

**AUDIT REPORT
TO
THE CONGRESS OF THE UNITED STATES**

**TRUST TERRITORY OF THE PACIFIC ISLANDS
DEPARTMENT OF THE INTERIOR
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1954**

**BY
THE COMPTROLLER GENERAL OF THE UNITED STATES**

TABLE OF CONTENTS

	<u>Page</u>
A. BRIEF INTRODUCTORY DESCRIPTIVE SECTION	1
B. STATUS OF THE TERRITORY AND ITS INHABITANTS:	
Status of the Territory	5
Status of the Inhabitants	6
C. INTERNATIONAL AND REGIONAL RELATIONS	8
D. INTERNATIONAL PEACE AND SECURITY: MAINTENANCE OF LAW AND ORDER:	
International Peace and Security	9
Maintenance of Law and Order	9
E. POLITICAL ADVANCEMENT:	
General Administration	11
Organization Charts	15-16
Judicial Organization	17
F. ECONOMIC ADVANCEMENT:	
General	20
Public Finance, Money and Banking	23
Taxation	25
Commerce and Trade	27
Monopolies	30
Land and Natural Resources	31
Forests and Mines	34
Agriculture, Fisheries, and Animal Husbandry	35
Industry	38
Investments	39
Transport and Communications	39
Public Works	40
G. SOCIAL ADVANCEMENT:	
General	42
Social Conditions	42
Standards of Living	44
Status of Women	45
Human Rights and Fundamental Freedoms	45
Labor Conditions and Regulations	47
Public Health	53
Sanitation	58
Drugs	58
Alcohol and Spirits	59
Population	59
Social Security and Welfare	59
Housing and Town Planning	60
Penal Organization	61
H. EDUCATIONAL ADVANCEMENT:	
General	64
Schools and Curriculum	65
Pupils	71
Teachers	71
Adult and Community Education	75
I. PUBLICATIONS	78
J. RESEARCH	79
K. SUGGESTIONS AND RECOMMENDATIONS	81
L. SUMMARY AND CONCLUSION	82

STATISTICAL SUPPLEMENT

	<u>Page</u>
I. POPULATION	I
II. ADMINISTRATIVE STRUCTURE OF GOVERNMENT	III
III. JUSTICE AND PENAL ADMINISTRATION	VII
IV. PUBLIC FINANCE	IX
V. TAXATION	XI
VI. TRADE	XII
VII. ENTERPRISES AND BUSINESS ORGANIZATIONS	XIII
VIII. HOUSING	XIII
IX. PRODUCTION:	
A. Agriculture	XIV
B. Mines	XIV
C. Industries	XV
D. Fisheries	XV
X. LABOR	XVI
XI. COST OF LIVING	XVIII
XII. PUBLIC HEALTH	XX
XIII. EDUCATION	XXV

DOCUMENTARY SUPPLEMENT

President's Letter of May 14, 1949	2
Interim Regulations	3
Establishment of Intermediate Schools	34
Commercial Information Bulletin	36
Policy of Charges for Medical Services to Natives	39
Public Health Program and Charges for Individual Medical and Dental Care	41
Names and Destinations of Scientists Participating in SIM Program	43

**AUDIT REPORT
TO
THE CONGRESS OF THE UNITED STATES**

**ISLAND TRADING COMPANY OF MICRONESIA
A CORPORATE INSTRUMENTALITY OF THE TRUST TERRITORIES
OF THE PACIFIC ISLANDS
DEPARTMENT OF THE INTERIOR**

1954

**BY
THE COMPTROLLER GENERAL OF THE UNITED STATES**

TRUST TERRITORY OF THE PACIFIC ISLANDS

The Trust Territory of the Pacific Islands, consisting of those islands, formerly mandated to Japan by the League of Nations, was granted to the United States in trust in 1947. The Trust Territory includes the Marshalls, the Carolines and the Marianas Islands (except Guam), some 2146 islands, islets, atolls and reefs located in mid-Pacific just north of the equator and extending 1200 miles north to south and 2500 miles east to west. The total land area of the Trust Territory is 715 statute square miles, and the over-all area of land and water is 3,121,722 nautical square miles.

HISTORY

In the period of discovery, beginning in the 16th century, the islands now included in the Trust Territory were visited by Spanish, German, Dutch, Portuguese and English explorers. At an early date, Spain established a firm control over the Marianas Islands. In 1886, the conflicting claims of Spain and Germany over the Marshalls and Carolines were resolved through the mediation of Pope Leo XIII, pursuant to which Spain gained title to the Carolines and Germany secured undisputed control of the Marshalls. Following the Spanish-American War, Spain in 1899 sold the Carolines and the Marianas (except Guam, which had been ceded to the United States in 1898) to Germany for 25,000,000 pesetas. The German rule over these islands was terminated in 1914 when the Japanese, not long after entering the First World War on the side of the Allied Powers, took possession. At the end of the First World War, Japan received a Class "C" mandate from the League of Nations over these islands. Soon thereafter the mandate was almost completely closed to non-Japanese visitors and, as is now known, fortification of strategic islands was begun. In 1935, Japan withdrew from the League of Nations, but did not relinquish control of the mandated territory. During the Second World War, these islands became the scene of decisive naval and military operations. The names of such remote ramparts as Kwajalein, Eniwetok, Truk, Ulithi, Pelelieu, Saipan and Tinian became world famous. Beginning early in 1944, the islands were either wrested from Japanese control or were isolated from further effective participation in the war.

GOVERNMENT

From the termination of Japanese control until July 18, 1947, the islands comprising what is now the Trust Territory were under military government administered by the United States Navy. On that date, military government was ended by the President's approval of the Trusteeship Agreement between the United States and the Security Council of the United Nations from the Trust Territory of the Pacific Islands, (former Japanese mandated). By that agreement, among other provisions, the Trust Territory was designated as a strategic area; the United States was granted authority to fortify the area, to apply to the territory such laws of the United States as might be deemed appropriate and to exercise veto power over any proposal to alter, amend or terminate the trusteeship agreement. In return, the United States, among other particulars, bound herself to act in accordance with the Charter of the United Nations, to foster the development of self-government or



The president, also on July 18, 1947, by Executive Order 9875, delegated to the Secretary of the Navy the responsibility of the civil administration of the Trust Territory on an interim basis until such time as a civilian agency should be designated to have permanent supervision of the government of the area. For reasons of logistics and communications, the seat of government for the Trust Territory has until recently been located in Guam. At the present time, a staff field headquarters has been established on Truk, with the High Commissioner maintaining his offices at Pearl Harbor.

The Trust Territory, for purposes of administration, has been divided into the following areas: Marshall Islands, Eastern Caroline Islands, Western Caroline Islands, and Northern Marianas Islands. The government of the area is supervised by naval officers specially trained in island administration and by a small staff of civilian specialists in such fields as education, political science, economics and agriculture.

In so far as possible, consistent with the fundamental principles of democracy, the indigenous people of the islands have been encouraged to maintain their traditional forms of government and to assume responsibility for conducting their own local affairs. Accordingly, local laws are enacted by village councils and enforced by local officials. On each island having a significant population, there is a community court presided over by a local judge and having jurisdiction generally over misdemeanors and of civil cases involving not more than \$100. Community court decisions are reviewable by a representative of naval civil administration who periodically visits each island for the purpose of supervising and assisting the local people in the management of their government. Other courts in the Territory are the Justice Court, the Superior Court, and the Court of Appeals.

PEOPLE

The great majority of the indigenes of the Trust Territory are of the Micronesian race, with a minority of Polynesians, who, like the Micronesians, are of Asiatic origin. The natural loyalties in the islands of Micronesia are local rather than area-wide; there is similarity but not uniformity of local organization, social custom and language throughout the whole of the area. The reported population of the Trust Territory as of 1 July 1949, was 53,446. Population by Districts is as follows: Palau, 11,839; Truk, 14,936; Ponape, 9798; Marshalls 10,802; Saipan, 6071.

EDUCATION

In 1949, there were 152 schools in the Trust Territory, in which 252 teachers were employed and 8962 pupils enrolled. Teacher training was conducted at the Pacific Islands Teacher Training School on Moen Island in the Truk Atoll, which was transferred from Guam in 1948. Instruction is offered in both English and the local language.

ments in the area, continues to be reported. Schools for medical assistants, dental assistants and nurses are maintained on Guam, to which the best qualified candidates from the various islands are sent for training. A medical officer makes regular inspection trips to each island to administer treatments and to supervise the work of the local medical assistants. Persons requiring hospitalization are transported to district headquarters or to Guam by ship. The medical survey ship USS WHIDREY, is continuing its field work in the Trust Territory. This floating clinic proceeds from island to island in the area, and makes possible the accomplishment of chest X-rays for all islanders, and other examinations of health and sanitation conditions on even the most remote island.

PRODUCTION AND TRADE

The natural resources of the Trust Territory are meager, and for the most part the soil is unproductive. During World War II, the economy of the islands was seriously disrupted. Coconut trees were devastated and fish were driven from the lagoons by combat operations. Because of the remote location and distances involved in interisland shipping, the problem of sea transportation is acute. Every effort is being made to revitalize the island economy. Principal products for export are copra (dried coconut), handicraft, trochus shells and charcoal. Exports of these products for the first nine months of 1949 were valued at \$947,359. Imports for the same period amounted to \$1,112,253.17. Trading operations in the area are conducted principally by the Island Trading Company of Micronesia, a Navy sponsored corporation, incorporated under the laws of Guam to serve the indigenous people of the Trust Territory until such time as they are able to assume these economic responsibilities for themselves.

CURRENT DEVELOPMENTS

The President has approved a Memorandum of Understanding agreed upon by the Secretary of the Navy and the Secretary of the Interior, which provides for the transfer of administrative responsibility for the Trust Territory to the latter department by July 1, 1951, and both departments are carrying out the action necessary to effect this change.



April, 1950

GUIDE TO THE ISLANDS OF MICRONESIA

In preparing a gazetteer of Micronesia in 1937, E. H. Bryan, Jr. assigned a system of symbols and numbers to the islands of Micronesia. These were repeated in "Guide to Pacific Islands," prepared for the Army and Navy in 1942, and were widely used by military personnel, especially the 7th Air Force. The same sequence and symbols have been used in the gazetteer and statistics submitted with the report of the U. S. C. C. Economic Survey.

The islands are listed in order of geographic relationship: Ratak and Ralik chains (Marshalls), from N to S; Caroline Islands from E to W; Marianas from N to S. The Gilbert Islands are here omitted, but the Volcano (Kazan) and Bonin (Ogasawara) Islands have been included.

MARSHALL ISLANDS (Mar)

RATAK CHAIN

1. Taongi Atoll (Fokaakku)
 2. Bikar Atoll
 3. Utirik Atoll
 4. Taka Atoll
 5. Mejit Island
 6. Ailuk Atoll
 7. Jemo Island
 8. Likiep Atoll
 9. Wotje Atoll
 10. Erikub Atoll
 11. Maloelap Atoll
 12. Aur Atoll
 13. Majuro Atoll
 14. Arno Atoll
 15. Mili Atoll
 - 15a. Knox Atoll
- #### RALIK CHAIN
16. Eniwetok Atoll
 17. Ujelang Atoll
 18. Bikini Atoll
 19. Rongerik Atoll
 20. Rongelap Atoll
 21. Ailinginae Atoll
 22. Wotho Atoll
 23. Ujae Atoll
 24. Lae Atoll
 25. Kwajalein Atoll
 26. Lib Island
 27. Namu Atoll
 28. Jabwot Island
 29. Ailinglapalap Atoll
 30. Jaluit Atoll
 31. Kili Island

32. Namorik Atoll

33. Ebon Atoll

CAROLINE ISLANDS (Car)

1. Kusaie Island
2. Pingelap Atoll
2. Mokil Atoll
4. Ponape Island
5. Ant Atoll
6. Pakin Atoll
7. Ngatik Atoll
8. Oroluk Atoll
9. Minto Reef
10. Nukuoro Atoll
11. Kapingamarangi Atoll
12. Nomoi Islands
 - a. Etal Atoll
 - b. Lukunor Atoll
 - c. Satawan Atoll
13. Namoluk Atoll
14. Losap Atoll
- 14a. Nama Island
15. Hall Islands
 - a. Murilo Atoll
 - b. Nomwin Atoll
 - c. East Fayu Island
16. Truk Islands
 - a. Reef Islands
 - b. Small Islands, N. lagoon.
 - c. Moen Island
 - d. Dublon I., Eten I.
 - e. Uman Island
 - f. Fefan Island
 - g. Tsis I., Param I., Tarik I., Eiol I.



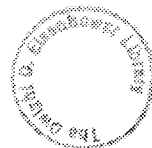
- j. Udot Island
- k. Ulalu Island
- l. Pala-Beguets Island
- m. Tol Island
- n. Kuop Atoll
- 17. Namonuito Atoll
- 18. Pulap Atoll
- 19. Puluwat Atoll
- 20. Pulusuk Island
- 21. Lady Elgin Bank
- 22. Helene Shoal
- 23. McLaughlin Bank
- 24. Mogami Bank, Condor Bank,
Gray Feather Bank
- 25. Pikelot Island
- 26. Satawal Island
- 27. West Fayu Island
- 28. Lamotrek Atoll
- 29. Elato Atoll (s)
- 30. Olimarao Atoll
- 31. Gaferut Island
- 32. Tarang Bank, Earl Dalhousie Bank
- 33. Faraulep Atoll
- 34. Ianthe Shoal, Nile Shoal
- 35. Camen Reef
- 36. Ifalik Atoll
- 37. Woleai Atoll
- 38. Eauripik Atoll
- 39. Sorol Atoll
- 40. Fais Atoll
- 41. Ulithi Atoll
- 42. Yap Island (s)
 - a. Rumaung Island
 - b. Map Island
 - c. Gagil-Tomil Island
 - d. Yap Island
- 43. Ngulo Atoll
- 44. Palau Islands
 - a. Valasco Reef, Ngaruangl Reef
 - b. Kayangel Atoll
 - c. Kossol, etc. Reefs
 - d. Babelthuap Island
 - e. Koro I., Arakabesan I.,
Malakal I., Auluptagel I.
 - f. Urukthapel Island
 - g. Eil Malk Island
 - h. Ngeregong I., Ngesebus I.
 - i. Peleliu Island
 - j. Angaur Island

40. JONATHAN ISLANDS

- 46. Pulo Anna Island
- 47. Merir Island
- 48. Tobi Island
- 49. Helen Reef
- 50. Mapia Atoll

MARIANA ISLANDS (MI)

- 1. Uracas Island
(Farallon de Pajaros)
- 2. Maug Islands
- 3. Asuncion Island
- 4. Agrihan Island
- 5. Pagan Island
- 6. Alamagan Island
- 7. Guguan Island
- 8. Sarigan Island
- 9. Anatahan Island
- 10. Farallon de Medinilla
- 11. Saipan Island
- 12. Tinian Island
- 13. Aguijan Island
- 14. Rota Island
- 15. Guam (Island)



(Scattered N. W. Pacific Is.)

- NW 1. Parece Vela (Douglas Reef)
- NW 2. Los Jardines (ED)
- NW 3. Marcus I.
- NW 4. Wake (Atoll)

(Southern "NAMPO SHOTO")

- NK Volcano Is. (Kazan Retto)
- NK 1. Minami Iwo Shima
- NK 2. Iwo Shima
- NK 3. Kita Iwo Shima

NO Bonin Islands

(Ogasawara Gunto)

- NO 1. Bailey or Coffin Group
(Haha Shima Retto)
- No 2. Beechey Group
(Chichi Shima Retto)
- No 3. Rosario I. (Nishino)
- No 4. Parry Group
(Muko Shima Retto)

Islands were formerly mandated to Japan by the League of Nations, but since the termination of World War II are under the trusteeship of the United States, having been so designated by the U. N.

MI

1

2

3

4

5

6

7

8