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REPLIES TO QUESTIONS POSED BY THE UNITED NATIONS VISITING MISSION 1967

copy to Interim

I. Political, Constitutional and Administrative Questions

1. What are the intentions of the Administering Authority concerning the next constitutional steps to give more responsibility to the Micronesians?

Answer

Several measures are under consideration to give more responsibility to the Congress of Micronesia. These include the possibility of putting the members of the Congress on a full-time salary basis at some future time; the possibility of providing more financial support for the administrative cost of the Congress so that funds available to them from revenue sources may be appropriated by them for program needs rather than to cover their administrative requirements. Some consideration is also being given to lengthening the period of the regular session so that there may be less need for special sessions or for prolonged meetings of the Interim Committee. In view of the fact that a high percentage of potential tax revenues are not now being collected and are thus not now available to the Congress, the need for a revenue officer or a tax collector as part of the executive branch organization is under consideration. We do not now have adequate procedures for enforcing tax laws or the collection of taxes.

In relation to the foregoing, however, it is also felt that there is need for better utilization and implementation of present orders and regulations. Micronesians have considerable number of political privileges at present but in some cases these have not been thoroughly and fully defined or thoroughly implemented. Consequently, there appears to be a need on the part of Micronesian legislative bodies at various levels to develop a stronger sense of responsibility for programs of service to their respective communities in contrast with the present tendency to concentrate on their internal organization and internal activities.

2. The Mission would like to know how the Administering Authority plans to use additional funds which may be appropriated to it by the present U.S. Congress. It would like to know what stage the present appropriations bill has reached.

Answer

Attached hereto is a summary outline (annex 1) of the proposed use of funds which may be appropriated by the U.S. Congress. For Fiscal Year 1968 the \$17.5 million limit was sought to be appropriated by the Senate and House Subcommittees for Appropriations for Interior and Insular Affairs. The High Commissioner has testified in support of this appropriation which is the maximum that can be requested under the present ceiling legislation for 1968.

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The U.S. Senate has passed an Act to amend the present appropriation ceiling to increase it to \$25,000,000 for FY 1967 and \$35,000,000 for FY 1968 and 1969. The details of this legislation are contained in the Senate Report Number 62, Calendar Number 65 of U.S. Senate, 90th Congress, First Session. A similar bill has been reported to the U.S. House of Representatives by the House Committee on Interior and Insular Affairs.

3. The Visiting Mission would like to know to what extent the Administering Authority is drawing upon the views of Micronesian leaders in each district in the formation of plans and in seeking appropriations from the U.S. Congress.

Answer

As we improve the administrative relationships between the headquarters organization and the districts, we hope to be able to develop district administrations that are more responsive to and have stronger liaison with the district legislatures and municipal councils. All Assistant Commissioners and Department Heads are or will be encouraged to counsel with members of the Congress of Micronesia whenever they have the opportunity to do so in the respective districts as well as to meet when appropriate with district legislative bodies for purposes of discussing program needs and goals. It is expected further that all program and budget requests emanating from the districts will be based on discussion and review with the appropriate legislative representatives in the districts.

Insofar as possible, when the Trust Territory budget is in the process of preparation, opportunities will be sought to review this budget with representatives of the Congress of Micronesia. It is also contemplated that from time to time representatives of the Congress of Micronesia will be invited to accompany the High Commissioner and other members of his staff when they appear in Washington for budget hearings before various committees of the U.S. Congress.

4. Does the Administering Authority intend to modify the system of appeals from court decisions in order that they be sent to the U.S. Federal court system?

Answer

A bill has been prepared which provides for appeals from the High Court of the Trust Territory to the District Court of Guam. We were advised by the Office of Territories in September, 1966, that that office anticipated renewing its efforts to obtain executive clearance of the proposal in order that, assuming clearance, it might be introduced early in the 90th Congress. If the proposal should be enacted into law in its present form it is contemplated that decisions of the District Court of Guam on appeals from the Trust Territory High Court could be further appealed to the U.S. Court of Appeals for the Ninth Circuit.

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5. What plans has the Administering Authority for training more indigenous lawyers?

Answer

Through the Territorial scholarship program the Administration encourages the training of indigenous lawyers. Currently there are seven students enrolled in pre-law courses and two have been admitted to law school.

6. Is the High Commissioner satisfied with the political and administrative arrangements for the Trust Territory. What would be his views on the suggestion made to the Mission that some additional districts should be created to increase efficiency of these bodies and also, whether given the increase in population small administrative units may become necessary.

Answer

The High Commissioner is not presently satisfied with the political and administrative arrangements for the Trust Territory. Administrative arrangements and administrative competence at various levels of the government organization are currently under review and some changes are contemplated. One of the most pressing problems affecting the relationship between the executive and legislative branches of the government arises from the fact that a high percentage of the members of the Congress are also government employees, many of them occupying responsible and important positions. This duality of identity will be phased out to some extent by 1960. At present, however, many valuable employees are drawn away from their administrative responsibilities for as much as 50% of the time by their involvement in legislative sessions, meetings, conferences, etc.

The suggestion that some additional districts be created is not regarded as feasible at this time. The organization of sub-districts for administrative purposes may be administratively desirable in relationship to the growth of new centers of population density requiring establishment of sub-districts for purposes of more effective coordination of administrative responsibilities.

The overlapping and pyramiding of legislative bodies also warrants review and modification. At present, there would appear to be unnecessary duplication of effort and cost resulting from the multiple layers of municipal councils, district legislatures and the Congress of Micronesia.

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II. Japanese War Claims: What steps have been taken to ascertain the exact nature and value of local claims? In this connection the Visiting Mission would like a copy of the statement made to it by the Attorney General, Mr. Shoecraft, on 13 February 1967.

Answer: Mr. Shoecraft's statement appears on page 5 of the Record of Conference, dated February 23, 1967, which was prepared by Mrs. Cook, the Conference Recorder.

The latest information we have received was to the effect that full scale negotiations with the Government of Japan are expected to resume this Spring. This information was passed to the Visiting Mission at Yap. (Report of Claims Team attached for information.--Annex 2)

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III. SOME LAND TENURE PROBLEMS

1. Most areas of the Trust Territory, except the islands occupied by the Chamorro people of the Mariana Islands District, have complex land title problems which require the direct participation of the Trust Territory Government in attempts to find means for their solutions.
2. Many groups are encountering difficulties adapting the traditional land tenure system to the pressures of the emerging cash economy taking place in every district.
3. There are distinctly different land tenure patterns even within a single linguistic group (with the exception of the Chamorro's).
4. No area by area approach has been made to reduce customary land practices to a statement of the form and function of the determinants of each identifiable system.
5. No title recording procedures or a title registration system has been established whereby a person can obtain a certificate of title to a parcel of land against which no claim for advise possession can be made.

SOME SOLUTIONS TO LAND TENURE PROBLEMS

In seeking a solution to customary land tenure problems, it must be kept in mind that land customs are firmly embedded in the social structure and any attempt to develop an arrangement to short-cut the laborious process of enquiry and the need for substantial agreement in taking land out of a customary system into a tenure arrangement conducive to modern economic system, could well fail by non-acceptance of the people concerned.

1. The Trust Territory Government is aware of the complexity of the traditional land tenure systems and has made conscious efforts to encourage the people to seek solutions within the existing established judicial process and the administrative framework.
2. Enactment of legislation could bring about a modification of the existing customary land practices and/or enactment of legislation could permit the conversion of land held under custom into land with individual registered title free from the limitation of customary use rights and inheritance.
3. The policy of this Government is to encourage, where possible, ways and means to promote an awareness of the need for a single system of land holding in the Trust Territory.

4. At this stage, because of severe budgetary and staffing limitations, no steps have been taken in recent years by the Trust Territory Government to make an area by area study to rationalize the customary land tenure system.

Some land tenure studies have been made in the past by private and government researchers which are of considerable value to an understanding of customary land tenure.

5. As part of the government's legislative program for the second session (July 1966) of the Congress of Micronesia, four bills directly relating to land, were introduced. However, three bills providing for the Establishment of the Division of Land Management, a Uniform Land Survey Code and the Registration of Surveyors failed to be enacted into law.

Only Public Law No. 2-1 being an "Act to provide for the Establishment of Land Commissions the Determination and Registration of Title to Land and Matters pertaining thereto" was passed.

No budgetary provision as yet has been approved to put this law into effect. Furthermore the full benefits to be derived from Public Law No. 2-1 must await Congressional (Congress of Micronesia) approval for a Uniform Land Survey Code.

PLANS FOR THE UTILIZATION OF LAND IN URBAN AREAS INCLUDING
HOMESTEADING

The Trust Territory Government is currently making a complete re-evaluation of land use and an appraisal of existing village lot homesteading programs in urban areas and in district centers. A moratorium has been placed on further implementation of the village homesteading program until comprehensive land use plans are finalized.

PLANS FOR THE UTILIZATION OF LAND IN RURAL AREAS INCLUDING
HOMESTEADING

In districts where public lands are available, plans have been made, and are being implemented in some instances, to provide land for agricultural and grazing purposes.

The use of public land for agricultural purposes, either by lease or under the homesteading program, has not come up to the expectations of this Government. However the use of public land for grazing in the Mariana Islands District has met with some success. Plans have been made to continue the utilization of land areas, especially military retention areas, for grazing purposes.

MILITARY RETENTION AREAS

Military retention areas are located in all districts. Except for the Mariana Islands District the total areas are small and are confined to Coast Guard loran stations, airfields, communications sites, the Kwajalein missile complex, etc.

Six of these military retention areas on Saipan Island, totaling 3700 acres, are currently being utilized for public (community) purposes or else have been made available to the public under lease for grazing.

A retention area which is not presently available, is an airfield complex. Tinian Island has 9000 acres in military retention, which is not available for public use at the present time. However, another approach will be made shortly to the military for use of parts of this area for grazing purposes.

IV. Kwajalein and Ebeye

The Visiting Mission wishes to know more about the relationship between the TT Government and the Administration of the Kwajalein/Ebeye area and its effect, especially on the Marshall Islands District and on the District Centre. Is the TT Government's approval sought in matters such as the housing scheme and land utilization in Ebeye and Kwajalein and the import of labour from outside the Territory. (The V.M. recalls that the records on Kwajalein settlements were promised to it by the Attorney-General).

Answer

Shortly after the new High Commissioner took office last summer (May, 1966), there were indications that Ebeye was developing administrative problems of major and critical proportions. In conversation with the High Commissioner, the District Administrator described the Ebeye situation as "explosive." Some of the mid-Corridor people were threatening to revolt and return to the mid-Corridor islands from Ebeye in defiance of military and Trust Territory authorities. Some had also petitioned for the removal of the then District Representative on Ebeye.

The High Commissioner visited Ebeye in August, 1966, and determined that special measures were required. Subsequently, the Kwajalein Liaison Office was removed from district jurisdiction and made responsible directly to headquarters, as is the Guam Liaison Office. The District Representative on Ebeye was transferred to Majuro and Dr. William Vitarelli was sent to Ebeye as the special representative of the High Commissioner to direct an Ebeye development program. A memorandum of understanding establishing administrative policy guidelines for this experimental arrangement was prepared and agreed to by Dr. Vitarelli and Mr. Dwight Heine, District Administrator. Subsequently, Mr. Heine also designated Dr. Vitarelli as District Representative for Ebeye.

Personality conflicts have developed and jurisdictional problems have arisen. Although Dr. Vitarelli is regarded as having established excellent rapport with the residents of Ebeye, he has been handicapped by some confusion regarding the extent of his authority. This problem is presently under review and measures will be taken to resolve the problem.

Land utilization is negotiated with its recognized owners, and all use rights and/or leases must be approved by the High Commissioner, whether military or civil uses are sought. Concerning

the present "housing scheme" on Ebeye, the comprehensive housing project, now approximately 60% completed, was instigated at the insistence of the Secretary of the Interior. The Trust Territory Government was consulted on the engineering and design of the project; and though nobody is really content with the compromises that are producing the final project, the facilities as they are being built have been substantially upgraded from those originally proposed by the military. There is a tacit agreement between the Trust Territory Government and the Pacific Missile Range Project that the latter will not encourage further Micronesian immigration to Ebeye as a labor force beyond the capacity of the community to absorb them. Alien skilled labor can be brought into the territory by private firms such as Van Camp when temporary entry permits are requested for specific workers on demonstration of the need for these special skills. The military recruits its own labor for Kwajalein, but American or alien labor is restricted to residency on Kwajalein Island.

IV. Additional statement of the Attorney General as to the following:

". . . The Visiting Mission recalls that the records on Kwajalein settlements were promised to it by the Attorney General."

Answer: It may be that what is referred to are payments made from approximately \$1,000,000 appropriated by Congress for settlement of land claims. Public Law 155 of the 82nd Congress, approved September 23, 1951 (65 Stat. 336, 350) provided an appropriation of \$1,772,000 for acquisition of land in the Trust Territory. The Secretary of the Navy was authorized to expend these funds.

Our records do indicate payments made just prior to and since July 6, 1956, the date of the Agreement between the Director, Pacific Division, Bureau of Yards and Docks and the Acting High Commissioner of the Trust Territory, both acting pursuant to delegated authority from the Secretary of the Navy and the Secretary of the Interior, respectively.

The aforementioned Agreement provided that the Director, Pacific Division, Bureau of Yards and Docks, would advance funds in the amount of \$1,245,323.00 to the High Commissioner of the Trust Territory for acquisition of certain interests (indefinite use rights) in various land areas located in the Trust Territory for and on behalf of the United States.

Our records indicate expenditures from this fund as follows: (Those made just prior to the above mentioned Agreement were made from Trust Territory funds and reimbursed from the funds advanced by the Navy.)

<u>Area</u>	<u>Acres</u>	<u>Amount</u>	<u>District</u>
Naval Airfield	67	\$ 21,457.36	Truk
Seaplane Base	10	1,950.23	Truk
Naval Radio Station	1	279.50	Truk
Total	78	\$ 23,707.09	
Bikini Atoll	1,302.4	\$325,000.00	Marshalls
Eniwetok Atoll	1,700.8	175,000.00	Marshalls
Roi-Namur	400	30,000.00	Marshalls
Falalop (Ulithi)	62	19,039.23	Yap
Kwajalein Island *	602	602,000.00	Marshalls
Dalap Island Airstrip	60	60,000.00	Marshalls
	4,301.2	\$1,379,626.37	

* (Including North Loi, South Loi, and approximately 12 acres on Ebeye) Note: Of the above amount for settlement of Kwajalein claims, the U.S. Navy made available an additional \$150,000.00.

The outstanding balance in the "Land Use and Occupancy Fund," \$75,347.04, in February, 1965, was deposited in a U. S. Treasury Suspense Account and is no longer a part of Trust Territory funds. For further settlements it will be necessary to request release of these funds in addition to appropriations for any other amounts required. It should be noted that of the amount returned to the Treasury, \$52,650.12 represented accrued interest.

We do not have records showing expenditures made by the Navy in the years prior to turn-over of the fund to the High Commissioner.

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V. ECONOMIC DEVELOPMENT

1. The UNVM has read the Tabb report. They would appreciate information on the attitude to and the action upon this report or propose to be taken by the Trust Territory Government. They are particularly interested in the matter of local taxation and would like to know whether any steps are being taken to implement either the Tabb recommendations or alternative policies for fiscal review or reform. In particular they would like to have the administering authority's views on (a) the imposition and collection of direct personal tax (e.g., income, property, wealth) by all residents of Micronesia and the public's ability to pay; (b) the possibility of arrangements for refund to the Trust Territory Government of income tax paid by U.S. citizens in the Territory to the United States, and (c) introduction of protective tariffs on goods such as canned fish, etc.

Answer:

(a) Imposition of income taxes on residents of Micronesia have been given relatively little consideration and will probably not receive any until such time as a philosophy of income tax is established and collection of such taxes become feasible. Property and wealth taxes have not been given deep consideration.

It is recognized in concurrence with the Tabb Report that the current tax burden is not high for most Micronesians, either as a proportion of national income or on an individual basis. The real level of income of Micronesians makes it imperative that consideration be given by the Congress of Micronesia for the imposition of tax levels which will permit them to contribute greater support to their government.

The Tabb Report. We have reproduced copies of this report and distributed them to the members of the Congress of Micronesia and to the district administrations. We have not sought responses or assessed the attitude to this report, nor has any other action been taken to date. Some efforts are being made to acquire additional staff to begin to act on, and to assist the Congress and the local units of government in taking appropriate actions on the Tabb Report, and on fiscal review and reform.

(b) This possibility has not been considered but legislation now existing is not permissive.

(c) The Nathan analyses indicate to us quite conclusively that protective tariff on such goods as canned fish would have the

effect of raising the cost of living for all Micronesians, thereby lowering their standards of living, and that no feasible economic activities would be stimulated to offset the social disadvantages of this. The economics of the Trust Territory are such that canning operations aimed toward local markets are absolutely infeasible at the present time and for the immediately foreseeable future.

2. Are commercial banks and credit unions the only facilities for savings?

Answer:

Yes, commercial banks in Palau, Saipan, Ponape, Truk and Kwajalein as well as the many credit unions established in the Trust Territory represent the only institutional facilities for savings. However, in addition, Micronesians are permitted to invest in U.S. savings bonds although the interest earned on these bonds is subject to a 30 percent foreign investment holding.

Further, although not in the savings classification, mutual investment funds, stocks and bonds are made available to the population for investment as well as locally formed corporations such as United Micronesia Development Association, Mobil Oil Micronesia and others.

3. What advisory service is available to small businessmen?

Answer:

A recently employed Executive Secretary for the Economic Development Loan Fund provides business advisory service to borrowers. Cooperative officers stationed in three districts and at Headquarters provide business advice to small businesses aside from their cooperative functions. The Peace Corps has assigned young people with degrees in business administration and accounting to the various districts. These young people work with the cooperative officers and the economic development sections in the provision of advisory services. Plans are being developed for eventual placement of business advisor/accountant assistance in each of the districts through the employment of trained and skilled individuals.

As you know, the Nathan Report has recommended a small business development program which would considerably strengthen our existing efforts to assist small businesses. These recommendations are currently being given careful consideration.

4. Are there any plans to expand the work of the agricultural department?

Answer:

Before firm development plans can be completed for the agricultural programs, there are feasibility studies to be conducted, decisions to be made which will give direction to the placing of emphasis on specialized crops, livestock production, coconut rehabilitation, expansion of extension services, improvement of the quality of candidates for the Farm Institute, as well as those special projects now under study. (For example, in the past there has been a somewhat proportional allocation of funds among the districts based upon the population. In the future, it is anticipated that the main thrust of agricultural programs which appear to be economically feasible will be directed toward those districts where favorable soil, climate and market conditions exist.

Vocational training in agriculture is now being considered and planned as a part of our over-all consideration of considerably expanded activities in vocational education.

5. What plans has the government for the development of fisheries and of facilities for boat building, ice plants, docks, etc.?

Answer:

There are no definite plans for specific fisheries development and infrastructure provision, but we are in the process of planning the more careful assessment of our fisheries resources including the need for a marine science laboratory and potentials, and will plan infrastructure installations on the basis of our findings.

Shoreside facilities with ice and cold storage plants are essential to the establishment of subsistence or export fisheries; therefore, shore stations similar to the one in Palau District will have to be constructed in those districts where it is desired to develop marine resources. Much of this development may well take place in conjunction with commercial firms in order to prevent duplication of facilities.

6. Are there any proposals to foster the handicraft industry in the Territory?

Answer:

In order to promote the handicraft industry in the Territory efforts are being made to improve the quality of handiwork to enable Micronesians to compete with Philippine and Formosan handicrafts in Guam which is the major outlet.

Our cooperative officers and the Peace Corps are working very closely with handicraft cooperatives in Truk and Ponape Districts. The Community Development programs are directing part of their efforts to the development of the handicraft industry, particularly with women's groups. The market in Guam and Kwajalein is very limited; we have not exported any handicrafts to the United States because of the tariff imposed.

Encouragement continues through the Economic Development Loan Fund for direct loans to the Ponape Handicraft Cooperative, the Palau Woodworkers' Guild and others.

7. The Visiting Mission noticed that several islands had experienced food shortages and that there was also a shortage of trade goods in the islands. The Mission would like to know whether the administering authority is aware of such situations and whether it proposes to take action to prevent such shortages.

Answer:

The authority is aware that this situation occurs from time to time largely due to a shortage of trade goods in the district centers which are held for distribution to the outlying islands and atolls. This situation is being investigated with a view toward solution by further increasing field trip schedules and encouraging the trading companies to build up their working capital in order that adequate staples can be provided. This can partially be resolved by inventory loans from the Economic Development Loan Fund where the cooperatives and trading companies can qualify.

In some cases where typhoons have devastated islands feeding programs have been instituted. It now appears that some of these may have been terminated prematurely. The administration will re-examine these cases in an effort to determine true hardship and will assist where necessary on a selective basis using government employees and Peace Corps volunteers as distribution officials.

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The distribution of USDA surplus foods for school lunches has never been terminated. Because of shipping delays and distribution problems we have not received some scheduled shipments from the United States. As a result stocks in many of the districts have been depleted. These food stocks are now being replenished.

8. The Mission wishes to enquire whether there is a settled policy in regard to obtaining assistance from the United Nations and its specialized agencies. It would appear that except for an expert in the coconut industry provided by the UN, and the utilization of some fellowships offered by the UN, no other technical assistance has been requested for the Trust Territory.

Answer

The Trust Territory Administration seeks assistance from a variety of international and United States Governmental agencies. Assistance in the form of technical assistance has been received from the East West Center, the South Pacific Commission, the World Health Organization and such U.S. governmental agencies as the Civil Aeronautics Board, the Federal Aviation Agency, the Bureau of Commercial Fisheries, the National Park Service and in addition through the Peace Corps, TESL and health consultants. All of this assistance must be cleared through appropriate United States agencies such as the Bureau of the Budget and committees of the U.S. Congress in order that duplication of funding is avoided and assistance efforts are responsive to the policies of the Administering Authority.

The Trust Territory would like to request that the Visiting Mission review the areas which they feel would be of greatest benefit to Micronesia and to report to us the availability of UN technical assistance.

9. What plans has the Administering Authority to improve the economic infrastructure of the territory--roads, sea and air communications, docks and ice plants? What are the plans for the airstrip at Ponape? Is sufficient indigenous labour available to carry out the programs of road construction?

Answer

Please refer to the reply given in Section I, Question 2 which outlines the plans for use of funds in categories of construction.

Planning for infrastructure for economic development is being carried on concurrently with planning for the conditions proceeding to meaningful economic development as outlined in the "Nathan Team Economic Development Plan for Micronesia."

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The pressing need to meet social service requirements has precluded serious consideration of economic development in infrastructure planning, to date. However, with the recommendations of the Nathan Report, and with the relatively high levels which have been achieved in the health and education fields, we are now turning our attention toward the consideration of economic development as a significant factor in infrastructure planning. However, we do not as yet have an economic infrastructure development plan.

The construction of the airstrip at Ponape should be completed within possibly 15 months.

The answer to the last question regarding availability of labour will depend upon the total level of governmental expenditures (which we cannot now determine) and the speed of economic development and the concomitant increase in demands for local labor. If the proposed budget increases are approved the primary and secondary spending impact of these dollars will result in serious shortages of labor for all kinds of programs and activities, and in almost all places in the Trust Territory. This would include road construction.

Irrespective of the increases in government spending, however, any very significant road construction program will require some imported supervisory and skilled labor.

10. What is the present thinking of the Administering Authority in regard to the recommendations of the Nathan Report?

Answer

The recommendations of the Nathan Report will require continuing analysis and selective implementation. The Administration is in agreement with the Nathan Team's general policies and guidelines. Some specific recommendations are questioned as appropriate at this point in time. These include the proposals that persons other than Micronesian citizens be permitted to own land and that there be importation of foreign labor. In connection with the latter suggestion, it will be necessary to import certain skills from outside the territory and possibly some semi-skilled workers from outside the territory as we move ahead with the capital improvement program in the near future. At the same time, the Administration is in complete agreement with the Nathan Report's strong recommendation that efforts be

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made to upgrade the skills of the Micronesian people and to broaden and deepen their understanding of good work standards, productivity in relation to wages, and the importance of reliable performance. Experience has already demonstrated that the Micronesians are responsive to training of this kind.

As recommended by the Nathan Report, investment by interests outside the territory will be encouraged but only on the basis that this investment contributes to the development of Micronesia and is not for the purpose of exploiting or siphoning away the resources of the territory. One of the principal requirements will be that, insofar as possible, new development programs involving investment from outside sources will provide some opportunity for ownership participation by Micronesians and will, of course, develop employment opportunities for Micronesians.

The numerous recommendations of the Nathan Report will receive careful attention, will be implemented as we have timely opportunities to do so. Many of the recommendations regarding the administrative organization and the need to develop a higher caliber of administrative personnel are regarded as constructive. Measures are already being taken to improve the administrative relationships between headquarters and the districts. In this connection, one of the immediate needs identified by the Nathan Report and recognized by the Administration is a more reliable fund of useful data and much improved communications. Steps are already being taken to implement these recommendations.

The Administration also agrees with the Nathan Report that the uncertainties regarding the ultimate political status for the Trust Territory should be eliminated as quickly as possible. It is also agreed that the planning and development of the infrastructure of various facilities should be carefully coordinated to foster economic growth.

VI. Social Questions

1. What has been accomplished in the field of public health since the publication of the WHO Report (T/1847), and what follow-up action has been taken to the report and what funds have been allocated? In particular what is being done about treatment of mental patients in the light of the resolution adopted by the Congress of Micronesia on this subject?

Answer

(a) Organization:

In the line of organization of Public Health, the Administration approved, in February 1966, an organizational set-up of divisions within the Headquarters Department of Public Health under the Director.

Under this organizational pattern the Director of Public Health now has direct technical supervision over the six District Directors of Public Health.

(b) Staff:

To the Headquarters staff have been added 5 new members. These are:

Sanitary Engineer	January 1966
Medical Equipment Repairman	January 1966
Pharmacist	April 1966
Chief, Division of Nursing	Separated from TTNS early 1966
Administrative Assistant	March 1967

Two others, a Hospital Administrator and Medical Records Librarian, will be arriving in April 1967.

The position of Head Nurse, who is the district supervisor of nursing, was approved for each district in November, 1965, and three of these positions are now filled.

Several more staff members have been added through Peace Corps assistance. These are 6 M.D's, 15 R.N's, 6 LPN's, 1 Pharmacist, 6 X-ray technicians, 2 Medical Technologists and approximately 110 health generalists.

(c) Trust Territory School of Nursing:

The TTNS has added one R.N. and one Micronesian B.S.N., as well as one Peace Corps R.N.

A second class of 25 students was taken into the School in September 1966, more than doubling the enrollment which now totals about 40 students.

Two quonset buildings were acquired by the School for dormitory use and funds were made available for the complete renovation of all the 6 quonset buildings at the school.

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(d) Other Medical Training:

There has been an increased interest and activity in medical education, with a Medical Scholarship Committee separate from the General Scholarship Committee, with separate funds.

Besides about 15 students in Guam, about 10 on the mainland, and 2 in the Philippines in various fields of medical training, approval was gained from the Trust Territory Administration, Department of Interior, and the Department of State to send more students to the Fiji School of Medicine. Accordingly, 12 students were accepted and admitted by the School in January 1967.

A number of East-West Center field training programs have been conducted.

(e) Facilities:

A contract has been let with a U.S. Architect and Engineering firm for the planning of a new hospital at Truk, with the understanding that these plans will be adapted to Ponape at a later date.

A new interim 14-bed ward has been added to the hospital facilities at Truk and was recently completed.

The Hospital at Ebeye has been repaired and Kusaie hospital will be renovated.

The Dispensary at Laura in the Majuro Atoll was recently renovated through the efforts of Peace Corps workers, with materials being supplied by the Trust Territory Government.

The Yap Hospital is being partly renovated.

(f) Equipment:

Approximately \$25,000 was spent on medical equipment for the hospitals in FY 1966 and approximately \$20,000 more has been spent to date for minor equipment at the district level. An additional \$100,000 is now being made available and equipment is now being purchased.

Some items acquired since January 1966 are:

- 3 new 200 MA X-ray units for Saipan, Yap and Ponape.
- 1 Portable X-ray unit for Kusaie Hospital.
- 5 new EKG machines.
- 1 new dental unit for the Marshalls.

(g) Medical Referrals:

A more liberal policy on the referral of medical patients to Guam was instituted in late 1965, at which time patients were referred to Guam according to the clinical and professional judgment of the District

Directors who were told that patients are not to be held back because of lack of funds. Total cost for medical referrals for FY 1966 was \$191,000 and it is anticipated the total cost will be \$260,000 for FY 1967.

A proposed plan is underway to refer patients to a Tuberculosis Hospital in Hawaii.

Establishment of the Guam/Trust Territory State Plan for referral of patients to Guam for Crippled Children's Services.

(h) Programs:

Consultants have come to the Trust Territory in the fields of Health Education and Leprosy. Trust Territory has also been visited by a consultant in Tuberculosis and Leprosy through the Peace Corps. Through Peace Corps activities, plans are presently underway to conduct a Household Survey this month, and also surveys for Tuberculosis, Leprosy, and Filariasis are planned for the next two year period.

During the past year and a half, Dr. Van Schoote has done preliminary survey work in Filariasis in the Marianas, Truk and Yap districts. This was accomplished in the out-islands of Truk and Yap by him with his own sailboat.

(i) Environmental Health:

- (i) An intensive program for the introduction of water-seal toilets has been started in all six districts.
- (ii) Increased activity in health education activities at the district level with both T.T. personnel and PCV's.

(j) Mental Health:

As to the mental health program, plans are now being considered for special training programs for staff.

In July 1965 a consultant from N.I.M.H. (National Institutes of Mental Health) was brought to the Trust Territory and her report was submitted, and the subject is still being studied. As to plans for constructing facilities, a unit is included in the plans for the new Truk Hospital.

(k) Funds:

Total health program expenditures range from \$2,443,000 in the current fiscal year to \$3,176,500 in the fiscal year beginning July 1, 1967.

2. The Visiting Mission has noted an increasing demand for the extension to private homes and enterprises for electricity and water, and that this demand has not been fulfilled. What plans has the Administering Authority for improvements in these fields?

Answer

Plans have been carried through the program and initial funding stage for the development of generating capacities on all District center islands whereby service will be provided to all peoples on the islands where economically feasible. Generally, this will mean island-wide power. Certain of the smaller, outer islands having large density of population will be given consideration and a pre-engineering survey to determine the feasibility of providing power on those islands.

The problem of water is much more complex and expensive and not self-sustaining such as power will be. Improvements, however, are planned to develop safe, sanitary and adequate water sources for distribution to Government buildings, schools, dispensaries, and the like and when developed, a joint system constructed with the appropriate community (ies) funding the difference between the Government requirements and increased size of the system for community or village requirements.

3. What has been done about the \$1,000 house design proposed by the Peace Corps for possible Trust Territory use?

Answer

We have not seen the drawings for the \$1,000 House Design; however, we do have a house design by a Peace Corps architect which his estimates indicate could be built for \$1,700 not including labor. We are reviewing these drawings presently and if they provide what we consider to be the best possible answer to low-cost adequate housing, we will make these designs available to the people in all the districts with appropriate recommendations as to their construction.

4. The Visiting Mission would like to know what is the policy of the Administering Authority concerning juvenile delinquency and what measures it is taking to correct this situation.

Answer

The Administering Authority is well aware of youth problems. A detailed answer has been prepared and will be found as Annex 3.

VII. Education

1. The Visiting Mission would appreciate comment from the Administering Authority on the overall educational programs for the Trust Territory, including vocational training. It notes a lack of staff and equipment, especially suitable textbooks, and would request the Administering Authority to state what measures it is taking to alleviate the problem.

Answer:

Attached is the most recent statement of the overall educational program proposals including vocational training. It was prepared as a part of the Territory's Budget Memorandum (PPB) presented to the Bureau of Budget and now represents the administering authority's program goals. See Annex 4.

As reflected in the attachment, the department is well aware of the demand for suitable textbooks. Within budget constraints and the availability of trained personnel to produce adequate textual material in quality and quantity needed, we have been working at the problem. Further planning involves the acceleration of this effort.

The department has submitted to the U.S. Office of Education a proposal, which if approved, will provide for an in-depth study of the educational objectives, and provide cost analysis of several alternate approaches to meet these objectives. It will be conducted by the Stanford Research Institute, under the overall direction of the Director of Education. Micronesians from all sectors of the community will be closely and continuously involved.

The Department of Education has recently employed a Coordinator of Vocational Education. He is involved in the study of and the development of plans for the provision of a vocational education program. Considerable study is now being done relative to the relationships of pre-service (in school) and in-service (on-the-job) aspects of vocational education.

A sizeable correspondence in search of materials produced in other developing areas is underway.

An attempt to identify teachers (and Peace Corps Volunteers) with writing skills is underway.

2. What is being done to stabilize curricula in both elementary and secondary schools? Has the Administration considered establishing selective high schools with a view to concentrating on preparing students for higher education? Is there any career counselling?

Answer

Stabilization of curricula is a perplexing problem particularly at the secondary level. It is our hope, that out of the studies now planned, and our ability to justify expenditure in relationship to an expanding economy and the ultimate political decision, that the curricula will stabilize.

The curriculum in the elementary school is stable in the continued emphasis on TESL and its relation to producing a literate population.

The Administration has also considered establishing selected high schools in order to prepare students for higher education. Admission to a secondary education is now based on academic capability and will continue to be for sometime to come.

The department has asked for funds under one of the Federal programs to conduct a "talent" search. The objective of this program is to locate children and youth who have considerable talent in whatever field (vocational or academic) and to direct their aspirations in the proper channels.

Only one high school has a formally organized counselling office. All high schools attempt in some form or other to direct their students' attention to the world of work. This usually takes the form of club activities, informal contact with teachers, etc.

The Department of Personnel and the Department of Public Health assist in career day activities.

The Guidance and Counselling Office located in Guam provides career counselling on a sophisticated level for Micronesians enrolled at the College of Guam. Feed-back from this office reaches our secondary schools.

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3. An increasing literate population has little reading facilities. Would the Administration consider establishing a chain of reading rooms in each of the district centers as well as in other populated areas providing newspapers, periodicals and other reading material of a topical nature. The Mission would like a statement from the Administering Authority concerning an increase in the present scholarship programme and any plan for its expansion.

Answer:

The provisions of the U.S. Library Facilities and Service Act will allow us to expand the capability of high school libraries to serve the public. Bookmobiles and bookboats are under consideration.

The Women's Interest division of Community Development also collects and distributes reading material.

The administration plans to increase the Scholarship Program for higher education (both within and without the Territory).

This planning is underway and must be done in relationship to other developing programs.

We are not prepared to present a firm plan at this time. Reference is made to Section B - Continuing Education Past the 12th Grade, page 20, of the attachment.

VIII. The Future of the Trust Territory

What is the policy regarding the future of the TTPI, and when does the High Commissioner think that the Territory will be ready for self-determination?

Answer

It is the policy of the Government of the Trust Territory to plan and implement programs so that the total economic and social environment of Micronesia is steadily improved. The central objective is to develop correlated programs in the areas of education, health, economic development and political development so that the people of Micronesia can attain and maintain gradually increasing levels of economic as well as political self-reliance. It is the intent of the Government to develop and administer educational programs so that the citizens of Micronesia can understand not only the privileges of increasing self-determination but also the social and economic responsibilities which accompany enlarged political prerogatives. With the development of better communications and more effective use of various media to supplement the school programs at the various levels, it is felt that within the next two years the people of Micronesia can be reasonably well informed of the meaning and implications in such alternatives as independence, territorial status, statehood or some other governmental arrangement. It is the strong feeling of the Administration that the sooner the future political status can be resolved, the sooner can meaningful results be achieved in the area of economic development.

In connection with the foregoing, it is the hope of the High Commissioner that the Administration under his direction and that of the Administering Authority will be sufficiently responsive to the needs and aspirations of the people of Micronesia that the latter, when given an opportunity to express their preference, will favor some form of a continuing relationship with the United States.

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