

OFFICE OF TERRITORIES

Trust Territory of the Pacific Islands

(House Hearings, pp. )  
(Senate Hearings, p )

*file.*  
*TTPI*

*1968 amendment*

Appropriation 1967 .....	\$17,494,000	<sup>1/</sup>
Estimate 1968 .....	17,500,000	
Supplemental 1968 .....	12,500,000	
House allowance 1968 .....	17,500,000	
House allowance supplemental 1968 .....	--	
Additional request supplemental 1968 .....	12,500,000	

*16/04*

(P. 13, line 6)

Amendment requested:

Page 13, line 6, strike out "\$17,500,000" and insert in lieu thereof "\$30,000,000", an increase of \$12,500,000 in the appropriation.

House Report

The additional amount requested was submitted in S. Doc. 22, and was not considered by the House.

Justification

The additional amount proposed in this amendment is distributed to the following activity:

<u>Activity</u>	<u>Appropriation 1967</u>	<u>Supplemental 1968</u>	<u>House Allowance 1968</u>	<u>Additional Request</u>
1. High Commissioner's Office .....	\$ 270,000	\$ --	\$ --	\$ --
2. Judiciary .....	202,000	--	--	--
3. Grants .....	<u>17,022,000</u>	<u>12,500,000</u>	<u>--</u>	<u>12,500,000</u>
Total .....	\$17,494,000	\$12,500,000	\$ --	\$12,500,000

A breakdown of the \$12,500,000 by objects of expenditure follows:

41 Grants, subsidies, and contributions ... \$12,500,000

<sup>1/</sup> Excludes \$5,000,000 Supplemental now pending in the Senate.

INDEXED FROM HOLDINGS OF THE NATIONAL ARCHIVES

TRUST TERRITORY OF THE PACIFIC ISLANDS JUSTIFICATION

Supplemental Appropriation FY 1968 - \$12.5 Million

The United States of America accepted administrative responsibility and an obligation to the people of Micronesia through a Trusteeship Agreement between the United States and the United Nations Security Council, effective July 18, 1947. Under the terms of this agreement, the United States is responsible for promoting the economic, social, political, health, and educational development of the people of Micronesia. This responsibility was assigned to the Secretary of the Interior by Executive Order in 1951.

Appropriations by the United States Congress were at a level of \$6,304,000 in 1962 but were increased by \$15,000,000 in Fiscal Years 1963 and 1964, and to \$17,500,000 in Fiscal Years 1965 and 1966. Over the years the increasing cost of service to a population widely dispersed among the many islands of the Territory and the very high cost of construction in the area resulted in decreased funds being available for new construction, as well as the deferment of maintenance, economic development, and other programs, in favor of education and health services. Legislation has passed the Congress which increased the annual appropriation authorization and permits an increase in the funds available to the Trust Territory for 1968, the current year.

The Trust Territory is requesting a supplemental appropriation of \$12.5 million for Fiscal Year 1968. The 1968 supplemental funds are to be used primarily for the construction of facilities. A total of \$1,100,000 is requested for programs, administration, and operations with \$11,400,000 requested for capital improvement projects.

A. PROGRAMS, ADMINISTRATION, OPERATIONS:

1. Community Services:

a. Public Health

- (1) Hospitals - \$100,000 - The total of \$100,000 is required to permit the recruitment of four additional United States doctor personnel and three qualified registered nurses in FY 1968. These personnel are required to immediately up-grade services being rendered at our district hospitals, while at the same time, up-grading the on-the-job training of our local national nursing personnel. The employment of these doctors will provide us also with much improved diagnostic capabilities and training of our local

19- 424072

Micronesian medical practitioners. With the employment of registered nurses, the on-the-floor supervision for nursing services will be improved resulting in better patient care and conditions of service. These additions will change the doctor population ratio from 1:11,250 to 1:7,500. The nurse population ratio will be changed from 1:18,000 to 1:11,250.

b. Education

- (1) Elementary Education - \$68,000 - The sum required will provide for the employment of 30 additional Micronesian elementary school teachers and \$15,000 additional for badly needed materials and supplies. Increased enrollment will leave the teacher-pupil ratio essentially unchanged. A qualitative increase will take place among the Micronesian teachers since the number of degree-holding Micronesian teachers is expected to double in 1968 to a total of 29 and the Trust Territory teacher education program on Ponape will graduate an additional 40 teachers.
- (2) Secondary Education - \$23,000 - This sum will provide for the employment of 10 additional Micronesian secondary education school teachers along with \$5,000 additional for required materials and supplies.

- c. Community Development - \$250,000 - A total of \$250,000 is required to provide for a Grant-in-Aid fund in FY 1968 to assist in Community Development for self-help type projects. Included in the range of these projects are the building of water systems, bridges, roads, sewage facilities and other community projects in health and education, generally. In each instance, the community furnishes all of the common labor and also frequently, some of the material costs. This program is more than simply a Grant-in-Aid, as it is also educational in teaching self-reliance while providing basic facilities in a community. The community self-help approach will be much accelerated by the presence of the Peace Corps volunteers in the Trust Territory.

19-424073

2. Resources and Development:

- (a) Economic Development Loan Fund - \$250,000 - In 1963, 1964, and 1965 this fund has been financed by annual appropriations of \$100,000 each year. Loans are made directly or through commercial banks with the Fund guarantor for the loan. Public Law 88-487, approved August 22, 1964, authorized the transfer of the fund of \$369,000 in assets of the former "Loans to Trading Companies" fund. No funds were requested in FY 1966 or in the FY 1967 regular submission pending analyses of economic development potentials and additional experience with the fund. From applications presently received, it is apparent that we can efficiently lend all of the remaining funds available for economic development at this time. For this reason, and from the anticipated report to be received from our American contractors on economic development, the additional financing of \$250,000 will be required in 1968. The Economic Development Loan Fund currently has direct outstanding loan totalling \$403,000 and has additionally guaranteed loans totalling \$266,000. The Fund currently provides a 100% guarantee and maintains a 50 per cent reserve for such loans.

3. Administration:

- f. Property & Supply - \$20,000 - The \$20,000 required for Property & Supply will provide for the employment of an Assistant Procurement Officer and a freight and claims clerk badly needed in our supply operations. With central procurement an established fact, and the much increased Capital Improvement Program, these additional personnel are badly needed to insure prompt action on purchase requests and proper documentation for shipment and claims of losses.
- h. Operations, Maintenance, Transportation, and Communications:
- d. Operation and Maintenance - Physical Facilities  
(4) District Public Works - O & M \$152,000 - The \$152,000 required is for increased maintenance materials such as lumber, paint, nails, roofing materials, and screening.

5. Public Affairs:

- a. Political Development - \$73,000 - The sum required will provide for additional political affairs staff at district level and headquarters, necessary supplies, equipment and travel and per diem expenses. Only minimum services are now provided in this crucial area of political development. Increased emphasis must be given in political development to meet an early plebiscite date. Management intern positions, both at headquarters and district staff level, will be funded. Provision will be made for sorely needed training programs at the municipal, district and territorial governmental level, for programs of political education of the public, and to sponsor conferences, and travel, both within the Territory and to the United States, by Micronesian leaders.
- b. Public Information - \$95,000 - The sum required is needed to improve and expand the public information program. In addition to informing the public and official agencies of its activities, the government provides newspapers and public information services to the district. There are no private news media in the Territory, with the exception of a weekly newsheet in the Marshalls and in Ponape District. Present staffing of Public Information services is confined to the Headquarters Information Office. The amount herein requested will provide for Micronesian public information officers and supplementary clerical and photographic staff in all six districts, supplies and equipment, travel and other essential information costs. Additional staff is required also at the Headquarters level.
- c. Broadcasting - \$69,000 - This sum is urgently required to put the six broadcast stations in full operating condition. It will also provide for additional Micronesian broadcast studio staff, three U. S. station managers, at a cost of \$35,000, and for essential broadcast equipment and supplies to operate a Headquarters Broadcast Center and six local stations. Both political development and informational services require increased broadcast services along with an increased emphasis on educational programs via radio broadcasting.

19- 424075

C. CAPITAL IMPROVEMENTS:

Health Facilities Construction - \$3,737,000 - A total of \$3,442,000 is required to complete the funding for the 160-bed Truk Hospital designed for future expansion to 210 beds. The construction drawings for this hospital will be ready for invitation-to-bid in the first quarter of FY 1968. After prior year's approved re-programming, a total of \$1,058,000 was available as the first increment of the construction of this facility which is estimated to cost \$4.4 million. The funds requested herein will complete the funding for the Truk Hospital.

The cost of referring patients to the Naval Hospital in Guam for specialized care is now approximately \$300,000 annually. It is anticipated that this cost will increase unless more intensified care can be provided locally. In addition to achieving the benefits of a properly equipped modern medical facility, the Trust Territory by the proposed construction will achieve eventually an annual avoidance of some of the medical referral costs.

Our outlying dispensaries are manned and equipped to act as obstetric wards for births, well-baby clinics, focal point for immunization, filariasis control, and tuberculosis control in outlying population centers, as well as providing a facility required for treatment when regular doctors make their periodic visits. The condition of many of our dispensaries is deplorable, and the dispensaries to be constructed will range from two to sixteen beds, with a magnitude of cost from \$2,000 to \$20,000 each. A total of \$120,000 is requested for this construction. The balance of \$175,000 will provide required funding for renovation of subcenter hospitals.

Construction - In FY 1964, 65 and 66, an accelerated elementary school construction program was undertaken and many school classrooms were constructed of concrete block, wooden truss with metal roofs. High school classrooms were similarly constructed during this same period. With funds available after the approved re-programming in FY 1967, a design criteria was developed to permit the letting of an architectural and engineering contract for the design of a classroom module easily adaptable to our different island cultures. The design will result in more expensive construction than the concrete block classrooms built in the past; however, the aesthetic beauty of our islands and the potentialities for tourism makes it necessary to build the type of structure blending as much as possible with its natural surroundings. The construction of classrooms and dormitories, where required, will be of a permanent nature and completed with all necessary utilities and sanitary conveniences. As much as possible, construction of all facilities will be completed on an island-by-island basis to take advantage of contractor and of our force account mobilization to a maximum extent. In the beginning, we anticipate higher unit construction costs while training our Micronesian labor force; however, as projects go forward we fully expect expertise to be developed reducing costs.

Secondary School Construction - \$1,318,000 - A total of \$1,318,000 is requested in FY 1968 for secondary school construction, students in grades 9 through 12. Increased enrollment is expected to be 1,478 in school year 1968-69. Secondary school construction will be in accordance with the master plan and will be accomplished on a permanent plant basis with capability of expansion as enrollment dictates. The funds requested herein will provide for the construction of a Territory Polytechnic High School at \$718,000 and additional facilities, including dormitories in conjunction with the Agricultural and Technical School in Ponape for \$600,000.

Teacher Housing - \$500,000 - In order to maintain current quality levels in instruction through recruitment of qualified teachers, 24 housing units costing a total of \$500,000 are required. This housing and teacher recruitment is necessary to maintain a 1:25 teacher-pupil ratio. The amount of \$20,000 per unit has been budgeted until we can design and construct a modular unit and gain some experience in costs. We believe that we should be able to construct employee housing for as little as \$16-\$17,000; however, due to the dearth of actual experience on good island designs and new construction, this estimate simply cannot be refined at this time.

REPRODUCED FROM HOLDINGS OF THE NATIONAL ARCHIVES

Power Development - \$1,200,000. The FY 1967 Supplemental request of \$400,000 for the start of the Truk and Koror power rehabilitation along with the \$1,200,000 herein will complete the first phase of the funding of new equipment required for the islands of Koror, Moen (Truk) and Saipan. This amount will provide new generating equipment for Saipan, installation of equipment procured FY 1967 for Palau; for a new distribution system in Palau; installation of the first increment of equipment procured FY 1967 for Truk; new distribution system for Truk.

Water Development - \$1,000,000. The \$1,000,000 requested herein is estimated to be adequate for the first phase of rehabilitation and additions to water requirements on Saipan, to provide sweet water sources and improvements to distribution to serve five major villages with adequate sanitary water supply presently of high saline content, and approximately \$600,000 for water supply and distribution for Truk in the region of the new hospital. In addition, the water sources developed on Truk will be utilized by present communities at this district center alleviating as much as possible the water rationing which exists during draught periods at the present.



Water and Sanitation Development - \$275,000 - This total is required for sanitary and sewer facilities for the Truk Hospital outfalls and is required to enable construction to be carried out concurrently with the Truk Hospital.

Communication Construction - \$775,000 - A total of \$700,000 was requested in the FY 1967 Supplemental to provide the funds for immediate procurement of equipment required for the Trust Territory communication system. The Trust Territory Government is working very closely with the FAA on this requirement. Of the \$775,000 total required herein, \$660,000 completes the funding for the necessary structures, erection of antennas, and installation of equipment required for the system. The balance of \$115,000 required is to up-grade the radio broadcast stations at Saipan, Truk and Palau.

Air Field Construction - \$925,000 - Of the total required for Air Field construction in 1968 approximately \$600,000 will be used to complete the fill for the Ponape Airfield. With the acquisition of the new 16-inch dredge, in FY 1967, we anticipate it should be possible to complete this airstrip and amortize most of the dredge cost within the funding previously estimated as required for this project. The remaining \$325,000 would be used for impacting the Palau Airstrip.

Primary Road Construction - \$350,000 - All funds required are to continue our build-up for the primary road program. It is planned to acquire a large portable asphalt plant, spreaders, and road rollers in FY 1968. Work on paving of roads will not begin until FY 1969 when funds will be requested for the necessary labor and materials to begin placing sub-base course, base course and asphaltting of selected primary roads. The equipment to be procured will also be used to pave airstrips when projects can be qualified and budgeted.

Harbor Development and Land Reclamation - \$300,000 - A study and complete construction design and engineering for a new commercial harbor and port facilities for the island of Ponape, which is now served only by lightering, is estimated to cost \$25,000. It is planned to construct this port facility on one end of Takatik island and land reclamation on this mangrove swamp area will be required for both port facilities and oil depots. Completion of the small harbor in Rota is estimated to cost \$41,300 to provide break-water armor and thus prevent rapid filling of the dredged channel. Other port facilities throughout the Trust Territory are in need of improvement and renovation. Funds remaining after the fill required for the port of Ponape will be used for this purpose.

Master Planning - \$100,000 - Funds required for 1968 are a continuation of the master planning required for districts and subdistricts so as to cover all major population developmental areas. The master planning will provide professional architectural/engineering services for schematic layouts of land use for each area as island-wide construction programs are authorized. Recommended type, location, and area of civic centers, commercial areas,

19-424079

shops and warehouses, waterfront/POL facilities, residences, hospitals, and park and recreational areas with magnitude of cost estimates for construction will be the information developed.

Emergency and Minor Construction - \$100,000 - A total of \$100,000 is requested for minor and emergency-type capital improvements that are not proper Public Works maintenance functions and which cannot be foreseen in this large area of the Pacific. Such construction inevitably is required and the status of these funds and their use will be reported annually in the budget document.

Equipment - \$200,000 - The \$200,000 required for heavy equipment is a modest increment for requirements in the dispersing of our construction effort to other islands. As construction of the hospital progresses toward the end of FY 1968, it will be necessary to leave some of the construction equipment on the island of Moen for maintenance and other construction purposes while we move to other islands of the Territory to begin major construction projects.

Boats - \$320,000 - The sum of \$320,000 is required to provide four inter-island boats, desperately required in the Marshalls, Truk, and Ponape Districts for medical evacuations, emergency food distribution and to carry out essential administrative services in island areas away from the district centers. The lack of such transportation at the present time is a serious omission in administrative services and one on which life and death often depends in the three districts mentioned where only transportation by such boats is feasible.

Agriculture - \$200,000 - The sum of \$200,000 is needed for purchase of major farm equipment to be available for rent to local people. The clearing and subjugation of arable land not now in production rests essentially on the farmers' ability to procure heavy farm machinery. The cost of such farm equipment is beyond the reach of the small farmer of the Territory. This project is one which will have maximum impact on the local economy and one which the Congress of Micronesia, the various district legislatures have urged the Administration to undertake since the program on a Territory-wide nature is one still beyond the local resources.

Dock Warehousing - \$100,000 - The sum of \$100,000 is needed to provide essential dock warehousing for goods, supplies, materials. The lack of such dock warehousing at the present time makes for inefficiency in loading and unloading procedures and greatly increases the cost of handling ocean freight.

19- 424081

Fiscal Year 1968  
Summary by Activity of  
Supplemental Request

A. PROGRAMS, ADMINISTRATION, OPERATIONS:

1. Community Services:	
a. Public Health	
(1) Hospitals	\$ 100,000
b. Education	
(1) Elementary Education	68,000
(2) Secondary Education	23,000
c. Community Development	250,000
2. Resources & Development:	
a. Economic Development Loan Fund	250,000
<hr/>	
3. Administration:	
a. Property & Supply	20,000
4. Operations, Maintenance, Transportation, and Communications:	
a. Operation and Maintenance - Physical Facilities	
(1) District Public Works O & M	152,000
5. Public Affairs	
a. Political Development	73,000
b. Public Information	95,000
c. Broadcasting	69,000

Total Program Administration and Operation \$ 1,100,000

B. CAPITAL IMPROVEMENTS:

Health Facilities	\$ 3,737,000
Education:	
Secondary	1,318,000
Teachers Housing	500,000
Utilities:	
Power	1,200,000
Water	1,000,000
Sewer	275,000
Communication Construction	775,000
Airfield Construction	925,000
Primary Road Program	350,000
Harbor Development & Land Reclamation	300,000
Master Planning	100,000
Emergency & Minor Construction	100,000
Equipment	200,000
Boats	320,000
Agriculture Equipment	200,000
Dock Warehousing	100,000

Total Capital Improvements 11,400,000

Total Supplemental Request \$12,500,000

19-424082