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A statement by Senator Edward DLG Pangelinan of the Mariana Islands District regarding United States Senate Bill 860 before the Committee on Interior and Insular Affairs of the United States Congress on March 30, 1971.

Thank you very much for the opportunity to testify in favor of Senate Bill 860. The Bill's five titles contain provisions long sought by the people of Micronesia.

I would like to refrain from repeating my comments regarding the war claims and post-secure claims of Micronesia at this time, since my testimony before this committee on a substantially identical matter is of the record. I request, however, that such testimony be made a part of this record.

The elimination of tariff restrictions is a matter of great concern to Micronesia. The United States represent a natural outlet for Micronesian goods, and yet, Micronesia is prevented from competing in United States markets by tariffs which are at present prohibitively high. Goods produced in United States territories and insular possessions enter the United States duty free, while on Micronesian products, a duty is exacted which in many cases exceeds that imposed upon goods from foreign nations.

Perhaps Micronesia's greatest potential export is fish. Our waters abound with the fruits of the ocean, and commercial fishing on a large scale is just beginning to realize its potential in Micronesia. Fish exports have risen to become the second leading export in Micronesia. Yet duties on Micronesian fish entering the United States range from 12.5% to 35% ad valorem. At such an additional cost, we cannot hope to compete on the market by selling our fish. The relatively small amount which we could supply would have no effect on United States fisheries, given the size of the United States demand for the product. But it would mean a great deal to us.

We are also operating at a great disadvantage with regard to handicraft. Our handicrafts are beginning to come into great demand in the United States as fashion-conscious women become aware of our beautiful handbags and collectors of unique art come to know our storyboards. The price of our handicraft is increased, however, by a duty which operates to price it out of the market. Even though a separate demand exists because of the unique nature of the goods, the fact remains that there is only a fixed amount of dollars to be spent, and the more that must be apportioned to import duties, the less that can go to the Micronesian artisan.

I could cite many other examples, but the ones which I have just recited more than illustrate the point. The fact remains that the elimination of import duties would not affect the United States economy to any measurable degree, but would greatly help the Micronesian economy to achieve a basis on which it can one day operate to support itself.

Another matter of great importance is the increasing of our economic development loan fund to five million dollars. At present, Micronesia has very little to attract capital for economic development. Our most precious resource, our land, cannot be pledged because of Trust Territory law which prohibits alienation of that land to any but Micronesian citizens. Plans are presently under way for the formation of a Bank of Micronesia, but this is at best a long range solution. If economic development is to proceed in Micronesia at the present time, there must be a source of investment capital. The economic development loan fund has been that source, but its original allotment has been exhausted. We do not ask for a handout; we are a proud people, and would not do so. We ask only for a loan, which we intend to pay back, and ~~with that loan~~ invested wisely in Micronesia under the safeguards which are built into this title of the bill and into the economic development loan fund itself, will pay back when the capital has been used to build a greater Micronesia.

Thirdly, I would like to comment on the remaining two portions of the bill, namely, free entry into the United States and removal of the prohibition against enlistment into the military service of the United States.

We of the Mariana Islands District have a great love for the United States. We have demonstrated and vocalized our desires at many times in the past. Eventually, we hope to become an integral part of the United States. We, therefore, view these two titles as an important step along that road. Our people have relatives in Guam, citizens of the United States because of the accident of their place of birth, who have the privileges which would be allowed by this bill. Our people want those privileges also. Entry into the United States is the first step toward solidifying our relationship with the United States, and for our citizens, represents the first step on the road to their ultimate goal, United States citizenship. Eligibility to enter the armed forces would also be welcome; we have many patriots in the Marianas. Our relatives on Guam have lost sixty-three of their small number in Viet Nam, which shows that they, like us, are ready to make the ultimate patriotic sacrifice for the United States. Many of the people of Saipan have already enlisted in the U. S. Army. This measure presently under consideration would open the door a little wider. I would ask that the restrictions against entry into the U. S. Coast Guard, Navy, and Marines also be eliminated so that the Micronesian who would like to enter those branches might do so. We have always been a people of the sea because of the

nature of our homeland, and would welcome the opportunity to serve the United States in that area on which our people have lived for centuries, the ocean.

In closing, Mr. Chairman, I would again like to express my unequivocal support for Senate Bill 860 with but a few small changes to the war damages title. I hope that this measure will increase the cooperation and harmony between Micronesia and the United States, and will one day be a monument on the road to a permanent association between our two countries.

Thank you very much.