

3-9-74

3-9-74  
p. 5

# Inflation Cuts TT Budget By Third

SAIPAN (MNS) -- It would cost \$93 million this year to buy what \$60 million was able to buy in government goods and services in 1971, according to figures released this week by the Trust Territory Program and Budget Office.

"What this means," said William Oyler, program and budget officer, "is that the \$60 million authorized for the budget in 1971 has eroded down to \$39 million today."

Inflation, in other words, has increased the cost of doing the government's business, along with everything else, it was explained.

Oyler said Thursday on Saipan that the TT has seen an overall inflation rate of 55 per cent from 1971 to 1974, and the rate has increased during each of those years. In fact, Oyler said, some of the sharpest increases in costs have occurred during the current fiscal year.

Food prices, for example, have increased an average of 50 per cent since July 1, 1973, fuel prices have gone up dramatically during that same period, in some cases nearly 100 per cent, and the increase in prices for nine major construction material items has ranged from 15 to

170 per cent, it was noted.

Data on how prices have risen in such areas as Micronesian expatriate personnel costs, non-labor costs for capital improvement projects, food, fuel and other items were weighed in proportion to their share of the total TT budget. The figures were requested to support a request to the U.S. Congress for an increase in the authorized ceiling for the TT budget, which has remained at \$60 million since fiscal 1971.

Hearings into the new five-year budget plan for the TT are being held on Saipan before the Joint Committee on Program and Budget Planning of the Congress of Micronesia, and inflation is a major concern.

The hearings, which may last into the weekend, according to Oyler, are looking into the budget plans of each of the six districts and various departments and agencies of the headquarters government. Several members of the congress who are not members of the joint committee also are participating in the hearings, Oyler said. Rep. Raymond Setik of Truk is the chairman of the committee.