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DEPARTMENT OF THE INTERIOR
TERRITORIAL AFFAIRS
TRUST TERRITORY OF THE PACIFIC ISLANDS

Official Set

Budget Estimates
For Fiscal Year 1973

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DEPARTMENT OF THE INTERIOR

Exhibit 24

Bureau Trust Territory of the Pacific
Islands

Appropriation

10-20-0414-0-1-910

ANALYSIS OF CHANGES IN REQUIREMENTS

(In thousands of dollars)

	Budget Authority	Outlays
1971 Total	\$59,864	\$48,587
Decrease		
Automatic (non-policy)		
Construction of facilities	25,323	14,856
Increase		
Program increase		
Construction of facilities	20,660	31,500
Operations	4,779	4,769
1972 Total	59,980	70,000
Decrease		
Automatic (non-policy)		
Construction of facilities	20,660	31,500
Increase		
Program increase		
Construction of facilities	16,455	28,280
Operations	4,225	3,220
1973 Total	60,000	70,000

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Budget Authority and Outlays (In Thousands of Dollars)

Account and Functional Code	Budget Authority		Outlays	
	1971 enacted	1972 estimate	1971 enacted	1972 estimate
<u>General and Special Funds:</u>				
Trust Territory of the Pacific Islands				
910	59,864	59,980	48,587	70,000
		60,000		70,000
				70,000

Trust Territory of the Pacific Islands

HIGHLIGHT STATEMENT

Fiscal Year 1973

Description

The Trust Territory of the Pacific Islands includes the Northern Mariana Islands, the Eastern and Western Caroline Islands, and the Marshall Islands. There is a total of 2,141 islands. Although they are scattered over three million square miles in the Western Pacific Ocean, they have but 700 square miles of land. An estimated population of 102,000 inhabits 97 of the islands. The Territory is divided for administrative purposes into six districts, each of which exhibits notable cultural and linguistic differences.

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Authority and Government of the Territory

The responsibilities and mission of the United States in Micronesia are set forth in the July 18, 1947 Trusteeship Agreement between the United States and the United Nations Security Council. The obligations assumed under that agreement require the United States to promote the economic, social, political, health and educational development of Micronesia toward self-government. Executive Order 11021 of May 8, 1962, vested executive, legislative and judicial authority for the administration of civil government in the Secretary of the Interior. Secretarial Order No. 2918 of December 27, 1968, as amended, delimits the extent and nature of the authority of the Government of the Trust Territory and prescribes the manner in which the relationships of that Government shall be established and maintained with the Congress of the United States, the Department of the Interior and other Federal agencies, and with foreign governments and international bodies.

Following the United States separation-of-powers model, executive authority is vested in a High Commissioner appointed by the President. A bi-cameral Congress of Micronesia exercises legislative authority. Judicial authority rests in a High Court whose three Justices are appointed by the Secretary of the Interior. District Administrators, appointed by the High Commissioner, are responsible for Territorial affairs, including execution of laws passed by the District Legislature, in their respective jurisdictions.

Programs and Policies

The Trust Territory program derives from the fundamental need of any government to provide programs and services to the people which cannot be effectively or efficiently supplied by the individual or family. The Territorial government as a whole renders the full range of services comparable in range, if not in size, to those obtaining at Federal, State and local levels of the United States government. The United States is directly responsible within the Territory only for national defense, the postal system, and the monetary system. Indirect responsibility is exercised over other functions through Executive and Legislative control of United States appropriations and grants to finance the major share of Trust Territory government operations.

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Programs include Education, Health Services, Resources and Development, Public Works, Public Affairs, Transportation and Communications, Attorney General, Personnel, Finance and several staff functions. Directors of these activities are responsible for establishment and implementation of Territory-wide policies and programs. At the next lower level, District Administrators are responsible for program operations of each activity in their district. Decentralization of authority and responsibility for program operations is proceeding in the face of immense problems involving communications, distance, and the lack of trained, qualified personnel at the district level. The FY 1973 planning and budget preparation cycle, for example, saw far wider district level participation than ever before.

The 1973 Program

The budget request for 1973 totals \$60,000,000, an increase of \$20,000 over the currently approved 1972 program.

The 1973 request for operations is \$43,545,000 (including the Office of the High Commissioner and the Chief Justice), an increase of \$4,225,000 above the \$39,320,000 available for 1972. The 1973 request for the Capital Improvement Program is \$16,455,000, a decrease of \$4,205,000 as compared to the \$20,660,000 available in 1972.

Major increases in operations are sought for Education, Health Services, Protection to Persons and Property, and Public Works and Utilities.

A Position Classification Plan has been implemented to cover all Micronesian employees and all expatriates under contract. The plan eliminates much of the inequity encountered under the former system where sixteen separate pay schedules had to be administered. The review of all Micronesian positions has resulted in pay increases for most Micronesian employees. The planned phase-out of all expatriates and their replacement with qualified Micronesians will ultimately result in a single salary system for all employees of the Trust Territory.

The emphasis of the 1973 Capital Improvement Program continues on installation of physical infrastructure. Major water system projects are scheduled for Saipan and Truk; a sewerage system will be started on Majuro; power systems will be expanded in all districts except the Marshalls. Transportation and Communications are the second largest area of emphasis with incremental funding of airport improvement planned for Palau, Truk, Yap, and the Marianas. Work on the Koror-Babelthaup bridge will continue, dock improvements are scheduled for Yap and Ponape. Significant amounts of secondary school construction are planned for all districts except Palau and construction will begin on the Community College at Ponape. The 1973 request also provides first incremental funding for the Ponape Teaching-Referral Hospital. The rehabilitation effort of Bikini atoll will also be accelerated.

Funds requested in 1973 will provide for 474 new Micronesian positions and 19 additional expatriate positions, bringing our staffing level to a total of 625 expatriates and 6,415 Micronesians. Micronesian employment

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requirements increase by 72 in Health Services, 84 in Education, 2 in Public Affairs, 54 in Resources and Development, 25 in Protection to Persons and Property, 31 in Administration, 36 in Transportation and Communications and 170 in Public Works. Expatriate employment increases by 18 in Education, 1 in Resources and Development, 1 in Administration and 5 in Public Works. The increases in expatriate employment are partially offset by decreases of 2 in Health Services and 4 in Transportation and Communications.

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Personnel Staffing - Permanent Positions
FY 1971, 1972 and 1973

	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
<u>DIRECT APPROPRIATIONS</u>			
U.S. - Civic Service	13	13	13
Micronesians	7	8	8
 <u>GRANTS - OPERATIONS:</u>			
Health Services:			
U.S. - Civic Service	8	7	7
U.S. - Contract	38	40	38
U.S. Total	<u>46</u>	<u>47</u>	<u>45</u>
Micronesians	1,039	1,152	1,224
 Education:			
U.S. - Civic Service	20	12	11
U.S. - Contract	197	242	261
U.S. Total	<u>217</u>	<u>254</u>	<u>272</u>
Micronesians	1,634	1,782	1,866
 Public Affairs:			
U.S. - Civic Service	21	15	15
U.S. - Contract	-0-	2	2
U.S. Total	<u>21</u>	<u>17</u>	<u>17</u>
Micronesians	187	206	208
 Resources and Development:			
U.S. - Civic Service	62	45	45
U.S. - Contract	-0-	20	21
U.S. Total	<u>62</u>	<u>65</u>	<u>66</u>
Micronesians	559	608	662
 Protection to Persons and Property:			
U.S. - Civic Service	21	15	15
U.S. - Contract	-0-	9	9
U.S. Total	<u>21</u>	<u>24</u>	<u>24</u>
Micronesians	319	343	368
 Administration:			
U.S. - Civic Service	104	77	72
U.S. - Contract	-0-	19	25
U.S. Total	<u>104</u>	<u>96</u>	<u>97</u>
Micronesians	462	525	556

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	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
Transportation and Communications:			
U.S. - Civic Service	37	31	27
U.S. - Contract	<u>-0-</u>	<u>2</u>	<u>2</u>
U.S. Total	37	33	29
Micronesians	136	152	188
Public Works and Utilities:			
U.S. - Civic Service	28	22	22
U.S. - Contract	<u>52</u>	<u>54</u>	<u>59</u>
U.S. Total	80	76	81
Micronesians	1,002	1,165	1,335
TOTAL - DIRECT APPROPRIATIONS AND GRANTS - OPERATIONS:			
U.S. - Civic Service	314	237	227
U.S. - Contract	<u>287</u>	<u>388</u>	<u>417</u>
U.S. Total	601	625	644
Micronesians	5,345	5,941	6,415

.....

CONSTRUCTION - Public Works (Paid from capital improvement projects)

U.S. - Civic Service	8	8	8
U.S. - Contract	<u>60</u>	<u>58</u>	<u>58</u>
U.S. Total	68	66	66
Micronesians	76	66	66

Industrial funded:

Government Print Shop:			
U.S. Civic Service	2	2	2
Marianas Housing Authority:			
U.S. Civic Service	1	1	1

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Exhibit 2 (Part 1)

ANALYSIS BY ACTIVITIES

Activity	Fiscal Year 1971		Fiscal Year 1972	
	Amount Available	Appropriation	Total	Unobligated Balances
1. High Commissioner's Office ...	\$ 229,457	\$ 285,600	\$ 7,400	1/\$ 293,000
2. Judiciary	301,783	322,700	14,198	336,898
3. Grants	<u>51,391,077</u>	<u>59,371,700</u>	<u>9,482,794</u>	<u>2/ 68,854,494</u>
Total	\$51,922,317	\$59,980,000	\$9,504,392	\$69,484,392

1/ Excludes \$37,825 transferred to Grants - Operations in pending reprogramming to cover cost of new pay scales implemented July 11, 1971.

2/ Includes \$37,825 transferred from High Commissioner's Office in pending reprogramming to cover cost of new pay scales implemented in pending reprogramming of which \$28,000 is needed for operations of new Disaster Control Office and \$1,202,325 is needed to meet cost of the new pay scales implemented July 11, 1971. The balance is Capital Improvement carryover of \$8,214,644 and is needed to complete or continue projects previously justified.

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Exhibit 2 (Part 2)

ANALYSIS BY ACTIVITIES

	FY 1971 Amount Available	FY 1972 Program	FY 1973 Estimate	Increase (+) or Decrease (-) 1973 Compared with 1972	Page Refer- ence
1. High Commissioner's Office ...	\$ 229,457	\$ 293,000	\$ 313,000	\$ +20,000	
2. Judiciary	301,783	336,898	325,000	-11,898	
3. Grants	<u>51,391,077</u>	<u>68,854,494</u>	<u>59,362,000</u>	<u>-9,492,494</u>	
Total	\$51,922,317	\$69,484,392	\$60,000,000	\$-9,484,392	

The estimate of \$60,000,000 for FY 1973 represents an increase of \$20,000 in budget authority over FY 1972, exclusive of carryover funds amount of \$9,504,392.

High Commissioner's Office ...	\$+27,400
Judiciary	+2,300
Grants	<u>-9,700</u>
Increase	\$+20,000

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Exhibit 3

GRANTS - OPERATIONS

Sub-activity	FY 1971 Amount Available	FY 1972 NOA	FY 1973 Estimate	Inc. (+) or Dec. (-) 1973 compared with 1972
1. Health Services	\$ 5,055,800	\$ 6,090,900	\$ 7,006,000	\$ +915,100
2. Education	9,073,900	10,270,400	11,490,000	+1,219,600
3. Public Affairs	2,034,000	2,070,800	2,102,000	+31,200
4. Resources and Development	4,011,300	4,914,000	4,581,000	-333,000
5. Protection to Persons and Property	1,628,100	1,805,600	2,187,000	+381,400
6. Administration	3,847,000	4,312,100	4,684,000	+371,900
7. Transportation and Communications	2,442,100	2,966,800	3,273,000	+306,200
8. Public Works and Utilities	6,179,600	6,581,100	7,943,000	+1,361,900
Sub-Total	34,271,800	39,011,700	43,266,000	+4,254,300
Deduct revenues and reimbursements applied	-300,000	-300,000	-359,000	-59,000
TOTAL	\$33,971,800	\$38,711,700	\$42,907,000	\$+4,195,300

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BUDGET AUTHORITY
SUMMARY BY ACTIVITY - FY 1973

<u>Activity</u>	<u>FY 1972</u> <u>NOA</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase (+)</u> <u>Decrease (-)</u>
I. DIRECT APPROPRIATIONS:			
A. High Commissioner's Office	\$ 285,600	\$ 313,000	\$ +27,400
B. Judiciary	<u>322,700</u>	<u>325,000</u>	<u>+2,300</u>
Total - Direct Appropriations	<u>\$ 608,300</u>	<u>\$ 638,000</u>	<u>\$ +29,700</u>
II. GRANTS, REIMBRUSEMENTS AND OPERATING INCOME:			
A. Programs, Administration and Operations:			
1. Health Services	\$ 6,090,900	\$ 7,006,000	\$ +915,100
2. Education	10,270,400	11,490,000	+1,219,600
3. Public Affairs	2,070,800	2,102,000	+31,200
4. Resources and Development	4,914,000	4,581,000	-333,000
5. Protection to Persons and Property	1,805,600	2,187,000	+381,400
6. Administration	4,312,100	4,684,000	+371,900
7. Transportation and Communications	2,966,800	3,273,000	+306,200
8. Public Works and Utilities	<u>6,581,100</u>	<u>7,943,000</u>	<u>+1,361,900</u>
Total - Programs, Administration and Operations	39,011,700	43,266,000	+4,254,300
B. Capital Improvements	<u>20,660,000</u>	<u>16,455,000</u>	<u>-4,205,000</u>
Total - Grants, Reimbursements and Operating Income	59,671,700	59,721,000	+49,300
Less: Estimated Reimbursements and Operating Income	<u>300,000</u>	<u>359,000</u>	<u>59,000</u>
Net Grants Required	59,371,700	59,362,000	-9,700
Add: Direct Appropriations	<u>608,300</u>	<u>638,000</u>	<u>+29,700</u>
GRAND TOTAL	<u>\$59,980,000</u>	<u>\$60,000,000</u>	<u>\$ +20,000</u>

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I. DIRECT APPROPRIATION

A. Office of the High Commissioner: FY 1972 \$293,000, FY 1973 \$313,000:
Increase \$20,000. The increase consists of:

<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
<u>Amount</u>	<u>Positions</u>			
(1) \$ 4,300	Normal salary increments for 5 U.S. and 7 Micronesian on-going positions.
(2) 15,700	5 U.S. 7 Micro	To support various increases in operating and travel.
<hr/>	<hr/>	<hr/>	<hr/>	
\$20,000	...	\$313,000	5 U.S. 7 Micro	

Need for Increase:

- (1) Salary increases for on-going staff, \$4,300: The normal within grade increases of on-going staff.
- (2) Increased requirements within the Office of the High Commissioner, \$15,700: Increase to bear the cost of additional travel, (1) trip by the Deputy to the South Pacific Conference, (2) additional trips to the six districts, additional operational supplies, materials and services.

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I. DIRECT APPROPRIATION

A. Office of the High Commissioner:

FY 1972 \$293,000, FY 1973 \$313,000: Increase \$20,000

The estimate for the support of this office in FY 1973 is as follows:

	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase +</u> <u>Decrease -</u>
Personnel Compensation and Benefits	\$199,900	\$204,200	\$+ 4,300
Business and Recruitment Travel	44,400	49,600	+ 5,200
All Other Object Classes	<u>48,700</u>	<u>59,200</u>	<u>+10,500</u>
Total	\$293,000	\$313,000	\$+20,000

Source of Funding for above:

Appropriated Funds	\$285,600	\$313,000	\$+27,400
Unobligated funds brought forward from prior years	<u>7,400</u>	<u>- 0 -</u>	<u>- 7,400</u>
Total	\$293,000	\$313,000	\$+20,000

A total of \$313,000 is required for the support of the Office of the High Commissioner in FY 1973, an increase of \$20,000 over FY 1972. Increase is to support pay increases, operation supplies, materials and services.

The executive and administrative authority of the Government of the Trust Territory of the Pacific Islands and the responsibility for carrying out the international obligations undertaken by the United States under the terms of the Trusteeship Agreement with the United Nations with respect to the Territory are vested in the High Commissioner, who is appointed by the President of the United States and is under the general supervision of the Secretary of the Interior. The High Commissioner's "Cabinet" includes the Deputy High Commissioner, the Attorney General, the Executive Officer, the Special Consultant, the Directors of Health, Education, Public Affairs, Resources and Development, Transportation and Communications, Finance, Personnel, Public Works, and the Program and Budget Officer.

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The budget for the Office of the High Commissioner includes the salaries and supporting costs of the High Commissioner, the Deputy, the Executive Officer, and the Special Consultant. All other officials are funded from grants in the appropriate program areas. There will be no increase of staff in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	5 U.S. Civil Service	5 U.S. Civil Service
	7 Micronesians	7 Micronesians

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I. DIRECT APPROPRIATION

B. Judiciary: FY 1972 \$336,898, FY 1973 \$325,000: Decrease \$11,898.
The decrease consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$ 5,300	...	...	...	Normal salary increments for 8 U.S. and 1 Micronesian on-going positions.
(2)	-17,198	...	...	8 U.S. 1 Micro	In support of Judiciary.
	<u>\$-11,898</u>	<u>...</u>	<u>\$325,000</u>	<u>8 U.S. 1 Micro</u>	

Need for Increase:

- (1) Salary increases for on-going staff, \$5,300: The normal within grade increases of on-going staff.
- (2) Decrease in other operational requirements, \$-17,198: Increases of services to Courthouses and the procurement of minor equipment. The increases are offset by a large number of onetime equipment procurements.

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I. DIRECT APPROPRIATION

B. Judiciary:

FY 1972 \$336,898, FY 1973 \$325,000: Decrease \$11,898

The estimate for the support of this office in FY 1973 is as follows:

	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase +</u> <u>Decrease -</u>
Personnel Compensation and Benefits	\$192,900	\$198,200	\$ +5,300
Business and Recruitment Travel	63,300	63,300	- 0 -
All Other Object Classes	<u>80,698</u>	<u>63,500</u>	<u>-17,198</u>
Total	\$336,898	\$325,000	\$ -11,898

Source of Funding for above:

Appropriated Funds - NOA	\$322,700	\$325,000	\$ +2,300
Unobligated funds brought forward from prior years	<u>14,198</u>	<u>- 0 -</u>	<u>-14,198</u>
Total	\$336,898	\$325,000	\$ -11,898

The amount of \$325,000 is required in FY 1973 to support the Judiciary - High Court, a decrease of \$-11,898 under FY 1972. Decrease is due to a number of one time equipment procurements in FY 1972.

There are three types of courts in the Trust Territory; High Court, District Court, and Community Courts. In this document "Judiciary" applies only to the High Court, with the District and Community Courts being funded as "Local Judiciary" in the Grant funds.

The High Court has Trial and Appellate Divisions. The Trial Division has original jurisdiction to try all cases, civil and criminal, including probate, admiralty, and maritime matters, and the adjudication of title to land or any interest therein. The Appellate Division has jurisdiction to review, on appeal, the decisions of the Trial Division of the High Court in the following instances:

1. All cases tried originally in the High Court.

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2. Certain cases decided by the High Court on appeal from a District Court.
3. All cases decided by the High Court on review of the record of a District or Community Court decision in which the High Court has reversed or modified the decision so as to affect the substantial rights of the appellant.

The staff of the High Court consists of a Chief Justice, two Associate Justices, one Administrative Officer, one Administrative Assistant, three Court Reporter-Secretaries, and one Secretary in the Chief Justice's Office.

The Trial Division of the High Court holds sittings at least four times a year on a circuit-riding basis at the six district centers, and with a fair degree of regularity at three of the sub-centers, in addition to sittings at outlying islands when the need arises. The High Court Judges, Judiciary Administrative Officer, and the Administrative Assistant also supervise the work of, and endeavor to train, the District and Community Court Judges and the Clerks of Courts and their assistants, who have had either very little or no legal training prior to their appointments.

Judiciary operations are funded partly from appropriated funds (High Court and Chief Justice Office) and partly from grant funds (Local Judiciary). Therefore, separate budgets and separate narrative justifications were prepared for each of these two sections of the Judiciary. It should be made clear, however, that it is neither possible nor desirable to effect an actual separations of the High Court and the Local Judiciary. All of the courts in the Trust Territory share facilities, personnel, equipment and some responsibilities. Funds cannot be justified solely for High Court and solely for Local Judiciary use. High Court funds will be utilized in part to train and assist the Micronesian members of the Judiciary. Such training and assistance remains a basic function of the High Court.

The FY 1973 High Court program proposes mainly to continue the established judicial operations. The funds requested for FY 1973 will enable the High Court to provide the following:

- (a) A highly qualified High Court staff for:
 - (1) The hearing of the most serious criminal and civil cases.
 - (2) The hearing of cases under appeal.
 - (3) The training of Micronesian Judiciary personnel.
 - (4) Professional supervision of the courts.
 - (5) Accurate transcripts of trials.
 - (6) Review of lower court decisions.

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(b) Travel necessary for:

- (1) The prompt hearing of cases in all districts including outlying islands.
- (2) Continuing to decrease the backlog of cases through frequent High Court sittings. (See attached statistical charts)
- (3) Training and supervision of Micronesian personnel by having the High Court staff available frequently in all districts.
- (4) Training of Micronesians through conferences and structured observation of other courts, both within and outside Trust Territory.

(c) Funds for printing to insure High Court opinions will continue to be printed, made available to all concerned promptly, and added to the volumes of the Trust Territory Reports.

(d) Training programs will be continued and expanded. Such training will increase the efficiency of the courts, provide a higher quality of justice in the lower courts, and enable Micronesians to continue to assume more responsible positions within the Judiciary. It is anticipated more Micronesians will be sent outside Trust Territory than at present and resource people will be brought to Trust Territory to train Micronesians.

(e) Equipment essential to the efficient operation of the courts will be procured or improved, including legal research materials and basic office equipment.

Overall, the goal of the judicial program is to provide the citizens and residents of the Trust Territory with the highest quality of justice possible in the courts, while appointing Micronesians to more responsible judicial positions as soon as practical.

During FY 1973, the lower courts will continue to be staffed entirely by Micronesians, with direction and training offered by the U.S. High Court staff. The High Court staffing pattern is as follows:

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	8 U.S. Civil Service	8 U.S. Civil Service
	1 Micronesian	1 Micronesian

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CHART NO. 1

TRUST TERRITORY COURTS

Cases Disposed of Per Year

	<u>High Court Appellate Division</u>		<u>High Court Trial Division</u>		<u>District Courts</u>		<u>Community Courts</u>	
	<u>Criminal</u>	<u>Civil</u>	<u>Criminal</u>	<u>Civil</u>	<u>Criminal</u>	<u>Civil</u>	<u>Criminal</u>	<u>Civil</u>
1965	6	5	46	125	1,463	1,035	710	1,739
1966	1	2	41	89	1,509	853	1,150	2,546
1967	0	1	44	175	1,736	1,406	934	2,456
1968	1	3	54	251	2,545	1,273	1,388	2,589
1969	3	11	67	193	2,988	1,365	1,282	2,403
1970	3	12	73	153	3,016	1,236	1,450	2,636
1971*	0	13	75	608	1,683	679	693	650

*Figures included for 1971 cover the period of January 1, 1971 thru June 30 1971 only. All other statistics based on full calendar year.

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CHART NO. 2

TRUST TERRITORY COURTS

Cases Pending at End of Year

	High Court Appellate Division		High Court Trial Division		District Courts	
	<u>Criminal</u>	<u>Civil</u>	<u>Criminal</u>	<u>Civil</u>	<u>Criminal</u>	<u>Civil</u>
1965	1	6	23	269	66	215
1966	0	5	25	335	132	341
1967	1	6	15	327	142	206
1968	2	23	28	231	217	266
1969	4	28	5	312	229	422
1970	6	28	54	876	328	454
1971*	7	17	50	378	333	400

NOTE: Community Courts report only cases disposed of; pending cases are not reported.

*Figures show cases pending on June 30, 1971. All other statistics based on full calendar year.

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1. Health Services: FY 1972 \$6,090,900, FY 1973 \$7,006,000: Increase \$915,100. The increase consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$ +198,000	...	...	...	Normal salary increases for 45 U.S. and 1,150 Micronesians plus a few selected promotions.
(2)	+402,200	...	...	...	Full effect of new pay plan.
(3)	+173,000	-2 U.S. +72 Micro	...	45 U.S. 1224 Micro	To strengthen health services staff and provide increases in other support primarily in new facilities.
(4)	+141,900	...	...	...	Increased requirement for drugs and medical supplies due to expanded facilities.
<hr/>					
	\$+915,100	-2 U.S. +72 Micro	\$7,006,000	45 U.S. 1224 Micro	

Need for Increase:

- (1) Normal salary increases for 45 U.S. and 1,150 Micronesians plus a few selected promotions, \$198,000: Normal within grade promotions must be awarded except in cases of unsatisfactory performance and selected promotions must be made. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. The increase for Micronesian employees is \$185,300 and for U.S. employees, \$12,700.
- (2) Full effect of new pay plan, \$402,200: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding for positions partially lapsed.
- (3) To strengthen health services staff and provide increases in other support primarily in new facilities, \$173,000: Thirty four of the seventy two new Micronesian positions are located in the new health facilities in Ebeye and Kusaie. Twenty eight are in district hospitals and ten in other health activities (three in Environmental Health, six in Dental Services, and one in the Nursing School). The increased cost for Micronesian employment, \$156,300, is partially offset by a reduction of U.S. payroll of \$25,900 resulting from

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the elimination of two U.S. positions and a \$3,500 decrease in overtime and WAE labor. The balance of the increase, \$46,100 is primarily for food for patients and for additional and updated hospital equipment.

- (4) Increased requirement for drugs and medical supplies due to expanded facilities, \$141,900: An expanded health services program demands more drugs and medical supplies. Additionally, costs have risen appreciably. This increase represents the opening of two new health facilities, the expansion of services to outer-islands and the growth of population.

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A. PROGRAMS, ADMINISTRATION AND OPERATIONS

<u>Activity</u>	<u>FY 1972 Estimate</u>	<u>FY 1973 Estimate</u>	<u>Increase + Decrease -</u>
<u>1. Health Services:</u>			
a. Medical Administration	\$ 358,600	\$ 374,000	+15,400
b. Hospital and Out-Islands Services <u>1/</u>	4,924,000	5,731,000	+807,000
c. Environmental Health and Sanitation	251,000	265,000	+14,000
d. Dental Services	329,000	399,000	+70,000
e. Trust Territory School of Nursing	<u>228,300</u>	<u>237,000</u>	<u>+8,700</u>
Total	\$6,090,900	\$7,006,000	\$+915,100

1/ Medical Referrals and Medical Supplies are included in the Hospital and Out-Islands account.

The Health Services program is established to maintain and improve health and environmental conditions, minimize and eventually control communicable disease, establish standards of medical and dental care, encourage scientific investigations in the field of health, supervise and administer all government-owned hospitals, clinics, dispensaries and other medical and dental facilities.

a. Medical Administration

FY 1972 \$358,600, FY 1973 \$374,000: Increase \$15,400

A total of \$374,000 is required for Medical Administration in FY 1973, an increase of \$15,400 over FY 1972. This increase will provide for the higher pay level as well as for normal salary increments for ongoing employees.

The administration of all health programs are carried out by personnel specialists in the fields of medicine, dentistry, pharmacy, hospital administration, nursing, environmental health, health planning/evaluation, vital statistics and medical equipment repairs who provide technical services and give leadership and direction for the implementation of all programs.

Emphasis will continue on comprehensive health planning through the Office of Health Planning/Evaluation, and the Trust Territory Health Planning Councils with increasing implementation of Preventive Health Programs. The emphasis on

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preventive health services coupled with a good potable water supply, will markedly reduce the prevalence of many illnesses which now constitute the bulk of medical care.

There is no change in staffing in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	5 U.S. Civil Service	5 U.S. Civil Service
	<u>5 U.S. Contract</u>	<u>5 U.S. Contract</u>
	10 U.S. Total	10 U.S. Total
	20 Micronesians	20 Micronesians

b. Hospitals and Out-Islands Services:

FY 1972 \$4,924,000, FY 1973 \$5,731,000: Increase \$807,000

A total of \$5,731,000 is required for Hospitals and Out-Islands Services in FY 1973, an increase of \$807,000 over FY 1972. This increase will provide for 62 new Micronesian positions, salary increments and increased pay, and will help to meet the increased requirement for drugs and medical supplies.

The Trust Territory Government provides all the medical care that is available for the citizens of Micronesia. There are no private hospitals or pharmacies. There are no medical officers in private practice. Delivery of health care is almost exclusively carried out by Micronesian medical officers, dental officers, sanitarians, nurses, health aides and other paramedical personnel. The general level of health is quite good except in some of the outer islands where services are sub-standard in terms of appropriately trained health aides and good physical facilities. This is improving constantly with continuous health aide training programs and an accelerated dispensary replacement program.

Medical care is provided through six district hospitals, three sub-district hospitals and 153 rural dispensaries. Beginning with FY 1972, provision is being made to staff the new Truk Hospital with a minimum of 4 specialists to reduce the number of referrals to Guam and Honolulu hospitals. (In FY 1971, 438 inpatients and 253 outpatients visits were recorded in the Guam and Honolulu hospitals. Total expenditures for medical charges, transport, and subsistence for patients and escorts were \$679,300.)

Activities in the areas of Maternal and Child Health, School Health, Case-finding for Crippled Children Services and Family Planning will be intensified. Extension to districts other than Saipan of the Mental Health program is to be emphasized.

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Pilot projects begun for several outer islands to provide safe and potable water supplies for the population will continue to be extended. The mass immunization program with the assistance of the National Communicable Disease Center of Atlanta, Georgia will be intensified. This will provide protective levels of immunity against diphtheria, tetanus, whooping cough, smallpox, poliomyelitis, measles and other pertinent disease for the entire population. The resultant immunity level is to be maintained by routine immunizations via the Maternal and Child Health programs and related public health clinics.

The proposed program for FY 1973 will upgrade and broaden the health services in the district hospitals and dispensaries to insure better quality and more comprehensive care.

New facilities at Ebeye and Kusaie will increase sub-district hospital capacity by 12 beds. An additional 20 beds will be added by expected completion of the pediatric ward at the Palau District Hospital. Construction of the new teaching-referral facility will begin in FY 1973; replacement and new construction of dispensaries will continue.

Extended training especially of health aides will be emphasized. Assistance will be available from the Federal Manpower Training Act, the Regional Health Program of Hawaii and other U.S.P.H.S. grants.

An increase of 3,000 admissions to the hospital and 30,000 outpatient visits is anticipated. (See Table I for FY 1971 data.)

One new U.S. position is proposed for FY 1973, a local hire clerk-steno for Yap hospital. One U.S. Registered Nurse position will be eliminated in Saipan. An additional 62 Micronesian positions will be required primarily to staff the new facilities at Ebeye and Kusaie as well as modest increases in district hospitals to diminish staffing shortages. District distribution of the FY 1973 new Micronesian positions is as follows: Marianas 4; Palau 7; Truk 6; Ponape 22; and Marshalls 23.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	29 U.S. Contract	29 U.S. Contract
	985 Micronesians	1047 Micronesians

c. Environmental Health and Sanitation:

FY 1972 \$251,000, FY 1973 \$265,000: Increase \$14,000

A total of \$265,000 is required for Environmental Health and Sanitation in FY 1973, an increase of \$14,000 over FY 1972. This increase will fund three additional Micronesian positions, and cover salary increments and higher pay.

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The function of the Environmental Health and Sanitation Section is to prevent the spread of disease and to control certain environmental factors affecting public health.

In FY 1973, the Environmental Health program will put emphasis on detecting environmental pollution and in implementing controls. This section will continue training of Micronesian environmental personnel and of extending sanitation services to the communities outside the district centers.

Three new Micronesian positions are needed, offset by the elimination of the sole U.S. position.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Contract	-0- U.S.
	64 Micronesians	67 Micronesians

d. Dental Services:

FY 1972 \$329,000, FY 1973 \$399,000: Increase \$70,000

A total of \$399,000 is required for Dental Services in FY 1973, an increase of \$70,000 over FY 1972. This increase will fund six new Micronesian positions, salary increments and increased pay, and a small amount of new and replacement equipment.

Under the general supervision of the Director of Health Services, the Chief of the Dental Division is responsible for the formulation of programs relating to the School for Dental Health Care and general population in all districts. This office has the responsibility to formulate any new programs, coordinate and supervise the overall Dental Services, as well as to provide information as requested to some health agencies outside the Trust Territory.

More emphasis will be put on the preventive care in the school areas for school children. The preventive programs will include Dental Health Education as well as topical application of sodium fluoride on teeth surfaces, and operative and restorative care. More emphasis will be put on Dental Health Education programs throughout the schools in the Trust Territory.

With the possibility of expanding our health facilities to the outer islands, it is anticipated that the dental services will be expanded as part of the general health programs to areas outside of the District Centers.

It is also planned that the number of field trip services will increase in FY 1973 to meet the needs of the outer islands population.

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A few of the old equipments will be replaced plus a few new additional field portable equipments for our field trip services will be acquired.

To meet the staffing requirement, six (6) new positions will be added as follows: 1 Dental Officer and Dental Nurse - Saipan; 1 Dental Officer and Dental Nurse - Yap; 1 Dental Nurse each in Palau and Ponape.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	73 Micronesians	79 Micronesians

e. Trust Territory School of Nursing:

FY 1972 \$228,300, FY 1973 \$237,000: Increase 8,700

A total of \$237,000 is required for the operation of the Trust Territory School of Nursing in FY 1973, increase of \$8,700 over FY 1972. This increase will fund one new Micronesian position and provide for normal salary increments and higher pay for ongoing positions. Continuance of a total enrollment of 100 students is anticipated in FY 1973.

The School of Nursing provides instruction in a two and one-half year course of study in clinical nursing and basic public health for Trust Territory wide scholarship grantees. The faculty also provides supervision of all clinical hospital practice, public health domiciliary field care and clinic practice. The scholarship grantees are provided with transport to and from their districts, uniforms, books, bed and board, graduate pins, diplomas, uniforms and stipends to cover personal hygienic necessities. Meals and linen laundry service costs are paid to Dr. Torres Memorial Hospital.

No increase in personnel is anticipated except that one Micronesian Nurse Instructor will be added to make up for one U.S. position being eliminated.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	<u>5</u> U.S. Contract	<u>4</u> U.S. Contract
	7 U.S. Total	6 U.S. Total
	10 Micronesians	11 Micronesians

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T A B L E I
UTILIZATION OF HOSPITAL FACILITIES

Fiscal Year 1971

District Hospital	Beds Available	Average Daily Census	Percent of Occupancy	Total Census Days	Outpatient Visits
Marianas	92	43	47	15,540	33,240
Marshalls	88	64	73	23,640	56,844
Palau	82	74	90	26,868	45,828
Ponape	68	45	66	16,500	44,376
Truk	80	61	76	22,176	41,004
Yap	<u>42</u>	<u>21</u>	<u>50</u>	<u>7,860</u>	<u>13,380</u>
Total	452	308	68	112,584	234,672
<u>Sub-Hospitals</u>					
Rota	10	6	60	1,424	6,120
Ebeye	18	11	61	3,900	40,800
Kusaie	<u>14</u>	<u>10</u>	<u>71</u>	<u>3,600</u>	<u>10,002</u>
Total	42	27	69	8,924	56,922
Grand Total	494	335	68	121,508	291,594

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TT HEALTH SERVICES

PATIENT ADMISSIONS (1)

	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
TOTAL	9,792	10,005	10,783
Marianas	1,702	1,750	1,788
Marshalls	1,223	1,263	1,594
Palau	2,133	2,168	2,297
Ponape	1,802	1,849	1,979
Truk	2,251	2,261	2,481
Yap	681	714	644

(1) Figures do not include admissions to sub-district hospitals at Ebeye, Kusaie and Rota

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2. Education: FY 1972 \$10,270,400, FY 1973 \$11,490,000: Increase \$1,219,600
The increase consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$ 370,900	...	...	...	Normal salary increments for 254 U.S. and 1,782 Micronesians plus a few selected promotions.
(2)	+410,800	...	...	...	Full effect of new pay plan.
(3)	+342,800	+18 U.S. +84 Micro	...	272 U.S. 1,866 Micro	To strengthen Education staff and provide increases in other support costs.
(4)	+95,100	Increased requirement for supplies, materials, and food, for increase in secondary enrollment.
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	\$+1,219,600	+18 U.S. +84 Micro	\$11,490,000	272 U.S. 1,866 Micro	

Need for Increase:

- (1) Normal salary increments for 254 U.S. and 1,782 Micronesian ongoing staff plus a few selected promotions, \$370,900: Normal within grade promotions must be awarded except in cases of unsatisfactory performance and selected promotions must be made. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of \$370,900 is required to meet this additional cost.
- (2) Full effect of new pay plan, \$410,800: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding of positions partially lapsed.
- (3) To strengthen Education staff and provide increases in other support, \$342,800: Eighteen U.S. and eighty four Micronesians will be added to the Education staff in FY 1973. The U.S. staff is primarily in Secondary education while the new Micronesian positions are spread throughout the program with nearly half in Elementary education. Staff increases account for \$366,800

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with other items decreasing by \$24,000. Increases in travel, printing, supplies and student stipends, are more than offset by decreases in freight, other contractual services, and equipment.

- (4) Increased requirement for supplies and materials and food for increased secondary enrollment, \$95,100: An anticipated increase in enrollment in secondary schools of 1,200 students, most of them to live in dormitories, requires an increase in all supplies and materials, but chiefly in the feeding program.

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<u>Activity</u>	<u>FY 1972 Estimate</u>	<u>FY 1973 Estimate</u>	<u>Increase + Decrease -</u>
2. <u>Education:</u>			
a. Administration	\$ 848,300	\$ 911,000	\$ +62,700
b. Elementary	4,409,800	5,035,000	+625,200
c. Secondary	2,847,300	3,265,000	+417,700
d. Inservice Teacher Training	154,000	161,000	+7,000
e. Scholarship and Medical Education	614,000	634,000	+20,000
f. Micronesian Occupational Center	775,000	806,000	+31,000
g. Community College of Micronesia <u>1/</u>	410,000	418,000	+8,000
h. Micronesian Maritime Center	- 0 -	48,000	+48,000
i. Aid to Non-public Schools	<u>212,000</u>	<u>212,000</u>	<u>- 0 -</u>
Total	\$10,270,400	\$11,490,000	\$+1,219,600

1/ Formerly known as Micronesian Teacher Education Center.

a. Administration:

FY 1972 \$848,300, FY 1973 \$911,000: Increase \$62,700

A total amount of \$911,000 is required for Education Administration in FY 1973, an increase of \$62,700 over FY 1972. This increase will fund one U.S. contract and one Micronesian position along with normal salary increments and a higher pay scale for ongoing positions.

The Department of Education is headed by a Director and a Deputy Director. The Director of Education is a member of the High Commissioner's Cabinet. His immediate staff, whose function is to coordinate programs, channel information, and implement education policies throughout the six districts, includes two Assistant Directors and an Administrative Officer. The Administrative Officer has in-line authority over staff in the areas of finance, facilities, federal programs, student services, personnel services, and research and development. One Assistant Director has in-line authority over staff in the areas of elementary, secondary, teacher and special education, curriculum development, library services, and English language programs. The other Assistant Director has in-line authority in the areas of vocational and pre-vocational programs, home economics, adult basic education, and manpower development and training programs. The same Assistant Director acts as technical assistant to Micronesian Occupational Center.

At the district level, the District Directors of Education are responsible for the operation of all public schools. Each district operates one or two high schools, and from twelve to fifty-six elementary schools. The District Directors' functions include implementation of policies, employment of teachers, assignment and direction of staff, requisitioning, storage and distribution of all supplies and equipment.

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The same function covers all matters pertinent to the total operation of schools; e.g., management of logistic support, supervision and improvement of instruction, dormitory management, budget preparations, development of curriculum materials, in-service teacher training, determination of needs for school buildings and facilities, and participation in the development of long range policies and plans for education.

The District Directors of Education as well as the Directors of Micronesian Occupational Center and Community College of Micronesia report to the Director of Education through the District Administrators.

One new U.S. position and one new Micronesian position are added to the Administration staff in Palau in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	3 U.S. Civil Service	3 U.S. Civil Service
	<u>29</u> U.S. Contract	<u>30</u> U.S. Contract
	32 Total U.S.	33 Total U.S.
	67 Micronesians	68 Micronesians

b. Elementary:

FY 1972 \$4,409,800, FY 1973 \$5,035,000: Increase \$625,200

A total of \$5,035,000 is required for elementary education in FY 1973, an increase of \$625,200 over FY 1972. This increase will provide for 39 new Micronesian positions, normal salary increments, a higher pay scale, and a small increase in supplies and materials.

The public elementary school program provides eight years of schooling for the children of Micronesia in a system having 204 elementary schools with a total population of 25,489 by FY 1973. This is a slight decrease from the FY 1972 estimated enrollment of 25,851, caused by overage students moving out of the system. The government will spend \$199.31 per elementary pupil in FY 1973, an increase of \$15.41 over FY 1972. Education is compulsory for children of ages 6 through 14 or until the completion of the elementary program. Class sizes vary especially in small schools located on isolated islands. In many of the smaller schools, three or four grades are combined in one class. Due to geographical conditions it is difficult to consolidate these schools. The expanding curricular design concentrates on language arts, mathematics, social studies, science and health, local crafts and homemaking. Major emphasis is placed on the development of English capability.

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Approximately 75% of our teachers have only high school education or even less; this results in an institutional design requiring training and supervision at every juncture. The large number of staff who need basic training as teachers and the resources to do the job have made this a relatively slow process.

Major effort for improvement is being made by restricting new teacher employment to high school graduates, conducting in-service and upgrading programs within each district, harnessing talent to capably support teacher training programs in each district, developing standardized approaches for curricular design for Micronesia, shifting and redesigning organizational structures, seeking to strengthen the supervisory and administrative support through more effective recruitment and supporting special training programs at the East-West Center in Hawaii for Micronesian administrators and supervisors.

The supply of relevant textbooks, instructional and other supplies, equipment, etc., has been sparse and sporadic, and many classroom facilities are inadequate for proper storage and maintenance of these instructional materials and equipment. The development and adoption of curriculum materials that are culturally and geographically oriented to Micronesia has increased to the point where teachers can expect curriculum materials in at least three grades of science, and mathematics by January of 1972.

In FY 1973 two U.S. contract positions are eliminated and 39 new Micronesian positions are added.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Civil Service	1 U.S. Civil Service
	<u>48</u> U.S. Contract	<u>46</u> U.S. Contract
	49 U.S. Total	47 U.S. Total
	1,343 Micronesians	1,382 Micronesians

c. Secondary:

FY 1972 \$2,847,300, FY 1973 \$3,265,000: Increase \$417,700

A total of \$3,265,000 is required for Secondary Education in FY 1973, an increase of \$417,700 over FY 1972. This increase will fund 12 new U.S. and 27 new Micronesian positions, normal salary increments, a higher pay level, and an increase in supplies and materials (primarily for feeding additional students).

The secondary school program provides four years of schooling in grades nine through twelve, and both the Outer Islands High School, Ulithi, Yap, and the secondary schools on Saipan offer educational opportunities in grades seven through twelve. Enrollment is not compulsory; however, interest in attending is strong.

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Total public enrollment will increase by 925 to 6,125 students. In four of the eight public high schools, the lack of either dormitory and/or instructional facilities or both make it necessary to limit enrollment on a selective basis. During FY 1973 limitations on enrollment will continue in spite of accelerated facility construction. Because of the wide variation in achievement in the 204 elementary schools resulting from having had limited trained teachers and differing instructional experiences, several of the schools have established a pre-ninth year for portions of their new enrollees.

All of the public secondary schools except two provide dormitory accommodations, and the percentage of dormitory students ranges from approximately 15% to 78% for those schools located in district centers and better than 98% at Kusaie High School in Ponape District. The two secondary schools that do not have dormitory facilities are on Saipan where students from other islands in the Marianas live in private homes under a student support program and in Yap proper where secondary students are bussed.

The instructional program in the secondary school is largely one of general education. This includes communication skills, arithmetic and basic mathematics, social studies, physical and biological science at the introductory levels. In these general high schools agriculture, industrial education, carpentry, electricity, drafting, boat and auto mechanics, homemaking, business (general business, typing, bookkeeping, business arithmetic, office practice) and physical education are important programs offered to a greater or lesser extent, dependent upon the availability of instructional staff and plant facilities at any one school. The achievement level of students is not equivalent to that found in the average secondary school in the United States, and generally ranges from three to five years below average achievement levels based on U.S. standardized tests. The testing program itself is open to some question of its validity. While a valid testing program is much desired, the personnel and attendant funds necessary to develop such tests are beyond the means of the present available monies. This situation results from a variety of factors such as low quality elementary schooling, English language difficulties, and the lack of or inadequate facilities in special program areas.

To carry out the secondary education program in FY 1973, 12 new U.S. positions (9 for Intermediate schools in Truk, 4 for the new school at Jaluit, in the Marshalls, less one reduction in Palau) and 27 Micronesian positions (Marianas-2, Palau-7, Truk-4, Marshalls-14) will be needed to staff the new and expanded facilities.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	6 U.S. Civil Service	5 U.S. Civil Service
	<u>124</u> U.S. Contract	<u>137</u> U.S. Contract
	130 U.S. Total	142 U.S. Total
	286 Micronesians	313 Micronesians

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d. Inservice Teacher Training:

FY 1972 \$154,000, FY 1973 \$161,000: Increase \$7,000

A total of \$161,000 is required in FY 1973 for Inservice Teacher Training, an increase of \$7,000 over FY 1972. This funding is intended to cover trainees salary only.

Sixty five teachers will receive training in FY 1973, the same number of trainees as in FY 1972. Inservice training is one-year program designed to train and upgrade experienced or aspired teachers who need additional instructional in general and special subject matter. (Student teaching, observation-participation, etc.) The major emphasis in this program center on practical teacher education activities.

It should be noted that Federal Grant of Title III bears major cost of running this project for trainees. It pays for the cost of materials and salaries of personnel and instructors who man and guide the inservice training of Trust Territory Teachers.

e. Scholarship and Medical Education:

FY 1972 \$614,000, FY 1973 \$634,000: Increase \$20,000

A total of \$634,000 is required for Scholarship in FY 1973, an increase of \$20,000 over FY 1972. The increase will provide 10 additional scholarships in FY 1973.

The Scholarship Office under the direction of the Scholarship Officer administers a program that provides full and part-time scholarship at the University of Guam, University of Hawaii, mainland colleges and universities, various trade and technical schools, as well as schools in Fiji, New Guinea, and the Philippines. The full scholarship implies all costs pertaining to the pursuit of a degree while the part-time scholarship may include tuition only, transportation, or such partial help as the student might need. It is expected that 132 full scholarships will be granted in FY 1973, the same number as FY 1972. Partial scholarships will increase by 10 to an estimated 253 grants in FY 1973. This office also coordinates American Field Service, United Nations Fellowship, East-West Center scholarships and training programs that become available.

There is no change in staff in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	4 U.S. Contract	4 U.S. Contract
	6 U.S. Total	6 U.S. Total
	4 Micronesians	4 Micronesians

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f. Micronesian Occupational Center:

FY 1972 \$775,000, FY 1973 \$806,000: Increase \$31,000

The amount of \$806,000 is required in FY 1973 to fund the Micronesian Occupational Center, an increase of \$31,000 over FY 1972. This increase will fund six new Micronesian positions, normal salary increments, and the additional travel funds necessary to bring in 100 new students.

The Department of Education places a strong emphasis on training and upgrading Micronesians to meet today's challenge. In keeping with that emphasis, MOC is entrusted to develop a viable work force in the Trust Territory and coordinate its programs with Economic Development activities to ensure that its graduates are placed in positions they are capable of, may it be in the private sector or in governmental agencies.

The MOC program funds six district vocational education supervisors and provides the overhead for feeding approximately 800 Palau High School students. MOC, the Territory's residential vocational school, offers courses in 22 different occupational choices. Included are such vitally needed trades as appliance automotive, and heavy equipment maintenance and repair, air conditioning, welding, electrical, plumbing, and institutional food preparation and serving (with its Palau High School feeding program offering practical experience in the latter).

In preparation for an enrollment increase of 100 to an anticipated 400 students, it is necessary to add six new Micronesian positions (two classroom teachers, two counsellors, a clerk-typist, and a cook), while phasing out one U.S. position (a TESL instructor). These new positions will allow for additional student enrollment in existing occupational fields, but do not allow for any additional occupational fields.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	28 U.S. Contract	27 U.S. Contract
	57 Micronesians	63 Micronesians

g. Community College of Micronesia:

FY 1972 \$410,000, FY 1973 \$418,000: Increase \$8,000

A total of \$418,000 is required in FY 1973 for the Community College of Micronesia, an increase of \$8,000 over FY 1972. This increase will fund the new pay plan, hiring of University of Hawaii contract instructors, and adding other necessary staff positions.

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The Community College of Micronesia (CCM) is a two-year college specializing at the moment in elementary teacher education. Along with a core of general education, the College offers intensive work in spoken and written English, and courses in academic subjects related to elementary school programs. Principles and methods of teaching, observation, and finally supervised student teaching in elementary classrooms complete the course of training. The initiation of a liberal arts program will constitute a significant addition during FY 1973.

In this 1972-73 academic year, CCM will have a total enrollment of 123 students. Enrollment for 1973-74 is expected to reach a total of 133 students.

All students at CCM are on scholarship which includes their transportation to and from the school, room and board, and books. Presently CCM awards the Associate of Science degree in Education. The first Trust Territory graduating class of 62 students to have completed the new two-year program at the Community College of Micronesia were awarded this degree in the Spring of 1971.

In concert with the Trust Territory Department of Education, the faculty of the Community College is responsible for the planning, programming and budgeting for this two-year institution. Its functions can best be described as evolving as a combination of an institute of higher learning capable of A.A. and A.S. programs, a source of consultive personnel, extension services, short-term community support programs and a center for curriculum development.

Specific programs which will be in effect in this time span are:

1. Pre-service elementary teacher program which will graduate 40 or more students per year.
2. Teacher training program in the area of special education for the mildly handicapped.
3. An operational Instructional Materials Resource Center for use on Trust Territory wide basis.
4. Coordination and support service to each district in the development of extension and correspondence courses.
5. Leadership and supervisory training programs for district personnel.
6. Internship training for Micronesians who will become full instructors on the Community College staff.
7. The offering of liberal arts courses is part of the total program leading to an A.A. degree.

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Program fund increases will be minimal until the new campus facilities are available in 1976. The exceptions to this will be in staff training and extension services. Funds for these purposes will be significantly increased in the years 1974 and 1975.

In FY 1973, the contract with the University of Hawaii will have expired. The seven new U.S. positions are actually transfers from the contract to the Trust Territory payroll. Only the six new Micronesian employees constitute additional faculty.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	9 U.S. Contract	16 U.S. Contract
	25 Micronesians	31 Micronesians

h. Micronesian Maritime Center:

FY 1972 \$ -0-, FY 1973 \$48,000: Increase \$48,000

A total of \$48,000 is required to support this new and emerging program designed to train Micronesian Seamen for Micronesia in FY 1973 on a Trust Territory wide basis.

Under the general supervision of the Director of Education and direct supervision of the Director of the Micronesian Maritime Center, the Department of Education is responsible for the formulation of a program which will train seamen so that they may obtain employment positions on board the vessels which ply the waters of the Trust Territory. Forty students per year, in two groups of 20 each, will qualify for seamen's papers to allow them to work aboard ships. The planning, programming, and budgeting of this new training facility is the responsibility of the Department of Education. Since this type of educational training is new to the Trust Territory, it is expected that within the foreseeable future that the scope of this training, with the addition of sequential related occupations, will increase and therefore, additional funds will be required.

The Department of Education places a strong emphasis on training Micronesians for Micronesia in place of bringing in employees from other parts of the world. The vessels which operate in Micronesia are primarily staffed with non-Micronesian employees because there is no training facility easily available in which the indigenous residents of the Trust Territory can obtain training.

Since the Trust Territory is completely surrounded by water and depends largely on goods transported by ship there are now many employment positions available for trained Micronesians within the shipping industry. The employment possibilities can do nothing but increase and expand as the population of the Trust Territory

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increases and the demand for goods passes the supply available. As this demand increases so will the availability of maritime positions in a direct proportionate ratio. When this happens the Department of Education feels these positions should be filled by qualified Micronesians.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	- 0 -	1 U.S. Contract
	- 0 -	5 Micronesians

i. Aid to Non-public Schools:

FY 1972 \$212,000, FY 1973 \$212,000: No Change

The amount of \$212,000 is required for Aid to Non-public Schools in FY 1973, the same amount as in FY 1972.

Public Law 3C-36 enacted by the Congress of Micronesia for aid to non-public schools requires the Trust Territory to provide non-public school pupils with benefits equal to those provided to public school students in the areas of transportation, textbooks, accident insurance, testing, medical and nursing services, and feeding programs.

The Trust Territory has 18 non-public Elementary schools with an estimated enrollment of 3,400 students and 8 non-public Secondary schools with an estimated enrollment of 1,100. Since most of the Secondary schools are boarding schools, the largest part of this program supports the feeding program. It is estimated that the distribution of the funds will provide \$11,000 for textbooks, \$7,000 for transportation, and \$194,000 for the feeding program.

There are no staff members paid from these funds.

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3. Public Affairs: FY 1972 \$2,070,800, FY 1973 \$2,102,000: Increase \$31,200. The increase consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$+45,100	...	...	...	Normal salary increments for 17 U.S. and 206 Micronesian ongoing staff.
(2)	+52,600	...	...	...	Full effect of new pay plan.
(3)	-17,000	...	...	7 U.S. 62 Micro	Small program decrease and nonrecurring equipment requirements in self-help programs.
(4)	-9,500	+2 Micro	...	10 U.S. 146 Micro	Slight strengthening of Broadcasting staff more than offset by minor decrease in nonrecurring equipment requirements. The 1972 political education and education and legislative liaison program levels will be sustained.
(5)	-50,000	...	\$ 250,000	...	Program decrease is Housing Loan Fund.
(6)	+10,000	...	20,000	...	To provide for the Congress of Micronesia general election in November 1972.
	<u>\$+31,200</u>	<u>+2 Micro</u>	<u>\$2,102,000</u>	<u>17 U.S. 208 Micro</u>	

Need for Increase:

- (1) Normal salary increments for 17 U.S. and 206 Micronesian ongoing positions, \$45,100: Normal within grade promotions must be awarded except in cases of unsatisfactory performance. The increase of \$45,100 is required to provide for such promotions.
- (2) Full effect of new pay plan, \$52,600: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding of positions partially lapsed.

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- (3) Small program decrease and nonrecurring equipment requirements in self-help program, \$-17,000: The Grant-in-Aid Program has been very successful in assisting various Micronesian communities, especially remote or outer-island villages, in developing self-help projects ever since it got started. This program has received favorable support from the District Legislatures and the Congress of Micronesia. The decrease of \$17,000 will leave enough funds which are needed to keep pace with increased demand in this self-help program.
- (4) Slight strengthening of Broadcasting staff, more than offset by minor reduction of equipment requirements. The 1972 political education and legislative liaison program levels will be sustained, \$-9,500: Two new Micronesian positions at the cost of \$3,400 will be added to strengthen the Broadcasting staff in FY 1973. This increase is more than offset by reduced equipment requirements, primarily in Broadcasting, \$10,900 and other object codes, \$2,000. The political education program which began in FY 1970 will continue in FY 1973.
- (5) Program decrease in Housing Loan Fund, \$-50,000: The Housing Loan Fund Program, established in FY 1971 at \$500,000, has received favorable response from the local people. In FY 1972, \$300,000 was funded as a second increment for this program. In FY 1973, \$250,000 is requested for the third increment, thus showing a program decrease of \$50,000 to permit financing of approximately 62 more low cost private dwellings.
- (6) To provide for the Congress of Micronesia general election in November 1972, \$10,000

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<u>Activity</u>	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase +</u> <u>Decrease -</u>
3. <u>Public Affairs:</u>			
a. Office of the Director	\$ 75,500	\$ 77,000	\$ +1,500
b. Legislative Liaison	141,000	165,000	+24,000
c. Civic Affairs	104,000	122,000	+18,000
d. Public Information	229,700	238,000	+8,300
e. Broadcasting	338,000	346,000	+8,000
f. Community Development	261,500	272,000	+10,500
g. Grant-in-Aid	486,100	487,000	+900
h. Housing Loan Fund	300,000	250,000	-50,000
i. Congress of Micronesia - Elections	10,000	20,000	+10,000
j. Congress of Micronesia - Operations	<u>125,000</u>	<u>125,000</u>	<u>- 0 -</u>
Total	\$2,070,800	\$2,102,000	\$+31,200

The Public Affairs Department includes the Divisions of Legislative Liaison, Civic Affairs, Public Information, Broadcasting, Community Development, and the Government Print Shop, which is industrially funded. It is dedicated to the development and improvement of the Micronesian society. An in FY 1972, major emphasis will continue to be on the political development of the Territory as well as in the Community Development self-help programs.

a. Office of the Director:

FY 1972 \$75,500, FY 1973 \$77,000: Increase \$1,500

A total of \$77,000 is required for the Office of the Director of Public Affairs in FY 1973, an increase of \$1,500 over the amount requested for FY 1972. The increase will provide for normal salary increments and a higher pay level.

Under the general supervision of the High Commissioner, the Director of Public Affairs has supervisory responsibility over the Divisions of Civic Affairs, Legislative Liaison, Public Information, Broadcasting, Community Development and Publications and Printing at Trust Territory Headquarters. The Director is responsible for organizing, planning, directing and coordinating all activities relating to these divisions of the Trust Territory Government. He advises the High Commissioner on policy matters relating to these divisions; represents the High Commissioner in the coordination of the divisions' activities; and makes continuing appraisal of their effectiveness in the performance of their assigned responsibilities

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in compliance with applicable law, regulation, policies and procedures. The Director also represents the High Commissioner in the coordination of Trust Territory liaison activities with the Congress of Micronesia, other local legislative bodies and the United Nations Trusteeship Council.

The manning level for FY 1973 remains the same as FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	1 Micronesian	1 Micronesian

b. Legislative Liaison:

FY 1972 \$141,000, FY 1973 \$165,000: Increase \$24,000

A total of \$165,000 is required to carry on the work of Legislative Liaison in FY 1973, an increase of \$24,000 over FY 1972. The increase will provide for normal salary increments, higher pay for Micronesians and a slight increase in supporting costs.

Under the general direction of the Director of Public Affairs, the Legislative Liaison Division is responsible for monitoring the Executive Branch bills submitted to the Congress of Micronesia for consideration and advising the High Commissioner through the Director of the status of current legislative proposals pending in the Congress. This responsibility entails ascertaining that legislative proposals submitted to Congress have been adequately reviewed by appropriate departments and that all departments are kept apprised of the 400 bills and resolutions introduced every session.

Each year the Division reviews the laws and resolutions adopted/enacted by the Congress of Micronesia and advises the district administration of any changes and amendments to the current laws. The Division has been designated as the depository for all official communications for the High Commissioner and is responsible for maintaining up-to-date files of all approved laws and all executive orders issued by the Secretary of the Interior.

Once a bill enacted by the Congress is approved or an executive order is received, the Legislative Liaison Division assumes the task of its distribution and dissemination to the district administrations, district legislatures and appropriate governmental agencies. While the Congress of Micronesia convenes annually for a duration of no more than 50 days, the Division maintains constant contact with the Congress and its Standing Committees and keeps the executive departments concerned advised on any hearings that may take place in Headquarters and in the districts.

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Upon the request by the District Administrations and the District Legislatures, the Legislative Liaison Division participates in the conduct of legislative, and municipal workshops, and assists in the drafting of bills, and ordinances. The division monitors the 50 to 60 laws and resolutions which result from every session of each of the six District Legislatures. The functions of the Division are carried out in the districts by Legislative Liaison Offices, each consisting of a staff of 3 or more personnel working under the supervision of the District Administrator or his designee. With the policy of decentralization already in effect, there is the ever growing need for Headquarters and district staff to meet annually to exchange ideas on district problems and mutually related matters; to assess and evaluate policies and increase understanding of significant political developments as they relate to the problems of the Trust Territory.

The district legislative liaison offices participate in the conduct of municipal, district legislatures, and Congress of Micronesia elections. They recommend to the Election Commissioner members to serve on the District Election Board, print and distribute election materials, and instructions. Headquarters staff provides assistance as may be needed and requested.

The manning level for FY 1973 remains the same as FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	30 Micronesians	30 Micronesians

c. Civic Affairs:

FY 1972 \$104,000, FY 1973 \$122,000: Increase \$18,000

A total of \$122,000 is required in FY 1973 to support the continuation of the current civic education and political information programs within the Trust Territory, an increase of \$18,000 over FY 1972. The increase will provide for normal salary increments and a higher pay scale.

Under the general supervision of the Director of Public Affairs, the Civic Affairs Division is primarily responsible for the planning, formulation, and coordination of concerted civic education and political information programs designed to achieve the following objectives: (1) to acquaint the people of Micronesia with the various political alternatives so as to reasonably prepare them to undertake a more meaningful act of self-determination; and (2) to encourage the indigenous citizens to fulfill their citizenship responsibilities by participating more fully in the affairs of their government at the territorial, district, and municipal levels of government.

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To enhance awareness of various political alternatives with respect to the future political status of Micronesia and to facilitate the assimilation of the concept and practice of self-government, the Division of Civic Affairs at Headquarters and its six district counterparts organize and conduct workshops and conferences with and for district and municipal government officials. This aspect of the Civic Affairs Division's activities entail extensive inter and intra district traveling.

Staffing remains the same in FY 1973 as in FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	17 Micronesians	17 Micronesians

d. Public Information:

FY 1972 \$229,700, FY 1973 \$238,000: Increase \$8,300

A total of \$238,000 is required for the territory-wide program of the Public Information Division in FY 1973, an increase of \$8,300 over FY 1972. The increase will provide for normal salary increments and a higher pay level.

The Public Information Division is primarily a Headquarters function with its major programs devoted to gathering, evaluating, preparing and disseminating information on a Territory-wide basis. In addition, it funds one position of Information Specialist in each of the Territory's six districts. The district specialist reports to the District Administrator; however, this individual receives advice, assistance and training from Headquarters Information Division personnel. Furthermore, the Headquarters staff provides assistance to districts in circulating news and other information between the six district broadcast stations and other news media. The Headquarters staff also sends to the districts news and other information produced at Headquarters for district use.

A principal function of the Public Information Division is to develop a network of communication, knowledge and understanding throughout the Territory. This involves daily dispatches to and from the district radio stations and newspapers, together with a twice-monthly printed review of information for distribution to government employees, students and community leaders. Assistance in the form of writing and graphic presentation is given to the Department's political education program. The goal: to provide residents with a complete, pertinent, credible information source for news of events and thoughts within their own communities and throughout the Territory, as well as to provide political information material as a foundation for an enlightened citizenry.

As a second function, the Public Information Division must prepare and disseminate information about the Territory to people in the United States and the world community. This a growing need, not only because of

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increasing tourism and general interest, but also to inform Americans and others about this Pacific Island Territory which is seeking to determine its future political status.

A third function is the preparation and publication of numerous handbooks, brochures and reports, including those to the United Nations and the Secretary of the Interior. Public and press relations are part of another increasingly important departmental activity as there becomes a greater international awareness of Micronesia.

To meet these needs, the following major activities have been programmed:

HIGHLIGHTS - A twice-monthly newsletter from the High Commissioner, with wide-spread circulation (9,100) in all districts, among Micronesians outside the Trust Territory, and members of the U.S. Congress; covering matters of concern to all residents and others interested in the Trust Territory.

Micronesian Reporter - A quarterly journal of Micronesia, addressing itself to an audience of interested readers within and outside the Territory, reporting developments in politics, society and business, commenting on travel and culture, and providing a forum for expressing a variety of viewpoints concerning the administration, Micronesian legislative bodies, and other forces influencing the direction of the Territory. Fifty-five hundred copies of each issue are distributed.

Micronesian News Service - A daily, comprehensive, credible report of Micronesia's newsworthy events. Through the Headquarters Public Information Division, this material is gathered and distributed by teletype to district radio stations and newspapers as well as to news media on Guam, and by daily airmail to national press wire services and selected newspapers, a total of about 60 recipients. Now four years old, the Micronesian News Service has established itself as a responsible source of news and information. It provides a comprehensive report that reaches all regions of the Territory in English and in the vernacular. MNS provides on-the-spot training for news representatives from each of the districts during the annual sessions of the Congress of Micronesia.

The manning level for FY 1973 remains the same as FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	3 U.S. Civil Service	3 U.S. Civil Service
	<u>2</u> U.S. Contract	<u>2</u> U.S. Contract
	5 U.S. Total	5 U.S. Total
	17 Micronesians	17 Micronesians

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e. Broadcasting:

FY 1972 \$338,000, FY 1973 \$346,000: Increase \$8,000

A total of \$346,000 is required to operate the Division of Broadcasting in FY 1973, an increase of \$8,000 over FY 1972. The increase will cover the costs of two new positions, normal salary increments and a higher pay scale.

The Micronesian Broadcasting System (MBS) in the Trust Territory consists of six radio broadcast stations, one located in each administrative district and a Broadcast Center at Headquarters which serves as the administrative, training, planning, coordinating, equipment procurement, advisory, and programming office for the entire system.

In FY 1973, emphasis will continue on political education through frequent broadcasts of interviews with Congressmen, key personnel in the executive branch, and district leaders. Taped coverage of Congressional and District Legislative sessions will be broadcast in the vernacular. On the spot reporting of important news events will be possible in all districts through a link with the Communications Division's teletype, telephone, and radio networks. Widespread use will be made of Armed Forces and Voice of America programs as well as those originating with the Micronesian News Service. Political broadcasts, news, programs, and public service announcements of all kinds will comprise 15% to 18% of the average broadcast day.

Training in all aspects of radio broadcasting will be continued since the Micronesians who manage and staff the six stations do not yet have all the communications skills required to be fully responsive to the needs of the listening audiences in the districts they serve.

In FY 1973, two new Micronesian positions will be added to the Broadcasting staff (1 Program Producer and 1 News Reporter). Total staff for FY 1973 will be 3 U.S. and 81 Micronesians.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	3 U.S. Civil Service	3 U.S. Civil Service
	79 Micronesians	81 Micronesians

f. Community Development:

FY 1972 \$261,500, FY 1973 \$272,000: Increase \$10,500

A total of \$272,000 is required for the operation of the Division of Community Development in FY 1973, an increase of \$10,500 over FY 1972. The increase will provide for normal salary increments and a higher pay scale.

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Under the general direction of the Director of Public Affairs, the Division of Community Development is responsible for coordination and planning for the rehabilitation of displaced communities, disaster relief, and the repatriation of hardship cases. It coordinates Trust Territory programs with other Federal Agency programs, such as the Office of Economic Opportunity, the Office on Aging, and the Peace Corps. It acquires and maintains libraries and technical books and films at Headquarters and the districts to aid in the dissemination of useful information for improved applications of technology to village life, better low-cost housing and community education. Included is a film library of over 250 titles for use by local community groups.

Community Development programs seek to improve Micronesian living by influencing individuals, groups, and communities. Individual improvement is attained through community education broadcasting, staff training, and youth guidance and training. As coordinator for Trust Territory and other Federal agency programs, this division provides job experience, remedial education, and counselling services to 131 out-of-school Micronesian youths through the Neighborhood Youth Corps. In addition, 55 young men are receiving valuable job skills in intensive residential training programs in Honolulu. Community groups development is obtained through the organization and leadership provided to boy scout and girl scout troops, recreation and athletic programs, community centers, women's clubs, and cooperative. In addition, this division administers a low-cost housing loan program through local housing authorities.

Micronesian Community Groups Advisors in each district maintain regular contact with the numerous villages performing a variety of technical and educational services:

Demonstration of improved mechanical devices such as manually operated washing machines, solar heaters and salt water distillers, wind powered pumps, and economical water storage systems.

Instruction in improved home economics in such areas as sewing, household safety, consumer information, soap making, appliance and home maintenance, family budgeting, and nutrition.

Provide information and guidance to community leaders interested in forming cooperatives, credit unions or in introducing new practices for improved community life such as new produce marketing schemes, more economical uses of local materials, and the uses of parliamentary procedures in village meetings.

Advisory assistance to women's groups to improve their project planning skills, and to increase their participation in community development.

In FY 1973, one new Micronesian (boat operator) position will be added to the Community Development staff. Two ongoing Micronesian (Community Development Aid) positions will be transferred to the Grant-in-Aid Program to help process increased number of grant-in-aid applications in Palau.

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Still another ongoing Micronesian clerical position will be eliminated as the incumbent becomes qualified to assume higher responsibilities. As a result, the manning level for this Division shows two Micronesian positions less in FY 1973. The U.S. staffing for FY 1973 remains the same as FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	6 U.S. Civil Service	6 U.S. Civil Service
	43 Micronesians	41 Micronesians

g. Grant-in-Aid:

FY 1972 \$486,100, FY 1973 \$487,000: Increase \$900

A total of \$487,000 is required for the Grant-in-Aid Program in FY 1973, a minor increase of \$900 over FY 1972.

The Grant-in-Aid Program, supervised by local Community Development Offices, assists Micronesian communities, usually remote or outer-island villages, in developing self-help projects. These projects, initiated by the Micronesian communities which contribute labor, cash, local materials and land, have produced tangible and satisfying results. Projects include schools, dispensaries, copra boats, sailing canoes, roads, bridges, sea-walls, water supply systems, copra warehouses, small generators for electrification of small industries, community centers, ice machines, municipal offices and visitors' dormitories.

At the end of FY 1971, 98% of the available grant funds were awarded for a total of 33 projects, in which the Government's share was \$225,000; the communities share in cash and/or in-kind was valued at \$187,000. In FY 1972, \$408,100 is available for grants. In FY 1973, funds available for grants are reduced by \$15,000 to a total of \$393,100.

In FY 1973, the Grant-in-Aid staff will be realigned and slightly strengthened with the addition of two Micronesian positions transferred from Community Development to accommodate an increased workload, especially in Palau. There will be no U.S. staff increase in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Civil Service	1 U.S. Civil Service
	19 Micronesians	21 Micronesians

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h. Housing Loan Fund:

FY 1972 \$300,000, FY 1973 \$250,000: Decrease \$50,000

A total of \$250,000 is requested for the Housing Loan Fund Program in FY 1973, a decrease of \$50,000 from FY 1972.

The Low-Cost Housing Loan Fund was established in FY 1971 to provide seed capital for the beginning of a housing program for low-income families in each district. At the end of FY 1971, five of the six districts were awarded their initial grant of \$83,333 in loan funds. In addition, construction of a model house was underway to demonstrate a year's research into low-cost materials and methods for Micronesia. During FY 1972, an estimated 190 loans will be outstanding throughout the Trust Territory. This will be made possible through an additional grant to each district in FY 1972 in the amount of \$50,000 each. In FY 1973 an additional \$41,666 is budgeted for each district's low-cost housing loan program.

All staffing and administration overhead is funded under the Community Development activity account (421).

Distribution of funds by district:

	<u>Marianas</u>	<u>Yap</u>	<u>Palau</u>	<u>Truk</u>	<u>Ponape</u>	<u>Marshalls</u>
FY 1972:	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
FY 1973:	41,666	41,666	41,666	41,666	41,666	41,666

Key Regulations:

- Each district may set a single annual interest rate from three to five percent (3-5%) with a maximum period of twenty years. Interest is computed.
- Each district may set maximum loan amount permissible, but none may exceed \$5,000.
- Only families in substandard houses are eligible to apply.
- No household may have more than one loan outstanding.
- No direct cash loans are allowed. Payments are made by local housing authorities on certified invoices.

Key Objective:

- To improve the quality of housing among low-income families in Micronesia through the introduction of cost reducing building techniques and wiser choice of materials.

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i. Congress of Micronesia - Elections:

FY 1972 \$10,000, FY 1973 \$20,000: Increase \$10,000

A total of \$20,000 is required in FY 1973 for elections to the Congress of Micronesia, an increase of \$10,000 over FY 1972.

The Secretarial Order No. 2918, as amended, which created the Congress of Micronesia stated that elections would be held biennially in each even-numbered year on the first Tuesday following the first Monday in November. The funds requested herein represent the projected costs of the November 1972 general elections.

j. Congress of Micronesia - Operations:

FY 1972 \$125,000, FY 1973 \$125,000: Increase \$ - 0 -

A total of \$125,000 is required for Congress of Micronesia - Operations in FY 1973, the same amount as FY 1972.

In fiscal years 1971 and 1972, \$125,000 per year was allocated for partial support to the operation of the Congress of Micronesia. This request for continuing support is made in accordance with Secretarial Order No. 2918, as amended, which stated that subsequent to FY 1972 the Congress of Micronesia may request additional funds for its operations and expenses from grants appropriated by the U.S. Congress.

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4. Resources and Development: FY 1972 \$4,914,000, FY 1973 \$4,581,000:
A decrease of \$333,000.

	Increase (+) or Decrease (-)		Total Program	Total Positions	Explanation
	Amount	Positions			
(1)	\$ +97,700	...	...	...	Normal salary increments for the 65 U.S. and 607 Micronesian ongoing positions, plus over-time and WAE's.
(2)	+89,400	...	...	...	Full funding effect of new pay plan.
(3)	-7,400	+11 Micro	...	15 U.S. 70 Micro	Increased requirements within the Office of the Director, Labor Office, Economic Development Office, various increases and decreases pertinent to the new labor offices.
(4)	+60,200	...	...	18 U.S. 300 Micro	To strengthen extension services and improve livestock and vegetable production of the Agriculture Division.
(5)	-7,100	+10 Micro	...	9 U.S. 44 Micro	To strengthen technical and administration staff of the Marine Resources Area.
(6)	+33,900	+1 U.S. +34 Micro	...	24 U.S. 248 Micro	To cope with the increased demands within the Land and Surveys Program. Major area is the Land Cadaster Program.
(7)	-600,000	...	-600,000	...	Program decrease in E.D.L.F.
	<u>\$-333,000</u>	<u>+1 U.S. +54 Micro</u>	<u>\$4,581,000</u>	<u>66 U.S. 662 Micro</u>	

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Need for Increase:

- (1) Salary increase for on-going staff, \$97,700: The normal within grade increases of 65 U.S. and 607 Micronesian positions, planned promotions and overtime. These increases were offset by a reduction in WAE labor.
- (2) Full effect of new pay plan, \$89,400: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding of positions partially lapsed.
- (3) Decrease in requirements within "Office of the Director", "Labor Office", and "Economic Development Office", \$-7,400: To cope with increasing demands of professional positions and the newly established District Labor Offices, four clerk-stenos and six clerk-typists have been proposed. Other increases cover printing of the "Micronesian Guidebook" and miscellaneous other operating expenses. These additional costs will be offset in FY 1973 by reduced travel, tuition, stipends for various training outside the Trust Territory, and one-time equipment costs of FY 1972 due to the establishment of the District Labor Offices.
- (4) Increased support requirements for the Agriculture Division are, \$60,200: Increase required to support, travel, training, major equipment and tuition.
- (5) Decrease of requirements within the Marine Resources Area, \$-7,100: To strengthen technical and administrative on-going staff, there have been ten (10) new positions added in the districts. They are as follows: PALAU (1) storekeeper/foreman, (1) boat captain, (2) clerks, (1) carpenter/mechanic; PONAPE (1) conservation officer, (1) boat captain; TRUK (1) boat captain, (1) clerk, (1) laborer/fisherman. Increased staffing costs are offset by non-recurring equipment requirements for fisheries research projects in Palau.
- (6) Increased support requirements within the Land and Surveys Area are as follows, \$33,900: To strengthen technical and administrative staff (34) new Micronesian and (1) U.S. positions are required. These increased positions will enable the Land and Surveys and Land Commission Division to support an increasing Land Cadaster Program. The positions to be added are: (5) clerks, (1) administrative assistant (24) surveying aides, (2) surveying technicians (2) realty officers and (1) secretary (U.S.). Minor increases in operational requirements in the areas of travel, freight, printing, supplies, material and equipment are offset by a reduction in other services (Outside contract) area.
- (7) Decrease in Economic Development Loan Fund, \$-600,000: Additional capital was added to the Economic Development Loan Fund in FY 1972. Further increments to the fund are anticipated to be provided under legislation currently pending in the U.S. Congress.

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<u>Activity</u>	<u>FY 1972 Estimate</u>	<u>FY 1973 Estimate</u>	<u>Increase + Decrease -</u>
4. <u>Resources and Development:</u>			
a. Office of the Director	\$ 62,900	\$ 70,000	\$ +7,100
b. Agriculture	1,446,800	1,565,000	+118,200
c. Economic Development	542,900	561,000	+18,100
d. Economic Development Loan Fund	600,000	- 0 -	-600,000
e. Marine Resources	484,000	492,000	+8,000
f. Lands and Surveys	1,717,400	1,822,000	+104,600
g. Labor Division	60,000	71,000	+11,000
Total	\$4,914,000	\$4,581,000	\$ -333,000

Under the general supervision of the Director of Resources and Development, this organizational element of the Trust Territory Government is responsible for the development, conservation and management of the Trust Territory's natural resources, and is composed of the divisions of Agriculture, Economic Development, Marine Resources, Land and Surveys, and Labor.

a. Office of the Director:

FY 1972 \$62,900, FY 1973 \$70,000: Increase \$7,100

A total of \$70,000 is required in FY 1973 for the Office of the Director, an increase of \$7,100. Increase is to support full impact of new pay plan and normal step increases.

The Office of the Director is responsible for providing policy guidance and supervision to the divisions under his control and for serving as the advisor to the High Commissioner on all matters concerning the economic development of Micronesia. The functions of this office remain constant with only minor increased cost attributed to within grade increases, supplies, materials and travel. There are no recommended personnel changes in FY 1973,

<u>Staffing:</u>	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Civil Service	1 U.S. Civil Service
	3 Micronesians	3 Micronesians

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b. Agriculture:

FY 1972, \$1,446,800, FY 1973 \$1,565,000: Increase \$118,200

A total of \$1,565,000 is required to support the Agriculture Division in FY 1973, an increase of \$118,200 over FY 1972. Increase is to support travel, training, tuition, equipment, full impact of new pay plan and normal step increases.

The major source of food for Micronesians comes from subsistence farming; this means the growing and harvesting of taro, bananas, coconuts, breadfruit, various other root and tuber crops, vegetables and fruits. A beginning has been made in commercial agriculture production in the past several years and this will be further accelerated during the subject fiscal year to take advantage of producing those crops suitable and adaptable to soil and climatic conditions of the islands. For example, the Trust Territory has sufficient and suitable land area to produce much of its domestic rice needs and all of its vegetable and meat products. In addition to supplying domestic food needs, commercial agriculture will exploit the production of those crops for which there is an economic potential for export to Guam (meat and vegetables), Japan (copra and cacao) and to the U.S. (black pepper).

Funds required in FY 1973 include \$160,000 for Program Management and Training, \$203,000 for Technical Services and \$1,202,000 for Crop and Livestock Promotion programs. Program Management includes the customary functions of administration and policy direction, planning and analysis, program and budget, technical direction and advisory service, and the implementation of special agriculture training programs. During the fiscal year, 22 agriculture students will be attending various training institutions.

Technical services are Territory-wide activities - Forestry, Entomology, Plant Pathology, Animal Health and Conservation. The first activity conducts surveys of forestry potential existing on one-third of the land of Micronesia, drafts legislation for forest reserves and park areas and conducts training centers for project personnel and local people who are interested in forest production. This program has been without professional direction for the past three years. Entomology service is a support program for the purpose of controlling or eradicating pests, preventing the entry and further spread of pests, through the exercise of quarantine and training Micronesians in the techniques for accomplishing the above. Plant Pathology service, a support program for the purpose of research, prevention and control of plant diseases of breadfruit, bananas, vegetables, black pepper, rice and tuber crops. Animal Health Service is responsible for the formulation of programs relating to Veterinary Medicine and Surgery. Veterinary medical, surgical and preventive medicine is offered to all livestockmen. It also provides meat inspection and animal quarantine inspection. The Conservation Service program is concerned with terrestrial conservation including soil, water, range, forest and wildlife. The initial efforts will be devoted to production of posters, news media, radio broadcasts and literature to inform and make the public aware that conservation is everybody's business.

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Crop and Livestock Promotion programs take the bulk of the budget of the Agriculture Division. This includes coconut development in Truk, Yap, Ponape and the Marshalls and coconut combined with beetle control in Palau. Coconut production involves on-the-farm advice in bushing, thinning groves to an optimum of about 70 palms per acre, replanting senile groves, planting new areas, organization of copra producers cooperatives, developing warehousing, transport, education and training of farmers in the new techniques of the culture and marketing of copra. The aim is to rehabilitate and/or replant approximately 3,000 acres of coconut lands.

The cattle, hog and poultry program involves the production of beef, pork and eggs in the Marianas for local consumption and export to Guam; production of poultry products and pork in all districts for local consumption to offset imports. Yearly value increase is expected at \$150,000. To achieve the stated production goal, this activity operates and maintains 250 acres of grazing land, feed grass improvement areas, and beef, hog and poultry breeding facilities and stock. It demonstrates pasture improvement techniques and sells chicks, piglets, bulls and heifers to local farmers, and operates two USDA approved slaughterhouses for use by local stockmen.

Vegetable production program is aimed to neutralize imports and reduce cash outflow and increase production in all districts for local consumption. Production in the Marianas (because of irrigation and better growing conditions) will be for export to Guam, increasing annually at \$200,000.

Ponape Island black pepper production is expecting to increase annually from the 50,000 vines presently established. Estimated processed black pepper export is set at 50,000 pounds. Continuous farmer training and education in pepper culture by extension agents is carried on. Additional plantings will be encouraged with progressive and aggressive farmers.

Rice production in Ponape District should be developed to a point where approximately 250,000 pounds of rice will be available for local sale. Continuous extension service will be provided to the rice farmers which will include making available farm machinery, fertilizer and pesticides, milling and storage facilities and marketing of the crop. Another program to be carried on in Ponape is the production and export of 150,000 pounds of bananas for the year.

The total value of all kinds of Commercial Agriculture products is expected to increase by over \$500,000 to an annual level of \$14 million in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	14 U.S. Civil Service	14 U.S. Civil Service
	<u>4 U.S. Contract</u>	<u>4 U.S. Contract</u>
	18 U.S. Total	18 U.S. Total
	300 Micronesians	300 Micronesians

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c. Economic Development:

FY 1972 \$542,900, FY 1973 \$561,000: Increase \$18,100

A total of \$561,000 is required for Economic Development Division operations in FY 1973, an increase of \$18,100 over 1972. Increase will support 3 new positions and full impact of the new pay plan.

Micronesia is characterized by a dual economy, with aspects of the traditional subsistence economy existing side-by-side with an economy which enjoys ever-rising standards of consumption and services and is seeking a wage structure patterned after levels in the United States. More than one half of the 102,250 population live at or near the 6 district centers; 13,000 of these are employed for wages. Over one half the population is engaged in subsistence activities, many as a supplement to wage income.

Present support for the economy in Micronesia comes mostly from expenditures of U.S. grant funds by the Trust Territory Government; local revenues are small, but growing, amounting to about \$7 million. Commodity exports totalled \$4.1 million. The present current emphasis is on installation of physical infrastructure with water, sewerage and power facilities and transportation components being added to expand the base upon which economic development can be built.

Development opportunities for major tourist expansions and agricultural and fisheries production exist in the private sector. These opportunities are limited by the following constraints: geographical dispersion of land and people; lack of physical infrastructure; a scarcity of labor in some district centers; lack of indigenous capital and institutions for savings and capital accumulation; foreign investors' uncertainty as to future political status; and a traditional cultural "set" positive toward a subsistence economy and negative toward individual gain.

The Division of Economic Development has turned its efforts toward increasing productivity in Micronesia, while at the same time ensuring maximum Micronesian participation in development. Specific division goals are--to create a tourism plant and to encourage manufacture and marketing of products using local material and resources.

Tourism is the Territory's fastest growing source of income. By 1977, accommodations and plant permitting, it is estimated that the flow of tourists into the Territory will reach 300,000 annually, bringing potential tourist expenditures to over \$22 million. Over 30,000 tourists entered the Territory in FY 1971. The aim of the Division is to play a direct role in assuring that the growth of tourism will be balanced and orderly and will provide maximum social and economic benefits for the Territory's people. The Division will continue to interest and assist entrepreneurs into entering the hotel/motel businesses, and concomitant tourism enterprises such as charter fishing, specialty shops and handicraft production and marketing. It also will attempt to retain and maintain those elements of Micronesian culture which are important to the people of the Trust Territory. Division

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efforts, through the newly staffed Office of Tourism will be toward establishing and maintaining working Tourist Commissions in each district, conducting basic research, and developing and disseminating informative and descriptive materials on Micronesia. This office will supplement promotional and advertising activities now largely carried on by carriers, hotels, and travel agents. Membership in the Pacific Area Travel Association will be continued.

A business climate needs to be created in the Territory which would accelerate the present growth rate and diversify its present "trading company" nature. There are in the Territory an estimated 450 enterprises and 40 credit unions with potential for growth and expansion. Micronesian managers need to gain a better grasp of when and when not to extend credit, what over-extension means, proper inventory control, record keeping, supply and demand. Through Business Advisors in each district, the Cooperative/Credit Union Section, and through consultants, technical assistance efforts will be expanded, good marketing, management and accounting practices will be continually stressed.

An Industrial Economist will assist in the preparation of feasibility and cost studies to enable small businesses to be started in such areas as agricultural and marine products processing, service industries, small manufacturing and other areas.

Business Advisors in the Division will continue to process applications for the Economic Development Loan Fund and to assist borrowers in developing viable enterprises.

There is presently in Micronesia about \$28 million worth of private U.S. investment. Since the implementation of the Foreign Investors Act in 1970, about 49 applications to do business have been processed: 17 have been approved to date. The Division will continue to administer this act. Approximately 20 U.S. firms will be granted permits to do business in FY 1973.

In FY 1973 the staff of Economic Development will consist of 13 U.S. and 52 Micronesians, an increase of 3 Micronesians over 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	9 U.S. Civil Service	9 U.S. Civil Service
	<u>4 U.S. Contract</u>	<u>4 U.S. Contract</u>
	13 U.S. Total	13 U.S. Total
	49 Micronesians	52 Micronesians

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d. Economic Development Loan Fund:

FY 1972 \$600,000, FY 1973 \$ - 0 -: Decrease \$600,000

The economic condition of Micronesia is of the utmost importance during this period of transition from a subsistence to monetary economy. To help induce progress in private enterprise the Trust Territory has been lending to the private sector for some 12 years. The funds available for this purpose have been quite limited and the need has far exceeded the availability. Legislation has been proposed to establish a fund which would more adequately meet the present needs, and is currently pending in the U.S. Congress. Future increases in capital for the fund are anticipated from that source.

e. Marine Resources:

FY 1972 \$484,000, FY 1973 \$492,000: Increase \$8,000

A total of \$492,000 is requested for Marine Resources in FY 1973, an increase of \$8,000 over FY 1972. Increase is to support 10 new positions, travel, supplies, materials, equipment, and full impact of new pay plan and normal step increases.

The Marine Resources Division is responsible for developing and operating a Trust Territory-wide program in marine resources conservation (protection of species, suppression of illegal activities), commercial fisheries promotion and technical development (embracing both inshore and offshore fisheries), boatbuilding and dry-docking (including commercial and sports craft), marine research and Crown-of-Thorns Starfish control.

The lagoons, reefs (total area in excess of 7,700 square miles vs. 700 square miles of land) and oceans of the Trust Territory are literally teeming with both commercially and scientifically exploitable resources. They are exploitable for food, research, tourist attractions and recreation. They constitute what is commonly regarded by most Micronesians as the major natural resource of the entire area and the most important source of future economic development.

The offshore waters are the source of the world's largest undeveloped tuna resource. They are presently being harvested by foreign flag vessels that take as much as 35,000 tons of skipjack tuna and 50,000 tons of yellowfin tuna from the waters surrounding the islands of the Trust Territory annually. Experts have estimated that the skipjack resource is capable of supporting several hundred thousand tons of production annually when fully developed.

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The Trust Territory will continue its participation in the Pacific Islands Development Commission (formed by the Governments of Hawaii, American Samoa, Guam and the Trust Territory in 1970) in order to cooperate in the development of the offshore skipjack resources of the tropical Pacific.

The development of applied marine research will continue through a small laboratory attached to the Marine Resources Headquarters in Palau. Research will continue into the life habits of the bait fish, which supports the entire skipjack tuna industry in the Territory. In addition, study of clams, turtles, dugong, etc. will continue as well as studies of commercially important inshore species.

Efforts will continue to conserve the inshore resources of the reefs and lagoons from destructive and illegal fishing activities by Micronesians as well as foreign nationals. Attempts to halt fishing with explosives and poisons will also continue through the conservation program. Educational activities will focus on the local population. Nine Conservation Officers constitute the entire marine conservation control staff and these men are stationed at Palau, Truk and Ponape.

Control programs for the Crown-of-Thorns Starfish will be continued in Palau, Ponape and Truk. The Marshalls, Marianas and Yap programs were closed out when successful execution reduced the numbers of starfish to a level which no longer endanger the reefs. Micronesian divers, trained in all aspects of SCUBA diving and control work, are carrying out daily control work in the three districts mentioned above.

The increase in funds will enable a small marine resources program to be opened in Ponape.

Commercial exploitation of tuna fish by Micronesians has only just begun. The value of the tuna catch is expected to increase by \$200,000 to an annual level of \$1,500,000 in FY 1973.

Boatbuilding and drydocking operations are aided through the services of a Shipyard Manager and Boatbuilder located in the Palau Shipyard. There is a growing demand for new construction of all types of boats and a need for drydocking of the growing numbers of vessels in the Territory. New slipways are required in other districts to handle the growing number of fishing vessels as well as other vessels being operated by the government and private sector. Only in Palau are there adequate slipways and trained personnel. The lack of proper service facilities in the other districts has resulted in a high turnover of boats. Efforts will be stepped up to correct this deficiency.

The above program requires the training of Micronesians for participation in the program, the education of the public about the programs, and the provision of funds for the necessary supporting services.

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In FY 1972 the Marine Resources program included 9 U.S. and 34 Micronesian positions. In FY 1973, 10 Micronesian positions will be added to strengthen the Ponape, Palau and Truk programs.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	4 U.S. Civil Service	4 U.S. Civil Service
	<u>5</u> U.S. Contract	<u>5</u> U.S. Contract
	9 U.S. Total	9 U.S. Total
	34 Micronesians	44 Micronesians

f. Lands and Surveys:

FY 1972 \$1,717,400, FY 1973 \$1,822,000: Increase \$104,600

A total of \$1,822,000 is required for Lands and Surveys in FY 1973, an increase of \$79,600 over FY 1972. Increase to support 1 U.S. and 34 Micronesian positions, travel, supplies, materials, equipment and full impact of new pay plan and normal step increases.

The Division of Lands and Surveys performs a variety of both public land management and private land title registration services for the Trust Territory Government and the people of Micronesia.

The 447,000 acres of land comprising the Trust Territory are fragmented into some 400,000 vari-size parcels on 2,141 islands scattered over 3,000,000 square miles of Western Pacific Ocean. About 58% of these lands are "public lands", but their boundaries are uncertain, plagued with contests and their characteristics have not been catalogued for development, disposal or planning purposes. Of the thousands of private and public land holdings, 1,053 parcels of land have been surveyed and monumented; preliminary inquiries have been held on 2,765 parcels; provisional titles have been issued on 658 parcels; and formal hearings have been held on 1,265 parcels as of March 31, 1971. Land rights, land ownership, use easements, special interest, reversionary rights, ownership and tenure history and title records are filed in fractured pieces in memory, tradition, and in Spanish, German, Japanese and American records in Micronesia, Europe, and Japan. It is true that some surveys of record exist and some titles have been researched, but an indeterminate number of these are disputed. Controversy is commonplace and land litigation is increasing each year.

The Micronesian Land Cadaster Program in FY 1973 includes surveying and mapping, Land Commissions (however, a budget adjustment has been made in FY 1973 to reflect temporary postponement of establishing the Land Commission in the Marshalls District at the request of that District and the Congress of Micronesia), micro-filming and translations of records, establishment of land registries and land use classification. This activity in Lands and Surveys is responsible for the surveying and monumenting of private land;

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operation of a central land registry and six district land registries; issuing certificates of title; identifying and surveying all public lands; making public land more readily available for development purposes pursuant to established policy; and, coordinating and supporting the quasi-judicial Land Commissions established to resolve clouds and controversies and to make definitive determinations and registrations of title and boundaries.

In FY 1973, over 3,200 additional land parcels will be surveyed and 2,500 final titles will be issued.

The Land Cadaster is vital to resolving the legal land problems of Micronesia and for laying the groundwork for stability and a viable market in real estate. Accelerated local economic growth, a small influx of foreign investors, the rapid enlargement of the government's capital improvement program and the active pursuit of our trusteeship over public lands call for maintenance of the public land management program at the level imposed by these factors.

The Division provides such administrative services as investigation of property damage claims; review of non-citizen leasing of public domain and private lands; acquisition of private land for public or military use (especially in relation to the Trust Territory Capital Improvement Program); negotiation with private owners for interest in land and right of entry for survey or soil exploratory purposes; property and engineering survey services to certain programs and to economic development projects; property surveys for U.S. Federal agencies; appraisal of public and private lands; and administration of the Board of Land Surveying Examiners.

In FY 1973, district Land Resources personnel will continue to aid the Micronesian people in achieving the best possible use of their valuable but limited land base. The programs are based on the belief that the use of land should be dictated by the capability of the land and the abundance of its resources in relation to the needs of the people.

The budgetary requirements for the achievement of these goals consist of providing trained professional staff with adequate Micronesian support. The requirements are shown below.

Staffing in FY 1973 consists of 24 U.S. and 248 Micronesian positions, an increase of one U.S. and 34 Micronesian over the FY 1972 level. The U.S. position is a Secretary/Trainee to the Land Commission in the Yap District. The Micronesian positions are required at Headquarters (4), Marianas (4), Palau (8), Yap (2), Truk (8), Ponape (7) and Marshalls (1).

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	17 U.S. Civil Service	17 U.S. Civil Service
	6 U.S. Contract	7 U.S. Contract
	<u>23 U.S. Total</u>	<u>24 U.S. Total</u>
	214 Micronesians	248 Micronesians

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8. Labor Division:

FY 1972 \$60,000, FY 1973 \$71,000: Increase \$11,000

A total of \$71,000 is required to support the Labor Division in FY 1973, an increase of \$11,000. Increase will support 7 new positions, supplies and materials, full impact of new pay plan and normal salary step increases.

The Labor Division, under the general supervision of the Director of Resources and Development was established by the Congress of Micronesia in 1969. The division is responsible for the regulation and control of importation of alien workers and for the establishment of public employment services offices throughout the Trust Territory. The Headquarters office at Saipan is responsible for promulgation of rules and regulations for control of alien workers seeking to enter the Trust Territory to work in the private sector only as needed and when qualified Micronesian workers are not available. This is coordinated with the Manpower Development Plan for a Micronesian work force. Work agreement contracts with employers are executed and the import program is coordinated with the Trust Territory Immigration Department. Continual studies are required to compile data on economic and industrial conditions to plan for utilization of a qualified Micronesian work force. These plans are coordinated with public and private training institutions.

The Law requires the establishment of public employment service offices in all six districts. This program requires a staff of personnel trained in all phases of employment services and with knowledge of economic and industrial conditions. The staff will confer with business enterprises, employers training institutions and persons seeking employment, particularly underprivileged persons.

The training programs are coordinated with the U.S. Department of Labor which administers the Manpower Development Training Act of 1962, as amended and through which assistance is provided, both financially and for vocational training for Micronesians. The Employment Service Offices are directly concerned with this program and are responsible for planning, monitoring and maintaining records for submission to the U.S. Department of Labor.

The FY 1972 budget provides for establishment of district offices with proper professional staffing.

In FY 1973, an increase of \$11,000 will provide clerical staffing in all Districts and Headquarters. This increase includes 7 new clerical positions.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Contract	1 U.S. Contract
	8 Micronesians	15 Micronesians

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5. Protection to Persons and Property: FY 1972 \$1,805,600, FY 1973 \$2,187,000: Increase \$381,400. The increase consists of:

	<u>Increase (+) or Decrease (-)</u> <u>Amount</u>	<u>Positions</u>	<u>Total</u> <u>Program</u>	<u>Total</u> <u>Positions</u>	<u>Explanation</u>
(1)	\$ +89,700	...	...	...	Normal salary increments for the 24 U.S. and 343 Micronesian ongoing positions, plus planned promotions and overtime.
(2)	+220,600	...	...	...	Full funding effect of new pay plan.
(3)	+51,100	+22 Micro	...	17 U.S. 296 Micro	Program strengthening in the Office of the Attorney General, Immigration, and Public Safety.
(4)	+24,400	+2 Micro	...	7 U.S. 22 Micro	To strengthen and support the Public Defenders Office throughout the Trust Territory.
(5)	-4,400	+1 Micro	...	50 Micro	In support of the total Local Judiciary throughout the Trust Territory.
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	\$+381,400	+25 Micro	\$2,187,000	24 U.S. 368 Micro	

Need for Increase:

- (1) Salary increases for ongoing staff, \$89,700: Normal within grade increases and selected promotions of 24 U.S. and 343 Micronesian positions plus overtime.
- (2) Full effect of new pay plan, \$220,600: A new pay plan for Micronesians and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding of positions partially lapsed.
- (3) Increased requirements within the Office of Attorney General, Immigration, and Public Safety, \$51,100: To support an increased demand for a wider range of law enforcement, 22 new positions have been proposed as follows: 3 clerk typists, 18 Police Officers and 1 Immigration Inspector; other increases in operational supplies and materials have been offset by reductions in one-time equipment procurement in FY 1972.

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- (4) Increased requirements to support the Public Defenders Office, \$24,400: To support and strengthen the Public Defenders Office throughout the Trust Territory, 2 new positions have been added, (1 Assistant Public Defender Representative, 1 clerk typist) along with additional increases to cover travel and per diem for 18 of the Public Defender's staff throughout the Territory's six districts to attend training sessions on Saipan.
- (5) Decreases in the Local Judiciary, \$-4,400: The one added position (Probation Officer) is offset by a reduction in supplies and materials, and equipment.

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<u>Activity</u>	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase +</u> <u>Decrease -</u>
5. <u>Protection to Persons and Property:</u>			
a. Office of the Attorney General	\$ 415,700	\$ 437,000	\$ +21,300
b. Immigration	82,600	108,000	+25,400
c. Public Safety	937,500	1,133,000	+195,500
d. Public Defender	175,800	263,000	+87,200
e. Local Judiciary	<u>194,000</u>	<u>246,000</u>	<u>+52,000</u>
Total	\$1,805,600	\$2,187,000	\$+381,400

a. Office of the Attorney General:

FY 1972 \$415,700, FY 1973 \$437,000: Increase \$21,300

A total of \$437,000 is required to support the Office of the Attorney General and the District Legal Offices in FY 1973, an increase of \$21,300 over FY 1972. Increase will cover additional position, full impact of the new pay plan, and normal salary increases.

The Attorney General's Office (excluding Immigration and Public Safety) is responsible for carrying out the legal and law enforcement programs of the Trust Territory Government. The office provides the legal services required by the Government and renders legal opinions when requested by the High Commissioner or other officials of the Trust Territory Government and represents the Government in all litigation in which the Government is a party or has any interest, including the prosecution of all criminal cases. The office is also in charge of the administration of contracts to which the Government is a party. It drafts or reviews all legislation proposed by the Executive Branch of the Government and reviews and recommends Executive actions on all acts passed by the Congress of Micronesia.

In addition, there is a District Legal Office in each district, headed by a District Attorney, who acts as chief legal advisor for the District Administrator. The District Attorneys represent the Government in all criminal and civil matters in their respective districts and they are assisted by the District Prosecutors.

The Trust Territory Government must be involved in providing the above described legal services as there are no local resources to provide same. The Public Defender's Office, the Peace Corps Volunteer lawyer program and the OEO Legal Services Program do not in any way provide a substitute for said services.

The goal of the Office of the Attorney General, both at Headquarters and at the district level, is to meet the challenge, the need for increased legal services due to the overall increased budget of the Trust Territory

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Government, and in particular, the increased Capital Improvement Program which necessitates constant contract administration. The immediate and accurate response to requests for legal services must be continued to insure that the proper legal approach is taken by the Government.

The program of the Office of the Attorney General will be continued at its existing level except for the hiring of a secretary for Ponape. The increase of \$28,000 will allow this office to fill this position, in addition to providing the necessary salary increases for 15 U.S. and 19 Micronesian employees. It will also enable us to promote eight Micronesian employees.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	12 U.S. Civil Service	12 U.S. Civil Service
	<u>3</u> U.S. Contract	<u>3</u> U.S. Contract
	15 U.S. Total	15 U.S. Total
	19 Micronesians	20 Micronesians

b. Immigration:

FY 1972 \$82,600, FY 1973 \$108,000: Increase \$25,400

A total of \$108,000 is required for the Immigration Office in FY 1973, an increase of \$25,400 over FY 1972. Increase will cover 2 additional positions, full impact of the new pay plan, and normal salary step increases.

Under the direction of the Attorney General, the Immigration Office administers and controls the entrance and departure of persons into and out of and exercises surveillance over foreigners in the Trust Territory. Rules, regulations, and operational instructions are established, promulgated and enforced by personnel at Headquarters and the six District Immigration Offices. Applications for entry are processed and permits issued for persons, aircraft and vessels in accordance with regulations. The Immigration Office is also responsible for issuance of Trust Territory passports and renders services to the United States Consul.

Almost 32,000 tourists entered the Trust Territory in FY 1971, a figure which could double by FY 1973 with the completion of hotel facilities and construction of new ones throughout the Territory.

The Immigration Division is completely staffed by Micronesian personnel. Staff in FY 1973 will have an increase of two (2) positions (one Assistant Immigration Officer and one clerk typist) to be located in the Marianas and Yap District respectively.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	21 Micronesians	23 Micronesians

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c. Public Safety:

FY 1972 \$937,500, FY 1973 \$1,133,000: Increase \$195,500

A total of \$1,133,000 is required for the Public Safety division in FY 1973, an increase of \$195,500. Increase will cover 19 new positions, full impact of the new pay plan, and normal step increases.

Public Safety in the districts and at headquarters has the responsibility for law enforcement, fire fighting, jails, vehicle and driver licensing, and the removal of dangerous ordnance left over from World War II.

The law enforcement includes primarily patrol, investigation, and the arrest of offenders, including in some instances prosecuting of criminal cases in court. Fire fighting includes the handling of brush and structural fires, airport crash and rescue, and inspection of buildings. In district jails humane incarceration as well as work projects for those serving time must be provided. The division issues drivers licenses and inspects and licenses private vehicles.

All the above is supervised and coordinated by headquarters Public Safety. Headquarters supervision includes assistance with certain district investigations, coordination and planning of training programs, helping with district budgeting and regular inspection of district operations. Headquarters makes certain investigations with its own personnel or personnel borrowed from the districts. Headquarters personnel give special training for policemen and firemen. When the United States Secret Service is protecting individuals in Micronesia, Headquarters Public Safety helps to coordinate the job. In the event that visitors or officials in Micronesia are threatened, Headquarters Public Safety provides protection so long as is necessary.

The incidence of crime seems to be increasing especially among juveniles. Drugs, including hard drugs, have been introduced into the Territory. More sophisticated crimes such as burglary and counterfeiting have been reported. The Trust Territory has recently suffered the loss of its first policeman killed in the line of duty.

Protection must be provided to a growing resident and tourist population and to an increasing stock of public and private property. By FY 1973, there will be 20% more vehicles to license and inspect, more accidents to investigate, more traffic to control. To meet this growing challenge, more emphasis will be placed on training. Some 78 police officers will receive intensive training and many short term courses will be conducted by consultants from such agencies as the Bureau of Narcotics and Dangerous Drugs and by experts in police and fire protection. This will ensure that life and property will be protected by well-manned, well-equipped, and well-trained fire and police forces.

New positions added in FY 1973 include 18 police officers and 1 administrative clerk.

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Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	234 Micronesians	253 Micronesians

d. Public Defender:

FY 1972 \$175,800, FY 1973 \$263,000: Increase \$87,200

A total of \$263,000 is required for the Public Defenders Office in FY 1973, an increase of \$87,200 over FY 1972. Increase will cover 2 new positions and the full impact of the new pay plan.

The Public Defender administers and supervises the operations of the Public Defender System; provides legal counsel to any person who requires defense in civil or criminal court proceedings; represents persons involved in civil actions where the Government is an adverse party; conducts training programs for Public Defender's representatives; develops and submits to the Office of the High Commissioner basic operating programs and procedures; and advises and assists trial assistants. In each of the six districts, there are one or more Public Defender's representatives who are responsible for operating the district office of the Public Defender; investigating and recording facts surrounding each case under their cognizance occurring in their district; advising clients regarding their rights in law; preparing briefs of evidence presented in lower courts; and acting as interpreter or translator. This office is also responsible for preparing petitions for pardons or paroles as required by law.

The caseload has been constantly increasing; from FY 1966 to FY 1969, the number of criminal cases handled increased from 1,267 to 1,832, juvenile cases from 80 to 152, civil cases from 100 to 161. This growth in caseload is expected to continue.

New positions in FY 1973 are 1 Assistant Public Defender Representative and 1 clerk typist.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	1 U.S. Civil Service	1 U.S. Civil Service
	<u>6</u> U.S. Contract	<u>6</u> U.S. Contract
	7 U.S. Total	7 U.S. Total
	20 Micronesians	22 Micronesians

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e. Local Judiciary:

FY 1972 \$194,000, FY 1973 \$246,000: Increase \$52,000

A total of \$246,000 is required for the Local Judiciary in FY 1973, an increase of \$52,000 over FY 1972. Increase will cover 1 new position and full impact of the new pay plan.

The Local Judiciary, composed of six District Courts and one hundred twenty-five Community Courts, is administered overall by the High Court Justices and directly by the Micronesian Presiding Judge in each district. All of these courts are staffed entirely by Micronesians, exclusive of the judges of the Kwajalein Community Court, who serve without extra compensation for their judicial duties at the U.S. Army's Kwajalein Test Site.

When all anticipated positions are filled during FY 1973, the Local Judiciary will consist of fourteen full-time District Court Judges, twelve part-time District Court Judges, six Clerks of Courts, twelve Assistant Clerks of Courts, three Court Reporter Trainees, two Assistant Court Reporters, five Probation Officers, three clerk typists, six summer trainees in the Clerks' Offices, and three summer trainees in the judicial field. In addition, one hundred twenty-five Community Court Judges are paid only for the days they perform judicial duties. The number of Community Court Judges will vary slightly throughout the year.

Each District Court has original jurisdiction in all civil cases where the amount or value of the property involved does not exceed \$1,000, except admiralty and maritime matters and the adjudication of title to land or any interest therein (other than the right to immediate possession), and in all criminal cases where the maximum punishment which may be imposed does not exceed a fine of \$2,000 or imprisonment for 5 years, or both. The caseload of the District Courts is heavy. For example, in the second and third quarters of FY 1971 respectively, District Courts disposed of 774 and 735 criminal cases, and 282 and 377 civil cases. Yet cases pending at the end of the third quarter were 431 criminal and 413 civil cases.

Each Community Court has original jurisdiction in all civil cases where the amount claimed or value of the property involved does not exceed \$100, except admiralty and maritime matters and the adjudication of title to land or any interest therein (other than the right to immediate possession), and in all criminal cases where the maximum punishment which may be imposed does not exceed a fine of \$100 or imprisonment for 6 months, or both. Community Courts disposed of 380 criminal and 363 civil cases during the third quarter of FY 1971.

The FY 1973 Local Judiciary program proposes mainly to continue the established District Court and Community Court operations. It is anticipated that justice and efficiency will be improved by training provided through the High Court budget. The caseloads of both District and Community Courts are expected to continue to grow.

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The District and Community Courts are staffed entirely by Micronesians. A minimal amount is requested for FY 1973 to insure the continued operation of these courts. The overall goal of these courts will continue to be the just and prompt hearing of cases within their jurisdiction. In addition, these courts will continue to serve as a valuable training ground for Micronesians to move to increasingly responsible positions in the judicial and legal fields.

The program described above will be improved by the addition of one new Micronesian Probation Officer's position. This activity will continue to be staffed entirely by Micronesians, with the only U.S. involvement being assistance and supervision from the High Court staff.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	49 Micronesians	50 Micronesians

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6. Administration: FY 1972 \$4,312,100, FY 1973 \$4,684,000: Increase \$371,900. The increase consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$+139,600	...	...	...	Normal salary increases for 92 U.S. and 525 Micronesians plus a few selected promotions.
(2)	+144,400	...	...	...	Full effect of new pay plan.
(3)	+6,800	-1 U.S. +10 Micro	...	20 U.S. 120 Micro	To strengthen staffing in various District Administrator's Offices and to establish a sub-district office in Jaluit Atoll (Marshalls).
(4)	+13,100	+3 U.S. +19 Micro	...	75 U.S. 434 Micro	To provide additional staffing in the other administrative program areas in order to cope with increased workload, partially offset by decreases in nonrecurring costs.
(5)	-64,000	-3 U.S.	...	...	Elimination of Liaison Offices in Okinawa and Washington, D.C.
(6)	+100,000	...	\$ 100,000	...	Initiation of Leased Housing Fund.
(7)	+32,000	+2 U.S. +2 Micro	32,000	2 U.S. 2 Micro	Newly created office under the provision of Public Law 91-606 which provides partial funding.
	<u>+\$371,900</u>	<u>+1 U.S. +31 Micro</u>	<u>\$4,684,000</u>	<u>97 U.S. 556 Micro</u>	

Need for Increase:

- (1) Normal salary increases for 92 U.S. and 525 Micronesians plus a few selected promotions, \$139,600: Normal within grade promotions must be awarded except in cases of unsatisfactory performance and selected

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promotions must be made. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. The increase for Micronesian employees is \$104,800 and for U.S. employees, \$34,800.

- (2) Full effect of new pay plan, \$144,400: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding for positions partially lapsed.
- (3) To strengthen staffing in various District Administrator's Offices and to establish a sub-district in Jaluit Atoll (Marshalls), \$6,800: The locale of decision-making within the Trust Territory is continuing to be decentralized to the District level to place administrative responsibility at the local level, closer to the actual situation and problem, and to secure maximum involvement of the Micronesian people in program planning and management. In line with this objective, additional support staff are needed: one U.S. legal secretary for Yap District and ten Micronesians: three for Marianas (one Deputy District Administrator, one Administrative Officer and one clerk), one statistical technician for Palau, one clerk for Truk, one secretary for Marshalls District center and four positions for the new Jaluit sub-District office (one District Representative, two Administrative Assistants, and one clerk). The costs of these additional positions are partially offset by replacement of two U.S. positions by Micronesians onboard and elimination of one Micronesian position which is no longer required, a net increase of \$6,800.
- (4) To provide additional staffing in other Administrative program areas, \$13,100: Activities included in this item are Administrative Services, Office of the Director of Finance, Finance and Accounting, Procurement and Supply, Personnel (including Training Division), and Program and Budget Office. In FY 1973, three U.S. and nineteen Micronesian new positions will be added to cope with increased workload in various program areas. Of the 3 U.S. positions, one clerk is needed in LNO - Guam, one Personnel Administration Specialist is needed to head the Examination and Testing program, and one Project Director for Personnel Training Division. Micronesian positions consist of the following: one driver for the Executive Operations; four accounts clerks for Finance and Accounting, one for Marianas, two for Yap, and one for Truk; one programmer trainee and one control clerk for Automatic Data Processing; six warehouse helpers, one for Palau and five for Truk; two personnel clerks, one for Marianas and one for Palau; one Personnel Management Specialist, one training coordinator, and one data assistant for Personnel Training Division; and one Budget Analyst for Program and Budget. The net effect of the above along with other minor shifts in requirements is an increase of \$13,100.

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- (5) Decrease due to elimination of Liaison Offices in Okinawa and Washington, D.C., \$-64,000: Services now provided by these two offices will not be required in FY 1973.
- (6) Leased Housing Fund, new program, \$100,000: The Trust Territory Government has discontinued construction of staff housing except in conjunction with major new facilities. However, lack of staff housing is still a severe constraint on program activity and must be provided by other means. This new fund will permit lease of an estimated 50 houses at an average cost of \$2,000 per year thus providing an important stimulus for the private construction industry.
- (7) Newly created office under the provisions of Public Law 91-606, \$32,000: The Disaster Control Program of the Trust Territory, which in years past has been restricted to the coordination of recovery efforts following a typhoon disaster, has now expanded as a result of the new Public Law 91-606 which provides for partial funding of the program. Shortly after the Typhoon Amy disaster in Truk, this office was established pending approval of FY 1971 carryover reprogramming request. By FY 1973, this office will be in full-time operation involving a continuing review and updating of the Plan, closer liaison with the military and other Federal activities, and a program of education, training and advance planning in each of the six districts of the Territory. The increase of \$32,000 requested here will provide for the necessary funds required to match the funds provided under the provisions of Public Law 91-606.

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<u>Activity</u>	<u>FY 1972 Estimate</u>	<u>FY 1973 Estimate</u>	<u>Increase + Decrease -</u>
6. Administration:			
a. Office of the District Administrators	\$1,037,600	\$1,141,000	+\$103,400
b. Administrative Services	330,000	267,000	-63,000
c. Office of the Director of Finance	45,600	47,000	+1,400
d. Finance and Accounting	687,100	730,000	+42,900
e. Automatic Data Processing	295,000	303,000	+8,000
f. Procurement and Supply	902,700	938,000	+35,300
g. Personnel Office	417,100	507,000	+89,900
h. Internal Audit	111,000	118,000	+7,000
i. Program and Budget Office	223,000	238,000	+15,000
j. Personnel Benefits	263,000	263,000	- 0 -
k. Leased Housing Fund	- 0 -	100,000	+100,000
l. Disaster Control Office	- 0 -	32,000	+32,000
Total	\$4,312,100	\$4,684,000	+\$371,900

Administration, a grouping of general support services and management activities, includes the Office of the District Administrators, Administrative Services, Office of the Director of Finance, Finance and Accounting, Automatic Data Processing, Procurement and Supply, Personnel Office, Leased Housing Fund, Internal Audit, Program and Budget, Disaster Control, and Personnel Benefits.

a. Office of the District Administrators:

FY 1972 \$1,037,600, FY 1973 \$1,141,000: Increase \$103,400

A total of \$1,141,000 is required for the Office of the District Administrators in FY 1973, an increase of \$103,400 over FY 1972. This increase will fund one U.S. and 10 Micronesian new positions, salary increments, and higher pay, and a small amount for new and replacement equipment.

For administrative purposes, the Trust Territory is divided into six administrative districts: the Marianas, Palau, Yap, Truk, Ponape and Marshalls, and five sub-districts: Ebeye (Marshalls), Kusaie (Ponape), Rota (Marianas), Satawan (Truk), and Ulithi (Yap). In FY 1973, it is planned to establish a sub-district office in Jaluit (Marshalls) to provide local services for that community. Each district is headed by a District Administrator who is appointed by the High Commissioner and who exercises general administrative supervision over all operations, programs, and functions of the Trust Territory Government in his assigned district. He exercises administrative authority in accordance with all applicable laws, regulations, policies and procedures, and is responsible for full and proper compliance with all such directives.

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A typical staff of a District Administrator's Office consists of the District Administrator, one Deputy District Administrator, a Program and Budget Officer, a District Administrator's Representative, and secretarial and other support staff.

The locale of decision-making within the Trust Territory is being increasingly decentralized to the District level to place administrative responsibility at the local level closer to the actual situation and problem and to secure maximum involvement of the Micronesian people in program planning and management. At hearings held by the Congress of Micronesia, District Administrators and key members of the district staffs submitted and defended their budget requests for FY 1973.

In FY 1973, one (1) U.S. legal secretary for Yap District and ten (10) Micronesians will be added. Micronesians will be for the following districts: one Deputy District Administrator and one support staff for Marianas District center and one clerk for Rota, two support staff for Palau, one support staff for Truk, and one secretary for Marshalls District center and four new positions for the new Jaluit sub-District to be established in FY 1973. Two U.S. positions will be replaced by Micronesians: one Deputy District Administrator, Marianas District and one secretary, Ponape District. Also, one Micronesian position will be abolished in Marianas District.

Staffing:	F.Y. 1972			F.Y. 1973		
	U.S.	U.S.	Micro	U.S.	U.S.	Micro
	CS	Cont		CS	Cont	
Marianas	1	2	26	-	2	28
Marshalls	5	-	21	5	-	26
Palau	-	1	16	-	1	18
Ponape	4	1	16	3	1	16
Truk	2	1	18	2	1	19
Yap	4	-	13	4	1	13
Total	16	5	110	14	6	120

b. Administrative Services:

FY 1972 \$330,000, FY 1973 \$267,000: Decrease \$63,000

A total of \$267,000 is required in FY 1973 for Administrative Services, a decrease of \$63,000 over FY 1972. The net decrease results from elimination of two Liaison Offices, Okinawa and Washington, D.C.

Included under Administrative Services are the customary administrative and executive support functions of the Office of the High Commissioner. This includes Management Services, which has staff responsibility for

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matters relating to organizational and procedural improvement projects for more effective and efficient administration of Government, and provides mail and messenger services for operating departments. Liaison Offices in Guam, Kwajalein, Okinawa, Honolulu, and Washington, D.C. provide personal and liaison services for the High Commissioner. Guam and Honolulu medical referrals are coordinated through the respective liaison offices. Liaison Offices in Okinawa and Washington, D.C. will be discontinued in FY 1973 as services of these two offices will no longer be required.

One (1) U.S. clerk for LNO - Guam and one (1) Micronesian support staff for Executive Operations will be added in FY 1973. These additional positions are more than offset by elimination of three (3) U.S. positions: two (2) in LNO - Okinawa and one (1) in LNO - Washington, D.C.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	11 U.S. Civil Service	8 U.S. Civil Service <u>1</u> U.S. Contract
		9 U.S. Total
	11 Micronesians	12 Micronesians

c. Office of the Director of Finance:

FY 1972 \$45,600, FY 1973 \$47,000: Increase \$1,400

A total of \$47,000 is required for the Office of the Director of Finance in FY 1973, an increase of \$1,400 over FY 1972. This small increase will provide for salary increments.

The Office of the Director of Finance gives general supervision to and is responsible for the operations of the Finance and Accounting, the Automatic Data Processing, and the Procurement and Supply Division. The U.S. staff consists of the Director (who reports directly to the High Commissioner) and his secretary.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service

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d. Finance and Accounting:

FY 1972 \$687,100, FY 1973 \$730,000: Increase \$42,900

A total of \$730,000 is required for the Finance and Accounting Division in FY 1973, an increase of \$42,900 over FY 1972. This increase will fund four new Micronesian positions, salary increments and higher pay.

Under the general supervision of the Director of Finance, the Finance and Accounting Division includes the office of the Division Chief at Headquarters and the offices of the District Finance Officers in each district who are under the direct supervision of the District Administrators, but receive technical guidance and assistance from the Chief of Finance and Accounting. This Division is responsible for the proper accounting of all public monies and the vouchering and costing functions. It develops accounting systems, establishes accounting policies and procedures, and supervises the full implementation of such policies at all levels; it prepares reports and statements; supervises payrolling and disbursing functions; and enforces policies governing the collection of debts owed to the Government.

The workload of the Division is generally related to the dollar amounts of approved programs and these have been increasing rapidly during the past several years. In addition to its primary function of disbursing and accounting for the regular budgeted program funds, including payrolling of over 7,000 employees scattered throughout the Territory, this Division has many collateral responsibilities. These include disbursement of appropriated funds for Peace Corps Micronesia; collection, disbursement, and accounting for more than \$5 million of local taxes and other revenues; disbursement and accounting for substantial amounts of Federal HEW and other grants; and handling several million dollars of trust and related funds.

In FY 1973, four (4) new Micronesian positions will be added: three (3) clerks, one (1) for Marianas and two (2) for Yap, and one accounting technician for Truk.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	11 U.S. Civil Service	11 U.S. Civil Service
	<u>3 U.S. Contract</u>	<u>3 U.S. Contract</u>
	14 U.S. Total	14 U.S. Total
	143 Micronesians	147 Micronesians

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e. Automatic Data Processing:

FY 1972 \$295,000, FY 1973 \$303,000: Increase \$8,000

A total of \$303,000 is required for Automatic Data Processing in FY 1973, an increase of \$8,000 over FY 1972. This increase will fund two new Micronesian positions and salary increments and higher pay.

Under the general supervision of the Director of the Finance Department, the Chief of the Automatic Data Processing Division is responsible for the system analysis and design, programming, and operations relating and applied to Automatic Data Processing throughout the Trust Territory Government.

Present equipment installed is the IBM Model 25 Computer with three 2314 disk drives attached. It is anticipated that during FY 1972 that a Supply Inventory System will be designed and applied to a computer operation. Also, it is expected that the Financial Management System will be under development and portions of this system applied during FY 1972 and into FY 1973

The Automatic Data Processing Division places strong emphasis on training Micronesians to fill all appropriate positions rather than bringing in many capable U.S. employees. This training is intense and planned promotions are necessary to retain these skills. In addition, two new positions, one programmer and one control clerk, are required in FY 1973 to support additional applications. No increase in U.S. positions is anticipated in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	5 U.S. Civil Service	5 U.S. Civil Service
	<u>2</u> U.S. Contract	<u>2</u> U.S. Contract
	7 U.S. Total	7 U.S. Total
	18 Micronesians	20 Micronesians

f. Procurement and Supply:

FY 1972 \$902,700, FY 1973 \$938,000: Increase \$35,300

A total of \$938,000 is required for Procurement and Supply in FY 1973, an increase of \$35,300 over FY 1972. This increase will fund six new Micronesian positions and salary increments and higher pay.

Under the general supervision of the Director of Finance, the Procurement and Supply Division includes the office of the Division Chief at Headquarters and the offices of the District Supply Officers in each of the

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districts. Although the District Supply Officers are under the direct supervision of the District Administrators, they receive technical guidance and assistance from the Chief of Procurement and Supply Division.

This Division has responsibility for planning, developing and directing the procurement and supply program of the Trust Territory Government, plus the promulgation and interpretation of policies and procedures as established by the High Commissioner's Office; development and analysis of supply systems, procedures, methods, performance, production standards and reports; management of the Trust Territory Supply Stock Fund; the procurement, requisitioning, receiving, issuing, warehousing, inventory control, supply management, packing and crating, stock surveillance, and management control of government quarters furniture; accurate accountability controls and records for all consumable supplies and minor and major capital equipment; administration of the property disposal and sale program; and administering the USDA donated food program.

One of the objectives of this Division is to furnish Management Intern training to qualified Micronesians for the purpose of replacing U.S. employees at the earliest possible date. This Division has developed its own program and training schedule that will prepare qualified Micronesians for management positions. Accomplishments to date have been the replacement of seven U.S. personnel within this division, with Micronesians who have completed this training. There presently are three additional Micronesians in various steps of their training who will qualify for higher-level positions at the completion of their training period.

In FY 1973, six (6) new Micronesian warehousemen (1 for Palau and 5 for Truk) will be added to strengthen supply operations in these districts.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	18 U.S. Civil Service	18 U.S. Civil Service
	<u>5</u> U.S. Contract	<u>5</u> U.S. Contract
	23 U.S. Total	23 U.S. Total
	184 Micronesians	190 Micronesians

g. Personnel Office:

FY 1972 \$417,100, FY 1973 \$507,000: Increase \$89,900

A total of \$507,000 is required for the Personnel Office in FY 1973, an increase of \$89,900 over FY 1972. This increase will fund 2 U.S. and 5 Micronesian new positions and salary increments and higher pay.

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The Personnel Department under the general supervision of the Director of Personnel includes the Director's Office, the Division of Personnel Training, and the Leased Housing Fund located at Headquarters in Saipan and the offices of the District Personnel Administrators in each of the districts. The District Personnel Administrators are under the direct supervision of the District Administrators but they receive technical guidance and assistance from the Director of Personnel. This department is responsible for the administration of a complete personnel program for all Trust Territory Government employees; it administers the Trust Territory Merit System Act for Micronesian employees; and develops and administers a system of employee's benefits, including leave, group life insurance, and a retirement plan. It administers the recruitment program for U.S. Civil Service, contract, and other expatriate employees to provide specialized skills not locally available; administers all applicable provisions of the U.S. Civil Service and contract employment system.

In FY 1973, the Personnel Department will emphasize the development and implementation of a Trust Territory Government Service Examination and Testing Program and the refinement of the Position Classification Plan, to eliminate discrepancies in job-ranking relationships. It is essential that we assure the various departments and districts of the Trust Territory that potential employees referred to them for selection possess the minimum knowledge and skills required for successful, job performance. It is also important that we assure candidates of equal and objective treatment in the screening process for government employment. To do this, we need to establish the beginnings of a decent testing program for candidates wishing to enter the public service of the Trust Territory.

The Chief of the Training Division, under the general supervision of the Director of Personnel, is responsible for the formulation of programs for training Micronesians in the skills required to maintain an effective Micronesian Public Service and to permit them to replace non-Micronesian administrators as rapidly as possible.

The majority of Micronesians employed by the Government of the Trust Territory have some degree of English language handicap, though the extent varies on a continuum from severe (bare literacy) to practically nil; with the majority probably falling in the lower one half of the continuum. To illustrate, there are Micronesians in responsible administrative positions, who received all of their formal education in Japanese elementary and vocational schools. There are close to two hundred in the Government who have college degrees, a few with master's degree and three law degrees. Even among the college graduates, there are some who have a very substantial English language handicap.

During the past year, the Training Division has been operating an extension training program using courses of the Extension Division of the University of Nebraska in the fields of management, public administration and business administration. Some 900 courses are programmed for FY 1973 with the anticipation that individuals will take three or four courses during the year.

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The Division has also received a Public Service Careers grant of \$250,000 under the Manpower Development and Training Act which will provide remedial education (particularly English and clerical skills) for 82 entry level Government employees, using a consultant to train Trust Territory instructors and using programmed instruction techniques. In addition, the grant will provide programmed instruction techniques. In addition, the grant will provide consultants to develop additional courses in the extension program to upgrade training of present employees which are specifically designed for Trust Territory situations and problems. These consultants will develop supplementary aids for existing programs which will help bridge the gap between the level of the material and the educational level of some of the students. The grant, however, will terminate in January of calendar year 1972. The majority of the increase (\$42,000) will be necessary to absorb the government staff, now funded from the grant, its equipment and other costs, and to further expand and enrich the curriculum.

In FY 1973, two U.S. and five Micronesian positions will be added: one U.S. supervisory personnel administration specialist for Headquarters to assume the duties of examination and testing officer; two Micronesian personnel clerks, one for Marianas and one for Palau to cope with increased workload; the remaining (one U.S. and three Micronesians) are all Training Division positions which must be picked up after the termination of the grant in January 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	7 U.S. Civil Service	7 U.S. Civil Service
	<u>1</u> U.S. Contract	<u>3</u> U.S. Contract
	8 U.S. Total	10 U.S. Total
	47 Micronesians	52 Micronesians

h. Internal Audit Office:

FY 1972 \$111,000, FY 1973 \$118,000: Increase \$7,000

A total of \$118,000 is required to support the Internal Audit Office in FY 1973, an increase of \$7,000 over FY 1972. This increase will provide for salary increments and higher pay.

Under the general supervision of the Office of the High Commissioner, the Internal Audit staff is responsible for the performance of comprehensive audits on all the accounts of the Trust Territory Government -- trust funds, Congress of Micronesia, Judiciary (courts), and special funds. This office is also responsible for conducting audits of the District Legislatures and municipalities throughout the Trust Territory. It performs audit of government contracts and commercial firms as provided for in agreements or by-laws. The Audit Office intends to utilize the U.S.

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personnel to provide full audit training for the Micronesian auditors in order to prepare them for future take-over of the operation. It is expected that the number of full audits conducted will increase by five to twenty-five in FY 1973.

The Audit staff for FY 1973 will remain at the same level as in FY 1972.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	<u>1</u> U.S. Contract	<u>1</u> U.S. Contract
	3 U.S. Total	3 U.S. Total
	5 Micronesians	5 Micronesians

1. Program and Budget Office:

FY 1972 \$223,000, FY 1973 \$238,000: Increase \$15,000

A total of \$238,000 is required for the Program and Budget Office in FY 1973, an increase of \$15,000 over FY 1972. This increase will fund one Micronesian new position, salary increments and higher pay, a small amount for printing, travel, and replacement equipment.

Under the general supervision of the High Commissioner, the Program and Budget Office is responsible for long-range program planning, programming resources required in meeting goals established in the planning process, and formulating and executing the annual budget request for funds to implement approved programs. These activities form an integral part of the Planning-Programming-Budgeting System. The Office prepares the annual Trust Territory Program Memorandum and multi-year program and financial plans together with necessary supporting documents including special analytic studies, issue papers, and program support statements. It also prepares budget submissions at the various review levels including the Congress of Micronesia, Department of the Interior, Office of Management and Budget, and the U.S. Congress. Responsibility for proper and effective execution of the Budget involves the apportionment and allotment of funds systems together with financial analysis and reporting.

The Program and Budget activity as herein budgeted is for Headquarters only. The funds and staff for the Program and Budget activity in the six districts is budgeted under the activity "Office of the District Administrators". As the locale of decision-making within the Trust Territory is being increasingly decentralized to the District level, the small Program and Budget offices in the Districts are being expanded. The movement towards decentralization imposes additional burdens on the Headquarters staff since training programs must be set up, standard reporting

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forms and procedures developed, and coordination efforts expanded to ensure that the many separate pieces mesh into a well-documented plan or budget for the Trust Territory as a whole. Eventually, it will be desirable to budget District and Headquarters Program and Budget Offices under one activity. The District offices will continue under the direct supervision of the District Administrators with technical guidance and assistance from Headquarters.

In FY 1973, one (1) Micronesian Budget Analyst will be added to handle increased workload in the office and at the same time provide another Micronesian an opportunity to be trained in the area of Program and Budget.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	6 U.S. Civil Service	6 U.S. Civil Service
	<u>1</u> U.S. Contract	<u>1</u> U.S. Contract
	7 U.S. Total	7 U.S. Total
	7 Micronesians	8 Micronesians

j. Personnel Benefits:

FY 1972 \$263,000, FY 1973 \$263,000: Increase \$ - 0 -

A total of \$263,000 is required for Personnel Benefits in FY 1973, same level of funding as in FY 1972.

Personnel Benefits includes funds for the cost of educational allowances for eligible dependents of U.S. employees, workmen's compensation insurance, death benefits for Micronesian employees, and retirement payments to Micronesians who retired under Social Security with more than five years service. The Trust Territory Government is committed to pay retirement costs for service prior to the establishment of the Trust Territory Social Security program.

k. Leased Housing Fund:

FY 1972 \$ - 0 -, FY 1973 \$100,000: Increase \$100,000

It is proposed to establish a Leased Housing Fund in FY 1973, with initial capital of \$100,000. The fund will be administered by the Housing Division under the supervision of the Director of Personnel.

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At the request of the Congress of Micronesia, the Trust Territory Government has discontinued construction of staff housing except in conjunction with major new facilities. However, availability of staff housing is still a severe constraint on program activity and must be provided by other means.

Under the current policies, the government has been leasing private houses in small numbers whenever they can be found. Private companies have indicated an interest in constructing additional houses if they could get some kind of guarantee that the government will lease for an extended period, thereby providing them with some backup for bank loans.

The mechanism will be that the government will enter into long-term commitments to lease private houses, existing or to be built, with the specification that annual payment will be subject to availability of appropriations in future years. It has been ascertained that this type of government commitment will provide sufficient security for commercial bank loans to enable private Micronesian contractors or entrepreneurs to construct the houses. Execution of leases would be accomplished following construction, and payment of the annual leases would be made from the fund.

The Trust Territory currently owns 585 units of staff housing and leases an additional 44 units. Housing is furnished to expatriate contract employees and to Micronesians who are reassigned outside their home district. Normal growth of Trust Territory programs together with sharply increased inter-district transfer of Micronesians who are assuming increased responsibilities are generating a heavy demand for additional housing. Current planning for program operations and staffing requirements has developed a need for a minimum of 180 additional housing units over the next five years at headquarters and in the six districts. This new fund will provide a start toward meeting this need.

1. Disaster Control Office:

FY 1972 \$ - 0 -, FY 1973 \$32,000: Increase \$32,000

A total of \$32,000 is required for the Disaster Control Office in fiscal year 1973. This budget will provide for the amount required to match the funds given under the provisions of Public Law 91-606.

Under the general supervision of the Office of the High Commissioner, the Disaster Control Office was newly established in fiscal year 1972 (to be funded at \$28,000 using FY 1971 carryover, pending reprogramming approval) for the purpose of carrying out the Trust Territory Plan for Disaster Control, Recovery and Assistance to Individuals Suffering Loss as a Result of Disasters. Implementation of this Plan involves a continuous program of upgrading the program for preparedness against disasters, orientation and education of both Headquarters' and District Administrators' staffs,

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liaison with military, Red Cross, and civilian organizations within the Trust Territory; and, in the event of a disaster threat, or actual disaster, coordinating the preparatory and recovery forces of the Trust Territory Government and outside agencies, including the Office of Emergency Preparedness.

The Office was created under the provisions of Public Law 91-606 of the U.S. Congress which, in turn, provides partial assistance in Federal funds and the direct support of certain named Federal agencies.

The staff consists of two U.S., a Disaster Control Officer and his secretary, and two Micronesian trainees.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	No staffing	1 U.S. Civil Service <u>1</u> U.S. Contract
		2 U.S. Total
		2 Micronesians

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7. Transportation and Communications: FY 1972 \$2,966,800, FY 1973 \$3,273,000: Increase \$306,200. The increase consists of:

	<u>Increase (+) or Decrease (-)</u> <u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(1)	\$ 41,600	...	...	...	Normal salary increments for the 29 U.S. and 152 Micronesia on-going positions, plus planned promotions for a number of Micronesians and overtime pay.
(2)	12,500	...	...	...	Full effect of new pay plan.
(3)	25,700	+3 Micro	...	9 U.S. 33 Micro	To strengthen technical and administrative staff in Transportation, student training, and development of trained ship officers.
(4)	155,400	-4 U.S. +33 Micro	...	20 U.S. 155 Micro	Strengthen Communication services of Districts to include competent maintenance, sub-district and airport coverage; increases in supplies and materials, training and equipment in support of a growing Communications system; partially offset by phase-out of 4 U.S. positions.
(5)	71,000	...	1,471,000	...	To support Sea Transportation System
	<u>+\$306,200</u>	<u>-4 U.S. +36 Micro</u>	<u>\$3,273,000</u>	<u>29 U.S. 188 Micro</u>	

Need for Increase:

- (1) Salary increase for on-going staff, \$41,600: Normal within grade increases, selected promotions and overtime of 29 U.S. and 152 Micronesian positions.

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- (2) Full effect of new pay plan, \$12,500: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding of positions partially lapsed.
- (3) Increase for upgrading Transportation systems to meet the needs of the Trust Territory, \$25,700: This increase will furnish 2 additional clerical positions, one District Transportation Officer. Allow additional travel to procure consultant services and minor operational supplies and materials.
- (4) Increase to strengthen Communications services, \$155,400: Increase will provide for 33 new positions (radio teletype operators and electronic technicians) travel, training within and without the Trust Territory, supplies, materials and equipment (new and replacement) and special projects which require services.
- (5) Increase for Sea Transportation, \$71,000: Increases are improvements at a cost of \$120,000 which include; \$90,000 to cover operating cost and insurance for one (1) new ship; \$30,000 drydocking cost for the Tug "WANDANK"; a shift in subsidy payments resulting in a savings of (-\$49,000), was accomplished by the discontinuance of the chartered services of two (2) privately-owned vessels "M/V MIECO QUEEN" and "M/V RALIK RATAK". These improvements will allow ten additional islands to enjoy regular 30 day ship service so that in FY 1973, 70 of the 97 inhabited islands will have adequate service.

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<u>Activity</u>	<u>FY 1972 Estimate</u>	<u>FY 1973 Estimate</u>	<u>Increase + Decrease -</u>
7. <u>Transportation and Communications:</u>			
a. Office of the Director	\$ 59,800	\$ 69,000	\$ +9,200
b. Transportation Office	346,000	391,000	+45,000
c. Sea Transportation	1,400,000	1,471,000	+71,000
d. Communications	<u>1,161,000</u>	<u>1,342,000</u>	<u>+181,000</u>
Total	\$2,966,800	\$3,273,000	\$+306,200

The geographical distribution and the isolation of these islands make transportation and communications a vital support service to accomplishing any of the political, social, educational, and economic objectives of the Trust Territory.

The Congress of Micronesia has stated the importance of this program. Also the people of Micronesia through their District Legislatures and Municipal councils have expressed their desire to have this program accelerated.

a. Office of the Director:

FY 1972 \$59,800, FY 1973 \$69,000: Increase \$9,200

The FY 1973 total of \$69,000 is required to support the functions of this office, and represents an increase of \$9,200 over FY 1972. The main factor contributing to this increase is a lapse of the Deputy Director position in FY 1972 to coincide with a realistic recruitment date. Reductions in other object codes in FY 1973 have minimized the impact somewhat.

The Directors Office continues to exercise direct supervision over the entire transportation and communication area with no increase in staffing in FY 1973. The current staffing is as follows.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	1 Micronesiar	1 Micronesiar

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b. Transportation Office:

FY 1972 \$346,000, FY 1973 \$391,000: Increase \$45,000

A total of \$391,000 is required for the Transportation Office, an increase of \$45,000. Increase is to support four new positions and full impact of the new pay plan.

Under the general supervision of the Director of Transportation and Communications, the Chief of the Transportation Division is responsible for the formulation of programs relating to air, land, and sea transportation activities. The planning, programming and budgeting of all road systems, warehouses, harbors, airports and ship capital improvements is the responsibility of the Transportation Division. This office is also responsible for surveillance of the air and sea terminal facilities and their operations, navigational aids and markers, marine inspection and licensing procedures, development of tariff schedules, routes, and rates. It also compiles and maintains statistical data on transportation activities. In addition, this office is administratively responsible for the operation of the inter-island ships as well as providing general supervision of the operations of other Government-owned inter-island ships that are currently operated by private shipping firms.

The published Transportation Division objectives of: lowest cost transport service, regular transport-mode schedules, maximum Micronesian employment and maximum contribution to Trust Territory economic development will be most effectively attained through a program which analyzes all transport alternatives, selects equipment and facilities to operate the most cost-effective service, negotiates appropriate contracts with suppliers, common carriers and construction contractors, supervises the performance of contracts, trains Micronesians for shore-side, sea-going and aviation related positions, documents the periodic progress toward specific goals and utilizes the advice and consulting expertise that are available through United States Government agencies such as the Federal Maritime Commission, the U.S. Maritime Administration, the Bureau of Public Roads, the Army Corps of Engineers, Naval Facilities Engineering Command and the Federal Aviation Administration. The educational and training programs planned to supply skilled officers and men for the ships and to provide and train capable management personnel for related ship activities, will be carried forward in close cooperation with the Education Department and several U.S. Government agencies. The completion of training of some Micronesians will result in their gradual assumption of administrative duties which will eventually phase out the U.S. personnel. The management and installation of interchangeable parts for the ships, to be stockpiled at a selected ship repair center, for use in the quick repair of disabled machinery on the new vessels, will be implemented during FY 1973. Because of the lack of housing for employees recruited from other districts and manning the 400 seagoing positions in the Trust Territory support fleet, the division has launched a pilot housing project which will accommodate four families in each of several quad-plex maximum-privacy units. In this fiscal year the personnel in the operations section of the Transportation Division will stabilize, with trained Micronesians

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gradually assuming the positions previously held by U.S. employees. It is not anticipated that there will be any appreciable changes in the staffing of the division after this fiscal year. The three new Micronesian positions added in FY 1973 include clerical support in the areas of transport system tariff analysis, common carrier operations and scheduling procedures, district transportation operations management, vessel documentation and registry, and transport equipment inspection. There is no expected increase in U.S. positions in FY 1973.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	6 U.S. Civil Service	6 U.S. Civil Service
	<u>1</u> U.S. Contract	<u>1</u> U.S. Contract
	7 U.S. Total	7 U.S. Total
	29 Micronesians	32 Micronesians

c. Sea Transportation:

FY 1972 \$1,400,000, FY 1973 \$1,471,000: Increase \$71,000

A total of \$1,471,000 is required for the Sea Transportation, an increase of \$71,000.

Sea Transportation provides an extremely vital component of the development of evenly balanced economy in the Trust Territory. Only by the use of regularly scheduled ships can each district grow, prosper and maintain properly balanced population centers. The development of a viable economy in the outer islands is necessary to prevent an increase in the present trend of migration to the district center. This evenly balanced economy can only be developed and maintained if the Trust Territory inter-island fleet can establish and maintain a regular service to the outer islands. This fleet delivers needed supplies, medical and educational personnel and government equipment, and picks up exports (fish, agricultural products, copra, etc.) when the outer islands are able to develop these products as a result of the certainty of a regular ship's service. It is expected that 14,000 passengers and 55,000 revenue tons will be carried in FY 1973, an increase of 2,000 people and 7,000 tons over the previous year. In the present plans for Trust Territory growth this increase can only be met by a Trust Territory inter-island fleet of sufficient size and in such good mechanical repair that it can maintain a regular schedule between the district centers and the outer islands. Sea Transportation service within the Trust Territory is complemented by transpacific shipping which is operated by a contractor, Micronesia Interocean Line, Inc. that is working under a 10-year contract initiated on September 1, 1968.

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The contract calls for scheduled direct linkage with the United States west coast ports as well as direct calls at Japanese and other far Eastern ports. The contract also requires the development of a Micronesia-owned, operated and staffed company by the end of the 10-year period.

Inter-island shipping is programmed to be accomplished in FY 1973 through a government-owned fleet of twelve (12) ships, a lagoon boat, a Tug and some non-powered barges. Five (5) of these ships will be operated regularly within specific districts through charter agents who are guaranteed enough revenue to compensate for difference in operating cost and commercial revenue. Seven (7) ships will be operated at various locations throughout the Territory for purposes of relieving ships to go to annual overhaul, supplementing district requirements and special missions. These ships will be operated either by regional agents or directly by the Transportation Division. Some of these ships may be operated rather consistently in a single district.

d. Communications:

FY 1972 \$1,161,000, FY 1973 \$1,342,000: Increase \$181,000

A total of \$1,342,000 is required for the Communication Division, an increase of \$181,000. Increases are to support 33 new positions and full impact of the new pay plan.

The lifeline of administration is communications. The geographical isolation of the Trust Territory and its widely scattered islands requires an extensive communications system that serves the needs of all: private, commercial, and government.

Under the general supervision of the Director of Transportation and Communications, the Chief of the Communications Division is responsible for the planning, operations, and maintenance of the complete communications service in the Trust Territory. In order to meet these needs, major communications facilities are located in each of the district centers; Majuro, Marshall Islands; Ponape, Eastern Carolines; Truk, Eastern Carolines; Yap, Western Carolines; Koror, Palau, Western Carolines; and Saipan, Mariana Islands.

These facilities form a closely integrated network that provides quality voice and data service into and thru the major relay/control center on Saipan that interfaces with commercial and other government systems worldwide. In addition, each facility is capable of communicating with aircraft, shipping and outer islands. All maintain continuous guard on a number of frequencies, including international distress. Non-directional radio beacons are provided for navigational guidance

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to all ships and aircraft transiting the area. The Trust Territory is part of the National Communications System (NCS).

Another important responsibility of the division is the secondary system for communications between the outer-islands and district centers. Complete radio stations with full backup systems are installed on all major islands and remote municipalities. These small radio stations (SSB and VHF) serve as the only immediate link to the outside world for the remote areas where lengthy communications outages can endanger the lives of the people as medical emergencies, epidemics, natural disasters, food and water shortages can and do occur. These difficulties are being overcome with installation of new systems and replacement of worn equipment. The outer islands communications network involves over 250 stations servicing approximately forty five thousand people. Our primary goal is to provide a quality, dependable, modern communication service that is readily available to all people in Micronesia. Also to provide radio-navigational aids that meet FAA standards.

By FY 1973, all facilities will be operational with a reliable system that interfaces with commercial and other governmental systems. Telephone and telegraphic services will assure all users instant communications in the Territory and points beyond.

Increased aviation requirements will see introduction of more sophisticated navigational and landing aids for the airfields. Accelerated local training programs will be augmented by increased travel to manufacturer's schools and other governmental agencies for specialized training. Approximately fifteen employees will participate in this program each fiscal year. The ongoing training program will result in phasing out of four (4) expatriate operations positions in FY 1973.

In FY 1973, four expatriate positions will be eliminated and thirty three Micronesian positions will be required. These positions include nine (9) electronic technicians and twenty four (24) Operations positions.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	23 U.S. Civil Service	19 U.S. Civil Service
	<u>1</u> U.S. Contract	<u>1</u> U.S. Contract
	24 U.S. Total	20 U.S. Total
	122 Micronesians	155 Micronesians

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8. Public Works: FY 1972 \$6,581,100, FY 1973 \$7,943,000: Increase \$1,361,900. The increase consists of:

	<u>Increase (+) or Decrease (-)</u>		<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
	<u>Amount</u>	<u>Positions</u>			
(1)	\$ +188,700	...	...	...	Normal salary increases for 76 U.S. and 1,165 Micronesian ongoing positions.
(2)	+140,700	...	...	...	Full funding effect of new pay plan.
(3)	+329,400	+5 U.S. +170 Micro	...	81 U.S. 1,335 Micro	Increase in staffing to meet Operations and Maintenance of new and/or expanded facilities.
(4)	+703,100	...	...	...	Increased funding for supporting POL, spare parts, and other materials of work, primarily to meet Operations and Maintenance requirements for new and/or expanded facilities.
<hr/>					
	\$+1,361,900	+5 U.S. +170 Micro	\$7,943,000	81 U.S. 1,335 Micro	

Need for Increase:

- (1) Normal salary increases for 76 U.S. and 1,165 Micronesians, \$188,700: Normal within grade promotions must be awarded except in cases of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. The increase for Micronesian employees is \$167,500 and for U.S. employees, \$21,200.
- (2) Full funding effect of new pay plan, \$140,700: A new pay plan for Micronesian and expatriate contract employees was implemented in FY 1972. This increase is necessary to provide for the new higher pay levels and for full funding for positions partially lapsed.
- (3) Increase in staffing to meet Operations and Maintenance of new and/or expanded facilities, \$329,400: Beginning in FY 1973, additional new facilities and utility systems will be completed and placed in operation. These include new schools, quarters and additions of heavy

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equipment in all districts. The utility systems in particular will be expanded extensively requiring more personnel to operate and maintain them. New water and sewer systems will be completed by FY 1973 in most of the districts. New telephone and power systems will also be in operation by FY 1973. These are modern complex systems requiring trained personnel for maintenance and operation. These sophisticated systems cannot be neglected, therefore additional personnel are essential. Five U.S. and 170 Micronesians will be added to strengthen staffing to meet operation and maintenance needs for these facilities: one U.S. for Administration and Engineering; one U.S. and 65 Micronesians for Operations and Maintenance; and three U.S. and 105 Micronesians for Utilities.

- (4) To increase funds for supporting POL, spare parts, equipment, and other materials of work, \$703,100: Along with the new and/or expanded facilities, utility systems and equipment, increased funds are needed for supporting POL, spare parts, equipment, and other materials of work to properly operate and maintain them. An increase of \$703,100 is requested to meet these needs.

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<u>Activity</u>	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>	<u>Increase +</u> <u>Decrease -</u>
8. <u>Public Works:</u>			
a. Engineering and Administration	\$ 582,000	\$ 614,000	\$ +32,000
b. Operations and Maintenance	3,940,100	4,372,000	+431,900
c. Utilities	<u>2,059,000</u>	<u>2,957,000</u>	<u>+898,000</u>
Total	\$6,581,100	\$7,943,000	\$+1,361,900

The Department of Public Works and Utilities, headed by the Director of Public Works, is responsible for the planning, implementation and administration of the Capital Improvement Program of the Trust Territory Government and the operations and maintenance of all government-owned facilities in the six districts.

The administration of the above programs is carried out by personnel specialized in all engineering disciplines, i.e., architectural, structural, mechanical, civil, electrical and sanitary, with required draftsmen, surveyors, technicians, estimators and specification writers, etc.

a. Engineering and Administration:

FY 1972 \$582,000, FY 1973 \$614,000: Increase \$32,000

A total of \$614,000 is required for Public Works Engineering and Administration in FY 1973, an increase of \$32,000 over FY 1972. This increase will fund one new U.S. position, salary increases and higher pay, a small amount for supplies and materials, and printing.

The Headquarters Public Works Administration is made up of two sections which are under the general supervision of the Director of Public Works: the Office of the Director of Public Works (Administration) and the Office of the Chief of Operations and Maintenance.

The Director's Office is responsible for the general overall administration of the Department of Public Works, Trust Territory-wide, including direct administration of the headquarters department, budget and fiscal management, planning, programming and scheduling of capital improvement projects, operations and maintenance, and personnel administration. It also assists in the negotiation and awarding of local contracts as well as outside contracts, provides support with respect to general advice, etc. The dollar value of construction activity under the jurisdiction of the Director is currently about \$80 million.

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The Chief of Operations and Maintenance is responsible in each of the areas of operations and maintenance, such as facilities maintenance, utilities, refrigeration and air-conditioning, ports, roads, airports, and transportation. He also coordinates the overall government force accounts and local contracts associated with construction projects carried out within the districts. His office furnishes technical advice and support to the districts.

The Headquarters Public Works Department encourages an extensive training program for Micronesians to fill appropriate positions now occupied by U.S. personnel. There are twelve management intern positions for Micronesians who will be trained in the area of planning and programming, administration, engineering and design, etc., which will be partially funded from the construction overhead account.

In FY 1973, one new U.S. position will be added to strengthen the administrative support staff. There will be no change in Micronesian staffing.

Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	5 U.S. Civil Service	5 U.S. Civil Service
	<u>18</u> U.S. Contract	<u>19</u> U.S. Contract
	23 U.S. Total	24 U.S. Total
	21 Micronesians	21 Micronesians

b. Operations and Maintenance:

FY 1972 \$3,940,100, FY 1973 \$4,372,000: Increase \$431,900

A total of \$4,372,000 is required for Public Works Operations and Maintenance in FY 1973, an increase of \$431,900 over FY 1972. This increase will fund 65 new Micronesian and one new U.S. position, salary increases and higher pay, additional supplies, materials, parts, and equipment.

Under this activity is included the maintenance and operation of government owned buildings and facilities within the six districts of the Trust Territory. These buildings and facilities consist of schools, quarters, hospitals, office buildings, warehouses and garages; maintenance of roads, streets, airfields, docks and port facilities; maintenance and operation of refrigeration plants and air-conditioning systems; repair and maintenance of automotive and heavy equipment and the operation and maintenance of boat transportation services. Services to private contractors and the general public are provided on a reimbursable basis when such services are not available through private sources.

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During fiscal year 1972 the Trust Territory will acquire many additions to its physical plant facilities due to the current Capital Improvement Program. These include elementary schools in all districts, additions to secondary schools in Ponape, Truk, Marianas and Palau, new equipment and new employees quarters. These and other increases in facilities will require additional personnel as well as supplies, materials and equipment parts to insure proper care and continuing uninterrupted service from these facilities. In connection with the road and building construction program, over sixty (60) pieces of heavy construction equipment have been purchased. Also we are continuing to acquire equipment from military excess sources in Viet Nam, Okinawa and Japan. In addition to the above, the Trust Territory acquired from the U.S. Navy in FY 1971 six (6) LCU vessels for use in each of the six districts. They are not new and maintenance costs are higher than with new commercial equipment. The LCU boats in particular are very expensive to operate and maintain, yet they are essential for movement of supplies and equipment to outer islands. The LCUs are used also for support of the Navy Civic Action Teams.

The following table lists the Government facilities in the six districts covered under the Operations and Maintenance activity for FY 1973.

<u>Facility Description</u>	<u>Area or No.</u>	<u>Maintenance Cost/Unit in Dollars</u>	<u>Annual Total Cost in Dollars</u>
Government Quarters	745,000 S.F.	\$.30	\$ 223,500
School Buildings	1,350,000 S.F.	.25	337,500
Hospitals	280,000 S.F.	.35	98,000
Dispensaries including			
Dental Clinics	135,000 S.F.	.30	40,500
Dormitories	144,000 S.F.	.20	28,800
Warehouses	380,000 S.F.	.10	38,000
Power Plant Buildings	102,000 S.F.	.15	15,300
Garage and Shop Buildings	160,000 S.F.	.20	32,000
Office Buildings	202,000 S.F.	.30	60,600
Fire Stations	11,000 S.F.	.20	2,200
Jail and Constabulary Buildings	15,000 S.F.	.20	3,000
Court Houses	54,000 S.F.	.20	10,800
Reefer Buildings	19,000 S.F.	.30	5,700
Communication Buildings	31,000 S.F.	.20	6,200
Other Buildings	625,000 S.F.	.15	94,000
Vehicles (3/4 Ton and Under)	450 Each	500.00	225,000
Vehicles (Over 3/4 Ton)	190 Each	1,000.00	190,000
Heavy Equipment	350 Each	1,500.00	525,000
Boats 16' and Under (Outboard)	40 Each	50.00	2,000
Boats 16' and Over (Inboard or Outboard)	90 Each	75.00	6,700
Outboard Motors	170 Each	75.00	12,700
Boat Operation and Maintenance	6 LCU	60,000.00	360,000
Boat Operation and Maintenance	200 Misc.	200.00	40,000
Barge Maintenance	3 Each	300.00	900

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<u>Facility Description</u>	<u>Area or No</u>	<u>Maintenance Cost/Unit in Dollars</u>	<u>Annual Total Cost in Dollars</u>
Airfields	8 Each	\$23,000.00	\$ 184,000
Docks	9 Each	7,000.00	63,000
Roads	320 Miles	300.00	96,000
Garbage and Refuse Collection	9 Loca- tions	20,000.00	180,000
Grounds	500 Acres	100.00	50,000
Custodial and Janitorial Services	210,000 S.F.	.20	42,000
Appliance Repair (Lump Sum/ Dist.)	6 Dist.	15,000.00	90,000
Refrigeration	6 Plants	24,000.00	144,000
Air Conditioning	800 Units	85.00	68,000
Capital Equipment Purchase	6 Dist.	36,000.00	216,000
Supervision and O.H.:			
U.S. Employees	43		567,000
Micro Clerical and Supervision	70		192,000
Micro Craftsmen and Operators	810 (Cost included in unit cost)		121,600
Training, Travel and Expenses			<u>121,600</u>
Total - Operations and Maintenance			\$4,372,000

Emphasis continues on upgrading the skills of the Micronesians to assume the responsibilities of operating and maintaining facilities and equipment. This is being accomplished through a concentrated effort in training in the various skills and crafts both in the Trust Territory and at trade schools in the United States, particularly in Hawaii. In FY 1971 an air conditioning and refrigeration training school was started on Saipan. Trainees from all districts are taking advantage of the opportunity to increase their skills in this important trade. This effort in all crafts must be increased if we are to realize our goal of having Micronesians assume responsibility for these facilities.

In FY 1973, one U.S. Administrative Assistant for Yap District and 65 Micronesians will be added in this activity. The new Micronesians will be trained in the various skills and crafts to operate and maintain the new facilities which are now under construction in various districts. The district distribution of the new Micronesian positions is as follows:

Marianas (including Tinian and Rota)	17
Yap	12
Truk	4
Ponape (including Kusaie)	18
Marshalls (including Ebeye)	<u>14</u>
Total	65

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Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	15 U.S. Civil Service	15 U.S. Civil Service
	<u>27</u> U.S. Contract	<u>28</u> U.S. Contract
	42 U.S. Total	43 U.S. Total
	815 Micronesians	880 Micronesians

c. Utilities:

FY 1972 \$2,059,000, FY 1973 \$2,957,000: Increase \$898,000

A total of \$2,957,000 is required for Public Works Utilities in FY 1973, an increase of \$898,000 over FY 1972. This increase will fund 109 new Micronesian and 3 additional U.S. positions, salary increases and higher pay, and additional POL and work materials for operation and maintenance of expanded utilities.

Under this activity, the Trust Territory government provides utility services not only for government buildings and facilities but also for commercial establishments, churches, church schools and private residences within the reach of the utility installation. The extent of these services varies in different districts, depending upon the size of the utility installed. With the exception of Saipan, the utility service is limited to an area within two or three miles of the district center. With FY 1970 thru 1972 funding, power and water are being provided to some of the outer islands. The utilities consist of water, electric power, sewer and telephone service. Telephone service, however, is provided only in the district centers.

During FY 1970, 1971 and 1972 many improvements have been made in the utility systems and more are under construction or planned for 1973 and future years. Those projects completed or now in progress and which will be completed prior to FY 1973 include power expansion in all districts, with power plant installations at outer island locations of Laura in the Marshall Islands, Kusaie, Rota, Tinian, Ulithi, Angaur and Peleliu. Increased water or water and sewer utilities are now being constructed in Majuro, Ponape, Truk, Saipan, Tinian, Rota, Ulithi, Angaur, Peleliu and Koror. During FY 1973, it is expected that 4,100 additional people in district centers will be able to receive water from a central system, 6,350 will be able to tie into sewerage systems, and 6,700 will be able to enjoy electrical power for the first time. New telephone systems have been constructed and are in operation in Koror, Yap and Saipan. New systems are under construction in Truk, Ponape and Majuro. All of these additional utility systems require additional Micronesian personnel to operate, as well as supplies, parts and materials to keep in continued operation. The increased funds included in this budget will be used primarily for additional Micronesian personnel to operate and maintain these expanded and increased utilities and for the necessary POL and work materials.

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The following table lists the utility systems that will be in operation in the six districts during FY 1973.

<u>System Description</u>	<u>Size or No.</u>	<u>O&M Unit Cost in Dollars</u>	<u>Annual Total Cost in Dollars</u>
Power Generation	31,300 KW Capacity 96,000,000 KWH Produced	\$.02	\$1,920,000
Power Distribution	200 Miles	300.00	60,000
Wells	20 Each	1,000.00	20,000
Pumping Stations	20 Each	1,000.00	20,000
Storm Sewers	25 Miles	100.00	2,500
Water Lines	150 Miles	500.00	75,000
Sanitary Sewers	33 Miles	500.00	16,500
Water Treatment Plants	6 Loc.	30,000.00	180,000
Sewage Treatment Plants	5 Loc.	30,000.00	150,000
Telephone Systems	6 Loc.	6,000.00	36,000
Telephone Lines	65 Miles	300.00	19,500
Capital Equipment Purchases	Per District	20,000.00	120,000
 Supervision and O.H.:			
U.S. Employees	14		182,000
Micro Clerical and Supervision	25		62,000
Micro Craftsmen and Operators	413 (Cost included in unit cost)		
Training, Travel and Expenses			<u>93,500</u>
Total Operation and Maintenance of Utilities			\$2,957,000

One hundred five (105) new Micronesian positions and three (3) new U.S. positions are requested for Utilities in FY 1973. These positions are needed to operate and maintain the new and expanded utility systems consisting of water, sewer, power and telephone in the Marianas, Yap, Truk and Marshalls. The district distribution of the new positions is as follows:

Marianas	42
Yap	16
Truk	26
Marshalls	<u>21</u>
 Total	 105

Both Ponape and Palau had increased their staff in prior years and are therefore adequately staffed for FY 1973 to maintain and operate the new utilities now being constructed.

While the number of employees for the Marianas appears high it must be considered that a new water and sewer system is nearing completion on Saipan and new water and power systems are being constructed on Rota and Tinian. These must be operated and maintained.

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Staffing:	<u>FY 1972</u>	<u>FY 1973</u>
	2 U.S. Civil Service	2 U.S. Civil Service
	<u>9</u> U.S. Contract	<u>12</u> U.S. Contract
	11 U.S. Total	14 U.S. Total
	329 Micronesians	434 Micronesians

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Exhibit 5

B. CAPITAL IMPROVEMENT PROGRAM

Type of Improvement	FY 1971 Appropriation	FY 1972 Appropriation	FY 1973 Budget Estimate	Budget Estimate 1973 compared w/Appropriation 1972	Page Refer- ence
1. Public Affairs Facilities	\$ 156,000	\$ 79,000	\$ - 0 -	\$ -79,000	
2. Legal Affairs Facilities	150,000	- 0 -	- 0 -	- 0 -	
3. Judiciary Facilities	519,000	- 0 -	- 0 -	- 0 -	
4. Education Facilities	4,569,000	3,600,000	3,360,000	-240,000	
5. Public Health Facilities	947,000	100,000	2,390,000	+2,290,000	
6. Transportation and Communications Facilities	3,875,000	7,037,000	4,019,000	-3,018,000	
7. Resources & Development Facilities	690,000	580,000	- 0 -	-580,000	
8. Community Development Facilities	720,000	825,000	1,276,000	+451,000	
9. Water, Sewerage & Power Facilities	11,918,000	7,639,000	4,798,000	-2,841,000	
10. Maintenance and Rehabilitation Facilities	550,000	800,000	392,000	-408,000	
11. General Support Facilities	<u>1,229,000</u>	<u>- 0 -</u>	<u>220,000</u>	<u>+220,000</u>	
TOTAL	<u>\$25,323,000</u>	<u>\$20,660,000</u>	<u>\$16,455,000</u>	<u>\$-4,205,000</u>	

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1. Public Affairs Facilities - \$-0-

No funds are requested in FY 1973 for Public Affairs Facilities.

2. Legal Affairs Facilities - \$-0-

No funds are requested in FY 1973 for Legal Affairs Facilities.

3. Judiciary Facilities - \$-0-

No funds are requested in FY 1973 for Judiciary Facilities.

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4. Education Facilities - \$3,360,000

Funds requested in FY 1973 will be used for:

a. Elementary, Trust Territory-Wide	\$ 297,000
b. Secondary, Marianas	100,000
c. Secondary, Yap	307,000
d. Secondary, Truk	673,000
e. Secondary, Ponape	653,000
f. Secondary, Marshalls	630,000
g. Micronesian Occupational Center	200,000
h. Community College of Micronesia	<u>500,000</u>
Total	\$3,360,000

a. Elementary, Trust Territory-Wide - \$297,000

The funds requested for FY 1973 will provide for construction of sixteen (16) additional classrooms required to alleviate the problem of "double session" in the Marianas, Truk, and Ponape Districts. Due to rising costs for labor and materials, these classrooms are estimated at a range of \$15,000 to \$20,000 per classroom. Included in this estimate is the cost of water storage and sanitary facilities, necessary design and engineering work, and collateral equipment.

The distribution of classrooms is as follows:

Marianas	5 Rooms	-	\$100,000
Truk	8 Rooms	-	152,000
Ponape	<u>3 Rooms</u>	-	<u>45,000</u>
Totals	16 Rooms	-	\$297,000

b. Secondary, Marianas - \$100,000

An amount of \$100,000 is requested in FY 1973 to provide for construction of five new classrooms at Hopwood Junior High School located on the southern end of Saipan. This school, the only Junior High School on the Island, enrolls grade eight and nine, and one-half of its students are transported by bus.

At the present time all available classrooms are being utilized and it will be necessary to modify the schedule to accommodate the increase in enrollment that is expected. This modification will result in loss of efficiency and will curtail the curriculum somewhat. Recently, the Marianas District Board of Education

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has adopted a policy that limits registration in the public school system to residents of the Marianas due to "ever increasing enrollment" with limited school facilities. By FY 1973, the anticipated increase in enrollment will require either a double session approach or the denial of enrollment for students who have completed the eighth grade.

To alleviate this situation present plans call for the construction of five classrooms in FY 1973 which will provide 125 additional classroom spaces when completed in FY 1975.

c. Secondary, Yap - \$307,000

Outer Islands High School is a boarding junior-senior high school consisting of pre-seventh, seventh, and eighth grades as well as the usual four years of high school, located on Falalop Island on Ulithi Atoll, about one hundred miles north-east of Colonia, the district center of Yap.

Currently, the school enrolls a total of 350 students from thirteen elementary schools which service sixteen islands, the furthest one being on the edge of Truk District. Of the 350 students, 150 are girls and it is difficult to predict how the school population will increase, the past being a poor standard now that girls are enrolling in ever-increasing numbers. All the students are in residence from September until late June, some few living in the village, others in classrooms, the majority in dormitories.

The boys' dormitories are of two types, quonset and Eniwetok. Two of the latter are in extremely poor condition and are generally unfit for habitation. The wooden bunk beds are nearly mattressless; the roofs leak seriously and they cannot be repainted; there are no toilet or shower facilities, no common room, guest room, storage area, lockers or closets for personal property. The quonset boys' dormitory is in much the same condition with the added problem that it is rapidly deteriorating due to rust. The girls' dorm was built two years ago as an answer to an emergency situation. Large holes have rusted through the roof, and the entire building will probably not survive more than three years, even with the care and constant attention currently lavished on the building by students, parents, and the arm of the Public Works Department stationed on Falalop.

The \$307,000 requested in FY 1973 will provide for the construction of a new 225-bed dormitory to replace the existing inadequate facilities and provide a small additional capacity for increased enrollment.

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d. Secondary, Truk - \$673,000

Of the \$673,000 requested in FY 1973 for Truk Secondary School Construction, \$258,600 will provide for the construction of eight new classrooms, one administrative unit, and a 72-bed dormitory for the Truk High School Facility. This amount also provides for collateral equipment for the eight classrooms, installation of on-site utilities for the classrooms and the administrative unit, and site preparation for all of these buildings. Design will be the AESCP standard and construction is expected to be done by local contractors. Completion in FY 1975 will increase capacity by 200 spaces.

The Truk High School facility, which at one time was the only high school in the entire district, will eventually become the Truk Senior High School and take in the 11th and 12th graders from the lagoon and outer island secondary schools.

In order to pave the way for this role of the Truk High School, some reevaluation of facility construction is necessary. In addition to the 8 classrooms programmed in FY 1973, one dormitory (transferred from the Weipat program) will also be required. It is further proposed to build a 30X60 Administrative Unit to house offices, teachers' lounge and workroom, dispensary and counseling offices.

A total of 49 classrooms, 1 shop and 9 dormitories will be needed to accommodate 1,200 students by FY 1976. Including the facilities programmed in FY 1973 plus 15 classrooms and others which are anticipated to be rebuilt under OEP (Typhoon Amy) funds, there should be a total of 38 classrooms and 9 dormitories by September 1973.

Also included in the \$673,000 is \$82,200 which will fund the construction of four classrooms and complete the shop building begun in FY 1972 for the Southern Namoneas High School on Dublon Island. The FY 1973 program provides for the construction of the first increment of the new High School including eight classrooms, two 78-bed dormitories, 1/2 shop, one cafetorium, sanitary facilities, and two water tanks. The FY 1973 addition of four classrooms, which will enable the school to accommodate an additional 100 students, and 1/2 shop should complete the high school plant for its needs in the foreseeable future. This high school will take in the 9th and 10th grade students from the five Southern Namoneas communities. It is anticipated that this school will have a peak enrollment of 300 students by 1976.

The Mortlocks High School is located on Satawan in the Lower Mortlocks, Truk District. Started in 1968, this post-elementary school has evolved into a high school (up to 10th grade in 1971) and will continue to maintain an 11th grade until facilities at the Truk High School are ready to accommodate all senior high school students from the entire district. The 1971-1972 enrollment is 225, and is expected to peak and level off in 1976 at 350.

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The FY 1973 budget request includes \$218,600 to fund the construction of two dormitories and one water tank (10,000 gallon capacity) for the Mortlocks High School. The FY 1971 Supplemental Appropriations provided funds to construct two dormitories: one for replacement of the thatched-roof dormitory now housing 135 boys and the other to house the female students presently staying in the homes of sponsors. In FY 1973, it is anticipated that one of the dormitories will provide quarters for an additional 72 boys and the other will be adequate for the foreseeable future.

A nominal sum of \$6,500 is requested in FY 1973 to provide for a 10,000 gallon tank to supplement the existing water storage facilities at the Weipat High School. This school accommodates students from the Western, Hall and Namonwito Islands. Its current enrollment of 86 students is expected to level off at 325 by FY 1976.

The remaining \$107,100 of the \$673,000 requested in FY 1973 for Truk secondary school construction will be used to construct one dormitory to accommodate 72 boys at Faichuk High School. This dormitory should be completed and in use by September 1973.

e. Secondary, Ponape - \$653,000

The Ponape Island Central School is now anticipating a large increase in its future enrollment due to the increasing number of school children graduating from the elementary schools. In FY 1973, there will be at least 488 students graduating from 8th grade on Ponape proper, of which 396 cannot be accommodated in public schools.

Of the \$653,000 requested in FY 1973 for Ponape secondary school construction, \$238,000 will be used at Ponape Island Central School to provide an additional five classrooms to accommodate 125 additional students and a 50-bed dormitory necessary because of some outer island students and lack of roads that make commuting from some municipalities impossible. The proposed construction is a concrete block building which will be sub-divided into five classrooms and a dormitory.

The remaining \$415,000 will be used at Kusaie High School to construct an additional two classrooms, two shop buildings, two Home Economics classrooms and an Agriculture building, able to accommodate an additional 175 pupils upon completion. Together with earlier increments of construction for this new high school, the requested facilities for FY 1973 will provide space for about 500 students when the school is completed.

f. Secondary, Marshalls - \$630,000

The Marshall Islands District continues to require substantial funding and facilities in an effort to provide spaces in high school to accommodate elementary graduates desiring to further their education. A new high school in Jaluit has been

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planned and will soon be under construction. A replacement and expansion program is also underway at Marshall Islands High School in Majuro.

Continuation of the work at Majuro in FY 1973 will require \$630,000. This will finance a multi-use, two-story pre-engineered steel building. The first floor will include 5 general purpose classrooms, 2 science laboratories, and storage space. The upper floor will be a 92-bed dormitory. This increment of the project will allow enrollment of about 175 more students who otherwise could not attend high school.

g. Micronesian Occupational Center - \$200,000

The four existing dormitory facilities at the Micronesian Occupational Center in Palau can adequately accommodate 448 students. Enrollment in FY 1973 is expected to increase to 400 full-time day students. At any one time during the school year, there will be an additional 40 to 60 short-term students and vocational instructor trainees who will require housing.

A fifth 112-bed dormitory is being requested in FY 1973. The \$200,000 will provide for construction of the dormitory, exclusive of collateral equipment which will be funded in FY 1974. When completed in FY 1975, the facility will allow a full-time enrollment of about 500 students.

h. Community College of Micronesia - \$500,000

The Community College of Micronesia (CCM) will be built on a 100 acre site in Palikir, Ponape to serve as the first element in Trust Territory higher education programs. The College has evolved from the former Micronesia Teacher Education Center (MTEC) into an accredited two-year institution of higher learning which offers an Associate of Arts (A.A.) degree. Initial emphasis is being retained on teacher training but broader elements will also be developed for the curricula in future years.

A master plan has been prepared for the new campus and work is underway for design of the first increment. First phase construction, for which \$500,000 is requested in FY 1973, is planned to include six classrooms, dormitory space for 200 students, and an interim library/administration building. Trust Territory funds will be coupled with a matching grant to be provided under the Higher Education Act.

Present enrollment at the College on the existing site totals 126. Facilities to be financed under the budget request will accommodate an additional 180 students on the new campus, for a combined enrollment in excess of 300.

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5. Public Health Facilities - \$2,390,000

Funds requested in 1973 will be used for:

a. Ponape Teaching/Referral Hospital	\$2,350,000
b. Dispensaries	<u>40,000</u>
Total	\$2,390,000

a. Ponape Teaching/Referral Hospital - \$2,350,000

Phase I of the construction of the Ponape Teaching/Referral Hospital will begin in FY 1973. The total cost of this facility is estimated at \$5.7 million, of which \$2,350 million is requested in FY 1973.

The 140-bed facility, although fundamentally a district hospital, will also serve as a center for teaching and upgrading the skills of physicians, nurses, technicians, and health aides. Currently, the Trust Territory suffers a temporary loss of scarce medical skills when medical personnel are often sent abroad for training. The Ponape Hospital will be large enough to carry on an extensive training program so that medical personnel from all Districts can be sent there on a rotational basis without having to leave the Trust Territory.

The hospital will also serve as a local facility for the referral of patients requiring specialized or intensive care. Presently, about 600 persons are referred to medical facilities outside the Trust Territory at an annual cost of \$600,000. The Ponape hospital will have a number of facilities and specialists not now available in the territory so that referral costs should be reduced. This facility is expected to be completed and be operational by 1976.

The \$2,350,000 requested in FY 1973 will provide for the initial phase of the Ponape Teaching/Referral Hospital Construction consisting of necessary design work, contractor work - force and equipment mobilization site work including clearance and utility installation and initiation of construction. Further funding increments will be requested in future years for completion of the hospital.

b. Dispensaries - \$40,000

There are 153 dispensaries existing in the Trust Territory. Most were built by the local people using local materials. They were poorly constructed and equipped, and some are rapidly deteriorating. Supplies and materials are often short due to poor, inadequate storage facilities, thus necessitating supplying only limited

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amounts, with resupplying depending on frequency of field trip vessel calls, in order to avoid spoilage and waste of expensive drugs, supplies, materials and equipment.

A long-range dispensary replacement program was initiated in FY 1970 to provide adequate structures in sufficient numbers to meet health needs throughout the Trust Territory. Dispensaries are located in the outer islands and remote sections of the District Centers and serve as the principal point of health care contact for most Micronesians.

Funds of \$40,000 are requested in FY 1973 to continue the program. Together with matching Federal funds, this request will permit construction of an additional 12 dispensaries.

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6. Transportation and Communications Facilities - \$4,019,000

Funds requested in FY 1973 will be used for:

a. Roads, Ponape	\$ 440,000
b. Airfield, Saipan	557,000
c. Airfield, Palau	185,000
d. Airfield, Yap	600,000
e. Airfield, Truk	187,000
f. Dock, Colonia, Yap	100,000
g. Dock, Ponape	400,000
h. Bridge, Palau	700,000
i. Inter-Island Ships	650,000
j. Communication System	<u>200,000</u>
Total	\$4,019,000

a. Roads, Ponape - \$440,000

The \$440,000 requested in FY 1973 will permit construction of approximately one mile of road and two bridges between Kolonia, the District Center, and Net, the site selected for the new Ponape Teaching/Referral Hospital programmed for the first increment of work in FY 1973. This funding will also provide for the completion of the seven miles of road between Kolonia and Palikir, the site of the community college planned for construction in FY 1973.

The roads leading to these areas are either non-existent or in very poor condition. They need to be rebuilt to accommodate the heavy traffic that will be traveling with loads of construction materials for both projects. Also, one of the bridges leading to the new hospital site is in very poor condition and will not withstand the anticipated heavy traffic.

This project will be undertaken by the Ponape Transportation Authority under local contract with the District.

b. Airfield, Saipan - \$557,000

The FY 1972 budget includes \$400,000 to initiate rehabilitation of Isley Field, which, when completed, will be the airfield for Saipan. Kobler Field, the present airport, is rapidly deteriorating and is less suitable than Isley for long-range use capability.

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The FY 1972 work includes clearance, taxiway and apron reconstruction, construction of roadways and parking areas, installation of on-site utilities, and initial design work on terminal facilities. An additional \$557,000 is requested for FY 1973 to continue the project. The FY 1973 program will include continuation of roads, construction of the terminal facility, boundary fencing, and runway marking, and commencement of an asphaltic concrete overlay on the existing pavement. Additional funds will be requested in future years for completion of the project.

c. Airfield, Palau - \$185,000

A feasibility study has been recently completed on the proposed Palau airfield. The study confirmed the desirability of renovating the present airfield, with a slight runway realignment to provide long-needed jet capability for Palau. Cost estimates developed in the study total \$2.4 million, an increase of \$700,000 above the previous estimate.

The \$185,000 requested for FY 1973 will finance preliminary planning and design work. Funds for final design and construction will be sought in future years.

d. Airfield, Yap - \$600,000

An additional \$600,000 is requested for FY 1973 to continue work on the Yap Airfield. A feasibility study has been completed for this project which included consideration of five alternative sites. A specific location will be selected shortly following which preliminary design work will begin. Total project costs will range from \$3 - \$5 million depending on the selected location. Additional funds will be requested in future years for incremental funding to match construction requirements.

e. Airfield, Truk - \$187,000

The Truk Airfield on Moen is only 4,800 feet long which is barely adequate for jet aircraft and presents a hazard at every stop. In addition, it requires heavy maintenance especially during periods of unusual rains. It must be lengthened and otherwise improved to meet FAA standards. The \$187,000 requested for FY 1973 will finance planning and design work leading to the necessary airfield modifications. Construction appropriations will be requested in future years and will approximate \$1,500,000.

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f. Dock, Colonia, Yap - \$100,000

Docking facilities in Yap Harbor are required to handle cargo essential to the economic development of Yap District. Due to the size and depth of the present dock, all large ships must anchor in the channel and barge cargo to the dock. This results in much damage and loss of merchandise. The present dock, used for field trip and cargo vessels up to 200 ft. long, is in such poor condition that immediate repairs are necessary.

The \$100,000 requested in FY 1973 will provide for much needed repairs on the dock and port facilities. Much of the work will be in capping the dock face (where piles have failed) with concrete.

g. Dock, Ponape - \$400,000

In FY 1971, design and engineering work began on the initial increment of the Ponape Dock Project which includes 500 feet of sheet piling, concrete capping, working apron and necessary deadmen and bollards for the new facilities located at Takatik Island adjacent to the new airport. The total estimated cost of these activities, including the necessary design and engineering work, was \$300,000. In FY 1972, \$500,000 was provided and is being used to extend the piling, concrete capping and concrete apron by an additional 500 feet. The \$400,000 requested in FY 1973 will provide for project completion, thus enabling the dock to handle major shipping and cargo. Construction work is being undertaken by the Ponape Transportation Authority who is currently utilizing the services of Consultants for planning and scheduling the construction of the dock.

h. Bridge, Palau - \$700,000

Transportation between the District Center in Koror and neighboring Babelthuap Island is currently provided by an ancient ferry. It carries only about 10 - 12 vehicles on each passage across the Toagel-Mid Channel. A trip to the Palau airfield on Babelthuap often consumes half a day with a lengthy wait at the ferry in both directions.

Babelthuap is the largest island in the Trust Territory and is the only logical choice for badly needed additional residential land to alleviate the many problems of congestion in crowded Koror. The island also has excellent agricultural potential if it can be opened and developed. The people of Palau have accordingly placed an unequivocal top priority on construction of a bridge between Koror and Babelthuap.

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A feasibility study has been completed on the bridge and efforts are underway to initiate the project. A pre-stressed concrete bridge of 960 feet has been selected from among four alternative types studies. The project cost is estimated at \$2,347,000, which will be budgeted on an incremental basis. Funds of \$700,000 are requested in FY 1973 to continue this project.

i. Inter-Islands Ships - \$650,000

The Trust Territory program to construct a series of efficient inter-island ships will enter its third year in FY 1973. The amount of \$650,000 is requested to continue the program. This amount will be added to that which was provided in FY 1972 (\$638,000) to insure that the funding for the design and the construction of the prototype ship as well as the advance ordering of materials for the second ship is achieved in a timely and economical manner.

The construction of the prototype vessel will be followed by seven additional, identical ships. These ships will provide service from each of the district centers to outer islands of the Trust Territory. The ships are to be designed to receive a variety of types of cargo and to be able to discharge cargo and passengers at unimproved outer islands and-atolls. Considerable design and construction effort will be expended to ensure that the ships can be 100% maintained by facilities within the Trust Territory.

Contracts for the construction of the first ship are expected to be awarded on or about April 1, 1972. The first ship should be completed about December 31, 1972.

The one or two initial new ships would replace two or four present Trust Territory vessels. The first vessels to be replaced would probably be the single propeller ships M/V YAP ISLANDER, M/V TRUK ISLANDER and M/V HAFADA, as well as the twin-screw M/V KASELEHLIA which is experiencing rapid deterioration of structural and mechanical soundness.

j. Communications System, Trust Territory-Wide, \$200,000

In FY 1971, funds of \$300,000 were provided for the purchase of teletype equipment for the proposed expansion of the modernized communications system. These funds, however, were not entirely sufficient to provide for "Full Teletypewriter System", thus, limiting the use of such equipment to primary circuits only. The Trust Territory is committed to provide communications service to other agencies and private offices. The \$200,000 requested in FY 1973 for Trust Territory-Wide Communications System will finance an additional thirty-four (34) items of teletype equipment and related test equipment together with spare parts to replace obsolete equipment and permit installation of the "Full Teletypewriter System".

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7. Resources and Development Facilities - \$-0-

No funds are requested in FY 1973 for Resources and Development Facilities.

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8. Community Development Facilities - \$1,276,000

Funds requested in FY 1973 will be used for:

a. Bikini Rehabilitation Program	\$ 485,000
b. Civic Action Teams	<u>791,000</u>
Total	\$1,276,000

a. Bikini Rehabilitation Program - \$485,000

In FY 1973, funds of \$485,000 are requested to accelerate the rehabilitation project on Bikini in keeping with the Trust Territory Government's commitment to prepare the island for eventual resettlement of the Bikini people who were displaced from their home atoll in 1947 to permit atomic bomb testing. These funds will provide for construction of 10 additional concrete houses, 10 additional outhouses and bathhouses, 35 cook houses, 90 water storage tanks, a meeting house/administration building, and a community church. The FY 1972 budget has allocated \$125,000 for the construction of 40 outhouses, 40 bathhouses, 15 cook houses, and 10 water storage tanks. Work is now underway on the construction of the initial 40 concrete houses. The food crops replanting program initiated in FY 1970 is now nearing completion and the maintenance phase has begun.

b. Civic Action Teams - \$791,000

\$791,000 is requested in FY 1973 to continue the Civic Action Teams program. Seven (7) teams will still be active in the six districts at an annual cost of \$113,000 per team. The increased cost per team reflects rising costs for rotational team replacement due to increases in per diem rates.

Since their inception in FY 1970, the Civic Action Teams have been providing an invaluable service to the people of Micronesia, and making possible many improvements and expansions, particularly in the areas of infrastructure and public facilities, that could not have been accomplished without such assistance. The Teams are self-contained, and provide their own necessary equipment to accomplish their various projects, eliminating a "drain" upon the very limited Trust Territory facilities and equipment for project accomplishments.

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9. Water, Sewerage and Power Facilities - \$4,798,000

Funds requested in FY 1973 will be used for:

a. Water and Sewerage, Saipan	\$1,200,000
b. Water and Sewerage, Truk	1,250,000
c. Water and Sewerage, Marshalls	857,000
d. Power, Trust Territory-Wide	<u>1,491,000</u>
Total	\$4,798,000

a. Water and Sewerage, Saipan - \$1,200,000

Funds of \$1,200,000 are requested in FY 1973 to provide for the replacement of primary and secondary water lines in all the villages of Saipan. The major Saipan Water and Sewerage project initiated with FY 1968 Supplemental Funds is now nearing completion. This project, when finally completed, will greatly improve the water system. However, the past water development effort will be defeated unless the villages' distribution pipelines are replaced. At present, these villages are tied in to the water system with old, dilapidated primary and secondary lines, many laid just after the war. This is creating a serious problem of water losses through leakage. The FY 1973 budget request will provide enough funds to replace deteriorated and undersized pipelines throughout all eight villages to eliminate water loss and greatly improve service to the residents of these villages, which by 1975 will number about 12,000.

b. Water and Sewerage, Truk - \$1,250,000

Funds of \$1,250,000 are requested in FY 1973 to provide for construction of water facilities in Truk District. Of this amount, \$900,000 will be used to complete the water distribution system on Moen. This system anticipated to be operational by FY 1974, will extend water service to the populated villages of Penia, Sapuk, Winipis, and Wichap. The total program for Moen will provide 10 new deep wells, 8 pumping stations and 13 miles of water mains. With the completion of the program in FY 1975, over 90%, or 6,000 of the entire population of Moen will be capable of receiving water.

The remaining \$350,000 will provide for construction of water storage and distribution facilities in Dublon Island for the benefit of about 2,500 inhabitants.

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c. Water and Sewerage, Marshalls - \$857,000

The \$857,000 requested in FY 1973 will provide first increment funding of the Darrit, Uliga, Dalap (Marshalls District Center) sewerage system as initially engineered by Austin, Smith and Associates in 1967. At present, no sanitary sewerage system exists for the population of 4,900 in the D.U.D. area. Individual pit-privy outhouses have been constructed which provide facilities to some 70-75 percent of the population. Some modified pit-privies exist with concrete pits and a short outfall pipe to the lagoon adjacent to the beaches. This allows the fecal matter to be deposited underwater and thereby control the odor and fly problem to a certain degree. On the other hand, it allows direct contamination to the shallow lagoon waters, thus, destroying a great variety of sea life upon which many of the inhabitants depend for food.

The FY 1973 work will include collection lines and a treatment plant for the District Administration area, the hospital, and some commercial and residential units. Additional funding needed to expand and complete the system will be sought in future years.

d. Power, Trust Territory-Wide - \$1,491,000

A total of \$1,491,000 is requested to accelerate the long-range power development program in FY 1973. The 1973 program will provide adequate dependable power to virtually all Micronesian families and businesses within a reasonable distance of District Centers; to provide small inexpensive generating units and distribution systems to electrify some of the more populated outer islands; to replace worn out equipment; and to augment power capacity as required to aid commercial development.

Of the total funds requested, \$1,426,000 is needed to procure four (4) new generators with a total capacity of 3,000 KW and new power distribution lines to keep pace with the rising demand for power in the District Centers. The needs of the government and of commerce and industry will be met and nearly 500 additional homes will be electrified.

The remaining \$65,000 is needed to expand the power program in the more populated outer islands beyond the District Centers. This program will provide for installation of simple generating units of 50 KW capable of supplying enough electricity to schools, dispensaries, and a limited number of houses.

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Estimated usage of the \$1,426,000 funding requested for District Centers Power (dollar amounts in thousands) is:

	<u>Marianas</u>	<u>Palau</u>	<u>Yap</u>	<u>Truk</u>	<u>Ponape</u>	<u>Total</u>
Generating capacity	...	\$285 (750-KW)	\$255 (750-KW)	\$285 (750-KW)	\$230 (750-KW)	\$1,055 (3,000-KW)
Relocation or Expansion	...	...	45	...	...	45
Line Improvements	100	...	...	...	...	100
Line Installation	<u>...</u>	<u>102</u>	<u>30</u>	<u>...</u>	<u>94</u>	<u>226</u>
Total	\$100	\$387	\$330	\$285	\$324	\$1,426

Trust Territory of the Pacific Islands

10. Maintenance and Rehabilitation Facilities - \$392,000

Funds requested in FY 1973 will be used for:

a. Heavy Construction Equipment	\$192,000
b. Emergency and Minor Construction	<u>200,000</u>
Total	\$392,000

a. Heavy Construction Equipment - \$192,000

Heavy construction equipment is being acquired by the Trust Territory Government for use by its own labor force as well as for rental to contractors, municipalities, and private users. Savings in large contracts are possible when the contractor can rent heavy equipment rather than bringing his own.

Much of the existing heavy construction equipment, such as mobile cranes and rock crushers, is now over ten years old and maintenance and repair is no longer economically feasible. To reduce acquisition costs, the Trust Territory Government currently obtains most heavy equipment from excess military stocks in Vietnam and Okinawa. New items will be purchased from manufacturers only when excess military equipment fails to meet acceptable standards.

The \$192,000 requested in FY 1973 will provide for the replacement of worn out heavy equipment, seeking to procure as much as possible from excess military equipment.

b. Emergency and Minor Construction - \$200,000

Funds are requested in this category to provide for unforeseen projects which arise every year and require immediate attention. These are usually small projects in a range of \$10,000 to \$25,000, and are usually of an emergency nature. Emergencies arise as a result of the many tropical storms which plague the territory, often damaging or destroying public facilities. The Trust Territory is an area of heavy tropical rainfall and high humidity resulting in rapid corrosion. Practically all the islands are termite infested. The \$200,000 requested is considered a nominal sum to accommodate at least a part of the many requests which are received annually from the Districts for emergency and minor construction work.

Trust Territory of the Pacific Islands

11. General Support Facilities - \$220,000

Funds requested in FY 1973 will be used for:

a. A&E Revolving Fund . \$220,000

a. A&E Revolving Fund - \$220,000

The expansion of the Trust Territory Capital Improvement Program from \$9,494,000 in FY 1969 to \$20,647,000 in FY 1970 resulted in the creation of a revolving fund to finance planning and advance engineering, and to provide realistic cost estimates for projects to be undertaken in the future. The fund provides financing for feasibility studies of large areas and specific sites, such as secondary schools, hospitals, port facilities, airfields, roads, etc., as well as for advance surveys, easements, land acquisition, soil tests, borings and architectural and engineering plans and drawings. All costs of work which are initially charged to the revolving fund are eventually absorbed by a specific project which is funded to include these charges. Funds are returned to the revolving fund to be used again on new projects. As planning advances, the fund will be used increasingly for surveys, easements, land acquisition, and architectural and engineering work.

The \$220,000 requested for FY 1973 will increase the funding level to \$1,000,000, two-thirds of the eventually desired level.

Trust Territory of the Pacific Islands

Analysis of Funds Available Within Trust Territory from

Other Federal Agencies

	<u>FY 1972</u> <u>Estimate</u>	<u>FY 1973</u> <u>Estimate</u>
Health Program (H.E.W.):		
Comprehensive Health Planning	\$ 88,100	\$ 103,600
Prevention and Control of Communicable Disease	55,900	39,000
Health Planning Services	420,300	447,700
Mental Health	74,100	79,000
Hospital Construction: HILL-BURTON ACT	<u>200,000</u>	<u>80,000</u>
Total, Health Program	\$ 838,400	\$ 749,300
Education: <u>1/</u>		
Elementary and Secondary Education Act, 89-10	1,338,000	1,338,000
Library Services and Construction Act, 89-511	56,000	56,000
Adult Basic Education Act, 89-750	64,000	64,000
Manpower Development and Training Act, 87-415	77,000	77,000
Education Professional Development Act, 89-329	40,000	40,000
Vocational Education Act, 90-576	250,000	250,000
National Defense Education Act, 89-10	54,000	54,000
National School Lunch Act	10,000	10,000
Higher Education Act, 88-204	<u>- 0 -</u>	<u>500,000</u>
Total, Education	\$1,889,000	\$2,389,000
Resources and Development (DOD-USAF):		
Agriculture:		
Animal Health Service	24,000	24,000
Labor (Department of Labor):		
Manpower Development and Training, 87-415	23,000	23,000
Public Works (O.E.P.):		
Disaster Control Office Public Law 91-606	25,000	25,000
Public Affairs:		
Community Development: <u>2/</u>		
Territorial Economic Opportunity Office	25,000	25,000
Micronesian Legal Services Program	600,000	600,000
Micronesian Community Action Directors		
Organization	75,000	75,000
Trust Territory Office on Aging	<u>121,300</u>	<u>161,000</u>

Trust Territory of the Pacific Islands

	FY 1972 <u>Estimate</u>	FY 1973 <u>Estimate</u>
Community Action Agencies:		
Marianas	\$ 226,000	\$ 246,000
Marshalls	180,000	185,000
Truk	104,000	110,000
Ponape	136,000	151,000
Palau	158,000	158,000
Yap	88,000	97,000
Head Start Program	488,000	488,000
Neighborhood Youth Corps	<u>234,000</u>	<u>262,000</u>
 Total, Community Development	 2,435,300	 2,558,000
Administration:		
Procurement and Supply:		
U.S.D.A. Food (includes freight)	1,400,000	1,400,000
Emergency Employment Act (labor)	296,000	296,000
Public Service Career Program (M.D.T.A.)	128,000	128,000
 Peace Corps	 <u>1,200,000</u>	 <u>1,176,000</u>
 TOTAL OTHER FEDERAL FUNDS	 \$8,258,700 =====	 \$8,768,300 =====

1/ All from H.E.W. except National School Lunch Act which is U.S.D.A.

2/ All funds are from the Office of Economic Opportunity except Aging which is from H.E.W., and Neighborhood Youth Corps which is Labor.

Trust Territory of the Pacific Islands

FY-1972 Proposed Reprogramming

GRANTS - OPERATIONS

Sub-activity	FY 1972	FY 1971	FY 1972
	New Obligational Authority	Unobligated Balances In Pending Reprogramming	Program
1. Health Services	\$ 6,090,900	\$ 356,100	\$ 6,447,000
2. Education	10,270,400	408,600	10,679,000
3. Public Affairs	2,070,800	43,200	2,114,000
4. Resources & Development	4,914,000	58,850	4,972,850
5. Protection to Persons & Property	1,805,600	160,400	1,966,000
6. Administration	4,312,100	141,900	4,454,000
7. Transportation & Communications	2,966,800	11,200	2,978,000
8. Public Works & Utilities	<u>6,581,100</u>	<u>87,900</u>	<u>6,669,000</u>
Sub-Total	\$ 39,011,700	\$ 1,268,150 ^{1/}	\$ 40,279,850
Deduct revenues and reimbursements applied	<u>- 300,000</u>	-	<u>- 300,000</u>
TOTAL	<u>\$ 38,711,700</u>	<u>\$ 1,268,150 ^{1/}</u>	<u>\$ 39,979,850</u>

^{1/} \$28,000 needed for operation of new Disaster Control Office in FY 1972. While new U.S. \$ 1,240,150 needed for funding of new Micronesian pay scales implemented July 11, 1971. contract pay scales were implemented April 4, 1971, increased costs will be absorbed through recruitment delays and in the gains in conversion of vacant Civil service positions to contract.

Source of Funding from June 30, 1971 unobligated balances:
 High Commissioner's Office \$ 37,825
 Grants - Operations 1,230,225
 \$1,268,150

Trust Territory of the Pacific Islands

Comparison FY 1972 as Justified with Current Submission

	<u>FY 1972</u>	<u>FY 1972</u>	<u>FY 1972</u>	<u>Minor</u>	<u>TT FY 1972</u>
	<u>Amendment</u>	<u>approved by</u>	<u>Program</u>	<u>Program</u>	<u>Program in</u>
	<u>per C.S.</u>	<u>U.S. Congress</u>	<u>Adjustments</u>	<u>Budget Est.</u>	<u>FY 1973</u>
	<u>Pay Raise</u>	<u>U.S. Congress</u>	<u>U.S. Congress</u>	<u>U.S. Congress</u>	<u>Budget Est.</u>
	<u>Cong. Justif.</u>	<u>U.S. Congress</u>	<u>U.S. Congress</u>	<u>U.S. Congress</u>	<u>Budget Est.</u>
A. High Commissioner's Office	\$ 278,000	\$ 7,600	\$ 285,600	\$ - 0 -	\$ 285,600
B. Judiciary	313,000	9,700	322,700	- 0 -	322,700
Total - Direct Appropriation	\$ 591,000	\$ 17,300	\$ 608,300	\$ - 0 -	\$ 608,300

I. DIRECT APPROPRIATION:

II. GRANTS, REIMBURSEMENTS AND OPERATING INCOME:

A. Programs, Administration and Operations:

1. Health Services	\$ 6,085,000	\$ 5,900	\$ 6,090,900	\$ - 0 -	\$ 6,090,900
2. Education	10,260,000	10,400	10,270,400	- 0 -	10,270,400
3. Public Affairs	2,056,000	14,800	2,070,800	- 0 -	2,070,800
4. Resources and Development	4,881,000	51,400	4,932,400	-18,400	4,914,000
5. Protection to Persons and Property	1,756,000	17,200	1,773,200	+32,400	1,805,600
6. Administration	4,248,000	78,100	4,326,100	-14,000	4,312,100
7. Transportation and Communications	2,935,000	31,800	2,966,800	- 0 -	2,966,800
8. Public Works and Utilities	6,567,000	14,100	6,581,100	- 0 -	6,581,100
Total - Programs, Administration and Operating Income	38,788,000	223,700	39,011,700	- 0 -	39,011,700

B. Capital Improvements

Total	20,660,000	- 0 -	20,660,000	- 0 -	20,660,000
Total	60,039,000	241,000	60,280,000	- 0 -	60,280,000

Less: Estimated Reimbursements and Operating Income

	<u>-300,000</u>	<u>- 0 -</u>	<u>-300,000</u>	<u>- 0 -</u>	<u>-300,000</u>
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TOTAL - NEW OBLIGATIONAL AUTHORITY

	<u>\$59,739,000</u>	<u>\$241,000</u>	<u>\$59,980,000</u>	<u>\$ - 0 -</u>	<u>\$59,980,000</u>
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TRUST TERRITORY OF THE PACIFIC ISLANDS

OFFICE OF THE HIGH COMMISSIONER

SAIPAN, MARIANA ISLANDS 96950

CABLE ADDRESS
HICOTT SAIPAN

September 13, 1971

The Honorable Raymond Setik, Chairman
Joint Committee on Program and Budget
Planning
Congress of Micronesia
Saipan, Mariana Islands 96950

Dear Mr. Chairman:

This will acknowledge receipt of the Report of the Joint Committee on Program and Budget Planning, Congress of Micronesia, titled, "Review of the High Commissioner's FY 1973 Preliminary Budget Plan."

We were pleased to note that the Committee members viewed the FY 1973 budget hearings as "... a step forward in the continuing effort by all branches of the Government to improve the budget process." We would hope to continue taking such forward steps in the future. The efforts of the Committee are of course, an indispensable component of this necessary cooperative venture.

Budget deadlines and scheduling do cause severe problems throughout the system. We share the concern of the Committee on the adequacy of time for budget review. At the same time, we seek your understanding of the multitude of problems involved in finalizing the budget submission. We have instituted a process in which budget inputs are secured from many different sources and submissions are prepared with substantial consultation throughout the government under often frustrating conditions of breakdowns in communications. We shall attempt to improve this feature of the system through encouragement of timely inputs from all concerned.

It does seem that decentralization is a difficult process. One of the largest areas of concern is the fact that our staffing in the districts requires substantial augmentation to provide District Administrators with sufficient staff having the requisite skills to be full management participants. As you noted, we are also unable as yet to install the type of financial management and reporting system which is needed to provide all our program managers at every level with the information they require to meet their responsibilities. It is thus necessary to continue the present system of program accountability at the Trust Territory level.

We regret that the Committee cannot approve the classification and salary systems reflected in the FY 1973 budget. This subject has been rather continuously discussed and debated for many months. There are no simple solutions which can satisfy everyone. As you know, the basic classification and salary plans were developed by Executive Management Services, Inc., a group of outside professionals who we retained for their expertise and competence. This firm was not retained because of any question of competence of the Personnel Department. We did recognize the enormity and sensitivity of the task and concluded that their expertise would provide a valuable benefit. Our Personnel Department is continuing to refine the system to eliminate inequity, injustice, and inconsistency. In this process, they are consulting again, and in detail, with all Districts and headquarters program managers. Our basic objectives remain unchanged. We seek a rationalization of the classification system to eliminate a multiplicity of pay scales and acquire one which appropriately distinguishes among position on the basis of duties and responsibilities of the job. Our pay scale is related to the classification system. It considers the economy of the Trust Territory, wage rates in surrounding areas, and the wages necessary to an adequate standard of living at the entrance level.

We decided some months ago, and shared the decision with the Congress, that we saw no way to install a single salary plan for both Micronesian and expatriate contract employees. The FY 1973 budget reflects that decision.

Before discussing specific budgetary recommendations of the Committee, we must take note of Senator Tmetuchl's letter of August 9, 1971, which was included as a Minority Report. Senator Tmetuchl makes a number of cogent points about the U.S. budgetary process, particularly with respect to analysis of goals, and objectives and the difficulty of planning in an environment of potential political change. Nevertheless, it is U.S. appropriations which finance a major share of Trust Territory programs and we must participate in the system established by the U.S. to secure these appropriations. It is to our benefit to work within the system. Even though it sometimes must seem cumbersome and time-consuming, there is a need under any resource allocation system to assure that public funds are used to meet public purposes in an efficient and economical manner. That is part of the High Commissioner's responsibility within the Trust Territory. You have been asked to share this responsibility on behalf of the Micronesian people. We are pleased with your dedicated cooperation in this process and hope you will agree that it is not a meaningless ritual. The FY 1973-77 plan and the FY 1973 budget incorporate the views and recommendations of the Committee in substantial measure. We consider these plans and budgets do reflect a high degree of agreement between our branches of government and this agreement is helpful to all of us as we attempt jointly to build a better Micronesia.

In the Capital Improvements Program, we are approving all the recommendations of the Committee with one exception. You recommended that \$150,000 be provided to finance design, engineering, site clearing, and utilities for acceleration of the Yap hospital. We agree that this project is of high priority and this work will go forward in FY 1973. It will be funded from the A&E Revolving Fund and charged to the initial appropriation expected to be a part of the FY 1974 request. Since it will be possible to cover this project in that way, we were able to limit the recommended reductions in operations to a net amount of \$190,000 and still fund the capital projects added by the Committee.

Final reductions in operations follow quite closely the proportionate amounts by program recommended by the Committee. We have not reduced the budget for the Office of the High Commissioner or the Judiciary, but have limited the reductions to the grant activity.

A reduction in the magnitude recommended by the Committee for the Office of the High Commissioner is far out of proportion to the reductions suggested in District and headquarters program. The High Commissioner and his immediate staff are funded in a separate budget activity with very limited opportunity for funding adjustments to meet unforeseen, new or emergency requirements. The exigencies of our government often require the High Commissioner or members of his immediate staff to commit funds for unbudgeted requirements within this budget activity. This activity formerly included salaries and expenses for the entire Cabinet, but all Directors were shifted to grant funding in previous years to minimize the size of the activity which will not be subject to adjustment by the Congress of Micronesia. The High Commissioner exercises careful personal control over his budget and attempts to operate with the absolute minimum required for effective operations. No reduction will therefore be made in this activity.

Each District Administrator and Department Director identified items of lowest priority to be eliminated from their areas of operations. We are pleased to report that most of the reductions were made in passenger vehicles, travel, new positions, boats, etc., as recommended by the Committee.

Two specific increases recommended by the Committee in operations were approved. The Ponape District Administrator's budget was increased by \$4,000. The payment for partial support of Congress of Micronesia operations was increased by \$2,000.

We approve the recommended increase in travel for the Office of the Public Defender. Increases recommended to finance higher pay scales in this office cannot be approved. The budget must reflect approved classification and salary levels for all positions included in the system on a uniform and integrated basis. Establishment of a separate scale for any group of positions would defeat the fundamental purpose of the classification system and might lead to insurmountable problems as each program manager sought special recognition. We recognize the special problem relating to proposed pay scales for the OEO Legal Services staff and will attempt to resolve that problem in the near future.

The attached tables will enable you to follow our changes and adjustments and contain details on the derivation of the final budget estimate for FY 1973. You will note that a final adjustment was required in all accounts to eliminate the remaining amount of unfunded requirement for increased pay costs. This was done by assessing an additional lapse of 1% on all compensation in each program for FY 1973.

We all appreciate your contributions to the budget process. The Executive Branch, too, anticipates even more successful and productive budget hearings in the future in consonance with the sentiments expressed in your letter of September 7. Thank you for your part in helping frame the FY 1973 budget estimate for the Trust Territory.

Sincerely yours,



Peter T. Coleman
Deputy High Commissioner

Enclosures

cc: President of the Senate
Speaker of the House
Senator Olter

Trust Territory of the Pacific Islands

FY 1973 Budget Plan

Congress of Micronesia Recommendations and Executive Decisions

	<u>Preliminary Executive Budget</u>	<u>COM Recommended Changes</u>	<u>Executive Reactions</u>	<u>Revised Executive Budget (Prior to final adjustments)</u>
Office of the High Commissioner	\$ 313,000	\$ (7,500)	\$ - 0 -	\$ 313,000
Judiciary	<u>325,000</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>325,000</u>
Total - Direct Appropriations	\$ 638,000	\$ (7,500)	\$ - 0 -	\$ 638,000

DIRECT APPROPRIATIONS:

GRANTS - OPERATIONS:

DISTRICTS:

Marshall's	\$ 4,664,700	\$ (35,000)	\$ (16,800)	\$ 4,647,900
Truk	5,610,500	(36,000)	(15,600)	5,594,900
Ponape	5,168,600	(18,000)	(11,200)	5,157,400
Marianas	4,944,700	(31,000)	(14,200)	4,930,500
Palau	4,154,400	(24,000)	(12,000)	4,142,400
Yap	<u>3,054,300</u>	<u>(19,000)</u>	<u>(10,000)</u>	<u>3,044,300</u>
Total - Districts	\$27,597,200	\$ (163,000)	\$ (79,800)	\$27,517,400

Trust Territory of the Pacific Islands

FY 1973 Budget Plan

Congress of Micronesia Recommendations and Executive Decisions

	<u>Preliminary Executive Budget</u>	<u>COM Recommended Changes</u>	<u>Executive Reactions</u>	<u>Revised Executive Budget (Prior to final adjustments)</u>
HEADQUARTERS:				
Health Services	\$ 2,323,900	\$ (12,000)	\$ (12,000)	\$ 2,311,900
Education	2,824,000	(40,500)	(25,000)	2,799,000
Public Affairs	1,446,100	(11,500)	(6,000)	1,440,100
Resources and Development	1,574,600	(28,500)	(18,000)	1,556,600
Attorney General	476,700	(16,500)	(4,000)	472,700
Public Defender	258,000	+25,000	+5,000	263,000
Local Judiciary	246,000	- 0 -	- 0 -	246,000
Administration	2,685,900	(37,500)	(29,200)	2,656,700
Transportation and Communications	2,749,200	(24,000)	(13,000)	2,736,200
Public Works	1,274,400	(24,000)	(8,000)	1,266,400
Total - Headquarters	\$15,858,800	\$ (169,500)	\$ (110,200)	\$15,748,600

Trust Territory of the Pacific Islands

FY 1973 Budget Plan

Congress of Micronesian Recommendations and Executive Decisions

	Preliminary Executive Budget	COM Recommended Changes	Executive Reactions	Revised Executive Budget (Prior to final adjustments)
Total Grants - Operations	\$43,456,000	\$ (332,500)	\$ (190,000)	\$43,266,000
Total Grants - Capital Improvements	16,265,000	+340,000	+190,000	16,455,000
Total Grants	\$59,721,000	\$ +7,500	\$ - 0 -	\$59,721,000
Less: Reimbursements and Operating Income	(359,000)	- 0 -	- 0 -	(359,000)
Net Grants Required	\$59,362,000	\$ +7,500	\$ - 0 -	\$59,362,000
Add: Direct Appropriations	638,000	(7,500)	- 0 -	638,000
TOTAL PROGRAM	\$60,000,000	\$ - 0 -	\$ - 0 -	\$60,000,000

NOTES: (1) Recommended reduction in Office of the High Commissioner not approved.

(2) Recommended increase for higher pay scales in Public Defender not approved.

(3) Remaining reductions adjusted by \$150,000 not required for Yap Hospital design. Design of the Yap Hospital will be accomplished in FY 1973 utilizing the A&E Revolving Fund. Appropriation of \$150,000 will not be required for this purpose.

Trust Territory the Pacific Islands

FY 1973 Preliminary Budget Plan
Detail of Executive Adjustments Based on Congress of Micronesia Recommendations

	<u>Total</u>	<u>Hdqtrs</u>	<u>Marianas</u>	<u>Palau</u>	<u>Yap</u>	<u>Truk</u>	<u>Ponape</u>	<u>Marshalls</u>
<u>Health Services:</u>								
Medical Administration	\$ -10,000	\$ -10,000					\$ -3,000	
Hospital and Out-Islands	-3,000							
Dental Services	-2,000	-2,000						
Total - Health Services	-15,000	-12,000					-3,000	
<u>Education:</u>								\$ -4,000
Administration	-14,000	-10,000						
Micronesian Occupational Center	-5,000	-5,000						
Community College of Micronesia	-10,000	-10,000				\$ -5,000		
Secondary	-7,000							-2,000
Elementary	-2,000							-6,000
Total - Education	-38,000	-25,000				-5,000		
<u>Public Affairs:</u>								
Office of the Director	-2,000	-2,000						
Public Information	-2,000	-2,000						
Broadcasting	-2,000	-2,000						
Congress of Micronesia - Operations	+2,000	+2,000						
Legislative Liaison	-1,000							
Community Development	-2,000	-2,000						
Total - Public Affairs	-7,000	-6,000					-1,000	
<u>Resources and Development:</u>								
Economic Development	-9,000	-4,100	\$ -4,900					
Marine Resources	-5,000	-500						
Lands and Surveys	-18,000	-13,400						
Agriculture	-6,000							
Total - Resources & Development	-38,000	-18,000	-4,900				-900	
<u>Protection to Persons and Property:</u>								
Office of the Attorney General	-4,000	-4,000						
Public Defender	+5,000	+5,000						
Total - Protection to Persons and Property	+1,000	+1,000						

Trust Territory: the Pacific Islands

	<u>Total</u>	<u>Hdqtrs</u>	<u>Marianas</u>	<u>Palau</u>	<u>Yap</u>	<u>Truk</u>	<u>Ponape</u>	<u>Marshalls</u>
<u>Administration:</u>								
Office of the District Administrators	\$ -11,000		\$ -9,300			\$ -5,700	\$ +4,000	
LNO - Honolulu	-5,000	\$ -5,000						
Executive Operations	-4,000	-4,000						
Finance and Accounting	-10,000	-10,000						
Procurement and Supply	-1,000	-1,000						
Internal Audit	-2,000	-2,000						
Program and Budget	-3,000	-3,000						
Personnel Benefits	-4,000	-4,000						
Personnel Office	-3,000	-200		\$ -500			-2,300	
Total - Administration	-43,000	-29,200	-9,300	-500		-5,700	+1,700	
<u>Transportation and Communications:</u>								
Transportation Office	-4,000	-4,000						
Communications	-9,000	-9,000						
Total - Transportation and Communications	-13,000	-13,000						
<u>Public Works and Utilities:</u>								
Engineering and Administration Operations and Maintenance	-8,000	-8,000						
Utilities	-23,000				\$ -4,000	-4,000	-6,000	\$ -9,000
Total - Public Works and Utilities	-37,000	-8,000			-10,000	-4,000	-6,000	-9,000
Total - Grants - Operations	\$-190,000	\$-110,200	\$-14,200	\$-12,000	\$-10,000	\$-15,600	\$-11,200	\$-16,800

Trust Territory of the Pacific Islands

FY 1973 Proposed Capital Improvements Budget

Congress of Micronesia Recommendations and Executive Decisions

	Preliminary Executive Budget	COM Recommended Changes	Executive Reactions	Revised Executive Budget
SCHOOL CONSTRUCTION:				
T.T. Wide (Public)	\$ 2,660,000	\$ - 0 -	\$ - 0 -	\$2,660,000
Micronesia Occupational Center	200,000	- 0 -	- 0 -	200,000
Community College of Micronesia	600,000	(100,000)	(100,000)	500,000
PUBLIC HEALTH:				
Ponape Referral Hospital	\$ 2,500,000	(150,000)	(150,000)	\$2,350,000
Yap Hospital	- 0 -	+150,000	- 0 -	- 0 -
Dispensaries	40,000	- 0 -	- 0 -	40,000
TRANSPORTATION AND COMMUNICATIONS:				
Roads				
Marshalls	\$ 350,000	(350,000)	(350,000)	\$ - 0 -
Ponape	- 0 -	+440,000	+440,000	+440,000
Palau Bridge	700,000	- 0 -	- 0 -	700,000
Airfields, TT-Wide	1,529,000	- 0 -	- 0 -	1,529,000
Docks and Harbors, TT-Wide	500,000	- 0 -	- 0 -	500,000
Inter-Island Ship	650,000	- 0 -	- 0 -	650,000
Communications System	200,000	- 0 -	- 0 -	200,000

Trust Territory of the Pacific Islands

FY 1973 Proposed Capital Improvements Budget

Congress of Micronesia Recommendations and Executive Decisions

	<u>Preliminary Executive Budget</u>	<u>COM Recommended Changes</u>	<u>Executive Reactions</u>	<u>Revised Executive Budget</u>
COMMUNITY DEVELOPMENT:				
Bikini Restoration	\$ 135,000	\$ +350,000	\$+350,000	\$ 485,000
Civic Action Teams	791,000	- 0 -	- 0 -	791,000
WATER, SEWER AND POWER:				
TT-Wide	\$ 4,798,000	- 0 -	- 0 -	\$4,798,000
MAINTENANCE AND REHABILITATION:				
Heavy Equipment	\$ 192,000	- 0 -	- 0 -	\$ 192,000
Emergency and Minor Construction	200,000	- 0 -	- 0 -	200,000
GENERAL SUPPORT FACILITIES:				
A and E Revolving Fund	\$ 220,000	- 0 -	- 0 -	\$ 220,000
TOTAL - CAPITAL IMPROVEMENTS	<u>\$16,265,000</u>	<u>\$+340,000</u>	<u>\$+190,000</u>	<u>\$16,455,000</u>

18-416005

Trust Territory of the Pacific Islands

Summary of Revised Budget Plan FY 1973

	Revised Budget (prior to final adjustments)	Final Adjustments	Budget for OMB Submission
<u>DIRECT APPROPRIATIONS:</u>			
Office of the High Commissioner	\$ 313,000	\$ - 0 -	\$ 313,000
Judiciary	<u>325,000</u>	<u>- 0 -</u>	<u>325,000</u>
Total - Direct Appropriations	\$ 638,000	\$ - 0 -	\$ 638,000
<u>GRANTS - OPERATIONS:</u>			
Health Services	\$ 7,048,000	\$ -42,000	\$ 7,006,000
Education	11,570,000	-80,000	11,490,000
Public Affairs	2,111,000	-9,000	2,102,000
Resources and Development	4,611,000	-30,000	4,581,000
Protection to Persons and Property:			
Attorney General area	1,690,000	-12,000	1,678,000
Public Defender	263,000	- 0 -	263,000
Local Judiciary	246,000	- 0 -	246,000
Administration:			
All Programs	4,717,000	-33,000	4,684,000
Adjustments for New Pay Scales	-196,000	+196,000	- 0 -
Transportation and Communications	3,284,000	-11,000	3,273,000
Public Works	7,922,000	-45,000	7,943,000
		<u>+66,000</u>	
Total - Grants - Operations	43,266,000	- 0 -	43,266,000
<u>GRANTS - CAPITAL IMPROVEMENTS</u>	16,455,000	- 0 -	16,455,000
LESS: REIMBURSEMENTS	<u>-359,000</u>	<u>- 0 -</u>	<u>-359,000</u>
TOTAL PROGRAM (NOA)	<u>\$60,000,000</u>	<u>\$ - 0 -</u>	<u>\$60,000,000</u>

Note on Final Adjustments:

The Preliminary Executive Budget presented to the Congress of Micronesia Joint Committee on Program and Budget Planning contained an over-allocation of \$196,000. The item was carried under the title "Adjustments for New Pay Scales" under Administration. It was not possible to distribute the original \$2,000,000 slated for New Pay Scales and zero out in the time frame allowed for the initial mark-up for pay. Secondly, just as the final mark-up was completed, Personnel completed preliminary revised job levels for the Trades, Crafts and Equipment area (Public Works) that raised levels on 64 of the 111 job titles listed. In partial recognition of this mass change in levels, \$66,000 is added to Micronesian pay in the Public Works area. The resulting overage of \$262,000 (\$196,000 + \$66,000) is adjusted by lapsing approximately 1% of U.S. and Micronesian pay budgeted in FY 1973. Only areas excluded from 1% reduction in budgeted personnel services are Direct Appropriation, Public Defender and Local Judiciary.

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TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (82 Stat. 1213), including the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; ~~to remain available until expended: Provided, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): Provided further, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: Provided further, That appropriations available for the administration of the Trust Territory of the Pacific Islands may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary in carrying out the provisions of article 6(2) of the Trusteeship Agreement approved by Congress.~~

(84 Stat. 1559)

\$60,000,000

(Executive Order 11021; Department of the Interior and Related Agencies Appropriation Act, 1972.)

Brodley
12/16/71

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TRUST TERRITORY OF THE PACIFIC ISLANDS

JUSTIFICATION FOR LANGUAGE CHANGE

Reference is made to 84 Stat. 1559, approved December 24, 1970, which raised the appropriation ceiling for the Trust Territory of the Pacific Islands to \$60,000,000 for each of the fiscal years 1971, 1972, and 1973.

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TYPE 300
 Standard Form 300
 July 1964, Bureau of the Budget
 Circular No. A-11, Revised.
 500-101

STANDARD FORM 300
 July 1964, Bureau of the Budget
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 500-101

DEPARTMENT OF THE INTERIOR
 TERRITORIAL AFFAIRS
 TRUST TERRITORY OF THE PACIFIC ISLANDS

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Program and Financing (in thousands of dollars)

Identification code	19 71 actual	19 72 estimate	19 73 estimate
10-20-0414-0-1-910			
<u>Program by activities:</u>			
1. High Commissioner's office.....	265	331	313
2. Judiciary.....	311	337	325
3. Grants.....	48,006	70,213	69,547
Total program cost funded....	48,582	70,881	70,185
Change in selected resources 1/.....	3,341	-1,582	-10,000
10 Total obligations.....	51,923	69,299	60,185
<u>Financing:</u>			
21 Unobligated balance available, start of year (-).....	-1,563	-9,504	-185
24 Unobligated balance available, end of year.....	9,504	185	---
40 Budget authority (appropriation)	59,864	59,980	60,000
<u>Relation of obligations to outlays:</u>			
71 Obligations incurred, net.....	51,923	69,299	60,185
72 Obligated balance, start of year.....	21,642	24,978	24,277
74 Obligated balance, end of year (-).....	-24,978	-24,277	-14,462
90 Outlays.....	48,587	70,000	70,000

1/ Selected resources as of June 30 are as follows:

Unpaid undelivered orders: 1970, \$21,587 thousand; (1970 adjustments, \$535 thousand); 1971, \$25,463 thousand; 1972, \$23,831 thousand; 1973, \$13,351 thousand.

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Division 210

Division 5

Division 5

Division 5

18-416009

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DEPARTMENT OF THE INTERIOR
TRUST TERRITORY OF THE PACIFIC ISLANDS
PROGRAM AND PERFORMANCE

Under the terms of the Trusteeship Agreement between the United States and the Security Council of the United Nations, the United States exercises full jurisdiction over the territory and is obligated to promote the political, economic and educational advancement of the inhabitants. These responsibilities are carried out through the Department of the Interior.

The Trust Territory, with a population of about 102,000 persons, comprises 2,141 islands scattered over three million square miles of ocean in three major archipelagos, the Mariana, Caroline and Marshall Islands. The land area totals 700 square miles.

1. High Commissioner's Office. This office provides executive direction for the development programs and the administration of all the territory.
2. Judiciary. Provision is made for the high court of the Trust Territory, the court of appeals, and the lesser courts of the territory.
3. Grants. The cost of operating the government of the territory is provided by Federal grant appropriations and local revenue. The main activities funded under the Trust Territory Government are operations and capital improvements.

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18- 416010

Budget authority and local revenues for 1972 and 1973 are distributed as follows (in thousands of dollars):

	<u>1972</u> <u>Estimate</u>	<u>1973</u> <u>Estimate</u>
High Commissioner's office.....	285	313
Judiciary.....	<u>323</u>	<u>325</u>
Grants:		
Operations:		
Health Services.....	6,091	7,006
Education.....	10,270	11,490
Public Affairs.....	2,071	2,102
Resources and Development.....	4,914	4,581
Protection to Persons & Property..	1,806	2,187
Administration.....	4,312	4,684
Transportation and Communications.	2,967	3,273
Public Works and Utilities.....	6,581	7,943
Capital Improvements:		
Health Services.....	100	2,390
Education.....	3,600	3,360
Transportation and Communications.	7,037	4,019
Water, Sewer, and Power.....	7,639	4,798
Other.....	<u>2,284</u>	<u>1,888</u>
Subtotal.....	59,672	59,721
Deduct revenues and reimbursements applied.....	<u>-300</u>	<u>-359</u>
Total grants.....	<u>59,372</u>	<u>59,362</u>
Total budget authority.....	<u>59,980</u>	<u>60,000</u>

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DEPARTMENT OF THE INTERIOR
 TERRITORIAL AFFAIRS
 TRUST TERRITORY OF THE PACIFIC ISLANDS
 OBJECT CLASSIFICATION (in thousands of dollars)

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Identification code	1971 actual	1972 estimate	1973 estimate
10-20-0414-0-1-910			
Personnel compensation:			
11.1 Permanent positions.....	3,521	3,170	3,100 2,938
11.3 Positions other than permanent.....	5	---	---
11.5 Other personnel compensation.....	632	570	550 508
XX			
Total personnel compensation.....	4,158	3,740	2,650 3,446
Personnel benefits:			
12.1 Civilian.....	264	238	233 203
XX			
21.0 Travel and transportation of persons.....	87	127	131
22.0 Transportation of things.....	---	1	1
23.0 Rent, communications, and utilities.....	2	5	7
24.0 Printing and reproduction.....	8	16	10
25.0 Other services.....	80	104	117
26.0 Supplies and materials.....	18	23	25
31.0 Equipment.....	36	26	14
XX			
XX			
41.0 Grants, subsidies, and contributions.....	51,391	68,669	59,547
XX			
XX			
XX			
96.0 Portions of personnel compensation paid from grants.....	-3,885	-3,444	2,357 -3,145
Portions of personnel benefits paid from grants.....	-236	-206	201 -171
99.0 Total obligations.....	51,923	69,299	60,185

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DEPARTMENT OF THE INTERIOR
TERRITORIAL AFFAIRS

TRUST TERRITORY OF THE PACIFIC ISLANDS
PERSONNEL SUMMARY

OFFICIAL

Identification code	19 71 actual	19 72 estimate	19 73 estimate
10-20-0414-0-1-910			
Total number of permanent positions..	322	254	240
Full time equivalent of other positions.....	1	--	--
Average number of all employees.....	288	244	234 228
Average GS grade.....	10.3	10.2	10.4
Average GS salary.....	\$13,194	\$14,588	\$14,910
Average salary of ungraded positions.	\$10,603	\$12,198	\$12,198

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(More rows 1)

(More rows 2)

(More rows 3)

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