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Concluding Statement by Ambassador Eugenie Anderson, United  
States Representative to the Trusteeship Council, July 1, 1966.

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I would like to thank you and the members of the Council for the thoughtful and constructive consideration given in this session of the Council to the administration of the Trust Territory of the Pacific Islands by my Government.

I want to say that it is my personal desire and that of my Government to be responsive to the advice and guidance we receive from this Council and to take most responsibly the suggestions which have been made here. We may be unable today to reply individually to all of the proposals which have been made in the current session. But my Government will give each one the most serious consideration and will take appropriate action where this proves possible. We are conscious that the relationship between this Council and the Governments of the Administering Authorities is a new one in the history of political relationships. We believe that the relationship has been a productive one in the past and that it will continue to be productive in the future. We for our part are determined that this should be so and what I have heard since I have been here assures me that this is the spirit which moves the Council.

Mr. President, the distinguished representatives at this table have graphically drawn the attention of members of the Council to the immense size of the Trust Territory area. We are perhaps so accustomed to dealing with the problem that we tend to take for granted the greatly increased difficulty and expense this involves for administering and developing the area. The total extent of the Trust Territories, 3 million square miles, is about the size of the continental United States minus Alaska. Yet the total land area is only about twice the size of this City of New York, and considerably smaller than the island of Zanzibar or our smallest State, Rhode Island. The total population of 90,000 is that of a small city, but it is scattered among 96 inhabited islands separated by hundreds and sometimes thousands of miles of open water. The geographic dispersion of the inhabited islands means an uneconomic duplication of facilities for the population of 90,000. Airports, harbors, schools and hospitals must be built in numerous locations instead of one.

The result of this geographic configuration is an increase of ten-fold or more in the costs/administration and development. The High Commissioner will inform members of the Council on the budget proposals for the TTPI which my Government has submitted to the U.S. Congress for its consideration. If these proposals should be approved -- and I would mention that they have not yet examined by the Congress of the United States, which has final authority for expenditures -- we will be spending the very large total of 320 million dollars for the economic and social development and administration of the Trust Territory over the next five years. This very large sum comes to more than \$3,500 per inhabitant of the area. I do not believe that there is any population group of 90,000 people in the world which has so high a level of expenditure. I believe members of the Council will agree, as was suggested yesterday, that if this money could be spent in one concentrated 700-square mile area, the results would be impressive and startling. As it is, these outlays will bring a marked advance, but the hard facts of geography can be only partly overcome by modern communications and transport.

This, then, is the background against which our administration of the TTPI should be measured.

The report of the World Health Organization on the health conditions in the Trust Territory has properly been a central object of the Council's attention. Mr. Norwood will deal in more detail with the question of public health. I would like to state here that we have found both the WHO report and the commentary by Dr. Coigney balanced and fair. The report has drawn the attention of the Council to the discrepancy between the existing situation and the health standard we have set for ourselves as our goal. My Government has also been aware of this discrepancy. This is shown by the fact that expenditures for health have increased nearly four-fold, with sharp annual increases beginning in 1964 -- this of course was before the WHO visit - from a level of \$872,000 in 1963 to \$2,367,000 for fiscal year 1966. We now propose to spend 30 million dollars on health over the next five years. If this proposal is approved, it will more than double the present rate of expenditure and mark an 800% increase over the 1963 level. As Mr. Norwood has stated, the intervention of the Peace Corps in the Territory will add over one hundred trained health personnel to the existing medical personnel and a second large group is planned. I believe members of the Council may consider this effort impressive.

Mr. President, nearly all members of the Council have expressed interest during the present session in enlarging the competence of the Congress of Micronesia in the area of decisions over public finances and appropriations to the point where it might in time specify the projects for which United States public funds made available for the development of the Territory should be spent.

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We are of course aware that this has been a persistent interest of the Council over the past years. We are also very conscious of the importance for the political development process of the experience of making budgetary decisions and consider the Council justified in pointing to it.

I think in trying to explain our viewpoint, I had better begin with our own Constitution. As the members of the Council know, the Constitution empowers our Congress to raise money through taxes and to appropriate it for public purposes. In our country, which fought its revolution in large measure to obtain this very right for itself, our Congress is, correctly I feel, most jealous of its authority in this regard. As members of the Council know, it exercises an exacting and meticulous control over the actions of our executive branch in spending the public funds it has raised and appropriated. Through the years, the executive branch has developed expertise and competence in the administration of public funds. Yet we are held by the Congress through its committees, and through its agency, the General Accounting Office, to the most scrupulous reckoning for our expenditure of public funds.

In this context, each of the items in the annual budget of the TTPI must be justified in detail by our Department of the Interior to the appropriate committees of the House of Representatives and the Senate in a long series of hearings. Where appropriations for our own states are concerned, the Congress insists on the same standards, and refuses to make a lump sum grant to be divided for specific purposes by state legislatures, competent and experienced as the latter are in matters of public finance within their own borders. The same is true for foreign aid, where the Congress requires that it examine the individual projects for which the aid is being requested. This is the standard applied by our Congress to funds which it appropriates.

Examining the budgetary situation in the TTPI, I might say that, though some are in training, there are as yet no trained accountants in the TTPI. Micronesian district fiscal officers took office 4-5 years ago, but expertise in our complicated budgetary and accounting process is not yet fully developed. More important, the Congress of Micronesia has as yet met only once for a period of 30 days and this is all the budgetary experience that a good number of its members have had. Although members of the Congress of Micronesia will undoubtedly develop these skills in time, the principles of fiscal accountability and parliamentary supervision of finances are complex and difficult procedures requiring a high degree of training. Under these circumstances, I do not believe that we could now approach our Congress with a request for an outright annual grant to the TTPI and expect to get a favorable hearing.

We will move in this direction. Mr. Norwood has read to this Council the provisions of Section 5 of Amendment 1 of Order 2882, which gives the Congress of Micronesia powers analogous to the powers of our Congressional committees to examine budget proposals of the executive and to suggest changes. The Congress of Micronesia

can also make its own recommendations in this regard and can raise and appropriate its own revenues. I feel that it is only fair to give the Congress of Micronesia and the budgetary talent which is just starting to develop in the TTPI a chance to acquire some practical experience in the budgetary process before we urge our own Congress to devise new ways of sharing the budgetary responsibility.

I am confident this special knowledge will develop in the TTPI and will develop steadily and that we will in this way move toward the objective set by the Council in this regard.

We are serious in our attention to economic development in the area; we hope to spend over \$50 million—for infra-structure purposes in the next five years. I cannot deal here in detail with the very perceptive remarks on the general subject of development made here yesterday by the distinguished representative of New Zealand. But I would say that unless public health and education are developed and the infra-structure of roads, harbors, water supplies and so forth is first provided, the local economy cannot readily expand, elicit individual initiative, and attract private investment. I do wish to emphasize that dispersion and limited natural resources of this area will not make economic advance easy or rapid. Here again we are subject to geographic conditions beyond our control. The representative of France has skillfully developed the point that prospects for economic development would be improved if customs barriers to trade with the United States were lowered. His arguments are cogent. This again is an area which is the responsibility of our Congress. We have already made one effort to obtain the necessary legislation and we will consider whether we can raise the question again.

Let me turn now in conclusion to the more general question of political development. In entering the Trusteeship agreement, my Government undertook to prepare the people of the Territory for self-government. Members of the Council have properly considered that the Congress of Micronesia marks important progress in this regard. The Congress has had one session and will soon begin its second one. Mr. Norwood has mentioned the gradual development of a sense of area identification, the "Micronesian self", which surely is also a necessity of self-government. I believe that definite progress has been made toward the goal, perhaps more than we ourselves have been aware.

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Events, I believe, are moving us toward the need for a definite decision, within a reasonably short time, as to how and when the population of the Trust Territory shall exercise the right of choice we are obligated to provide them. These decisions of self-determination must be made by the Micronesian people themselves. But when these decisions are made, they will beyond question also reflect the persistent and constructive work of this Council.

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