

1/19/62

THE ACT OF JUNE 30, 1954, PROVIDING FOR  
CONTINUANCE OF CIVIL GOVERNMENT FOR THE  
TRUST TERRITORY OF THE PACIFIC ISLANDS

Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

of New York, from the Committee on Interior and In-  
sular Affairs, submitted the following

REPORT

[To accompany S. 2775]

Committee on Interior and Insular Affairs, to whom was re-  
ferred bill (S. 2775) to amend the act of June 30, 1954, providing  
for the continuance of civil government for the Trust Territory of the  
Pacific Islands, having considered the same, report favorably thereon  
and recommend that the bill do pass.

The amendment is as follows:  
Line 5, strike out "\$15,000,000." and insert in lieu thereof  
"\$17,500,000: Provided, That not more than \$15,000,000 is authorized  
to be appropriated for the fiscal year 1963."

PURPOSE

The purpose of S. 2775, as amended, is to amend the act of June 30,  
1954 (Stat. 330), to provide for an increase in the present authorized  
amount from \$7½ to \$17½ million for the Trust Territory of the  
Pacific Islands, with the provision that not more than \$15 million  
be appropriated for fiscal year 1963. A companion bill, H.R.  
introduced by Representative O'Brien of New York, was con-  
sidered concurrently with the reported bill.

BACKGROUND

The Trust Territory of the Pacific Islands is administered by the  
Department of the Interior under Executive Order 10265, as amended,  
in accordance with a trusteeship agreement between the United States  
and the Security Council of the United Nations approved by the  
Congress under authority granted by the Congress (61 Stat. 397).

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## REPORT

The executive communication dated January 19, 1962, regarding the introduction of this legislation, follows:

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., January 19, 1962.

Hon. JOHN W. McCORMACK,  
Speaker of the House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: Enclosed is a draft of a proposed bill to move the ceiling on the authorization for appropriations for the Government of the Trust Territory of the Pacific Islands.

We suggest that this bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

Section 2 of the act of June 30, 1954 (68 Stat. 330; 48 U.S.C. note), provides that appropriations for the Trust Territory of Pacific Islands shall not exceed \$7,500,000 per year. This includes the appropriation for the Saipan district, which is administered by the Navy. For the fiscal years 1953 through 1960, expenditures for the Saipan district and special typhoon funds, the annual appropriations for the trust territory have averaged about \$4,750,000 per year.

Included in each annual appropriation, beginning with fiscal year 1954, has been some \$900,000 for construction purposes. An additional appropriation of \$400,000 was provided in fiscal year 1955 for the continuance of work on a dock project on Truk. We believe that the programs and facilities of the trust territory should be improved and accelerated beyond the level maintained in the past few years. Our aim is not only to accelerate construction, but to develop programs in the public health, education, and economic fields.

Therefore, we plan to request appropriations in excess of \$7,500,000 for the Trust Territory of the Pacific Islands for the fiscal year ending June 30, 1963. In light of these circumstances, we respectfully request the enactment of the enclosed bill. Our appropriations request for the trust territory will include, of course, details of the program we hope to initiate.

The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the administration's program.

Sincerely yours,

D. OTIS BEASLEY,  
Assistant Secretary of the Interior

A BILL To remove the ceiling on the authorization for appropriations for the government of the Trust Territory of the Pacific Islands

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That* section 2 of the Act of June 30, 1954 (68 Stat. 330) is hereby amended by deleting therefrom the words " , not in excess of \$7,500,000 per year."

## COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends enactment of S. 2775, as amended.

## CHANGES IN EXISTING LAW

Compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as shown as follows (existing law proposed to be omitted in black brackets, new matter is printed in italics, existing law which no change is proposed is shown in roman):

ACT OF JUNE 30, 1954

(68 Stat. 330; 48 U.S.C. 681)

... pursuant to the authority of Public Law 204, Eightieth Congress, approved July 18, 1947, the President approved a trustee-agreement for the Trust Territory of the Pacific Islands between the United States Government and the Security Council of the United Nations; and the responsibility for civil administration of the Trust Territory vested in the Secretary of the Navy by Executive Order Numbered 9875 of July 18, 1947; and the responsibility for such administration was transferred to the Secretary of the Interior, effective July 1, 1951, by Executive Order Numbered 10265 of June 29, 1951, as amended by Executive Order Numbered 10408 of November 10, 1952, and Executive Order Numbered 10470 of July 17, 1953: Therefore *it is enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That until Congress shall provide for the government of the Trust Territory of the Pacific Islands, all executive, legislative, and judicial authority shall be vested in the civil administration of the Trust Territory shall be in such person or persons and shall be exercised in such manner and through such agency or agencies as the President may direct or authorize.

2. There are hereby authorized to be appropriated such sums, in excess of **[\$7,500,000]** \$17,500,000 per year, as may be necessary to carry out the provisions of this Act.

Under the terms of that agreement, the United States exercised administrative, judicial, and legislative authority over the Japanese-administered territory and has undertaken obligations to promote the political, economic, social, and educational advancement of the inhabitants.

The Trust Territory of the Pacific Islands, which consists of Northern Mariana, Caroline, and Marshall Islands, comprises islands and island groups with a total land area of 687 square miles scattered over a 3-million-square-mile area and has 78,000 inhabitants. Pursuant to Executive Orders 10408 and 10470 of November 17 and July 17, 1953, respectively, the Northern Mariana Islands and Rota were transferred to the Navy. As a result of Executive Order 11021 of May 7, 1962, the Northern Mariana Islands were retransferred to the Department of the Interior effective July 1, 1962.

NEED

In his executive communication, dated January 19, 1962, the Secretary of the Interior requested the introduction of legislation to remove the \$7½ million ceiling applicable under the act of October 3, 1954, to appropriations for the administration of the Trust Territory of the Pacific Islands. During the past 8 years appropriations for programs in the trust territory have been well below the \$5,925,000 and \$6,304,000 in fiscal 1961 and fiscal 1962, respectively. These amounts, in the face of steadily rising administrative costs, have not encouraged development of the full potential of the trust territory for which the United States has responsibility. The committee believes that programs and facilities of the trust territory should be expanded and accelerated beyond the level maintained in the past. The committee recommends that special emphasis should be placed on construction of sorely needed hospitals, schools, and utility systems, communication, and transportation systems.

COST

The committee recommends that the \$7½ million ceiling be increased to \$17½ million and directed the Department of the Interior to increase the amount could be effectively and wisely expended. There is set forth below a breakdown of amounts, by activity, indicating how the appropriations for fiscal 1961 and 1962 were expended and how the projected amounts for 1963 and 1964 could be expended.

Table 1. Pending data, fiscal years 1961-64, Trust Territory of the Pacific Islands

Grants	Actual, fiscal year 1961	Estimate, fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Education, economic, and political development	\$982,387	\$1,350,000	\$9,535,000	\$9,000,000
Public health	883,901	575,000	700,000	700,000
Administration and political development	506,406	575,000	1,200,000	4,150,000
Public safety	452,613	497,000	838,000	835,000
Maintenance and transportation	203,708	184,000	210,000	210,000
Construction and maintenance of physical plant	1,301,259	1,000,000	1,450,000	1,600,000
Radio communications	171,693	175,000	300,000	300,000
Transportation	1,207,766	1,100,000	1,610,000	1,520,000
Administration	384,118	600,000	420,000	500,000
Administration (included in Navy appropriations)	1,394,631	1,490,500	1,320,000	1,300,000
Administration (included in Navy appropriations)			1,100,000	1,200,000
Postmaster's Office	78,844	71,400	92,000	95,000
Postmaster's Office	62,545	86,100	87,000	90,000
Unexpended revenues	7,329,871	7,704,000	18,955,000	21,500,000
Unexpended revenues	-1,404,871	-1,400,000	-1,500,000	-1,500,000
Total funding requirements	5,925,000	6,304,000	17,455,000	20,000,000

Source: 1962, \$876,000.

AMENDMENT

Introduced, S. 2275, would have provided for the complete removal of the ceiling on authorization for appropriations for the Trust Territory of the Pacific Islands. The Senate, however, amended the bill not to remove the ceiling but to increase it to \$15 million. A full review of the trust territory's needs the committee recommends that the ceiling be raised to \$17½ million with the provision that not more than \$15 million will be appropriated for fiscal 1963.

The committee takes note of the urgency for constructing additional educational building facilities and urges that full consideration be given to meeting these needs. The committee recognizes that the 41 nonpublic schools in the trust territory are doing a valuable educational job and commends the work of the missionaries and those who, through almsgiving, support these schools. The purpose of increasing the authorized appropriations for the trust territory is, of course, to improve public works and public services of its government. The committee points out, however, that it would not be considered out of the question for that government to furnish assistance to these nonpublic schools, solely in their secular aspects, to the same degree to which Federal assistance is now or may hereafter become available to similar schools in the United States and to the extent to which the furnishing of such assistance is consistent with the use of funds, after they are lawfully appropriated, to accomplish in full the purposes for which they are appropriated.

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