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STATEMENT
OF

WILLIAM R. NORWOOD, ACTING HIGH COMMISSIONER, TRUST TERRITORY OF THE PACIFIC ISLANDS, AT HEARING BEFORE THE SUBCOMMITTEE ON TERRITORIES AND INSULAR AFFAIRS, UNITED STATES SENATE, SCHEDULED FOR THURSDAY, JULY 21, 1966, IN CONNECTION WITH S. 3504, A BILL "TO AMEND THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS."

For Release on Delivery

Mr. Chairman and members of the committee:

Under Secretary Carver has referred to our history in territorial matters and has acknowledged what we all know to be true - that what we have accomplished, we have accomplished only through an understanding and cooperative Congress. As a long time resident of Hawaii, I was privileged to witness the development and gradual transition of these islands from a non-self-governing territory to statehood - an achievement which would not have been possible without the understanding interest and support of the U. S. Congress. Now I am privileged to appear before you on behalf of another group of islands - the Trust Territory of the Pacific.

During the week of June 26 it became my responsibility to speak for the Trust Territory and for the United States before the Trusteeship Council of the United Nations. I said to that body - albeit in different words - what Under Secretary Carver has said to you today. Based on my experience to date I believe time is running out on us. The trusteeship of the Pacific Islands is wearing out as a political arrangement. We

can see in the Congress of Micronesia that the people of the Trust Territory have a growing sense of their identity and direction in this modern world. But, it is my view that the United States has yet to fulfill a number of important aspects of our responsibility to Micronesia, before we can enable the people of those islands to decide on their own political destiny.

This Government has committed itself to promote the political, economic, and social development of the people of the Trust Territory. We have, during the almost 20 years that we have administered the area, made progress toward the acceptable levels of development, but we have further to go.

There is much yet to be done to establish and sustain accepted levels of education, health, community development, and a start toward economic viability.

If we are fully to carry out our commitments, enactment of the legislation before you is urgently required. We need authority to finance a much greater effort in the Trust Territory than we have made in the past. Our responsibilities to the Micronesians permit no alternative. The proposal under consideration is necessary to achieve that result. If enacted, it will radically alter our whole approach to the administration of the Trust Territory of the Pacific Islands - an approach, which I submit, should be so altered.

Section 1 of the proposal authorizes an appropriation of not to exceed \$172,000,000 for a capital improvement and public works program in the fields of health and education, utilities, roads, transportation, communications, and public buildings. No time limit is specified for completion of the program, but we have predicated our estimates upon a five-year period. That is, during the fiscal years 1967 through 1971, with the resulting facilities constructed and available for operations during the fiscal year 1972.

Very briefly summarized, the new proposed five-year capital improvement and public works program provides the following:

<u>Health facilities</u> , including general hospitals, regional Health centers, dispensaries, nursing school, medical service vessels and medical housing.....	\$30,125,000
<u>For education</u> , including elementary schools (\$28,000,000), and secondary education (\$49,000,000) for classrooms, dormitories and related facilities.....	77,000,000
<u>For water, power and sanitation</u>	32,000,000
<u>For transportation</u> , including airport improvements, roads, and streets, and harbors.....	19,795,000
<u>For communications</u>	2,830,000
<u>For general government requirements</u> , including courthouses, shops, warehousing, etc.....	10,229,000

which totals approximately \$172,000,000.

Section 1 also authorizes the appropriation of such additional amounts as may be necessary for the administration of the Trust Territory. We estimate that these amounts on an annual basis will range from \$22,000,000 to \$38,000,000 over the five-year period.

Finally, section 1, recognizing both the interest and the responsibilities of this committee and your counterpart in the House, provides that, within ten days after the President submits to the Congress his annual budget or a supplemental budget request that includes a request for appropriations for the Trust Territory, the Secretary of the Interior will submit to the House and Senate Interior and Insular Affairs Committees an explanatory statement of the capital improvement, public works and other costs of civil administration of the Trust Territory which are covered by the regular or supplemental budget requests.

The proposal is a formidable one and it is an ambitious one, but it is one which I am anxious to undertake because I sincerely believe that it is imperative that we do so.

This committee is aware of the many problems which face us in the Trust Territory. Up until now top priority has been given to health and education. We are a long way from solving those problems although a substantial start has been made. I am also convinced that increasingly more attention must be given to economic development. These substantive problems are compounded by problems of administration. I have turned to them as my area of immediate concern. Steps already have been taken to

strengthen the quality and the organization of the administration, particularly the management of fiscal affairs. Further steps will be taken to realign and clarify relationships between the political subdivisions of the Trust Territory and Headquarters.

I am satisfied that to the extent that administration can be further improved and strengthened and made more efficient, we can do more with the resources currently available to us. But those resources, even with optimum administration, are still inadequate to do the job. The proposal before you will provide the resources we need. It will permit us to resolve directly our problems related to the physical plant and sufficient skilled personnel. The same program we have outlined will promote and stimulate economic development, training of now unskilled Micronesians, and a new and higher standard of living for the people of the Trust Territory.

This legislation, if enacted, will give our administration of the Trust Territory a proper perspective and direction. It will be a mandate from the Congress to get on with the business at hand in a meaningful way. It will demonstrate to the people of Micronesia that we did not undertake lightly the obligations which became ours when we assumed the trusteeship of the area in 1947, and that we are determined to discharge those obligations in a creditable and timely fashion.

Thank you.

A B I L L

To amend the Act of June 30, 1954, as amended, providing for the continuance of civil government for 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), as amended (76 Stat. 171), is hereby amended to read as follows:

"Sec. 2. There are authorized to be appropriated not to exceed \$32,000,000 for fiscal year 1967, \$35,000,000 for fiscal year 1968, ~~and the same amount for each fiscal year thereafter,~~ to remain available until expended, to carry out the provisions of this Act and to provide for a program of necessary capital improvements and public works related to health, education, utilities, highways, transportation facilities, communications, and public buildings: Provided, that except for funds)
(appropriated for the activities of the Peace Corps no funds appropriated by any Act shall be used for administration of the Trust Territory of the Pacific Islands except as may be specifically authorized by law."

Fiscal Year 1967

Recapitulation

Fiscal Year 1967 Programs	\$15,000,000
Fiscal Year 1967 Capital Improvement	2,500,000
Sub-Total	17,500,000
Additional Programs	5,500,000
Additional Capital Improvement	<u>8,950,000</u>
Sub-Total	\$14,450,000
Total	1967
	\$31,950,000

FISCAL YEAR 1967

Additional Capital Improvements

I	Health	\$1,450,000
II	Education	4,000,000
III	Water, Power, Sewerage	750,000
IV	Transportation	750,000
V	Roads	500,000
VI	Harbors	200,000
VII	Communications	50,000
VIII	Administrative Bldgs.	
	A&E	50,000
	A&E District Adm. Bldgs.	50,000
	Hq. Adm. Bldgs.	150,000
	Warehouses	200,000
	Public Works Shops	50,000
	Staff Housing	500,000
IX	Judiciary	
	Courthouses	<u>250,000</u>
	Total	\$8,950,000

FISCAL YEAR 1968

Capital Improvements

I Health	\$3,350,000
II Education	5,750,000
III Water, Power, Sewerage	750,000
IV Transportation	1,000,000
V Roads	500,000
VI Harbors	100,000
VII Communications	600,000
VIII Administrative Bldgs.	
District Adm. Bldgs.	100,000
Hq. Adm. Bldgs.	
Warehouses	100,000
Public Works Shops	100,000
Staff Housing	<u>500,000</u>
Sub-Total	\$12,850,000
<u>Operations</u>	<u>21,500,000</u>
Total	\$34,350,000

FISCAL YEAR 1967

Additional Capital Improvements

I Health	\$1,450,000
II Education	4,000,000
III Water, Power, Sewerage	750,000
IV Transportation	750,000
V Roads	500,000
VI Harbors	200,000
VII Communications	50,000
VIII Administrative Bldgs.	
A&E	50,000
A&E District Adm. Bldgs.	50,000
Hq. Adm. Bldgs.	150,000
Warehouses	200,000
Public Works Shops	50,000
Staff Housing	500,000
IX Judiciary	
Courthouses	<u>250,000</u>
Total	\$8,950,000

CAPITAL IMPROVEMENT PROGRAM

FISCAL YEAR 1968

- I Health - \$3,950,000 - Includes
\$750,000 each for construction work on the 200 bed Truk and 150 bed Ponape Hospitals and \$750,000 to begin construction of the 100 bed Yap hospital. \$500,000 is intended for construction of the first units of the 7 proposed subcenter hospitals and \$300,000 for continuation of village dispensary construction (a total of 75 dispensaries at a cost of \$20,000 each is projected) \$300,000 for medical housing at \$20,000 is included for 1968.
- II Education - \$5,750,000 - Includes
\$3,000,000 for elementary classrooms (120 at \$25,000 each); \$300,000 for elementary school teacher housing (15 units @ \$20,000); \$1,000,000 for secondary classrooms (28 @ \$35,000); \$750,000 student housing; \$700,000 secondary teacher housing (35 @ \$20,000).
- III Water power and sewerage -
\$750,000 - This will continue construction of basic utilities serving new schools, health facilities, and the Micronesian population.
- IV Transportation - \$1,000,000 -
These funds are estimated to substantially complete the Ponape airfield eliminating the inefficient Amphibious air service now required.
- V Roads - \$500,000 -
These funds will be used for road construction providing access to agricultural areas and communities now accessible only by foot trail or canoe. A road net of 290 miles is ultimately planned.
- VI Harbors - \$100,000 -
These funds on a territory--wide basis will cover improvements to anchorages, piers and docking facilities. Total costs are estimated at \$1,765,000.

VII Communications - \$600,000 - Includes
\$100,000 for district telephone facilities; \$250,000 to
initiate construction of a Guam-Saipan microwave circuit
(a further \$250,000 is estimated for 1969); and \$250,000
for inter-district radio communications and radio
communications to outlying islands.

VIII Administrative Buildings

District Administrative Buildings - \$100,000.
Warehouses - \$100,000
Public Works Shops - \$100,000
Staff Housing - \$500,000

TOTAL C.I.P. \$12,850,000