne out by the debates of the past 2 days.

The report of the 1970 U.N. Visiting Mission to the trust territory contains sweeping recommendations in specific program areas of the trust territory government which would bring about much improvement and greater progress if implemented.

The shortcomings in the general economic development area observed by the Visiting Mission would seem to demonstrate to me at least the urgent need at this time of having a carefully drawn out plan of development for Micronesia. The limited availability of basic economic resources and infrastructure in Micronesia makes it almost mandatory that the scarce resources be applied to meet the demands for goods and services in terms of priority and that the direction of development be toward developing a self-

generating and self-sustaining level of economic growth.

Of special interest to me were the misgivings expressed by the Visiting Mission regarding the desirability of promoting the development of tourist industry in Micronesia. The adverse consequences resulting from a greatly expanded tourist industry in Micronesia would seem to be far outweighed by the benefits to be derived in the creation of new jobs, income, and training opportunities. It would seem most desirable that Micronesia should make every effort to create favorable conditions for a viable tourist industry and to this end seek to build and foster the necessary infrastructure to support it. At the same time, Micronesia should take measures to prevent a major part of the profits from leaving the trust territory, to insure that Micronesian traditions are appropriately preserved, and to see to it that quick profits from tourism do not unnecessarily detract attention from the other sectors of the economy.

A suggestion was made both by the distinguished Representatives of the United Kingdom and Australia that consideration be given at the earliest possible time to generate more local revenues within the private Micronesian sector of the economy. I can assure this Council that our Congress will give serious consideration to this matter during its next regular session next month, and this Council would be advised accordingly as to the disposition of the income tax legislation presently pending in our Congress.

During the debate of the Council, I was glad to note that there is a general consensus among the members of the Council that the system of education in Micronesia should relate to the practical educational needs of the people and that education in Micronesia should be improved qualitatively as well as quantitatively.

In the area of public health and services, our Congress agrees with the Visiting Mission that the people of the outlying islands be encouraged to construct and furnish their dispensaries by means of self-help and grants-in-aid.

Finally, Mr. President, our Congress will take note of the two subject matters that have been of special interest to this Council; namely, the matters of firearms control and pay equalization plan of our government. This Council would be

glad to know that there is presently pending before our Congress a legislative proposal to regulate the use and sale of firearms in the trust territory, and I am advised that this particular legislation stands a very good chance of enactment by our Congress during the upcoming regular session next month.

With respect to the pay equalization plan, our High Commissioner has indicated to this Council that this new pay plan shall be submitted to the Congress of Micronesia this July for consideration and concurrence after the present study of the whole pay system has been completed. I am quite confident that our Congress will take a close look at the new pay scale and classification plan to insure that any wage increases resulting from such plan shall in some measure bear relationships to the productivity of the employees and to the earning capacity of the Micronesian economy.

In closing, Mr. President, may I express my sincere appreciation for the real honor you have accorded me to speak before this Council. I am most grateful for the many courtesies the distinguished members of this Council have extended to us during the past 2 weeks. I thank you very much.

#### STATEMENT BY MR. JOHNSTON, JUNE 11

U.S./U.N. press release S5 dated June 11

First of all, on behalf of our Special Advisers, Senator Iehsi and Representative Manglona, and the others who have accompanied me from Micronesia, may I most sincerely thank the members of this distinguished Council for the warm reception which we have been accorded at this year's meeting.

We have listened attentively to your suggestions and have been overwhelmed by your hospitality during this visit to the U.N.

We are also deeply appreciative of the excellent report submitted by the 1970 Visiting Mission and wish to assure the members of the mission and of the Trusteeship Council that we will submit our reactions to various recommendations contained in the report prior to the next session of the Council.

We also wish to thank the representatives of UNESCO [United Nations Educational, Scientific and Cultural Organization] and WHO for their remarks and suggestions and assure them that we look forward to continued cooperation between Micronesia and their organizations.

In making our closing statement to the Council, we would like to touch briefly on those suggestions which seemed to evoke the greatest amount of discussion and perhaps answer some questions which to this point may have remained unanswered.

Throughout the discussions of the past few days, the various members of the Council have frequently pointed to the necessity for the development of more locally generated revenue to support the government of the Trust Territory of the Pacific Islands. Although our distinguished Special Advisers have already commented on this point, I would further pledge that the administration will do everything in its power to assist in developing a viable tax program and to build the economy of Micronesia to the point where it can produce far more than at present in the way of local revenue.

Another frequent topic for comment has been the necessity for a much greater development of the agricultural potential of our area. We certainly agree with the comments of the various members of the Council and assure you again that we are moving as rapidly as possible to reverse the trend of past years so that agriculture will no longer, as was pointed out during the discussions, "be treated like a poor relative." No longer will the expenditures for agricultural development remain constant while all others are increased.

In our discussions during the past few days, reference was made on several occasions to the "most favored nation clause" of the trusteeship agreement, and it was indicated by some that the administering authority's interpretation of this clause may have hampered Micronesian development. I can assure you that this subject will be given much serious study in the near future by the administering authority, particularly in connection with the Foreign Investors Business Permit Act recently adopted by the Congress of Micronesia.

As has been true of past discussions, the subject of land in Micronesia has again occupied a major position among the many subjects discussed by the members of the Council. With reference to paragraphs 150 and 151 of the report of the 1970 Visiting Mission, may I at this point clarify the record to indicate that at last year's meeting the date of June 30, 1970, was given as an *optimistic* goal. Obviously, it was considerably optimistic; but our administration, on the basis of 1 year's experience and having already started to issue certificates of title, still feels that the project can be completed within a 5-year period rather than accepting the pessimistic prediction of 15 years. We wish the record to be absolutely clear that our program is one of land registration and not of land reform and that it will accommodate the various forms of land tenure in the six districts of the trust territory. The administering authority is not specifically opposed to land reform as such, but any progress in this field must come from the Micronesians themselves. It will not be imposed upon them or even suggested by the administering authority.

Before leaving the subject of land in Micronesia, we would again point out that the administering authority holds no land title on its own behalf in the Trust Territory of the Pacific Islands. Those lands which are designated "public lands" are held by the administering authority in trust for the people of Micronesia, and we thank the distinguished Representative of France for his suggestion that we must obviously work harder to assure that the citizens of Micronesia truly understand this important point.

In the report of the 1970 Visiting Mission and during the general debate, reference was made several times to the possibility of elected legislators serving in the cabinet of the High Commissioner. Although we have responded to questions and comments on this subject during the past few days, we would like the record to further indicate that although members of the executive branch could formerly serve in the Congress of Micronesia, the Congress itself decided against this practice as being a conflict of interests and therefore, since the 1968 elections, an individual must make a choice between

serving in the administration or serving in the legislative branch.

Let me quickly indicate, however, that this by no means indicates a lack of cooperation and coordination between the two branches of government. During each regular or special session of the Congress, the High Commissioner and top members of his staff hold regular breakfast and luncheon conferences with the leadership of the Congress, often adding cabinet members and chairmen of key committees of the Congress to the discussions. During the interim periods between sessions, we maintain an almost constant contact with the president of the senate, the speaker of the house, and the chairmen of such continuing committees as the Joint Committee on Program and Budget and the Committee on Government Organization.

In the field of education, it was alleged during the general debate by the distinguished Representative of the Soviet Union that the fact that our total number of schoolteachers dropped by 37 from 1968 to 1969 indicated in some way a decrease in the quality of education in Micronesia. In this connection, we would point out that during that same period of time the number of fully certified teachers was increased from 711 to 1,174, a very decided increase in the quality of teaching. The average grade level of education of the teachers themselves also went up by 1 year during the period from 1968 to 1969. The education of our teachers will continue to be upgraded through the facilities of the Community College of Micronesia.

It was also alleged by the distinguished Representative of the Soviet Union that the record of our administration in regard to increased involvement of Micronesians in the decision-making processes of government was one of "broken and unfilled promises." Nothing could be further from the truth. The fact that five of our six district administrators are of Micronesian ancestry and that they possess far greater authority for decisionmaking than ever before certainly tends to refute this allegation. We might also point out that the 1970 Visiting Mission commended the administering authority for the much greater extent to which we have involved the district legislatures and the Congress of Micronesia in the budgeting and

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planning processes during the past year. We again assure the members of this distinguished Council that our administration will continue to be one of fulfilled promises. Before leaving this subject we might again respectfully call the attention of all members of the Council to petition number T/COM.10/L.50 recently adopted by the Palau Legislature, which commends our administration for accomplishing what we set out to do 1 year ago.

Before concluding our brief remarks today, we might comment just briefly on some of the remarks of the two petitioners who appeared before the Trusteeship Council. In his appearance before the Council, Mr. Villanueva alleged "even now there is evidence that the United States military is requiring the relocation of a radio station and school building on Saipan and has stopped the development of a hotel in the same area." We would like the record to indicate that this allegation is absolutely false and the type of carelessly inaccurate rumor which should not be allowed to stand unrefuted on the records of this distinguished body.

Petitioner Freeman, in his remarks to the Council, alleged that the administering authority did nothing to train Micronesians for self-government until very recently. The record certainly does not indicate that such is the case. We would call the attention of the members of the Trusteeship Council to the fact that the first district legislature in Micronesia was established as long ago as 1949 and that steady progress in training for self-government has been maintained since that date. We would also point out that the administering authority chartered some 57 municipalities throughout the six administrative districts in the early 1950's and, as the distinguished Representative of the United Kingdom pointed out during the general debate, our advances in this area have even been ahead of some developing independent countries.

Petitioner Freeman also alleged that documents pertaining to land leases were only in English and never translated into any of the various local languages. Particularly in the Marshalls, where many such leases exist, they are signed by all parties concerned both in English and in the local language, and I have

personally witnessed the signing of such documents on several occasions.

In closing, may I thank my two distinguished and capable advisers and the members of my staff for their assistance during this session of the Trusteeship Council and again thank the members of the Council for their consideration of and attention to the problems of the Trust Territory of the Pacific Islands and the staff of the Secretariat for their assistance during this year's visit. We shall look forward to meeting with you again next year.

**TREATY INFORMATION**

**United States and Hungary Sign Cotton Textile Agreement**

The Department of State announced on August 14 (press release 243) that the United States and Hungary had concluded a cotton textile agreement through an exchange of notes at Washington that day.<sup>1</sup> Philip H. Trezise, Assistant Secretary of State for Economic Affairs, and Mr. Péter Fulop, Chargé d'Affaires of the Hungarian People's Republic, signed the respective notes.

Under the agreement, which was negotiated in the context of the Long-Term Arrangement Regarding International Trade in Cotton Textiles (the LTA), Hungary agrees to control exports of cotton textiles from August 1, 1970, through July 31, 1975.

For its first year, the agreement provides an aggregate ceiling of 4,250,000 square yards, a ceiling in category 5 (ginghams, carded yarn) of 1,100,000 square yards, and a ceiling in category 39 (gloves and mittens) of 57,000 dozen pairs. There are consultation levels for the remaining 63 categories of cotton textiles. Ceiling and consultation levels are increased by 5 percent in each year of the agreement.

<sup>1</sup> For texts of the notes, see press release 243.