

PETITION FROM MESSRS. TOSIWO NAKAYAMA, PRESIDENT OF THE SENATE, AND BETHWEL HENRY, SPEAKER OF THE HOUSE OF REPRESENTATIVES, CONGRESS OF MICRONESIA, CONCERNING THE TRUST TERRITORY OF THE PACIFIC ISLANDS

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> Congress of Micronesia Capitol Hill Saipan Mariana Islands 96950

12 January 1977

President Trusteeship Council United Nations New York, New York

Dear Mr. President:

The purpose of this communication is to ask the Council to request the Government of Japan to permit immediate commencement of air service by our Micronesian air carrier between all of the districts of the Trust Territory of the Pacific Islands and Japan via Saipan.

You will recall that this air service was the subject of a lengthy proceeding before the Civil Aeronautics Board (CAB) of the United States of America, instituted in April 1972. In connexion with that proceeding, our leadership sought the assistance of the Council to assure that the decision would be made on the basis of what is best for Micronesia as a whole. The Council gave us the necessary support in its reports of 1973 and 1974. We have attached excerpts from those reports to facilitate your further consideration of this matter. 1/

The United States finally acceded to the position taken by our leadership on behalf of the people of all of our districts. On 7 May 1976, CAB decided to certify the carrier serving our six districts (Air Micronesia/Continental) to provide this air service. In so doing, the Board specifically took into account

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^{1/} For the text of the excerpts, see Official Records of the Trusteeship Council, Fortieth Session, Supplement No. 2 (T/1748), para. 295; and Official Records of the Security Council, Twenty-ninth Year, Special Supplement No. 1 (S/11415), paras. 202, 205 and 207.

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our views and the essentiality of this route to the development of the economy of all of Micronesia. The Board's decision was accepted by President Gerald Ford on 24 June 1976, and the certificate became effective 28 August 1976.

The air carrier promptly filed schedules with the United States Government proposing to commence service on 7 November 1976. The Government of the United States forwarded these schedules to the Government of Japan pursuant to the United States-Japan Civil Air Transport Agreement.

The Government of Japan, however, refused to permit commencement of the service and has continued to do so to date. They have done so despite the fact that they specifically agreed to the exchange of this route in 1969. In a memorandum of consultation between the two Governments, dated 2 October 1969, the Government of Japan specifically recognized the right of the United States to designate a second carrier to operate between the Territories of the mid-Pacific and Japan via Saipan. The only reservation was that the service should not commence until 1 January 1971. After that date, service was to be permitted by a United States flag carrier and a Japanese flag carrier. Six years later, there is no service and our economy remains undeveloped.

The essence of the present position of the Government of Japan is that they want added air traffic rights between the United States and Japan before they will permit further entry of another United States air carrier into Japan. The United States has taken the firm position that the Saipan-Japan route has already been agreed upon; that this route is essential to the development of the economy of Micronesia and must be implemented if the United States is to fulfill responsibilities under the United Nations Trusteeship Agreement; 2/ and that the United States will not enter into any discussion with the Government of Japan on other broader issues under the bilateral air agreement until this critical matter is favourably resolved. The United States has indicated that it is willing to discuss broader air transport issues as soon as this pending route matter is satisfactorily resolved.

The Government of Japan has also raised subsidiary questions of possible problems in accommodating additional flights at Tokyo and at Osaka. In this regard, the Japanese have asserted problems of available slots for take-off and landing at Tokyo's Haneda Airport and environmental problems in accepting any additional service at Osaka. We understand, however, that these supplemental issues can be resolved.

The position of the leadership of Micronesia on behalf of all of its people is that: (a) provision has already been made under the bilateral air agreement between the two nations for implementation of this service; and (b) the service is absolutely critical to the development of our economy. As the Council has previously recognized: tourism is the only potential for immediate economic

2/ Trusteeship Agreement for the Trust Territory of the Pacific Islands (United Nations Publication, Sales No. 1957.VI.A.1).

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development of our six districts; Japan is the only significant source of tourists for Micronesia; and direct air service between our six districts and Japan is essential to developing this tourism potential.

What is perhaps most critical is the effect on Micronesia's economic development. As you know, 1981 has been discussed as a tentative target date for termination of the Trusteeship Agreement. At the same time, the United States has indicated that, after termination, funding levels for Micronesia will be reduced. In order for Micronesia to become self-supporting and to have a sound economic base, it is therefore essential that rapid economic development take place in the near future. In this connexion, the Congress of Micronesia, with the assistance of experts from the United Nations Development Programme (UNDP), has formulated a five year indicative development plan. In this plan, experts have identified development of tourism as one of the priority areas, because increased tourism can be developed quickly without large capital outlays over a long period. The key to this increased tourism is the Japan-Micronesia route, to be serviced by Air Micronesia, in which Micronesians have a majority interest.

However, Japan's refusal to allow our carrier to implement service represents a setback to our economic hopes and plans. We do not believe that the very significant interests of our people in this route should be jeopardized or made subsidiary to far broader air route problems between the United States and Japan. After all, the amount of traffic and revenue involved in this developmental route is miniscule in terms of the over-all traffic exchanged between the United States and Japan. Just as the Council observed in 1973 that a decision in this case should not be based on some interests of the United States, the matter of commencement of the service should not be withheld based on some interests of the Government of Japan. The Governments of both of these major Powers have a commitment under the Charter of the United Nations to assist in the economic, social, political and educational development of our society. Implementation of air service over the Japan-Saipan route is essential to such development, as now so clearly recognized by the United States.

Since awarding this route, the United States officials seem to have been pressing very hard to permit implementation of the service and thereby to meet the commitments of the United States under the Trusteeship Agreement. Officials of the United States Department of State and CAB went to Japan for meetings during the week of 11-15 October 1976 for the very purpose of seeking implementation of this route. It was at this time that the Government of Japan made clear, through its officials, that it was unwilling to permit commencement of the service. We understand that there has been further communication between the representatives of the two nations, but as yet no progress has been made.

Given the inaction, we personally went to Japan, in early November to meet with representatives of the Japanese Government. We met with members of the Diet, representatives of the ministries of foreign affairs and transport, business leaders, and the United States Ambassador to Japan. Our purpose was to explain the very critical interest and needs of our people for implementation of this

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service. We delivered to each of the persons visited the attached paper explaining our position. $\underline{3}$ / There is no question that they understand our position.

No further action has been taken since our visit. It has now been over six months since the service was authorized and six years since this service was to have commenced. Therefore, we are forced to turn to the Council once again for assistance. We would hope that, consistent with the positions taken by the Council in 1973 and 1974, the Council would communicate immediately to the Government of Japan asking that Government to honour its previous commitments and permit this very critical air service to be undertaken without further delay. We are fearful that, without action by the Council, our interests will be drowned in a struggle between the two major Powers over much broader economic issues largely unrelated to this air service. We are hopeful that with appropriate pressure from the Council the Government of Japan, like the Government of the United States, will recognize and heed our interests and not continue to subjugate our pressing interest in this very limited route to their own interests in far larger air route matters.

Inaction on this route results in strangling our immediate economic development. This in turn adversely affects our potential for a stable and secure foundation for our Government. As the last remaining Trusteeship in the world, we are certain that our progress is the last test of success for the Council.

Respectfully submitted,

(<u>Signed</u>) Tosiwo NAKAYAMA, President Senate

(<u>Signed</u>) Bethwel HENRY, Speaker House of Representatives

 $[\]underline{3}$ / The paper, a background statement by the presiding officers of the Congress of Micronesia, has been placed in the files of the Secretariat and is available to members of the Council upon request.