

TT's Draft Budget Is Big

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Saipan — Micronesia will be in for the biggest budgets in its history under the U.S. trust administration if a "five-year plan" drafted by the Trust Territory government is approved in Washington.

According to the plan, the TT budget could rise some 66 per cent above present levels by 1980, from a base of \$60 million to \$100 million a year. The biggest jump would take place in fiscal 1975, which begins July 1 of this year.

Although TT budget planners proposed adhering to the current \$60 million budget authorization just four months ago, they since have carried to Washington a request to lift the ceiling and give Micronesia a budget base of \$75 million for the coming year — a fourth more than originally asked.

While the original proposal set \$47,518,000 for operations and \$12,482,000 for capital improvements, making a \$60 million total, the revised plans calls for \$55,043,000 for operations and \$19,957,000 for capital improvements, to create the new \$75 million base.

Added to these base levels are requests for the Economic Development Loan Fund (\$1 million a year), for replacement of canceled federal ("categorical assistance") programs and for the rehabilitation of Eniwetok Atoll in the Marshalls.

For fiscal 1975, this would bring the total directly appropriated by the U.S. Congress of \$79,030,000, according to the plan.

In subsequent years, the appropriations would rise to \$87 million in 1976, \$96 million in 1977, \$95.8 million in 1978, \$99 million in 1979 and \$104 million in 1980.

The figures are all tentative and subject to modification by the Congress of Micronesia and review by the Interior Department, Office of Management and Budget and the U.S. Congress.

On the surface, the heavily revised budget, with its emphasis on capital improvements, could be interpreted as a reaction to recently intensified criticism of how well the United States is building up Micronesia in preparation for greater self-government there.

Both individual congressmen and the Congress of Micronesia's Joint Committee on Future Status have called on the U.S. to speed up completion of a physical infrastructure for Micronesia.

The "five-year plan," says a highlight statement, "will go a long way towards meeting the basic capital needs of Micronesia."

If the proposals are carried out through 1980, the plan indicates, "then every district would have a modern jet

airport, an improved dock, a paved road system, expanded water, sewer and power systems on all major islands, a new or expanded hospital, enough classrooms to send all pupils through high school, plus fishing docks, boats, reefers and irrigation systems for agriculture and fishing development."

The plan adds, "The Trust Territory administration can be justly proud of the start it has made toward bringing modern utility systems, jet airports, hospitals and schools to the scattered islands of Micronesia.

"But there is a vast amount of work yet to be done and as it now appears, not too many years remaining under the trusteeship to complete the job that the United States has committed itself to do."

While the TT's plan allocates \$123,560,000 for capital improvements over the next six years, the joint committee has put a \$400 million price tag on unmet needs in this area, not taking inflation into account. This figure, the Committee says, came out of recent working sessions between the committee and the U.S. status delegation.

The joint committee has asked the U.S. to grant the new Micronesian government \$100 million annually for operations and capital improvement projects needs for 10 years after the trusteeship is terminated. A compromise \$80 million request, according to the committee, is "barely plant."

The emphasis, said Morton, is to be on the initial three-year period— which coincides with the end of the Nixon administration. The extra money thus could be read as an answer to U.S. Secretary of State Henry Kissinger's celebrated comment: "Who gives a damn" about the Micronesians?

The so-called "five-year plan" actually covers six years because of the upgraded 1975 proposals. The Congress of Micronesia's Joint Committee on Program and Budget Planning already has conducted a closed review of the projections, based on "grass roots" input from the TT's six districts. TT budget officials and the High Commissioner are now in Washington for congressional hearings on the 1975 budget, submitted as part of the Interior Department's request.

The TT's budget authorization has \$60 million a year since fiscal 1971 and inflation has cut this figure to the equivalent of \$39 million 1971 dollars. An additional \$1 million is authorized for the EDLF.

New legislation is required to allow appropriation of the \$79 million projected for fiscal 1975, the plan states. Beginning in fiscal 1976 the ceiling will have to be raised to \$80 million, followed by annual increases of \$5 million through 1980, it adds.

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In the current fiscal year the federally funded portion of the TT budget could reach \$69.5 million. Of this, \$60 million is authorized under the Interior Department budget, \$1 million is for the EDLF and the remaining \$8.5 million comes from other federal agencies.

With one supplemental appropriation already granted by the U.S. Congress, the base fiscal 1974 budget now stands at \$56.8 million, but another supplemental request to bring it up to the \$60 million authorized also is pending.

Revenues generated internally, such as taxes and other fees, are expected to contribute another \$5.1 million to TT coffers this year. These revenues are appropriated by the Congress of Micronesia.

To implement the long-range plan, separate authorization legislation will be sought for the EDLF, canceled categorical assistance programs and the Eniwetok rehabilitation.

The plan states that a \$1 million addition to the EDLF will be requested each year, bringing the total to about \$10 million by 1980.

Because some federal "categorical assistance" programs are being phased out, the TT is being forced to seek

replacement funds through the Community Action Program item in its long range budget.

For fiscal 1975, \$2.8 million in replacement funding is being sought, with about \$3 million indicated for each year thereafter. Added to the \$6,750,000 asked in separate federal funds for fiscal 1975, the \$2.8 million request could pump an extra \$9.5 million into the TT.

According to the plan, \$10 million now is authorized to replace the Community Action's Programs, but funding of up to \$30 million will be sought each year for this.

Under the \$12 million Eniwetok program, the nuclear-scarred islands are to be cleared and replanted and a new community rebuilt for former residents who want to return.

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Over a four-year period beginning in fiscal 1975, the Eniwetok rehabilitation is budgeted at \$230,000 for 1975, \$3 million for the 1976, \$7 million for 1977 and \$1.8 million for 1978.

District by district, the total amounts proposed in the plan for capital improvements projects for fiscal 1975 to 1980 are: Marianas, \$16,879,000; Marshalls, \$17,682,000; Palau, \$14,454,000; Ponape, \$19,652,000; Truk, \$26,073,000; and Yap, \$11,140,000. An additional \$17,680,000 is allocated for TT-wide projects.

Highest priority in terms of funding goes to transportation and communication facilities, with about \$50 million or 41 per cent of the capital improvements budget given over to these items.

This includes \$9 million (all in fiscal 1975) for new field trip ships; \$9.7 million to bring district air fields up to minimum Federal Aviation Administration standards for jets and to construct a reef airport on Kusaie; \$14.7 million to improve and build new dock and harbor facilities; \$15.1 million to pave roads on "virtually all the major islands" and \$2.5 million to upgrade communications.

Making Micronesia's transportation and communications network the priority is vital, says the plan, because its six district centers "are dispersed over a surface area as large as the United States." Within districts, major population centers again are separated by long stretches of water or rough terrain.

The most important transportation link, the plan adds, is the TT's fleet of interisland ships. Because the current flotilla cannot provide the dependable service needed, \$9 million has been programmed in 1975 for "fast new ships designed specifically for the interisland trade."

UTILITIES—Next in the order of funding priorities are utilities. More than \$32 million is allotted through 1980.

Of this, \$13.6 million will be devoted to improving water systems because "water is the most critical resource. Another \$6.2 million is earmarked for waste water treatment.

Significant new demands for power from the private sector, hotel development and fishing and agriculture will take \$12.7 million worth of improvements in power generation and distribution. In the Marianas \$5.9 will be used to convert from diesel to steam generation of power to more economically meet the district's higher needs. Palau intends to extend power to Babelthuap Island to promote village agriculture and fishing.

SCHOOLS—"The Micronesian populace must be educated if it is to participate fully in economic and political development," states the plan in designating \$14.5 million for elementary and secondary school construction.

"Secondary education facilities ... have not kept pace with the elementary program so that there are eighth grade graduates who cannot find space in high school," the plan adds. "The facilities planned through 1980 should eliminate the deficit in high school capacity which now exists in the eastern districts."

HEALTH—The distances

which separate the districts require that there be at least one good hospital in each district center," the plan states. It provides for new hospitals in Ponape and Yap, a large dispensary on Jaluit in the Marshalls and renovations to existing hospitals in the other districts.

DEVELOPMENT A total of \$6.7 million has been programmed for agriculture, fisheries and tourist facilities "to stimulate the economic growth of Micronesia."

The fiscal 1976 budget includes funding for a fleet of long range tuna vessels to be sold to and operated by Micronesian fishermen. Other fisheries developments planned are a mariculture laboratory headquartered in Palau, piers, repair facilities, reefer plants and commercial fish farming programs.

Agricultural production will

be boosted through irrigation systems, agricultural demonstration stations and produce processing plants.

OTHERS - Smaller projects contained in the long range plan include new fire fighting equipment, police and fire stations and jails; replacement for worn construction equipment; expanded office space in district and subdistrict centers; new court hearing rooms and upgraded radio broadcast equipment.

Another \$2.5 million is programmed for community development facilities. The Bikini Rehabilitation Project is to be completed.

The plan adds that small projects being built by Civic Action Teams will be completed by 1976, so the needs for the teams will diminish and they will be phased out.

In terms of funding, some major projects contemplated in

each district each year are:

MARIANAS - 1975, generator and power line extension; 1976, water line extension and well drilling; 1977, steam generator and new plant; 1978, Rota and Saipan dock improvements; 1979, water system extension; 1980, sewer line extension.

MARSHALLS 1975, Jaluit High School dormitories; 1976, Majuro dock development; 1977, Jaluit administration building, library, classrooms at Marshall Islands High School; 1978, MIHS dormitory; 1979, Majuro hospital, phase I; 1980, Majuro hospital, phase II.

PALAU - 1975, hospital outpatient clinic; 1976, roads, 1977 roads; 1978, airport construction; 1979 and 1980, Babelthup roads.

PONAPE - 1975, Ponape airfield planning; 1976, Kusaie airport construction; 1977, Ponape airfield construction; 1978, Kusaie dock and harbor;

1979, roads; 1980, Palakir High School.

TRUK - 1975, Moen water system expansion; 1976, Truk airport construction; 1977, Moen dock extension; 1978, Dublin and Fefan water system expansion; 1979, Moen and Tol water system expansion; 1980, Tol water system.

YAP - 1975, Yap district hospital; 1976, road paving; 1977, Yap harbor and dock; 1978, Yap airport construction; 1979, Ulithi dock and utilities. (No projects indicated for 1980).

TT-WIDE - 1975, interisland ships; 1976, marine resources facilities and equipment; 1977, emergency and minor construction; 1978, communications facilities and equipment; 1979, construction and heavy construction equipment; 1980, communications facilities and equipment.