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US UN
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UNITED NATIONS
TRUSTEESHIP
COUNCIL



Distr.
GENERAL

T/1749
1 February 1974

ORIGINAL: ENGLISH

Forty-first session

LETTER DATED 29 JANUARY 1974 FROM THE PERMANENT REPRESENTATIVE
OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS ADDRESSED
TO THE SECRETARY-GENERAL

I have the honour to inform you of a major policy statement with respect to the Trust Territory of the Pacific Islands made by the Secretary of the Interior, Mr. Rogers C. B. Morton on 23 January 1974.

In this statement Secretary Morton noted that the next three years will be a decisive turning point in the history of Micronesia and that, in order to accelerate the turnover of responsibilities, action was being taken in four important areas. First, the United States has provided funds for a Micronesian Constitutional Convention. Second, the United States has authorized the transfer of Trust Territory public lands to the individual districts. The Congress of Micronesia has been asked to enact the necessary implementing legislation. Third, instructions are being issued for new arrangements to improve economic conditions. Fourth, the Trust Territory Administration has begun a greatly expanded programme of education for self-government.

As part of the new emphasis on economic development of the Territory toward self-sufficiency and Micronesian control, the Secretary ordered the lifting of existing restrictions on foreign investment effective 1 April 1974, when individuals and commercial investors from any of the world's community of nations will be permitted to apply for business permits in Micronesia.

The Secretary promised that the United States will continue to review its other programmes as a means of promoting the political development and economic progress of the Territory. He said the United States will continue its policy of elevating qualified Micronesians into more responsible positions in the Trust Territory Administration.

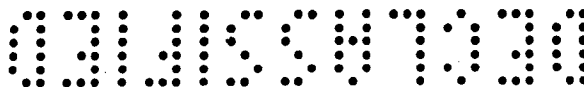
I have the honour to request that this letter and its attachment be circulated as a United Nations Trusteeship Council document.

(Signed) John SCALI
Permanent Representative of the
United States of America to the
United Nations

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7/17/74
 English
 Page 2

MESSAGE TO MICRONESIA

by Homer C. B. Horton, Secretary of the Interior

To my friends, the people of Micronesia:

This year of 1974 brings Micronesia to the threshold of a bright new future.

You and your Congress, working together with the United States, have taken great strides toward self-government in the past few years.

In 1969, the first year of his administration, President Richard M. Nixon directed that a program be initiated to give you an increased voice in the determination of policies affecting your future.

As we approach the end of the trusteeship, we believe even greater responsibility for Micronesia must be assumed by the people of Micronesia. There will remain many areas which will be shared with you. But for the larger part, the future of Micronesia is a Micronesian matter. The responsibility for determination of your future Government is yours. The obligation to promote your own social, economic and political welfare is yours. The right to self-determination is yours.

The first goal of this Administration was to gain additional financial support to get vital projects under way.

Working together, we have launched an accelerated program which succeeded in raising the annual authorization to the current \$90 million a year level.

In addition, other federal grant programs - once practically non-existent - now account for \$9.5 million annually. These funds have measurably assisted in bringing about needed improvements in raising your standard of living.

Local revenues have jumped from about \$850,000 to \$4.5 million in the past five years.

Recent developments hold considerable promise for the future. Among these are Micronesia's entry into the Economic Commission for Asia and the Far East (ECAFE) as an associate member, possible assistance from the Asian Development Bank, and the establishment of a permanent economic development loan fund.

Tourism has grown. Only five short years ago the Territory had a dozen small hotels with less than 200 rooms, able to accommodate only 15,000 visitors a year. Today, you have 1,100 rooms, either available, in construction or on the drawing board.

Last year alone, about 48,000 visitors came to Micronesia and added over \$3.5 million to your economy. As in the past, our policy continues to be to encourage each district to develop tourism in accord with its own desires, traditions and customs.

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Since 1969, new airports have been constructed, others planned.

Jet service to every district and consequent gains in tourism... facts and no longer dreams.

Public utility projects for power, water and sewer systems have been funded and constructed in all districts.

We have a new hospital in Truk, and planning is completed for another in Ponape. Other new hospitals and major improvements to existing ones are in the preliminary planning stage.

The long-sought Henrak bridge connecting Habelthuap with Koror has been funded and will soon be a reality.

Many new schools have been completed and additional class-rooms have been added to existing schools. More are scheduled.

The Micronesian occupational centre and the Micronesian Community College are helping to prepare you for growing opportunities in your own society and economy.

When this Administration began in 1969, there was only one Micronesian district administrator. Today five of these positions are held by Micronesians.

In 1969, no Micronesians served in the High Commissioner's cabinet. Today Micronesians hold the directorships in health services, education and public affairs; other headquarters departments have Micronesian deputy directors preparing themselves to assume higher positions.

The past five years have shown that by coupling the human resources of Micronesia with American financial and technical assistance we can meet the aspirations of the Micronesian people. But we must now begin to focus on the future.

I believe that the next three years will see a decisive turning point in your history. In this period we can expect to see Micronesia move decisively toward self-government, bringing to you, the citizens of these islands, all of the rights and privileges that go with it. At the same time you will have to assume many of the responsibilities of a self-governing people. You must be ready to make important fundamental decisions of your own which will have a lasting effect on your lives and the lives of your children and your children's children.

Decisions about your political future, your economic future, the future disposition of your lands all must be made in the immediate years ahead. I know from my travels among your islands as a congressman and from the conversations with Micronesian leaders in Washington that your elected representatives are most concerned with these basic questions.

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7/1769
English
Page 4

P740010-1922

The United States will help in every way possible to make the issues clear, but we cannot make the basic decisions. This is your responsibility.

To accelerate the turnover of responsibility to you for your own internal affairs, action is being taken in four important areas. First, the United States Congress has approved funds for a Micronesian Constitutional Convention. This Convention will provide the Micronesian people with the responsibility to draw up the blueprint of their future Government and society. Second, the United States has authorized the return of public lands to the control of the district legislatures for final distribution. Third, instructions are being issued for new arrangements to improve economic conditions. Finally, the Trust Territory Administration has begun a greatly expanded program of education for self-government.

The United States Government is giving whole-hearted support to the organization of a Constitutional Convention. I believe the development of this fundamental instrument is an essential part of the efforts toward self-government.

I am confident that the Congress of Micronesia will act rapidly to make the Constitutional Convention a reality. Your new Constitution will be the blueprint for your future. It will be the cornerstone for important programs during the period of your transition from trusteeship to self-government. I have asked the High Commissioner to make available any and all technical and staff support as requested by the Congress to assist in this historic step.

With regard to the disposition of public lands, let me say that the United States policy represents the fulfillment of a promise made years ago by the United States to hold these lands in trust for the people. The decision to return control over public land to those districts requesting it is full of meaning for the people of Micronesia. Acting through your elected and territorial Government and traditional leadership you are now to assume responsibility for matters pertaining to land, culturally the most prized, and socially and economically the most significant commodity in Micronesia. This constitutes an enormous step in transition toward self-government. I am hopeful that the Congress of Micronesia will act quickly to pass the necessary legislation to put the new policy on the return of public lands into effect.

Looking forward to future progress toward economic self-sufficiency for Micronesia, we are striving to complete the basic facilities needed by the Territory. Hopefully within a few years you will have more adequate airports, more power, water, sewage systems, better hospitals, more class-rooms and better roads. I have asked the High Commissioner to prepare a revised five-year plan for this construction with emphasis on the initial three-year period. He is to work with both the Congress of Micronesia and the leadership of the districts to develop the necessary set of priorities. I have instructed my Director of Territorial Affairs, Mr. Stanley Carpenter, to make available the full resources of his staff to work with you to meet this objective. Only with a sound physical plant can we begin to produce a strong economy.

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To promote further control by Micronesians over their own economic affairs, I have ordered the lifting of restrictions on foreign investment in the Trust Territory effective 1 April 1974. From that date, individuals and commercial investors from any of the world's community of nations will be permitted to apply for business permits in Micronesia. More specifically, each district economic development board will be able to consider business applications from any nation within the guidelines of your own foreign investors Business Permit Act. Under the terms of that Act the High Commissioner will have final authority to review each recommendation of the district economic development boards. I have instructed the High Commissioner to base his review on the security of the area and the general welfare and development of the Micronesian people.

I would ask the Congress of Micronesia to review carefully the ramifications of this new policy on foreign investment. As the keepers of the trust of the Micronesian people, the Congress may decide that additional controls or safeguards are necessary to protect Micronesian private enterprise.

I have instructed the High Commissioner to proceed rapidly in fully implementing his new comprehensive, objective programme of education for self-government, so that it will reach all areas and all levels of society. I hold high expectations for this programme. A good understanding of government and its functions is a necessary step to increased self-government at all levels.

We shall also continue to review our other programmes aimed toward a greater measure of self-government and general political development. We will continue the policy of elevating qualified Micronesians into more responsible positions in the Administration. I have asked the High Commissioner to submit to me his best forecast of manpower needs over the next three years, so we might determine how more Micronesians can be placed in key positions.

Final agreement on the future political status of Micronesia has not yet been reached. Nevertheless, I am confident that present negotiations will soon lead to arrangements which will prove to be in the best interests of both the American people and the people of the Trust Territory. You may be sure that in future negotiations the United States will be guided by its commitment to the principle of self-determination and by the obligations it assumed under the United Nations Trusteeship Agreement. In short, the final decision on your future will be yours to make. Our main interest is to ensure that the choices are well understood and that whatever agreement is reached will serve the best interests of all.

I would like to leave you with this thought. You, the people of Micronesia, are moving toward a new era of political self-reliance and increased economic self-sufficiency. You must be ready to accept the responsibilities that will come with these developments. At the same time, the Government of the United States must and will do everything possible to provide you with the tools and skills that will help you in assuming these responsibilities and in charting a new course of a self-governing people.

With continued bold, imaginative leadership, we can reach the goals of our shared dreams over the next few years. By then it is my hope, and the hope of all of us in Washington, that the people of Micronesia will have completed the process of self-determination that is the right of all the peoples of the world.