

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUDGET JUSTIFICATIONS, F. Y. 1977**



**TRUST TERRITORY OF  
THE PACIFIC ISLANDS**

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

Budget Justification  
For Fiscal Year 1977

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## Trust Territory of the Pacific Islands

### HIGHLIGHT STATEMENT

#### Fiscal Year 1977

#### General Description of the Trust Territory

The Trust Territory of the Pacific Islands covers some 3 million square miles of the western Pacific Ocean just above the Equator, ranging from about 1° to 22° north latitude and 130° to 172° east longitude. The Territory embraces more than 2,000 islands and islets, lying in three major archipelagoes: the Carolines, the Marshalls, and the Marianas.

The entire area is called Micronesia, or the "Tiny Islands." Guam in the Marianas and the Gilbert Islands south of the Marshalls, however, are not part of the Trust Territory.

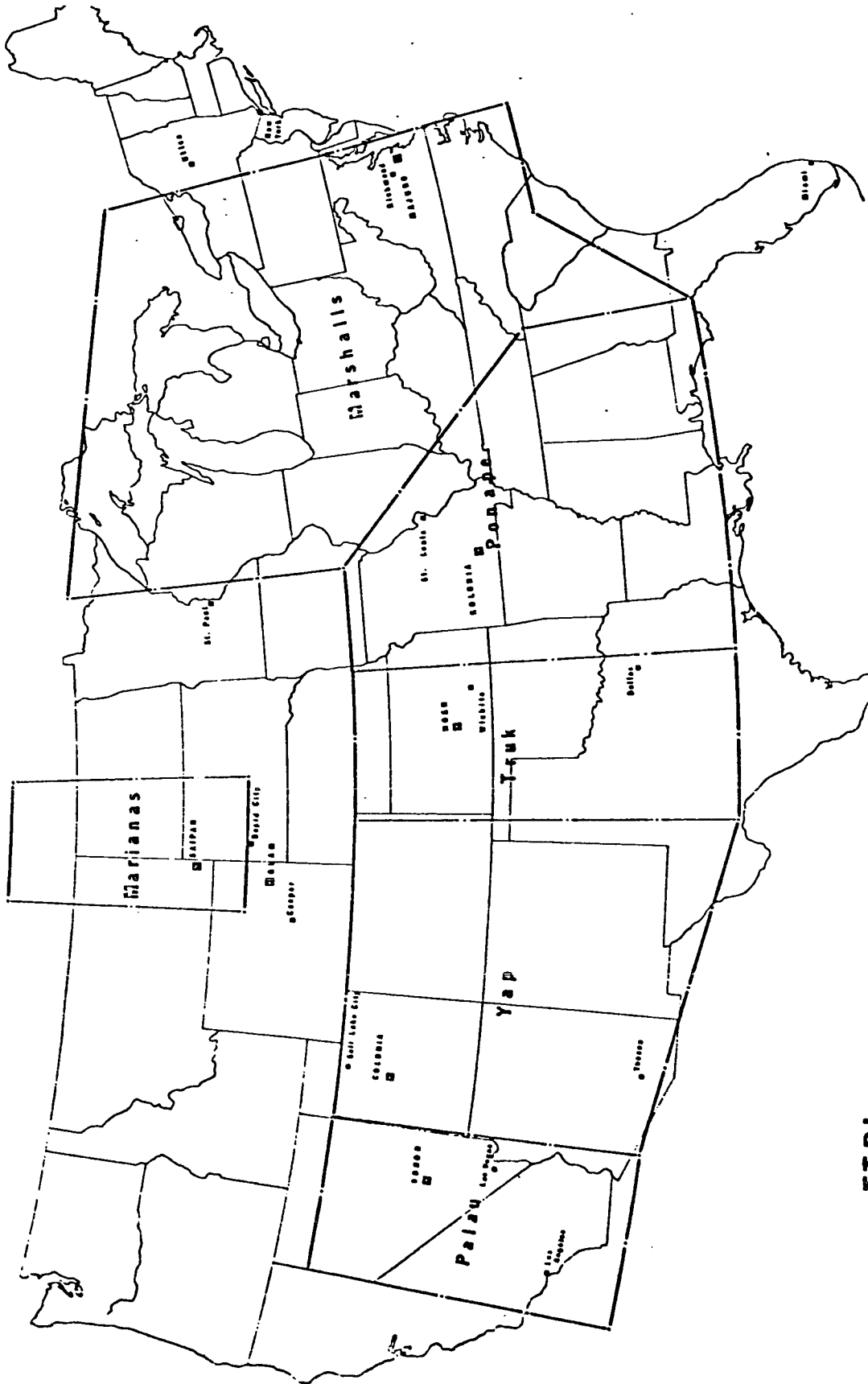
The Territory's more than 2,000 islands range from large volcanic islands to tiny coral islets linking the circular chain of rock and vegetation which form a coral atoll. Most islands in the Eastern Carolines and the Marshalls are of coral formation. Remnants of a vast undersea volcanic ridge, stretching southward from Japan along the western perimeter of the Territory, form the Mariana and Western Caroline Islands. The Eastern Carolines and all of the Marshall Islands rest on another series of submarine elevations. The largest islands are Babelthaup, Palau District, and Ponape Island, Ponape District. Elevations range from about 6 feet on a coral atoll to 3,166 feet on Agrihan Island, Marianas.

The Trust Territory has six administrative districts. Of these, four-- Palau, Yap, Truk, and Ponape--lie within the Carolines archipelago. The Mariana Islands and Marshall Islands Districts lie in separate archipelagoes of the same names. The provisional headquarters of the Trust Territory Administration is on Saipan, Mariana Islands.

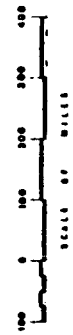
Detailed reanalysis of available maps and new data from aerial surveys shows that Ponape District is the largest of the Trust Territory's administrative districts in terms of land area, (186.5 square miles). The Marianas and Palau Districts are next with 181.9 square miles and 177.6 square miles, respectively.

The Marshall Islands' many atolls total 69.3 square miles; Yap and Truk Districts measure 46.8 square miles and 45.4 square miles in land area, respectively.

Each year population data is normally gathered by municipal magistrates and reported through their district administrators to the Headquarters statistician. However, an official census taken September 18, 1973,



**TPI  
AREA COMPARISON CHART**



**DISTRICT CENTER**  
**TTP1 DISTRICT BOUNDARY**

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determined the Territory's resident population to be 114,973. This number includes 110,805 Trust Territory citizens and 4,168 non-Trust Territory citizens. Truk District has the largest population with 31,600, followed by the Marshall Islands District, 25,044; Ponape District, 23,251; Mariana Islands District, 14,335; Palau District, 12,674; and Yap District, 7,869.

### History

Micronesia has been known to the Western World since 16th century Spanish and Portuguese explorers first visited the islands. Later explorers, traders, and whalers included the British, Germans, Russians, Japanese, and Americans.

In the 19th century, development of a lucrative copra trade brought about conflict between Germany, Spain, and Great Britain, resulting in German control over the Marshalls, and Spanish sovereignty over the Carolines. In 1898 the United States acquired Guam following a war with Spain. In 1899 Spain withdrew from the Pacific and sold all her remaining possessions to Germany. Germany's administration, which encouraged development of trade and production of copra, ended in 1914 when Japanese naval squadrons took over military possession of the Marshalls, Carolines, and Marianas at the outbreak of World War I. Japan began its formal administration by a League of Nations mandate in 1920.

After the United States entered World War II in 1941, Micronesia assumed vital importance in the Pacific campaign and bitter fighting took place before the area was secured by U.S. forces.

In 1947, the Marshall, Caroline, and Mariana Islands, excluding Guam, became a U.N. Trusteeship administered by the United States.

### Status of the Territory

The legal status of the Territory is defined by:

- (a) The Trusteeship Agreement between the United States and the U.N. Security Council which entered into force on July 18, 1947, under which the United States administers the Territory.
- (b) U.S. Public Law 451, signed June 30, 1954, as amended, which states that until Congress determines otherwise, the President shall provide for the Territory's civil administration.
- (c) Executive Order 11021 of the President of the United States, signed May 7, 1962, making the Secretary of the Interior responsible for the Territory's civil administration.
- (d) Trust Territory Code of January 1, 1971, and amendments.
- (e) U.S. Public Law 90-16, signed May 10, 1967, providing for appointment of the High Commissioner by the President by and with the advice and consent of the Senate.

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(f) Secretary of the Interior's Order 2918 of September 27, 1968, as amended, delimiting the extent and nature of the authority of the Trust Territory Government and prescribing the manner in which the Trust Territory Government shall establish and maintain relationships with the U.S. Congress, the Department of the Interior, and other Federal agencies, and with foreign governments and international bodies. (Order 2918 supersedes previous Interior Order, 2876 and 2882, as amended.)

(g) Public laws enacted by the Congress of Micronesia not included in the Trust Territory Code.

#### Territory Organization and Functions

Executive and administrative authority of the Territory Government and responsibility for carrying out international obligations undertaken by the United States with respect to the Territory are vested in a High Commissioner appointed by the President of the United States and confirmed by the U.S. Senate.

Legislative authority rests with the bicameral Congress of Micronesia as specified by the Secretary of the Interior's Order 2918, as amended.

Judicial authority is independent of the other two branches of government and is vested in the Territory's High Court and such other courts as may be established by law. The Chief Justice and three Associate Justices of the High Court are appointed by the Secretary of the Interior.

The authority and responsibilities of territorial, district, and municipal governments are delineated by Public Law 1-6, enacted by the Congress of Micronesia in 1965.

Under Public Law 1-6, the Territorial Government has primary responsibility for problems of a Territory-wide nature:

- Construction and maintenance of primary roads and harbor facilities;
- Control of banking;
- Organization of business corporations, business cooperatives, insurance, sale of securities, and public utilities;
- Control of the establishment and operation of, and investment in, businesses and conditions under which importing and exporting licenses shall be issued;
- Making of grants to districts and municipalities;
- Exclusive control of import, export, and income taxes;
- Support of all judicial activities except for assistance from municipalities;
- Support of public education and public health; and
- Law enforcement.

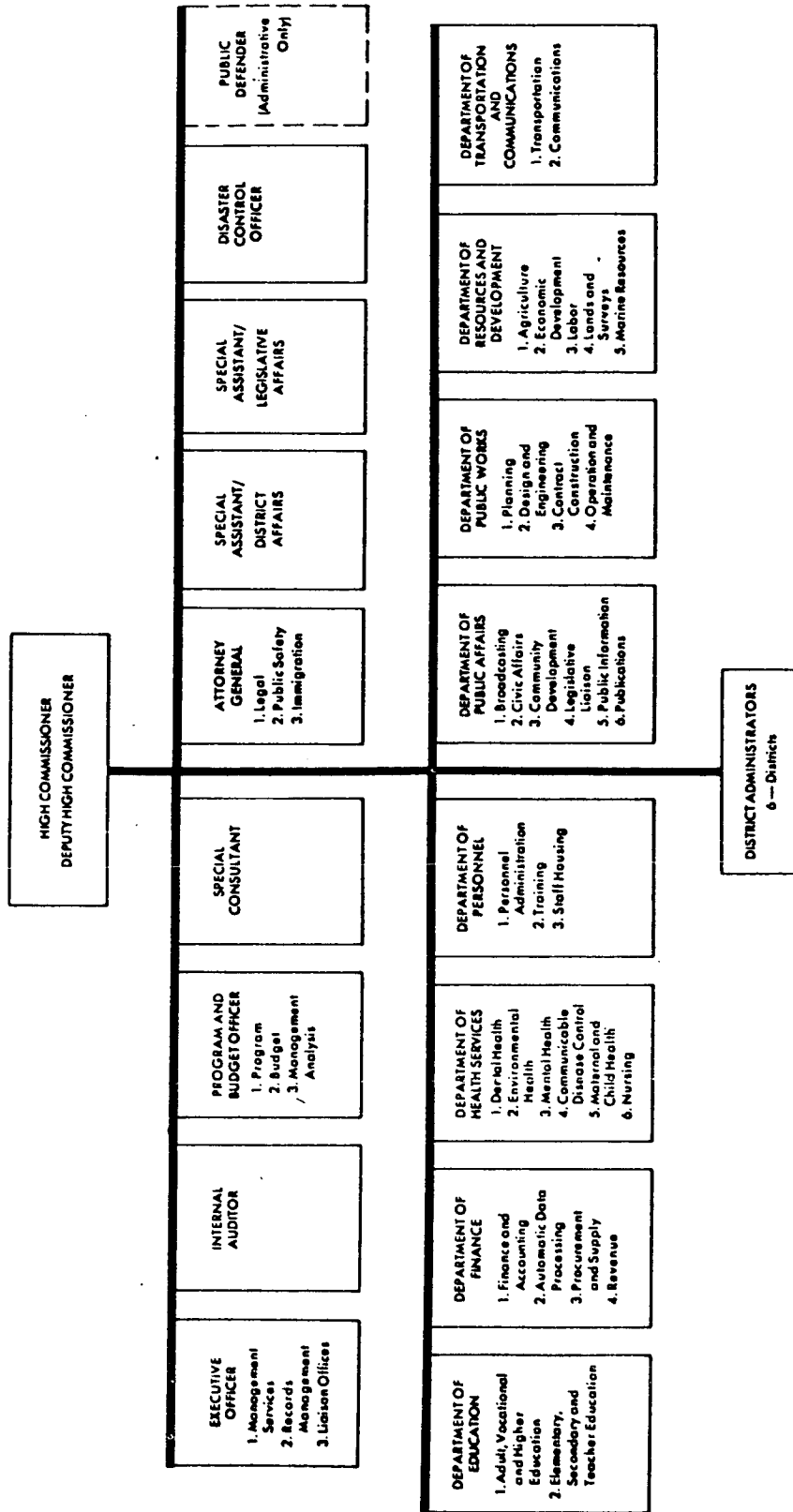
#### District Government

Subject to all Territory-wide laws, district governments are primarily responsible for:

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**GOVERNMENT OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS  
ORGANIZATION OF THE EXECUTIVE BRANCH**



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- Liquor control, including collection of wholesale liquor license fees and imposition of taxes on alcoholic beverages;
- Land law;
- Inheritance law;
- Domestic relations;
- Construction and maintenance of secondary roads and docks;
- Exclusive licensing and collecting license fees of wholesale businesses other than banking, insurance, sale of securities, and public utilities;
- Imposition and collection of copra and sales taxes; and
- Support of public education and public health as may be required by law.

General executive responsibility in each of the six districts is designated in Title 3, Section 51 of the Trust Territory Code. The district administrator, the High Commissioner's principal representative, exercises general supervision over all operations, programs, and functions of the Territory within the area of his jurisdiction. He is also responsible for executing all district laws. Each district administration consists of a number of officers and departments paralleling those of the Headquarters staff. With the implementation of the decentralization policy, increased authority and responsibilities have been delegated to the district administrators.

#### Financing

Funds for the support of the Trust Territory Government are derived from a number of sources, chief among them being an annual appropriation provided by the Administering Authority--the United States Government. The second largest source is also from the United States in the form of program grants provided by a number of Federal agencies either on a matching fund or on an outright basis to further certain Federal programs in the Trust Territory. In effect, the Trust Territory is treated as a State for participation in those Federal programs where specific authority to do so is included in the program legislation. The third largest source of funds for support of the Trust Territory Government is from tax revenues levied by the Congress of Micronesia and the District Legislatures. These revenues are controlled by the legislative bodies and are appropriated by them to provide for both their own support and for such legislative projects as may be authorized by law. A fourth source of funds is reimbursements earned by the Trust Territory Government for services provided, such as utilities and ship charters. Finally, a relatively small source of support, either in cash or services, is derived from a number of international organizations which have an interest in furthering certain programs.

This budget presentation is centered on justifying the funds requested to be provided the Trust Territory Government by the Administering Authority for Fiscal Year 1977. Also included are Budget Information schedules provided on program grant funds provided by Federal agencies and tax revenues controlled by the Congress of Micronesia. A concerted effort is proposed to be made during the course of developing the Fiscal Year 1978 budget to present all sources of fiscal support for the Trust

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Trust Territory Government on a consolidated basis in order to achieve some degree of coordination in programming the use of these funds.

The FY 1977 Program

A total of \$82,321,000 is requested to be appropriated for the support of the Trust Territory Government during Fiscal Year 1977. This amount is \$2,011,000 more than the \$80,310,000 appropriation for Fiscal Year 1976. However, since \$1,000,000 of the total funds provided for FY 76 was the final increment of the authorized \$5,000,000 capitalization of the Economic Development Loan Fund and the one time funding for Bikini ex-gratia payments of \$3,000,000, the increase requested for FY 77 program funding is actually \$6,011,000 over the FY 76 program funding level.

The following table provides an overview of the distribution of the requested funding increases for FY 77 over the FY 76 level (in thousands of dollars):

	FY 76	FY 77	CHANGE	
			AMOUNT	PERCENT
DIRECT APPROPRIATION	1,131	1,224	+ 93	+ 8.2
GRANTS:				
OPERATIONS	53,679	59,497	+5,818	+ 10.8
CAPITAL IMPROVEMENT PROGRAM	21,500	21,600	100	+ 0.5
TOTAL, GRANTS	75,179	81,097	+5,918	+ 7.8
TOTAL, DIRECT AND GRANTS	76,310	82,321	+6,011	+ 7.9
ECONOMIC DEVELOPMENT LOAN FUND	1,000	0	-1,000	- 100.0
BIKINI EX-GRATIA PAYMENTS	3,000	0	-3,000	- 100.0
TOTAL	\$80,310	\$82,321	+2,011	+ 2.5

Direct Appropriations - High Commissioner's Office, Judiciary, and Comptroller's Office

The increase requested for the direct portion of the appropriation is for annualization of pay act costs and additional travel for the Comptroller's Office related to increased audit activities.

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### Grant Operations

Moving to that part of the FY 1977 appropriation request, it can be seen from the above table that \$59,497,000 is requested to support the major program activities funded under "Grants-Operations." This is \$5,818,300 more than the \$53,679,000 funding for these activities for FY 1976. Operations activities are basically at the same level as FY 1976, apart from increases due to: (1) the planned establishment of the present Kusaie Sub-District of the Ponape District as the Kusaie District at the beginning of FY 77; (2) the need to staff, equip; and maintain new facilities (schools, dispensaries, water and sewage treatment plants, etc.) planned for completion during FY 76, the transition quarter and FY 77; and, (3) the requirement to cover full year costs of the increased salary schedule for Trust Territory Public Service employees planned to be made effective on or about December 1, 1975, in accordance with P.L. 6-65, Congress of Micronesia, enacted on July 21, 1975, the planned FY 77 program for Grants-Operations activities reflects no significant differences from the program for FY 76. The continuing effort to train Micronesians to replace U.S. and third country national employees as their employment contracts expire is being accelerated in accordance with tentative plans for termination of the Trusteeship at the end of FY 80.

### Grant Construction

With regard to the \$100,000 increase requested for FY 77 funding of the Capital Improvement Program, \$21,600,000 vs. \$21,500,000 for FY 76, this program reflects the continued acceleration of the planned emplacement of the basic infrastructure needed to support both the Trust Territory Government until termination of the Trusteeship and the future Government of Micronesia. This program has as its goal the provision of fundamental facilities in each district, such as adequate medical, education, utility, public safety, road, seaport, airport, legislative, judicial and administrative facilities, which are required to meet the social needs of the population and promote the economic development of Micronesia.

To summarize, the funds requested for FY 77 make no provision for starting any new programs in the Trust Territory but simply carry forward for another year the basic program of administering the Trusteeship in accordance with the obligations assumed by the United States Government in entering into the Trusteeship Agreement with the Security Council of the United Nations which states in Article 6 that:

". . . the administering authority shall:

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1. foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned; and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends;

2. promote the economic advancement and self-sufficiency of the inhabitants, and to this end shall regulate the use of natural resources; encourage the development of fisheries, agriculture, and industries; protect the inhabitants against the loss of their lands and resources; and improve the means of transportation and communication;

3. promote the social advancement of the inhabitants, and to this end shall protect the rights and fundamental freedoms of all elements of the population without discrimination; protect the health of the inhabitants; control the traffic in arms and ammunition, opium and other dangerous drugs, and alcohol and other spirituous beverages; and institute such other regulations as may be necessary to protect the inhabitants against social abuses; and

4. promote the educational advancement of the inhabitants, and to this end shall take steps toward the establishment of a general system of elementary education; facilitate the vocational and cultural advancement of the population; and shall encourage qualified students to pursue higher education, including training on the professional level."

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DEPARTMENT OF THE INTERIOR

Territorial Affairs

Trust Territory of the Pacific Islands

Appropriation, 1975.....	\$ 61,700,000	
Second Supplemental Appropriation, 1975...	<u>8,050,000</u>	
Total appropriation, 1975.....		<u>\$ 69,750,000</u>
Appropriation, 1976.....	80,196,000	
Pay Cost supplemental.....	<u>114,000</u>	
Total Available, 1976.....		<u>\$ 80,310,000</u> <u>1/</u>

Summary of Increases and Decreases, 1977

	<u>Base for 1977</u>	<u>Increase 1977</u>
<u>High Commissioner's Office</u>		
To provide for increased operating costs.....	\$ 466,900	+ \$ 46,500
<u>Judiciary</u>		
To provide for increased operating costs.....	439,100	+ 21,200
<u>Federal Comptroller's Office</u>		
To provide for the program as authorized and required by P.L. 93-111 (enacted September 21, 1973).	225,000	+ 25,000
<u>Grants</u>		
Net increase of \$5,918,300 consists of increases of \$5,818,300 for operations and \$100,000 for capital improvements	75,179,000	+ 5,918,300
<u>Economic Development Loan Fund</u>	1,000,000	- 1,000,000
<u>Bikini ex-gratis payments</u>	3,000,000	- 3,000,000
Net Increase 1977 .....		<u>+ 2,011,000</u>
Budget Estimate, 1977		<u>\$82,321,000</u>

1/ Does not include proposed supplemental of \$10,148,000 for Trust Territory operations and Northern Marianas Transition.

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Trust Territory of the Pacific Islands

ANALYSIS BY ACTIVITIES

Activity	FY 75 Amount Available	Fiscal Year 1976			Amount Available
		Total Appropriation	Unobligated Balances	Pay Costs Supplemental	
1. High Commissioner's Office....	\$ 443,949	\$ 457,100	\$ 16,689	\$ 9,800	\$ 483,589
2. Judiciary.....	317,786	431,600	157,771	7,500	596,871
3. Federal Comptroller's Office..	247,987	225,000	3,013	---	228,013
4. Grants.....	60,667,232	75,082,300	8,801,698 1/	96,700	83,980,698
5. Economic Development Loan Fund	1,000,000	1,000,000	---	---	1,000,000
6. Categorical Assistance Programs	698,605	---	1,395	---	1,395
7. Bikini ex-gratia payments	---	3,000,000	---	---	3,000,000
<b>Total</b>	<u>\$63,375,559</u>	<u>\$80,196,000 2/</u>	<u>\$8,980,566</u>	<u>\$114,000</u>	<u>\$89,290,566</u>

1/ Includes Capital Improvements carryover needed to complete projects previously justified. \$5,650,000 of this balance was appropriated in the second supplemental Appropriation Act of 1975 signed on June 16, 1975.

2/ Does not include proposed supplemental totaling \$10,148,000 for Trust Territory operations and Northern Marianas transition.

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Trust Territory of the Pacific Islands

ANALYSIS BY ACTIVITIES

	FY 1975 Amount Available	FY 1976 Program	FY 1977 Estimate	Increase (+) or Decrease (-) 1977 Compared with 1976
1. High Commissioner's Office.....	\$ 443,949	\$ 483,589	\$ 513,400	\$ + 29,811
2. Judiciary.....	317,786	596,871	460,300	- 136,571
3. Federal Comptroller's Office.....	247,987	228,013	250,000	+ 21,987
4. Grants.....	60,667,232	83,980,698	81,097,300	- 2,883,398
5. Economic Development Loan Fund.....	1,000,000	1,000,000	---	- 1,000,000
6. Categorical Assistance Programs.....	698,605	1,395	---	- 1,395
7. Bikini ex gratia payments.....	---	3,000,000	---	- 3,000,000
	<u>\$63,375,559</u>	<u>\$89,290,566</u> 1/	<u>\$82,321,000</u>	<u>-\$6,969,566</u>

The estimate of \$82,321,000 for FY 1977 represents an increase of \$2,011,000 in budget authority over FY 1976, including the FY 1976 Pay Act supplemental, exclusive of carryover funds of \$8,980,566.

High Commissioner's Office.....	\$	+ 46,500
Judiciary.....		+ 21,200
Federal Comptroller's Office.....		+ 25,000
Grants.....		+ 5,918,300
Economic Development Loan Fund.....		- 1,000,000
Bikini ex-gratia payments.....		- 3,000,000
Increase		+ \$ 2,011,000

1/ Does not include proposed supplemental of \$10,148,000 for Trust Territory operations and Northern Marianas Transition.

Trust Territory of the Pacific Islands

Budget Authority - Summary by Activities

	FY 1975 Enacted	FY 1976 Estimate	(Transition Quarter)	FY 1977 Estimate	Inc. (+) or Decr. (-), 77 Compared to 76
<b>A. Direct Appropriations</b>					
1. Office of the High Commissioner.....	\$ 457,600	\$ 466,900	\$ (122,500)	513,400	+ 46,500
2. Judiciary (High Court only).....	429,500	439,100	(113,800)	460,300	+ 21,200
3. Federal Comptroller for Guam/TTPI....	225,000	225,000	(57,900)	250,000	+ 25,000
Total, Direct Appropriations.....	<u>1,112,100</u>	<u>1,131,000</u>	<u>(294,200)</u>	<u>1,223,700</u>	<u>92,700</u>
<b>B. Grants:</b>					
4. (a) Operations:					
1. Health Services.....	8,085,000	8,747,400	(2,191,700)	10,253,000	+ 1,505,600
2. Education	13,120,600	13,362,100	(3,883,500)	15,225,300	+ 1,863,200
3. Public Affairs.....	1,996,200	1,724,200	(444,600)	1,836,100	+ 111,900
4. Resources and Development.....	7,743,500	5,709,800	(1,473,000)	5,871,100	+ 161,300
5. Protection of Persons and Property.....	2,656,100	2,872,600	(740,400)	3,095,400	+ 228,800
6. Administration.....	5,336,000	5,890,600	(1,640,500)	6,769,100	+ 878,500
7. Transportation and Communications.....	3,718,700	3,788,500	(977,200)	3,903,500	+ 115,000
8. Public Works.....	9,474,700	11,583,800	(3,016,900)	12,543,800	+ 960,000
Total, Operations.....	<u>52,130,900</u>	<u>53,679,000</u>	<u>(14,367,800)</u>	<u>59,497,300</u>	<u>+ 5,818,300</u>
(b) Capital Improvement Program.....	14,807,000	21,500,000	(478,000)	21,600,000	+ 100,000
Total, Grants.....	<u>66,937,900</u>	<u>75,179,000</u>	<u>(14,845,800)</u>	<u>81,097,300</u>	<u>+ 5,918,300</u>
Total, Direct and Grants.....	68,050,000	76,310,000	(15,140,000)	82,321,000	+ 6,011,000
<b>C. Other:</b>					
5. Economic Development Loan Fund.....	1,000,000	1,000,000	-	-	- 1,000,000
6. Categorical Assistance Programs.....	700,000	-	-	-	-
7. Bikini ex-gratia payments.....	-	3,000,000	-	-	- 3,000,000
Total.....	<u>\$69,750,000</u>	<u>\$80,310,000</u>	<u>\$(15,140,000)</u>	<u>\$82,321,000</u>	<u>\$2,011,000</u>

1/ Does not include proposed supplemental totaling \$10,148,000 for Trust Territory Operations and Northern Marianas Transition.

2/ Does not include TQ Supplemental for Trust Territory Operations of \$2,160,000

Trust Territory of the Pacific Islands  
 CONGRESSIONAL ACTION ON FY 76 APPROPRIATION, AND FY 76 FEDERAL PAY SUPPLEMENTAL

	FY 76 Base	Congressional Action	FY 76 Pay Supp.	FY 76 Est.
<b>A. Direct Appropriation</b>				
1. Office of High Commissioner.....	\$ 461,100	\$ - 4,000	\$ + 9,800	\$ 466,900
2. Judiciary.....	431,600	---	+ 7,500	439,100
3. Comptroller's Office.....	225,000	---	---	225,000
<b>Total Direct</b>	<b>1,117,700</b>	<b>- 4,000</b>	<b>+ 17,300</b>	<b>1,131,000</b>
<b>B. Grants:</b>				
4. (a) Operations:				
1. Health Services.....	8,745,200	---	+ 2,200	8,747,400
2. Education.....	13,358,200	---	+ 3,900	13,362,100
3. Public Affairs.....	1,719,900	---	+ 4,300	1,724,200
4. Resource Development.....	5,689,600	---	+ 20,200	5,709,800
5. Protection of Persons and Property...	2,870,100	---	+ 2,500	2,872,600
6. Administration.....	5,949,900	- 100,000	+ 40,700	5,890,600
7. Transportation and Communications.....	3,777,100	---	+ 11,400	3,788,500
8. Public Works.....	11,772,300	- 200,000	+ 11,500	11,583,800
<b>Total Operations.....</b>	<b>53,882,300</b>	<b>- 300,000</b>	<b>+ 96,700</b>	<b>53,679,000</b>
(b) Capital Improvements Program.....				
<b>Total Grants</b>	<b>78,882,300</b>	<b>-3,500,000</b>	<b>+ 96,700</b>	<b>21,500,000</b>
<b>Total, Direct and Grants</b>	<b>80,000,000</b>	<b>-3,804,000</b>	<b>+114,000</b>	<b>76,310,000</b>
<b>C. Other</b>				
5. Economic Development Loan Fund.....	1,000,000	---	---	1,000,000
6. Bikini ex-gratia payments	2,270,000	+ 730,000	---	3,000,000
<b>Total</b>	<b>\$83,270,000</b>	<b>\$-3,074,000</b>	<b>\$+114,000</b>	<b>\$80,310,000</b>



Trust Territory of the Pacific Islands  
Analysis of Federal Pay Act Costs 1977

	FY 77 Base	Annualization Of Pay, Cost	Total Pay, Cost	Total Request
<b>A. Direct Appropriation:</b>				
1. Office of the High Commissioner.....	\$ 500,000	\$ 3,600	\$ 13,400	\$ 513,400
2. Judiciary.....	450,000	2,800	10,300	460,300
3. Comptroller's Office.....	250,000	---	---	250,000
<b>Total Direct</b>	<b>1,200,000</b>	<b>6,400</b>	<b>23,700</b>	<b>1,223,700</b>
<b>B. Grants:</b>				
<b>4. (a) Operations:</b>				
1. Health Services.....	10,250,000	800	3,000	10,253,000
2. Education.....	15,220,000	1,400	5,300	15,225,300
3. Public Affairs.....	1,830,200	1,600	5,900	1,836,100
4. Resource Development.....	5,843,500	7,400	27,600	5,871,100
5. Protection of Persons and Property.....	3,092,000	900	3,400	3,095,400
6. Administration.....	6,709,300	19,100	59,800	6,769,100
7. Transportation and Communications.....	3,888,000	4,100	15,500	3,903,500
8. Public Works.....	12,528,000	4,300	15,800	12,543,800
<b>Total Operations</b>	<b>\$59,361,000</b>	<b>\$39,600</b>	<b>\$136,300</b>	<b>\$59,497,300</b>
<b>(b) Capital Improvements Program.....</b>				
	<b>21,600,000</b>	<b>---</b>	<b>---</b>	<b>21,600,000</b>
<b>Total Grants</b>	<b>80,961,000</b>	<b>39,600</b>	<b>136,300</b>	<b>81,097,300</b>
<b>Total, Direct and Grants</b>	<b>\$82,161,000</b>	<b>\$46,000</b>	<b>\$160,000</b>	<b>\$82,321,000</b>

Trust Territory of the Pacific Islands

Number of Positions by Program and Category

	<u>FY 1975 Actual</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	<u>FY 1977 Compared to FY 1976</u>
<b>A. <u>Direct Appropriation</u></b>				
<b>1. Office of the High Commissioner:</b>				
U.S. Civil Service	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT-Citizen	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Total, TT Public Service	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Total	<u>14</u>	<u>14</u>	<u>14</u>	<u>+0</u>
<b>2. Judiciary (High Court only):</b>				
U.S. Civil Service	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT Citizen	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Total, TT Public Service	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Total	<u>12</u>	<u>12</u>	<u>12</u>	<u>+0</u>
<b>Total Direct Appropriation:</b>				
U.S. Civil Service	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT Citizen	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total, TT Public Service	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total	<u>26</u>	<u>26</u>	<u>26</u>	<u>+0</u>

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	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
<b>B. Grant - Operations</b>				
1. Health Services:				
U.S. Civil Service	<u>2</u>	<u>1</u>	<u>0</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	25	25	25	-
TT Citizen	<u>1,115</u>	<u>1,176</u>	<u>1,243</u>	<u>+67</u>
Total, TT Public Service	<u>1,140</u>	<u>1,201</u>	<u>1,268</u>	<u>+67</u>
Total	<u>1,142</u>	<u>1,202</u>	<u>1,268</u>	<u>+66</u>
2. Education:				
U.S. Civil Service	<u>4</u>	<u>5</u>	<u>4</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	173	170	170	-
TT Citizen	<u>2,058</u>	<u>2,168</u>	<u>2,235</u>	<u>+67</u>
Total, TT Public Service	<u>2,231</u>	<u>2,338</u>	<u>2,405</u>	<u>+67</u>
Total	<u>2,235</u>	<u>2,343</u>	<u>2,409</u>	<u>+66</u>
3. Public Affairs:				
U.S. Civil Service	<u>7</u>	<u>4</u>	<u>4</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	3	3	2	-1
TT Citizen	<u>198</u>	<u>207</u>	<u>207</u>	<u>-</u>
Total, TT Public Service	<u>201</u>	<u>210</u>	<u>209</u>	<u>-1</u>
Total	<u>208</u>	<u>214</u>	<u>213</u>	<u>-1</u>

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	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>FY 1977</u> <u>Compared</u> <u>to</u> <u>FY 1976</u>
<b>4. Resources and Development:</b>				
U.S. Civil Service	<u>21</u>	<u>20</u>	<u>20</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>26</u>	<u>25</u>	<u>25</u>	<u>-</u>
TT Citizen	<u>824</u>	<u>840</u>	<u>846</u>	<u>+6</u>
Total, TT Public Service	<u>850</u>	<u>865</u>	<u>871</u>	<u>+6</u>
Total	<u>871</u>	<u>885</u>	<u>891</u>	<u>+6</u>
<b>5. Protection of Persons and Property:</b>				
U.S. Civil Service	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>18</u>	<u>19</u>	<u>19</u>	<u>-</u>
TT Citizen	<u>416</u>	<u>448</u>	<u>460</u>	<u>+12</u>
Total, TT Public Service	<u>434</u>	<u>467</u>	<u>479</u>	<u>+12</u>
Total	<u>436</u>	<u>469</u>	<u>481</u>	<u>+12</u>
<b>6. Administration:</b>				
<b>(a) Finance and Supply:</b>				
U.S. Civil Service	<u>27</u>	<u>29</u>	<u>28</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	<u>9</u>	<u>13</u>	<u>13</u>	<u>-</u>
TT Citizen	<u>322</u>	<u>344</u>	<u>363</u>	<u>+19</u>
Total, TT Public Service	<u>331</u>	<u>357</u>	<u>376</u>	<u>+19</u>
Total	<u>358</u>	<u>386</u>	<u>404</u>	<u>+18</u>

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	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
<b>(b) Personnel Services:</b>				
U.S. Civil Service	<u>5</u>	<u>4</u>	<u>3</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
TT Citizen	<u>58</u>	<u>64</u>	<u>66</u>	<u>+2</u>
Total, TT Public Service	<u>63</u>	<u>69</u>	<u>71</u>	<u>+2</u>
Total	<u>68</u>	<u>73</u>	<u>74</u>	<u>+1</u>
<b>(c) Other Services:</b>				
U.S. Civil Service	<u>22</u>	<u>21</u>	<u>21</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>9</u>	<u>15</u>	<u>15</u>	<u>-</u>
TT Citizen	<u>113</u>	<u>138</u>	<u>146</u>	<u>+8</u>
Total, TT Public Service	<u>122</u>	<u>153</u>	<u>161</u>	<u>+8</u>
Total	<u>144</u>	<u>174</u>	<u>182</u>	<u>+8</u>
<b>(d) Total, Administration:</b>				
U.S. Civil Service	<u>54</u>	<u>54</u>	<u>52</u>	<u>-2</u>
TT Public Service:				
Non-TT Citizen	<u>23</u>	<u>33</u>	<u>33</u>	<u>-</u>
TT Citizen	<u>493</u>	<u>546</u>	<u>575</u>	<u>+29</u>
Total, TT Public Service	<u>516</u>	<u>579</u>	<u>608</u>	<u>+29</u>
Total	<u>570</u>	<u>633</u>	<u>660</u>	<u>+27</u>

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	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	FY 1977 Compared to <u>FY 1976</u>
<b>7. Transportation and Communications:</b>				
U.S. Civil Service	<u>13</u>	<u>13</u>	<u>11</u>	<u>-2</u>
TT Public Service:				
Non-TT Citizen	9	9	8	-1
TT Citizen	<u>167</u>	<u>181</u>	<u>187</u>	<u>+6</u>
Total, TT Public Service	<u>176</u>	<u>190</u>	<u>195</u>	<u>+5</u>
Total	<u>189</u>	<u>203</u>	<u>206</u>	<u>+3</u>
<b>8. Public Works:</b>				
U.S. Civil Service	<u>17</u>	<u>17</u>	<u>17</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	22	22	21	-1
TT Citizen	<u>1,391</u>	<u>1,443</u>	<u>1,447</u>	<u>+4</u>
Total, TT Public Service	<u>1,413</u>	<u>1,465</u>	<u>1,468</u>	<u>+3</u>
Total	<u>1,430</u>	<u>1,482</u>	<u>1,485</u>	<u>+3</u>
<b>Total, Grant - Operations:</b>				
U.S. Civil Service	<u>120</u>	<u>116</u>	<u>110</u>	<u>-6</u>
TT Public Service:				
Non-TT Citizen	299	306	303	-3
TT Citizen	<u>6,662</u>	<u>7,009</u>	<u>7,200</u>	<u>+191</u>
Total, TT Public Service	<u>6,961</u>	<u>7,315</u>	<u>7,503</u>	<u>+188</u>
Total	<u>7,081</u>	<u>7,431</u>	<u>7,613</u>	<u>+182</u>

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	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>FY 1977</u> <u>Compared</u> <u>to</u> <u>FY 1976</u>
<b>C. Grant - Capital Improvement Program</b>				
<b>1. Design and Engineering:</b>				
U.S. Civil Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>21</u>	<u>21</u>	<u>25</u>	<u>+4</u>
TT Citizen	<u>14</u>	<u>30</u>	<u>35</u>	<u>+5</u>
Total, TT Public Service	<u>35</u>	<u>51</u>	<u>60</u>	<u>+9</u>
Total	<u>35</u>	<u>51</u>	<u>60</u>	<u>+9</u>
<b>2. Construction Contract Administration:</b>				
U.S. Civil Service	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>32</u>	<u>32</u>	<u>37</u>	<u>+5</u>
TT Citizen	<u>8</u>	<u>24</u>	<u>29</u>	<u>+5</u>
Total, TT Public Service	<u>40</u>	<u>56</u>	<u>66</u>	<u>+10</u>
Total	<u>44</u>	<u>60</u>	<u>70</u>	<u>+10</u>
<b>3. Planning Services:</b>				
U.S. Civil Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>
TT Citizen	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total, TT Public Service	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>FY 1977</u> <u>Compared</u> <u>to</u> <u>FY 1976</u>
<b>Total, Grant - Capital Improvement Program:</b>				
U.S. Civil Service	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>60</u>	<u>53</u>	<u>62</u>	<u>+9</u>
TT Citizen	<u>35</u>	<u>54</u>	<u>64</u>	<u>+10</u>
Total, TT Public Service	<u>95</u>	<u>107</u>	<u>126</u>	<u>+19</u>
Total	<u>99</u>	<u>111</u>	<u>130</u>	<u>+19</u>
<b>Total Paid from Direct Appropriation and Grants: 1/</b>				
U.S. Civil Service	<u>138</u>	<u>134</u>	<u>128</u>	<u>-6</u>
TT Public Service:				
Non-TT Citizen	<u>359</u>	<u>359</u>	<u>365</u>	<u>+6</u>
TT Citizen	<u>6,709</u>	<u>7,075</u>	<u>7,276</u>	<u>+201</u>
Total, TT Public Service	<u>7,068</u>	<u>7,434</u>	<u>7,641</u>	<u>+207</u>
Total	<u>7,206</u>	<u>7,568</u>	<u>7,769</u>	<u>+201</u>
<b>D. Printing and Publications: 2/</b>				
U.S. Civil Service	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
TT Citizen	<u>36</u>	<u>40</u>	<u>43</u>	<u>+3</u>
Total, TT Public Service	<u>37</u>	<u>41</u>	<u>44</u>	<u>+3</u>
Total	<u>38</u>	<u>42</u>	<u>45</u>	<u>+3</u>



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	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>FY 1977</u> <u>Compared</u> <u>to</u> <u>FY 1976</u>
GRAND TOTAL:				
U.S. Civil Service	<u>139</u>	<u>135</u>	<u>129</u>	<u>-6</u>
TT Public Service:				
Non-TT Citizen	360	360	366	+6
TT Citizen	<u>6,745</u>	<u>7,115</u>	<u>7,319</u>	<u>+204</u>
Total, TT Public Service	<u>7,105</u>	<u>7,475</u>	<u>7,685</u>	<u>+210</u>
Total	<u>7,244</u>	<u>7,610</u>	<u>7,814</u>	<u>+204</u>

1/ Excluding:

- Legislative Branch personnel (the Legislative Branch is self-supported).
- Personnel paid from special grants to support specific Federal programs in the Trust Territory.

2/ Paid from user-charges levied for services provided.

Trust Territory of the Pacific Islands

I. DIRECT APPROPRIATION:

A. Office of the High Commissioner: FY 1976 \$466,900, FY 1977 \$513,400  
Increase \$46,500. 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>
\$ +46,500	...	\$513,400	8 U.S. 6 Micro	Increased support cost and salary increases for Micronesians resulting from revised pay scales.
-----	-----	-----	8 U.S. 6 Micro	
<u>\$ +46,500</u>	<u>...</u>	<u>\$513,400</u>	<u>6 Micro</u>	

Program Changes

The increase in new obligational authority of \$46,500 is only \$29,811 in total obligational authority since \$16,689 is available in FY 1976 from FY 1975 to supplement the \$466,900 new obligational authority proposed for FY 1976. The NOA increase for FY 1977, then, consists of two components: (1) \$16,689 required to maintain in FY 1977 the support level required for FY 1976, and (2) \$29,811 required to meet the planned FY 1977 level of operations.

In neither FY 1976 nor FY 1977 is there any change in the number of personnel in this office nor is there any significant change in program content from the FY 1975 level. Rather, the estimated increase in FY 1976 estimated obligations over the FY 1975 level, and in FY 1977 over FY 1976, results largely from additional personnel costs arising from changes in salary schedules and related personnel benefit costs. Additional costs for necessary official travel comprise the principal portion of the remaining increase.

	<u>Obligations</u>				
	(Amounts in thousands of dollars)				
	<u>FY 1975</u>	<u>Change</u>	<u>FY 1976</u>	<u>Change</u>	<u>FY 1977</u>
Personnel (No./Amt.)	14/328	-/+31	14/359	-/+24	14/383
Travel	63	+5	68	+3	71
Other	<u>53</u>	<u>+4</u>	<u>57</u>	<u>+2</u>	<u>59</u>
Total Obligations	<u>444</u>	<u>+40</u>	<u>484</u>	<u>+29</u>	<u>513</u>

Program Description

The Office of the High Commissioner consists of his immediate office and the Offices of the: Deputy High Commissioner; Special Consultant; Special Assistants for Legislative and for District Affairs; and Executive Officer.

Appointed by the President of the United States, subject to confirmation by the United States Senate, the High Commissioner is responsible to the Secretary of the Interior through the Director, Office of Territorial Affairs, for providing executive direction and administrative control of the Trust Territory Government so as to meet the obligations assumed by the United States Government in providing for the administration of the Trust Territory of the Pacific Islands under the

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terms of the Trusteeship Agreement entered into with the Security Council of the United Nations.

To assist him in providing for the effective and economical administration of the Trust Territory Government, the High Commissioner meets weekly with his Cabinet which is comprised of the Deputy High Commissioner, the Special Consultant, the Special Assistants for Legislative and for District Affairs, the Executive Officer, the Attorney General, the Program and Budget Officer, the Territorial Planner, and the Directors of Health, Education, Public Affairs, Resources and Development, Transportation and Communications, Public Works, Finance and Personnel. He also confers weekly, by radio-telephone conference call, with the six District Administrators of the Trust Territory. In addition, he travels frequently in the districts and maintains close contacts with the traditional leaders in the Districts. At the opening of each session of the Congress of Micronesia, he delivers an address on the State of the Trust Territory. He also represents the Administering Authority at annual sessions of the Trusteeship Council of the United Nations, and he appears regularly before Committees of the United States Congress on matters concerning the Trust Territory Government.

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2. Judiciary: FY 1976 \$439,100, FY 1977 \$460,300. Increase \$21,200. 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>
\$+ 21,200	...	\$460,300	6 U.S. 6 Micro	To provide for full funding support and pay annualization.
\$+ 21,200	...	\$460,300	6 U.S. 6 Micro	

Program Changes

In neither FY 1976 nor FY 1977 is there any change in the number of personnel supported by this activity nor is there any significant change in program content from the FY 1975 level. Rather, the estimated increase in FY 1976 estimated obligations over the FY 1975 level results largely from the requirement to provide in FY 1976 for extensive remodelling required for court room and judiciary administrative facilities. Additional personnel costs arising from changes in salary schedules and related personnel benefit costs, together with increased office equipment and travel costs comprise the principal portion of the remaining FY 1976 increased obligations over the FY 1975 level. Partial completion of the facilities remodelling work and procurement of necessary equipment in FY 1976 will provide the funds required in FY 1977 for additional personnel, travel and other anticipated costs without any increase in FY 1977 estimated obligations over the FY 1976 level.

Obligations

(Amounts in thousands of dollars)

	<u>FY 1975</u> <u>12/240</u>	<u>Change</u>	<u>FY 1976</u> <u>12/263</u>	<u>Change</u>	<u>FY 1977</u> <u>12/281</u>
Personnel (No./Amt.)	---	-/+16	12/263	-/+15	12/281
Facilities remodelling	---	+98	98	-20	78
Equipment procurement	---	+9	9	-5	4
Travel	25	+5	30	+5	35
Other	53	+4	57	+5	62
Total obligations	<u>318</u>	<u>+132</u>	<u>457</u>	<u>+3</u>	<u>460</u>

Program Description

The Judiciary Branch of the Trust Territory Government consists of three levels of courts based on territorial jurisdiction: The High Court, whose jurisdiction extends to the whole of the Trust Territory; District Courts, whose jurisdiction is limited to the administrative district for which each such court is constituted; and Community Courts, whose jurisdiction is limited to the municipality or community for which each such court is constituted. Since the High Court is funded from the direct appropriation portion of the Trust Territory budget and the District and Community Courts are

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funded from the Grants portion as "Local Judiciary" under the "Protection to Persons and Property" operations activity, it appears from their separate presentations that the Judiciary Branch consists of two parts. This is not the case, however, since facilities, personnel, equipment and various responsibilities are shared by all the courts throughout the Trust Territory. Further, while the funding sources for the Judiciary Branch are differentiated for budget presentation purposes, in actual fact funds justified for the High Court may be used in part to train and assist personnel associated with the District and Community Courts and, conversely, funds justified for the latter courts may be used in part to support High Court operational costs. In short, the separate justifications for the High Court and for the District and Community Courts should be viewed as one justification for the support of the Judiciary Branch as a whole.

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 in the following instances:

1. All cases tried originally in the High Court.
2. Cases decided by the High Court on appeal from the 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.

Under the general supervision of the Chief Justice, the High Court is staffed with three Associate Justices, and nine administrative and court reporter/secretarial personnel. Judges of the District and Island Court of Guam, who are appointed by the Secretary of the Interior serve as temporary judges of the High Court, but hear Trust Territory cases only by special assignments by the Chief Justice of the Trust Territory.

The basic function of the High Court Justices is the hearing and determination of litigation in the courts. Presently, the three Associate Justices are stationed in the Marshalls, Yap and Palau Districts. The Chief Justice is stationed at the Judiciary headquarters in Saipan, Mariana Islands.

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Cases in the Trial Division of the High Court are heard by the four High Court Justices on a circuit-riding basis at 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. Sessions of the High Court are continuous in the districts where a High Court Justice is stationed when the judge is in residence.

Another essential function of the High Court is the supervision and training of the Micronesian personnel in the lower courts. The High Court Justices, the Director and the Deputy Director also supervise the work of, and train the District and Community Court Judges, the Clerks of Court and their assistants, Probation Officers, and other Micronesian employees of the courts, who have had either very little or no legal training prior to their appointments.

Trust Territory Courts

Cases Disposed of Per Year

	High Court Appellate Division		High Court Trial Division		District Court		Community Court	
	<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	-	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	1	16	110	756	3,821	1,286	1,092	1,355
1972	2	3	124	218	3,354	1,185	1,219	2,591
1973	4	5	86	243	5,270	1,341	1,220	2,692
1974	4	17	106	280	4,299	1,679	1,349	2,416
1975*	3	8	127	208	2,317	826	942	1,035

Total cases disposed each year in all courts:

1965	5,219
1966	6,191
1967	6,752
1968	8,104
1969	8,312
1970	8,579
1971	8,437
1972	8,696
1973	10,861
1974	10,150
1975*	5,466

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\* First six months (through June 30) only.

3. Federal Comptroller's Office: FY 1976 \$225,000, FY 1977 \$250,000:  
 Increase \$25,00. The increase consists of:

<u>Increase (+) or Decrease (-)</u>		<u>Total</u>	<u>Total</u>	<u>Explanation</u>
<u>Amount</u>	<u>Positions</u>	<u>Program</u>	<u>Positions</u>	
\$+25,000	---	\$250,000	---	Expansion of audit activities costs in FY for Travel to the Districts, supplies, and other services.
<u>\$+25,000</u>	<u>---</u>	<u>\$250,000</u>	<u>---</u>	

Program Changes

There are no Trust Territory employees involved in this essentially external audit activity. All costs borne by the Federal Comptroller in meeting his Trust Territory audit responsibilities are initially charged to his office and are reimbursed by the Trust Territory Government, from the funds herein requested, on the basis of billings he submits for services performed. In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level. Rather, the estimated increase in FY 1976 obligations over FY 1975 is attributable to the gradual growth in the audit workload from its initiation in the latter part of FY 1974 to the full-scale workload planned for FY 1976 which will continue at the same level in FY 1977.

Program Description

Public Law 93-111, enacted September 21, 1973, extended the audit responsibilities of the Federal Comptroller for Guam to include the Trust Territory of the Pacific Islands. Pursuant to this assignment, the Federal Comptroller (a component of the Office of Territorial Affairs, Department of the Interior), reported on his first annual audit of the Trust Territory Government, covering Fiscal Year 1974, on February 28, 1975. He also conducts management audits on his own initiative and special audits at the request of the High Commissioner.

The audit activities of the Federal Comptroller are directed so as to:

- (1) improve the efficiency and economy of Trust Territory Government programs, and
- (2) ensure that Federal funds provided for the support of that government are properly accounted for and that full disclosure is made of the use of such funds in accordance with Federal fund reporting requirements.

Trust Territory of the Pacific Islands

B. Grants:

4. (a) Operations

(1) Health Services: Fiscal Year 1976, \$8,747,400  
 Fiscal Year 1977, \$10,253,000; an increase of  
 \$1,505,600. The increase consists of:

	<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(i)	+12,800	-	\$ 273,400	23	Administration -- net increase to annualize costs of new salary schedule in effect during 7 months of FY 76.
(ii)	+791,800	+54	5,931,600	1,084	Hospital and dispensary services -- annualization of salary increases as above plus establishment of 54 new positions required to staff and operate new facilities planned for completion during FY 77.
(iii)	+344,800	-	1,144,800	2	Patient referrals -- required to pay established, rather than special, rates for patients referred to U.S. military hospitals plus increased travel costs.
(iv)	+32,500	+6	312,000	68	Environmental health and sanitation -- annualization of salary increases as above plus establishment of 6 new positions required to provide improved environmental health and sanitation services.

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Trust Territory of the Pacific Islands

<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(v) +84,400	+6	614,000	91	Dental services -- annualization of salary increases as above plus establishment of 6 new positions required to provide improved dental care.
(vi) + 239,300	-	1,977,200	-	Medical supplies and equipment -- required to procure additional supplies and equipment needed for new facilities, maintain supply stock levels and replace existing deteriorated equipment -- all at greatly increased prices and freight costs.

+ \$1,505,600      +66      \$10,253,000      1,286

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level except for the transfer of the Trust Territory School of Nursing from the Health Services to the Education Department for which a transfer in the estimates for FY 1976 has been made. Rather, the requested increase in personnel and funding is attributable largely to the need to expand health care services due to the growing population of the Trust Territory and the gradual raising of health care standards in accordance with the requirements set forth in the Trusteeship Agreement. New medical facilities constructed under the Capital Improvement Program must be staffed, supplied and equipped to make use of these facilities for their intended purpose.

18 - 415639

Trust Territory of the Pacific Islands

Program Description

The Health Services Program is designed to improve health, environmental and sanitary conditions in the Trust Territory; to minimize the incidence of communicable disease; gradually improve standards of health services provided; encourage scientific investigations into conditions affecting the health of the population; provide paramedical and auxiliary services such as nutrition and preventive health care education; and to provide and operate health care facilities needed to meet the health care requirements of the growing population of the Trust Territory.

Health Services Funding

<u>Program</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	<u>Change</u>
(i) Administration	\$ 260,600	\$ 273,400	+ 12,800
(ii) Hospital and Dispensary Services	5,139,800	5,931,600	+ 791,800
(iii) Patient Referrals	800,000	1,144,800	+ 344,800
(iv) Environmental Health and Sanitation	279,500	312,000	+ 32,500
(v) Dental Services	529,600	614,000	+ 84,400
(vi) Medical Supplies and Equipment	<u>1,737,900</u>	<u>1,977,200</u>	<u>+ 239,300</u>
Total	\$ 8,747,400	\$ 10,253,000	+ \$1,505,600

(i) Administration, + \$12,800; total \$273,400.

The Director of Health Services is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial Health Services Program. He is assisted in meeting this responsibility by a team of health care specialists with public health backgrounds who are skilled in all facets of providing the citizens of the Trust Territory with a total health care delivery system. The Trust Territory Health Council, established pursuant to U.S. Public Law 89-749, Section 3141a, assists the Director of Health Services in reviewing public health conditions and programs with regard to the feasibility, applicability, and priority of the programs according to local needs.

18 - 415840

Trust Territory of the Pacific Islands

(ii) Hospital and Dispensary Services, +\$791,800; total \$5,931,600.

This activity is the heart of the Health Services program. The funds requested are required to support the provision of health services throughout the Trust Territory in hospitals located in each district center and a growing number of dispensaries located in populated areas on outer islands. Older deteriorating facilities are gradually being replaced by modern, well-staffed, equipped and supplied facilities as funds are provided for their construction under the Capital Improvement Program and work on them progresses to anxiously-awaited completion. As the number of these facilities increase and improved health care can be provided within the Trust Territory, the number of patients who must be referred for treatment in medical facilities outside the Trust Territory should be significantly reduced. Data on the utilization of Trust Territory hospitals and patient admissions to these hospitals is provided at the end of this presentation of FY 1977 Health Services support requirements.

(iii) Patient referrals, +\$344,800; total \$1,144,800.

In cases where patients require medical services which cannot be provided by Trust Territory medical personnel and facilities, treatment is authorized to be provided in the closest U.S. military or other hospitals outside the Trust Territory where the required treatment can be provided. Until the beginning of FY 1976, the U.S. Department of Defense authorized the treatment of patients referred from Trust Territory medical facilities at the special rate of \$66.00 per day instead of the established \$126.00 rate per day. At the beginning of FY 1976, this special rate was cancelled and the established standard rate was raised to \$147.00 per day. Increasing air fares and escort per diem rates, added to the 123% increase in the cost per day plus a growing number of such patient referrals, are expected to more than double the FY 1974 cost by FY 1977.

(iv) Environmental health and sanitation, +\$32,500; total \$312,000.

The major effort in this activity is the development and maintenance of a Trust Territory comprehensive environmental health program designed to prevent disease attributable to unsanitary or polluted conditions. Such conditions are sought out, and where sources can be identified, efforts are concentrated on their elimination and the prevention of their recurrence. Environmental protection standards established by the Trust Territory Environmental Protection Board provide guidelines for the surveillance and improvements of unsanitary or polluted conditions.

18 - 415841

Trust Territory of the Pacific Islands

(v) Dental services, +\$84,400; total \$14,000.

These funds are required to provide for the treatment of dental patients and to support the dental health education program in which primary emphasis is placed on preventing the incidence of dental disease by providing preventative dental care and publicizing measures for promoting dental health. Particular attention is given to encouraging individuals seen in maternal and child health care clinics to participate in the dental care program.

(vi) Medical supplies and equipment, +\$239,300; total \$1,977,200.

This second largest cost activity in the Health Services program provides for the procurement and distribution to Trust Territory medical and dental facilities the supplies and equipment needed for the provision of required treatment and services. With the increasing population in the Trust Territory and the growing number of health care facilities, the supply and equipment requirements are growing proportionately. Along with the increased requirements, prices for such supplies and equipment along with mounting freight costs to get these materials to the Trust Territory and distributed to the widely scattered facilities in which they are needed, have just about doubled this cost in the past two years. A concerted effort is being undertaken to examine the situation and seek a reasonable means of reducing, or at least halting further growth in, these costs without jeopardizing the provision of necessary health care services.

18- 415642

TRUST TERRITORY HEALTH SERVICES

PATIENT ADMISSIONS

District & Sub-Hospitals	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975
Marianas	1,788	1,666	1,685	2,014	2,180
Marshalls	1,594	1,811	2,036	2,294	2,022
Palau	2,297	2,032	2,114	2,118	1,964
Ponape	1,979	2,148	2,086	2,336	2,057
Truk	2,481	2,663	2,689	3,335	3,544
Yap	<u>644</u>	<u>741</u>	<u>899</u>	<u>774</u>	<u>670</u>
Total	<u>10,783</u>	<u>11,061</u>	<u>11,509</u>	<u>12,871</u>	<u>12,464</u>
Rota	349	458	472	420	402
Ebeye	504	701	706	1,108	1,319
Kusaie	<u>673</u>	<u>679</u> 3/	<u>685</u> 3/	<u>691</u>	<u>691</u> 4/
Total	<u>1,526</u>	<u>1,838</u>	<u>1,863</u>	<u>2,219</u>	<u>2,412</u>
Grand Total	<u>12,309</u>	<u>12,899</u>	<u>13,372</u>	<u>15,090</u>	<u>14,876</u>

3/ Data estimated by extrapolation for FY 1972 and 1973 hospital statistical reports not received as of January 15, 1975.

4/ Kusaie last year figure is re-entered in FY 1975 due to the fact that no hospital statistical reports for the FY 1975 received as of September 3, 1975.

18- 415643

Trust Territory of the Pacific Islands

Utilization of Hospital Facilities

Fiscal Year 1975

<u>District Hospitals</u>	<u>Beds Available</u>	<u>Average Daily Census</u>	<u>Percent of Occupancy Days</u>	<u>Total Census Days</u>	<u>Out-Patient Visits</u>
Marianas	92	53	58	19,361	41,992
Marshalls	88	72	82	26,263	43,156
Palau	92	40	43	14,609	38,558
Ponape	68	38	56	13,814	42,986
Truk	125	79	63	28,759	55,801
Yap	<u>33</u>	<u>13</u>	39	<u>4,907</u>	<u>14,005</u>
Total	<u>498</u>	<u>295</u>	59	<u>107,713</u>	<u>236,498</u>
<u>Sub-Hospitals</u>					
Rota	12	5	42	1,775	12,858
Ebeye	22	19	86	7,022 <u>1/</u>	26,619 <u>1/</u>
Kusaie	<u>14</u>	<u>7</u>	50	<u>2,377</u> <u>2/</u>	<u>4,790</u> <u>2/</u>
Total	<u>48</u>	<u>31</u>	65	<u>11,174</u>	<u>44,267</u>
Grand Total	<u>546</u>	<u>326</u>	60	<u>118,887</u>	<u>280,765</u>

1/ Data estimated by extrapolation for FY 1975 hospital statistical report not received as of September 3, 1975.

2/ Kusaie last year figure is re-entered in FY 1975 due to the fact that no hospital statistical reports for FY 1975 received as of September 3, 1975.

18- 415644

Trust Territory of the Pacific Islands

(2) Education: Fiscal Year 1976, \$13,362,100; Fiscal Year 1977, \$15,225,300; an increase of \$1,863,200.

The increase consists of:

<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(i) +\$118,120	+3	\$1,154,820	145	Administration -- annualization of costs of new salary schedule in effect during 7 months of FY 76 plus establishment of 3 new positions required to administer the expanding school system.
(ii) + \$928,120	+28	7,402,720	1,475	Elementary schools -- annualization of salary increases, as above, plus establishment of 28 new positions required to staff and operate new elementary schools planned for completion prior to the 76/77 school-year and procurement of additional supplies and equipment needed for new schools and expanding enrollment in existing schools.
(iii) + 525,060	+24	4,001,760	580	Secondary schools -- same explanation as for elementary schools, above, except that 24 new positions are required.

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Trust Territory of the Pacific Islands

	<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(iv)	+2,520	-	621,320	10	Scholarship program -- annualization of salary increases, as above, plus increased travel and tuition costs for scholarships awarded for higher education outside the Trust Territory.
(v)	+100,500	+5	983,800	124	Micronesian Occupational Center -- annualization of salary increases, as above, plus establishment of 5 new positions and procurement of additional supplies and equipment for expanding enrollment in this school.
(vi)	+129,240	+4	569,240	55	Community College of Micronesia -- same explanation as for the Occupational Center, above, except that 4 new positions are required.
(vii)	+38,840	+2	258,840	20	Trust Territory School of Nursing -- same explanation as for the Occupational Center, above, except that 2 new positions are required.
(viii)	+20,800	-	232,800	-	Aid to non-public schools -- required to cover requests for increased assistance due to rising enrollment and general costs.
	<u>+\$1,863,200</u>	<u>+66</u>	<u>\$15,225,300</u>	<u>2,409</u>	

18- 415646



Trust Territory of the Pacific Islands

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level except for the closing of the Micronesian Maritime Center during FY 1975 (6 positions, total obligations \$41,848) and the transfer of the Trust Territory School of Nursing to the Education from the Health Services Department for which a transfer in the estimates for FY 1976 has been made. Rather, the requested increase in personnel and funding is attributable largely to the need to expand the educational system due to the increasing number of school-age children in the growing population of the Trust Territory. The provision of educational opportunities for all segments of the population is one of the basic obligations assumed by the United States Government under the Trusteeship Agreement. New schools constructed under the Capital Improvement Program must be staffed, supplied, and equipped to make use of these schools for their intended purpose.

Program Description

The Education program is designed to provide the citizens of the Trust Territory with a total education system ranging from preschool, elementary, secondary through higher, continuing and adult education. The system provides for vocational as well as academic education and stresses education for constructive social attitudes in a developing economy.

Education Funding

<u>Program</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	<u>Change</u>
(i) Administration	\$ 1,036,700	\$ 1,154,820	+ 118,120
(ii) Elementary Schools	6,474,600	7,402,720	+ 928,120
(iii) Secondary Schools	3,476,700	4,001,760	+ 525,060
(iv) Scholarship Program	618,800	621,320	+ 2,520
(v) Micronesian Occupational Center	883,300	983,800	+ 100,500
(vi) Community College of Micronesia	440,000	569,240	+ 129,240
(vii) Trust Territory School of Nursing	220,000	258,840	+ 38,840
(viii) Aid to Non-Public Schools	<u>212,000</u>	<u>232,800</u>	<u>+ 20,800</u>
Total	\$13,362,100	\$ 15,225,300	\$+1,863,200

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## Trust Territory of the Pacific Islands

(1) Administration, \$+118,120; total \$1,154,820.

The Director of Education is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territory Education Program. He is assisted in meeting this responsibility by a team of education specialists with public education backgrounds who are skilled in all facets of providing the citizens of the Trust Territory with a total education system from pre-school, through elementary, secondary, higher and continuing, to adult education providing along with academic studies both vocational instruction as well as education for constructive social attitudes to enable Trust Territory citizens to participate fully in the development of Micronesia. The Trust Territory Board of Education, of which the Director of Education is the Executive Officer, has broad advisory powers in defining educational objectives and policies to guide the development of the Trust Territory educational system. A Board of Education has been established in each of the six districts of the Territory; their functions parallel in their districts the work of the Trust Territory Board of Education.

(ii) Elementary Schools, \$+928,120; total \$7,402,720.

The Public elementary school program provides eight years of schooling for the children of Micronesia in a system planned to consist of 1,198 elementary classrooms in 224 schools with an estimated enrollment of 30,900 by FY 1977. This is an increase from the FY 1976 estimated enrollment of 29,000. 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 sociological and geographical conditions it is impractical to consolidate these schools. The curriculum design and development includes language arts, mathematics, social studies, science and health, homemaking, and vocational subjects.

A major effort for improvement in teaching capability is being made by restricting new teacher employment to high school graduates. Upgrading is being done by conducting intensive inservice training programs within each district, redesigning projects to support teacher training programs in each district, developing standardized approaches for curriculum design for Micronesia, shifting and redesigning organizational structures, starting programs to strengthen the supervisory and administrative support throughout Micronesia, and more effective recruitment. Additionally, special training programs at the East-West Center in Hawaii for Micronesian administrators and supervisors will be continued.

18- 415648

## Trust Territory of the Pacific Islands

The development and adoption of curriculum materials that are culturally and geographically oriented to Micronesia has increased to the point where districts can expect prototype copies of curriculum materials for use in five grades of science and five grades of mathematics. Three years of bilingual/vernacular reading materials specifically developed for Micronesia are now available.

(iii) Secondary Schools, \$+525,060; total \$4,001,760.

The public secondary school program normally provides four years of schooling in grades nine through twelve, though there is an emerging pattern of Junior High School and Post-Elementary Schools in at least three districts: Yap, Truk, and Marianas. An estimated enrollment of 7,970 in grades 9-12 is expected in FY 1977, an increase of about 1,670 compared to the FY 1976 enrollment of 6,300. In the three eastern districts, the lack of either dormitory and/or instructional facilities make it necessary to limit enrollment on a selective basis. During FY 1977, limitations on enrollment will continue in spite of accelerated facility construction. Some of the public secondary schools provide dormitory accommodations, and the percentage of dormitory students ranges from 9% to approximately 80% for those schools located in district centers and is about 82% at the Outer Islands High School in Yap District. The 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 bused. In other districts significant numbers of students also come to the district centers and live in private homes.

The instructional program in the secondary schools has been largely one of general education, but is being reevaluated for making changes which will meet Micronesian values and needs. It presently includes communications skills, arithmetic and basic mathematics, social studies, and physical and biological science at the introductory levels. In these general high schools, agriculture, industrial education, carpentry, boat and auto mechanics, electricity, drafting, homemaking, business (general business, typing, bookkeeping, business arithmetic, office practice) and physical education are included 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 achievement levels based on U.S. standardized tests.

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(iv) Scholarship program, \$+2,520; total \$621,320.

The Scholarship Office administers a program that provides full and partial scholarships 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, Japan and the Philippines. A full scholarship includes all costs pertaining to the pursuit of a degree while a partial scholarship may include tuition only, transportation, or such partial help as the student might need. This Office also coordinates such training programs as are sponsored by the Presidential Classroom for Young Americans, American Field Service, Exploration Scholarship Program, East-West Center Scholarships, Government of Guam Scholarships, U.S. Merchant Marine Academy, and other scholarships and training programs that become available. It is estimated that 900 scholarships will be awarded in FY 1977, an increase of 50 awards over the 850 FY 1976 estimates.

(v) Micronesian Occupational Center, \$+100,500; total \$983,800.

The program at this Center offers courses in twenty-two (22) different occupational choices. Included are such vitally needed trades as appliance, automotive, air conditioning, and heavy equipment maintenance and repair, welding, electrical, plumbing, and institutional food preparation and serving. Anticipated enrollment for FY 1977 will be 450 compared to the 396 actual enrollment for FY 1976, an increase made possible by the completion of the fourth dormitory.

The Department of Education continues to place a strong emphasis on training and upgrading Micronesians to meet the challenges of Micronesia for today and for the future. In keeping with that emphasis, Micronesian Occupational Center 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 for which they are capable, either in the private sector or in governmental agencies.

(vi) Community College of Micronesia, \$+129,240; total \$569,240.

This is a two-year college now specializing 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 supervised student teaching in elementary classrooms complete the course of training. The initiation of liberal arts and preparatory programs constituted a significant addition during FY 1976.

## Trust Territory of the Pacific Islands

In FY 1976, the Community College of Micronesia will have a total enrollment of 186 full-time students. Enrollment for FY 1977 is expected to increase to 200 students. All students at Community College of Micronesia are on scholarship which covers their transportation to and from the school, room and board, and books. Presently, Community College of Micronesia awards the Associate in Science degree in Education. In June 1975, 54 graduates were awarded this degree.

(vii) Trust Territory School of Nursing, \$+38,840; total \$258,840.

This School, which was transferred during FY 1975 from the Health Services to the Education Department, provides nursing education and training to scholarship recipients, a 27-month course of study in both Clinical and Public Health Nursing leading to an Associate in Science Degree from the University of Guam.

Students are provided with transportation to and from their respective districts, school uniforms, books, room and board, graduation uniform, diplomas from Trust Territory School of Nursing and from the University of Guam. The students are also provided a stipend to cover personal and hygienic necessities. Enrollment is estimated at approximately 68 in FY 1977, an increase of 30 students over the 38 FY 1976 enrollment.

(viii) Aid to Non-Public Schools, \$+20,800; total \$232,800.

This program was created under Congress of Micronesia Public Law 3-36 which 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 nursing services, supplies and apparatus, and feeding programs.

The Trust Territory has 17 non-public elementary schools with an estimated enrollment of 2,700 students and 14 non-public junior and senior high schools with an estimated enrollment of 1,800.

The ratio of costs per elementary pupil to cost per secondary pupil in public schools is approximately one to three. This same ratio is used in allocating funds to non-public schools; for every \$1 given to elementary pupils, \$3 is given for secondary pupils. The individual schools use the funds for the purposes outlined above.

There are no staff members paid from these funds.

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TTPI 43

Trust Territory of the Pacific Islands

(3) Public Affairs: Fiscal Year 1976, \$1,724,200 Fiscal Year 1977, \$1,836,100; an increase of \$111,900. The increase consists of:

	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(i)	\$+ 7,800	-	\$ 175,900	11	Administration -- annualization of costs of new salary schedule in effect during 7 months of FY 1976 plus increased travel costs and procurement of office equipment to replace deteriorated equipment no longer usable.
(ii)	\$+ 6,800	-1	220,000	18	Public Information -- net increase for annualization of salary increases, as above, partially offset by the elimination of one non-Micronesian position on expiration of contract in mid-FY 1977.
(iii)	+28,500	-	370,000	75	Broadcasting -- annualization of salary increases, as above, plus replacement of some broadcasting equipment deteriorated beyond further usability.
(iv)	+19,000	-	175,000	18	Civic Affairs -- annualization of salary increases, as above, plus increased travel and conference costs to further the education for self-government program.
(v)	+11,200	-	220,000	32	Legislative Affairs -- annualization of salary increases, as above.

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	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(vi)	\$ +22,000	-	\$ 335,000	42	Community development - annualization of salary increases, as above.
(vii)	+16,608	-	340,200	17	Grant-in-aid -- annualization of salary increases, as above, plus increased costs for materials and equipment required to support self-help projects in sparsely populated areas.
	<u>\$+111,900</u>	<u>-1</u>	<u>\$1,836,100</u>	<u>213</u>	

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level except for elimination of further support for the housing loan fund after FY 1975 (no positions, total obligations \$250,000). Rather, the requested increase in required funding is attributable largely to the need to fund for the full year the increased personnel costs resulting from the new salary schedule which was in effect for only seven months during FY 1976.

Program Description

The varied activities in the Public Affairs program have the common purpose of providing the citizens of the Trust Territory with informational services, assistance and guidance intended to enhance their self-reliance and develop their potential for understanding and participation in the affairs of their government under the Trusteeship in order to prepare themselves for effective self-government when the Trusteeship is terminated.

Trust Territory of the Pacific Islands

Public Affairs Funding

<u>Program</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>Change</u>
(i) Administration	\$ 168,100	\$ 175,900	\$ + 7,800
(ii) Public Information	213,200	220,000	+ 6,800
(iii) Broadcasting	341,500	370,000	+28,500
(iv) Civic Affairs	156,000	175,000	+19,000
(v) Legislative Affairs	208,800	220,000	+11,200
(vi) Community Development	313,000	335,000	+22,000
(vii) Grant-in-Aid	323,600	340,200	+16,600
Total	<u>\$1,724,200</u>	<u>\$1,836,100</u>	<u>\$+111,900</u>

(i) Administration, \$+ 7,800; total \$175,900.

The Director of Public Affairs is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial Public Affairs Program. He is assisted in meeting this responsibility by a team of public affairs specialists who are skilled in all facets of assisting the citizens of the Trust Territory to cope with the changing nature of their society, the political changes in their governance under the Trusteeship, and to develop their potential for responding to these changes in ways which will best serve them to capably manage their own affairs on termination of the Trusteeship no matter what form of government they choose to replace the Trust Territory Government.

(ii) Public Information, \$ +6,800 ; total \$220,000.

There are three primary public information functions supported by the funds requested for this activity: (1) operation of the Micronesian News Service by which reports on Trust Territory news events are distributed for broadcast over the district radio stations and publication in district newspapers; (2) preparation and distribution of information on Micronesia in general and the Trust Territory Government in particular to persons, and organizations outside the Trust Territory, and to other governments, who request such information; and (3) the publication and distribution of brochures, handbooks and periodic reports such as the annual reports to the United Nations and to the Secretary of the Interior. As greater international interest in events in the Trust Territory appears to be developing, public and press relations is becoming an increasingly important activity.

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Trust Territory of the Pacific Islands

(iii) Broadcasting, \$+28,500; total \$370,000.

This activity supports the operation and maintenance of the six district general broadcasting stations which are on the air for about 18 hours every day providing the citizens and residents of the Trust Territory with news, entertainment, and general information and educational programs. These stations also provide a direct communication link between district centers and outlying villages and islands which have no other means of communication, bringing information vital to the preservation of life and property at times when there is danger from threatening weather or other potential disaster conditions.

(iv) Civic Affairs, \$+19,000; total \$175,000.

On the premise that their understanding of, and participation in, the affairs of their present government at the territorial, district and municipal levels will better enable the citizens of the Trust Territory to choose the form of self-government they want to succeed the present government when the Trusteeship is terminated and prepare themselves to operate that government, the funds requested under this heading are required for preparing discussion materials for political education conferences and workshops, leading such group gatherings and generally encouraging the development of the average citizen's potential to contribute meaningfully to the dialogue on the future political status of Micronesia.

(v) Legislative Affairs, \$+11,200; total \$220,000.

The principal function supported by this activity is the maintenance of liaison between the Executive and Legislative Branches of the Trust Territory Government to ensure the clearance and general coordination of legislative proposals and enactments at both the territorial and the district levels of the government. Provision is made for the drafting and clearance within the Executive Branch of legislative proposals to be presented for the consideration of the Congress of Micronesia or the Legislatures in each District and the coordination and presentation of Executive Branch commentary on bills initiated within the Legislative Branch. Legislative proposals enacted into law are reviewed and components of the Executive Branch which have responsibility for ensuring that the provisions of the law are observed are advised to take appropriate actions. The District Legislative Affairs Offices are also responsible for participation in conducting elections for seats in the Municipal Councils, District Legislatures and the Congress of Micronesia.

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(vi) Community Development, \$+22,000; total \$335,000.

These funds provide support for the coordination of several vital social program services with the main task essentially being institution building and of channeling latent civic energies of Trust Territory citizens toward self-improvement and successful utilization of new ideas and resources. This includes not only providing and/or coordinating technical advice for self-help activities, but also community education broadcasting, traveling home-project demonstration teams, a delinquency prevention program and services to the elderly as well as to youth and special interest groups.

(vii) Grant-in-Aid, \$ +16,600; total \$340,200.

An extension of the community development activity, the grant-in-aid activity provides financial support and technical assistance to communities in planning and executing community projects where the capacity to build, operate and maintain needed public facilities or services exists but where local cash resources are inadequate to cover the whole cost of such projects. Apart from producing a tangible facility such as a community hall, or a useful service such as a ferry to a neighboring island, the successful completion of such community projects serves to create and foster the development of community capability to plan and implement self-help projects and provides a source of local pride for the fruits of such efforts.

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(4) Resources and Development: Fiscal Year 1976, \$5,709,800; Fiscal Year 1977, \$5,871,100; an increase of \$161,300. The increase consists of:

	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(i)	\$ +7,000	-	\$ 90,000	6	Administration -- annualization of costs of new salary schedule in effect during 7 months of FY 1976 plus increased travel costs.
(ii)	\$ + 7,400	+6	1,827,600	286	Agriculture -- annualization of salary increases, as above, plus 8 new positions required to continue expansion of agricultural programs to meet increased production goals.
(iii)	+20,900	-	600,000	60	Economic Development -- annualization of salary increases, as above.
(iv)	+ 41,900	-	1,900,000	202	Lands and surveys -- annualization of salary increases, as above.
(v)	+27,100	-	604,000	65	Marine resources -- annualization of salary increases, as above, plus increased travel costs.
(vi)	+47,000	-	774,500	255	Land Commissions -- annualization of salary increases, as above.
(vii)	+10,000	-	75,000	17	Labor -- annualization of salary increases, as above.
	<u>\$ + 161,300</u>	<u>+6</u>	<u>\$5,871,100</u>	<u>891</u>	

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In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level except that the lands and surveys activity has been returned to a normal level of operations following its acceleration in FY 1975 (no change in permanent positions; reduction in obligations, \$2,121,000). Rather, the requested increase in funding the FY 1977 Resources and Development program over the FY 1976 level is due almost entirely to the need to fund for the full year the increased personnel costs resulting from the new salary schedule which was in effect for only seven months during FY 1976.

Program Description

The Resources and Development program is designed to assist the citizens of the Trust Territory to develop the Territory's economic resources so that its subsistence aspects become supplementary to a basic money economy which will be able to support the increasing needs of the growing population and self-government when the Trusteeship is terminated.

Resources and Development Funding

<u>Program</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	<u>Change</u>
(i) Administration	\$ 83,000	\$ 90,000	\$ +7,000
(ii) Agriculture	1,820,200	1,827,600	+7,400
(iii) Economic Development	579,100	600,000	+20,900
(iv) Lands and Surveys	1,858,100	1,900,000	+41,900
(v) Marine Resources	576,900	604,000	+27,100
(vi) Land Commissions	727,500	774,500	+47,000
(vii) Labor	65,000	75,000	+10,000
<b>Total</b>	<u>\$5,709,800</u>	<u>\$5,871,100</u>	<u>\$+161,300</u>

(i) Administration, \$+7,000; total \$90,000.

The Director of Resources and Development is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial Resources and Development Program. He is assisted in meeting this responsibility by a team of specialists and technical advisors who coordinate programs in business development and tourism; administer copra purchasing agreements and development loan funds; assist in the development of local cooperations, credit unions, small business and other commercial activities; and assist in the development and management of land, marine and agricultural resources.

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(ii) Agriculture, \$ + 7,400; total \$1,827,600.

This activity supports the development of commercial agricultural production so that subsistence farming is supplemented first, to reduce the need for agricultural imports and second, to provide a source of income from the export of products excess to local requirements. Of the somewhat more than 450,000 acres of land area which comprises the Trust Territory, about 15,600 acres are under cultivation largely for subsistence farming. About 82,800 acres are planted with tree crops -- primarily, coconut, breadfruit and pandanas. Forest land, pasture land and savannahs amount to about 266,000 acres. The remaining acreage is largely mountainous or low-lying land unsuitable for agricultural purposes. Apart from the production of fruits and vegetables, livestock production is increasing with emphasis on poultry, swine and cattle production. A 7,000 acre hog, cattle, sheep and dairy ranch being developed on Tinian in the Marianas District through the efforts of a Micronesian corporation with substantial U.S. citizen ownership, is in operation with 3,000 hogs, 5,000 cattle, 700 dairy cows and a small number of sheep. Its meat production has already reached a point where it is reaching export markets in substantial quantities.

(iii) Economic Development, \$+20,900; total \$600,000.

Funds requested to support economic development are used to: (1) provide necessary management and business advisory services to the Micronesian business community, including specialized assistance in the preparation of marketing and investment studies; (2) promote and assist in the development of tourism and related service enterprises; (3) provide administrative and technical support in operation of the Economic Development Loan Fund and other loan funds available to promote private enterprises; and (4) support the District Economic Development Boards in the analysis of business permit applications and monitoring the activities of foreign investors in enterprises operating in the Trust Territory. Evidence of success in these endeavors is seen in the continuing growth of new business starts, tourism, foreign investment and other indicators of a strengthening private economy in the Trust Territory. Preliminary data for FY 1975 indicates direct income from tourism to have been in excess of \$5 million as compared to income of about \$8 million from agricultural, seafood and other products.

(iv) Lands and Surveys, \$+ 41,900; total \$1,900,000

Acceleration of the lands and surveys activity in FY's 1974 and 1975 in conjunction with the return of public lands to district control is to be somewhat slowed in FY's 1976 and 1977, but each of these

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years include \$1 million to complete the surveying, mapping, land use inventorying and registration program. These funds also support the real property management program which provides for: (1) coordinating the acquisition of private lands for public use and benefit and the homesteading and/or leasing of public lands; (2) investigating property damage claims; (3) reviewing non-citizen leases of land; and (4) the determination of land values. Examination and analysis of data available from the ongoing surveying and mapping effort indicates that the land area of the Trust Territory above the mapped water line amounts to 707.5 square miles or 452.8 thousand acres.

(v) Marine Resources, \$+27,100; total \$604,000.

These funds are required to support the development of the harvesting of the marine flora and fauna in Trust Territory waters for both local use and export while, at the same time, conserving those resources and protecting them from incursions by natural predators and intruders in these waters. Through the development and operation of the Mariculture Demonstration Center in the Palau District, a beginning is being made in oyster, shrimp and rabbitfish farming which will provide a means for introducing commercial mariculture production in the Trust Territory in areas which are suitable for such farming. Particular efforts are being made to promote the development of commercial tuna fishing through the procurement and operation, by Micronesian fishermen, of specially-designed vessels for bait-fishing for tuna which is the best method for such fishing in Trust Territory waters.

(vi) Land Commissions, \$+47,000; total \$774,500.

These Commissions were established pursuant to Title 67 Trust Territory Code 101-103 to provide a systematic and geographical approach to the investigation and determination of the ownership of all land in the Trust Territory. The Commissions, or land courts, are in operation in all but the Marshalls District which has asked to delay the establishment of a land commission for a few years. Land registration teams, comprised of five or more citizens who have resided for at least ten years in a given municipality, investigate claims of land ownership in the area and report their findings to the Commissions which then makes a determination of ownership which is final if not appealed within 120 days after the determination notice is posted. Appeals are adjudicated by the High Court and its decisions are final. The land registration program is proceeding on a schedule in which it is planned that most of the lands in and near the district centers will be registered by FY 1977. In the Marianas District, it is estimated that all land ownership will have been determined and titles registered by FY 1977 except for disputed ownership which must be determined by the courts.

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(vii) Labor, \$+10,000; total \$75,000

The principal task performed under this heading is administration of the Protection of Resident Workers Act, Title 49 of the Trust Territory Code, which has been in effect since January 1, 1970. This involves the regulation and control of the importation of alien workers; the operation of employment service offices in each district to assist citizens of the Trust Territory to find employment; and the administration of all manpower programs and other matters related to working conditions and employment in the Trust Territory, including operation of the occupational safety and health program in cooperation with the U.S. Department of Labor.

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(5) Protection of Persons and Property: Fiscal Year 1976, \$2,872,600; Fiscal Year 1977, \$3,095,400; an increase of \$222,800. The increase consists of:

<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(i) \$+ 18,700	+3	\$ 578,400	45	Attorney General -- annualization of costs of new salary schedule in effect during 7 months of FY 76 plus establishment of 3 new positions required to meet the expanding caseload and legal services requirements.
(ii) +131,600	+6	1,700,000	325	Public safety -- annualization of salary increases, as above, plus establishment of 6 new positions required to cope with the increasing incidence of crime and to develop preventative programs.
(iii) +24,600	+3	170,000	31	Immigration -- annualization of salary increases, as above, plus establishment of 3 new positions required to handle the increasing flow of tourists to the Trust Territory.

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<u>Amount</u>	<u>Positions</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
(iv) +\$23,400	-	\$ 330,000	46	Local Judiciary -- annualization of salary increases, as above, plus the procurement of necessary office equipment and furnishings needed following completion of remodelling work on court rooms and offices.
(v) +24,500	-	317,000	34	Public Defender -- annualization of salary increases, as above, plus coverage of addi- tional costs to handle an increasing case workload.
<u>\$ + 222,800</u>	<u>+12</u>	<u>\$3,095,400</u>	<u>481</u>	

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level. Rather, the requested increase in funding is largely attributable to the annualization of salary increases effective for only 7 months in FY 1976 with a much smaller part of the increase needed to establish 12 new positions required to cope with the constantly growing legal services and caseload work as the societal framework of the Trust Territory becomes more complex.

Program Description

While all five activities in the Protection of Persons and Property program have a common basis in their relationship to Trust Territory legal and regulatory matters, the "Local Judiciary" activity is an integral portion of the Judiciary Branch, and the Public Defender operates independently of the Attorney General who is responsible for the first three of the five activities. Those three activities have the common purpose of providing both the Trust Territory Government and the residents of the Trust Territory with the entire gamut

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of legal and protective services necessary to ensure the public safety and guarantee the preservation of legal rights. In addition, the Attorney General is responsible for providing legal services required by the High Commissioner and the headquarters staff of the Trust Territory including representing the Trust Territory in civil cases involving headquarters-level matters. The District Attorneys represent the Trust Territory in all criminal cases tried before the Territorial High Court and in civil cases involving district-level matters. As the chief legal officers in their districts, they also are responsible for advising the district administrator and his staff on all legal matters concerning the district administration.

Protection of Persons and Property Funding

<u>Program</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	<u>Change</u>
(i) Attorney General	\$ 559,700	\$ 578,400	+ 18,700
(ii) Public Safety	1,568,400	1,700,000	+131,600
(iii) Immigration	145,400	170,000	+24,600
(iv) Local Judiciary	306,600	330,000	+23,400
(v) Public Defender	<u>292,500</u>	<u>317,000</u>	<u>+24,500</u>
Total	<u>\$ 2,872,600</u>	<u>\$3,095,400</u>	<u>\$ +222,800</u>

(i) Attorney General, \$+18,700; total \$578,400.

The Attorney General is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of Territorial legal matters excluding these matters under the jurisdiction of the Judiciary Branch and the Public Defender. He is assisted in meeting this responsibility by a staff at the Territorial headquarters level of assistant attorneys general and specialists in public safety and immigration matters and, at the district level, by the six district attorneys.

(ii) Public safety, +\$131,600; total \$1,700,000.

Funds requested for public safety are required to provide for Territorial law enforcement and maintenance of jails, fire fighting, registration and inspection of vehicles, licensing of motorists and firearms, and coordinating the disposal of ordnance remaining from World War II.

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Along with the growth of the citizen population, increasing numbers of alien workers, rising tourist visits and an expanding money economy, the incidence of crime in the Trust Territory is increasing -- particularly, among juveniles. To meet this growing problem, it is clear that not only is more stringent enforcement of the law required to protect the general public but steps must be taken to develop effective crime prevention measures which will serve to at least slow down, if not stop, further increases in crime rates.

(iii) Immigration, +\$24,600; total \$170,000.

These funds support the administration of the laws (Title 53, Trust Territory Code) which provide for the control of the entrance into, movement within and departure from the Trust Territory of persons, vessels and aircraft. Immigration personnel at airports and docks perform inspections of materials brought into the Territory, check passports and visas of entrants and issue visitor permits for specific periods to qualified entrants. Provision is also made for the issuance of Trust Territory passports to citizens and for the performance of necessary assistance in U.S. Consular functions. Rising tourism, encouraged by the opening of new airports, expansion and improvement of existing airports and the construction of hotels and restaurants, requires expansion of the immigration staff to handle the additional workload.

(iv) Local Judiciary, +\$23,400; total \$330,000.

As noted earlier in the "Direct Appropriation" section of this budget presentation under the "Judiciary" activity, that part of the Trust Territory budget is the source of funds required to support the High Court of the Trust Territory. The "Local Judiciary" activity is the source of support for the functioning of the District and Community Courts. As stated earlier, however, despite its two separate funding sources within the Trust Territory budget, these funds are largely treated in actual practice as common funds for the support of the Judiciary Branch as a whole.

The Local Judiciary is composed of six district courts, and one-hundred-twenty-five community courts. All courts are staffed entirely by Micronesians except for the judges of Kwajalein Community Court, who serve without extra compensation for their judicial duties at the U.S. Army's Kwajalein Test Site.

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Each District Court has original jurisdiction, concurrently with the Trial Division of the High Court, 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.

Each Community Court has original jurisdiction, concurrently with the Trial Division of the High Court and the relevant District Court, in all civil cases where the amount claimed or value of the property involved does not exceed \$100, except admiralty and maritime matters and 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.

The statistical data following the "Judiciary" activity in the "Direct Appropriation" section lists the number of court cases filed and disposed of before the various courts for the dates listed.

(v) Public Defender, +\$24,500; total \$317,000.

These funds support the Public Defender System in the Trust Territory which provides legal counsel to any resident of the Territory requiring representation in all types of criminal and civil court or administrative proceedings, particularly where the Trust Territory Government is an adverse party, investigating and recording facts surrounding each case and advising clients of their legal rights. Although under the nominal authority and supervision of the High Commissioner, by virtue of the nature of his work and in order to preserve his professional integrity, the Public Defender is guaranteed a free hand in performing the functions for which he is responsible.

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(6) Administration: Fiscal Year 1976, \$5,890,600; Fiscal Year 1977, \$6,769,100; an increase of \$878,500. The increase consists of:

	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(i)	+\$185,700	+6	\$1,309,800	123	District administration--annualization of costs of new salary schedule in effect during 7 months of FY 1976 plus establishment of 6 new positions required to staff the Kusaie District to be established at the beginning of FY 1977.
(ii)	+5,900	-	332,000	18	Administrative services--annualization of salary increases, as above.
(iii)	+ 443,494	+18	2,843,500	404	Finance and supply -- annualization of salary increases, as above, plus establishment of 18 new positions and installation of additional data processing equipment required for continuing development of improved financial management system.
(iv)	+44,600	+1	665,000	74	Personnel services -- annualization of salary increases, as above, plus one new position for new Kusaie District.
(v)	+50,000	-	300,000	-	Leased housing fund -- leasing of additional housing units for new personnel.
(vi)	+5,000	-	115,000	7	Internal audit -- annualization of salary increases, as above, plus replacement of deteriorated equipment.

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	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(vii)	\$ -2,794	-1	\$ 210,000	8	Program and budget -- net decrease resulting from annualization of salary increases, as above, which is more than offset by elimination of one position.
(viii)	+111,600	-	593,800	-	Personnel benefits -- required to provide authorized benefits for new personnel.
(ix)	+2,000	-	25,000	3	Disaster control -- annualization of salary increases, as above, plus additional travel required for on-site examination of district disaster control activities.
(x)	+33,000	+3	375,000	23	Territorial planning -- annualization of salary increases, as above, plus establishment of 2 new positions to assist in development of comprehensive plan and one new position for the Kusaie District.

<u>\$ +878,500</u>	<u>+27</u>	<u>\$6,769,100</u>	<u>660</u>
◆=====	===	=====	=====

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level except for: (1) inclusion in FY 1976 funding of the Territorial planning function (previously funded with Capital Improvement Program funds), the San Francisco Procurement Office (previously funded from surcharges levied on procurement orders) and the initiation of a two-year program to develop and install an improved financial management system to obtain better control of Trust Territory funds; and (2) the establishment in FY 1977 of the Kusaie sub-District of the Ponape District as a

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separate district due to its relatively large population and remote location in relation to the Ponape District center. With these exceptions, which are not of a major program change nature, the rather large increase requested for "Administration" funding support is about equally divided among: (1) annualization of the costs of the new salary schedule in effect during seven months of FY 1976; (2) second-year costs of installing the improved financial management system; (3) requirements for additional housing and benefits for new personnel; and (4) administrative staffing of the new Kusale District.

### Program Description

The rather wide array of activities grouped under the "Administration" heading are, as indicated by their designations, all essentially Trust Territory Government service functions commonly required in all large organizations to facilitate their operations. While there is no one official designated as the formal head of all these activities, the Executive Officer is informally responsible for the coordination of these services on a day to day basis. Officially, however, the 6 District Administrators, the Directors of Finance and of Personnel, the Territorial Planning Officer, the Chief Auditor and the Program and Budget Officer report directly to the High Commissioner.

### Administration Funding

<u>Program</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>Change</u>
(i) District Administration	\$1,124,100	\$1,309,800	+\$185,700
(ii) Administrative Services	326,100	332,000	+5,900
(iii) Finance and Supply	2,400,006	2,843,500	+443,494
(iv) Personnel Services	620,400	665,000	+44,600
(v) Leased Housing Fund	250,000	300,000	+50,000
(vi) Internal Audit	110,000	115,000	+5,000
(vii) Program and Budget	212,794	210,000	-2,794
(viii) Personnel Benefits	482,200	593,800	+111,600
(ix) Disaster Control	23,000	25,000	+2,000
(x) Territorial Planning	<u>342,000</u>	<u>375,000</u>	<u>+33,000</u>
	<u>\$5,890,600</u>	<u>\$6,769,100</u>	<u>+\$788,500</u>

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(i) District Administration, \$+185,700; total \$1,309,800.

Each of the 6 District Administrators is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of all operations, programs and functions of the Territory within the area of his jurisdiction. He is also responsible for executing all district laws. He is assisted in meeting his responsibility by a staff of officers and a number of departments paralleling those at the Territorial headquarters level. In furtherance of implementing the decentralization of authority and responsibility from the headquarters to the district level, and to equate fiscal authority and responsibility with managerial authority and responsibility, funds required for the support of district operations are now being allotted directly to each District Administrator rather than through headquarters department directors, and accounting for allotted funds is being performed at the district level for consolidation, review and audit at the headquarters level.

(ii) Administrative Services, \$+5,900; total \$332,000.

Funding support is requested under this heading for the following Territorial headquarters level activities: management services (provision of mail and messenger service); executive office operations (High Commissioner's official entertainment costs); and the Liaison Offices located at Guam, Honolulu and Okinawa to serve as a local point of contact and provide such services and assistance as may be required in those areas. Funding requirements are distributed as follows:

<u>Activity</u>	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>Change</u>	<u>FY 1977</u> <u>Estimate</u>
Management Services	\$ 82,344	\$ 82,300	\$+3,900	\$ 86,200
Executive Office Operations	17,957	18,000	+2,000	20,000
Liaison Office - Guam	109,324	109,300	---	109,300
Liaison Office - Honolulu	55,301	55,300	---	55,300
Liaison Office - Okinawa	<u>67,698</u>	<u>61,200</u>	<u>---</u>	<u>61,200</u>
<b>Total</b>	<u><b>\$332,624</b></u>	<u><b>\$326,100</b></u>	<u><b>\$+5,900</b></u>	<u><b>\$332,000</b></u>

(iii) Finance and Supply, \$+443,494; total \$2,843,500.

The Director of Finance is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of: (1) the receipt,

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disbursement, accounting and reporting on the use made of all funds available to the Trust Territory Government; (2) the procurement, receipt, warehousing, issuance of and record-keeping on supplies and equipment (with the exception of medical supplies and equipment and small local purchases) required to support the operation of the Trust Territory Government; and (3) the Data Processing Center at the Territorial headquarters whose workload at the present time is essentially entirely involved in processing payroll and accounting data. At the beginning of FY 1976, initial steps were taken with the assistance of personnel detailed from the Department of the Interior to revamp the Trust Territory Government's financial management system (including accounting; budgeting and data processing) to gain improved control over, and reporting on the use of, all funds available to the Government. The project is expected to take a minimum of two years and the investment of a considerable amount of time and money to produce the required results -- namely, accurate accounting data reported reasonably soon after the close of each month and in a form which is complete and useful for analysis to determine fiscal status and identify problem areas for which management attention is required.

(iv) Personnel Services, \$+44,600; total \$665,000.

The Director of Personnel is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Government's personnel administration system, the principal component of which is the Trust Territory Public Service System which encompasses all categories of Government employees except U.S. Civil Service System personnel. He is assisted in meeting this responsibility by a staff of personnel specialists at the headquarters level who perform recruitment, classification and compensation; employee relations, housing assignment and employee training functions in accordance with the Public Service System Code of Public Regulations and, for U.S. Civil Service personnel, applicable provisions of U.S. Civil Service laws and regulations. District Personnel Officers on the staff of the District Administrators perform such functions at the district level. Particular emphasis is given to the training of Trust Territory citizens to move into positions occupied by non-Territory citizens in preparation for self-government when the Trusteeship is terminated. The Trust Territory Personnel Board members meet quarterly to review all aspects of personnel policies and administration. The Board also adjudicates personnel grievances and appeals on adverse actions.

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(v) Leased Housing Fund, \$+50,000; total \$300,000.

These funds, controlled by the Director of Personnel, are required to lease and furnish privately-owned housing units for assignment to eligible employees of the Trust Territory Government in cases where government-owned units are not available for assignment. This method of providing needed employee housing arises from the policy proposed by the Congress of Micronesia, and concurred in by the High Commissioner, to discontinue the construction of staff housing. Although the number of non-Trust Territory citizens employed by the Territorial Government decreases each year as citizen employees replace them, unless the citizen employees are assigned in their home districts they are eligible for government-provided housing, or if such housing is not available, for payment of quarters allowances in lieu thereof. The requested increase in this funding is required to provide housing for the additional personnel requested in this budget who may be eligible for government housing and to cover rising costs as leases on present units are renewed.

(vi) Internal Audit, \$+5,000; total \$115,000.

The Chief Auditor is directly responsible to the High Commissioner of the Trust Territory for the conduct of periodic audits of the accounts of the Government and for such special audits as the High Commissioner may direct that he perform. Generally, with his small staff and in view of the comprehensive audits of the Trust Territory Government performed by the Federal Comptroller for Guam and the Trust Territory, the work of the Chief Auditor is confined to the audit of special situations to determine the causes and possible solutions to specific managerial problems.

(vii) Program and Budget, \$-2,794; total \$210,000.

The Program and Budget Officer is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Government's long-range program planning, the programming of resources required to meet program goals established in the planning process, and both the preparation of budgets submitted to support the provision of funds required by the Government and the control of such funds as may be provided to ensure their use for the purposes for which they were provided. He is assisted in meeting this responsibility by a small staff of budget specialists at the headquarters level who provide assistance in program planning, and budget preparation and execution to departmental personnel and review and consolidate

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departmental and district (prepared by District Program and Budget Officers) program plans and budgets for the consideration of the Congress of Micronesia, the Department of the Interior, the Office of Management and Budget, and the United States Congress. In conjunction with initiation of the effort to install an improved financial management system for the Trust Territory, the FY 1976 allotments have been reduced from the 108 allotments by account issued in prior years to 19 allotments by function to equate fiscal responsibility with managerial responsibility.

(viii) Personnel Benefits, \$+111,600; total \$593,800.

These funds, controlled by the Director of Personnel, are required to provide: (1) Trust Territory Government social security benefits to Territory citizen employees of the Government who retire (the Trust Territory Government is committed to pay retirement costs for service prior to 1963); (2) death benefits to survivors of Territory citizen employees of the Government; (3) workmen's compensation insurance; and (4) education allowances for eligible dependents of eligible U.S. citizen employees of the Trust Territory Government. The largest part of the increase requested for these benefits is due to the substantial increase in the educational allowance which rose from \$4,650 per school year per eligible dependent to \$5,300 in October 1974 and to \$6,050 on August 25, 1975.

(ix) Disaster Control, \$+2,000; total \$25,000.

Under the general supervision of the Special Consultant to the High Commissioner, the Disaster Control Officer is responsible for developing and updating on a continuing basis the Trust Territory Plan for Disaster Control, Recovery and Assistance, and for supervision and coordination of temporary relief and permanent recovery following the occurrence of disaster situations.

(x) Territorial Planning, \$+33,000; total \$375,000.

The Territorial Planner is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial comprehensive planning program which includes the physical, social and economic aspects of the development of the Trust Territory in preparation for self-government when the Trusteeship is terminated. He

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is assisted in meeting this responsibility by a small team of planning specialists, largely at the district level, who develop and continuously update district development master plans which provide the basic building blocks for the formulation of a comprehensive program statement for the Trust Territory being developed jointly with the Congress of Micronesia.

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(7) Transportation and Communications: Fiscal Year 1976, \$3,788,500; Fiscal Year 1977, \$3,903,500; an increase of \$115,000. The increase consists of:

	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(i)	\$ +9,500	-	\$ 90,500	3	Administration -- annualization of costs of new salary schedule in effect during 7 months of FY 1976 plus additional travel requirements in connection with the procurement of new interisland ships.
(ii)	+35,900	+3	430,000	38	Transportation -- annualization of salary increases, as above, plus establishment of 3 new positions required to meet increased workload involved in developing transportation projects in the accelerated Capital Improvement Program.
(iii)	+41,500	-	1,233,000	165	Communications -- annualization of salary increases, as above.
(iv)	+28,100	-	2,150,000	-	Sea Transportation -- increase in ship operation costs due largely to increased fuel costs and necessary increases in ship crew wages and benefits.
	<u>\$+ 115,000</u>	<u>+3</u>	<u>\$3,903,500</u>	<u>206</u>	

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level. Rather, the requested increase in required funding is attributable largely to the need to fund for the full year the increased personnel costs resulting from the new salary schedule which was in effect for only seven months during FY 1976. The major part of the remaining portion of the requested increase is due to rising fuel costs and necessary increases in ship crew wages and benefits. It should be noted that,

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since such personnel are not covered under the Trust Territory Public Service Personnel System, they are not counted as employees of the Trust Territory Government. The small increase proposed in the Transportation staff is required to cover the additional ship scheduling and operations workload anticipated with the delivery of new interisland ships to be built with funds provided under the Capital Improvement Program.

### Program Description

The Transportation and Communications program is designed to meet the basic need of the Trust Territory Government and the residents of the Territory for the fast reliable and efficient movement of passengers, cargoes and communications to, from and within the Territory. The provision of these vital services is tremendously complicated by the remote location of the Trust Territory and its widespread geographical dispersion across thousands of miles of the Pacific Ocean. The Transportation and Communications System is being structured in a manner which encourages the participation of Territory citizens in its development and operation in preparation for self-government on termination of the Trusteeship.

### Transportation and Communications Funding

<u>Program</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>Change</u>
(i) Administration	\$ 81,000	\$ 90,500	\$ +9,500
(ii) Transportation	394,100	430,000	+35,900
(iii) Communications	1,191,500	1,233,000	+41,500
(iv) Sea Transportation	<u>2,121,900</u>	<u>2,150,000</u>	<u>+28,100</u>
Total	<u>\$3,788,500</u>	<u>\$3,903,500</u>	<u>\$+ 115,000</u>

(i) Administration, \$+9,500; total \$90,500.

The Director of Transportation and Communications is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial transportation and communications system. He is assisted in meeting this responsibility by a team of transportation and communications specialists who are skilled in all

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facets of developing and operating all modes of public transportation and communications required to meet the needs of the Trust Territory Government, the residents of, and visitors to, the Territory for reliable means of transportation and communications to, from and within the geographically widespread Territory.

(ii) Transportation, \$+35,900; total \$430,000.

These funds are required to support the development and administration of the Trust Territory public transportation system which provides for moving an ever increasing volume of passengers and cargo to, from and within the Territory on safe, reliable and regularly-scheduled land, sea and air carriers. To meet the basic need for sea transportation within the Territory among the widely scattered islands, the Government owns and operates a small fleet of inter-island ships. It also provides some bus service in addition to school busing, but air transportation is provided entirely by scheduled airlines and privately-owned aircraft. Among the specific functions supported by funds requested under this heading are: the regulation and supervision of public carriers operating in the Trust Territory; the scheduling of Government-operated interisland ships; the chartering and supervision of the operation of Government-owned interisland and transocean ships privately operated under such charters; the provision and operation of navigational aids and markers within the Territory; the provision of marine inspection and licensing procedures; and the development of public carrier tariff schedules, approval of routes and operating schedules. Especially important is the support provided for the training of Territory citizens in public transportation planning, operation and management in preparation for self-government upon termination of the Trusteeship.

(iii) Communications, \$+41,500; total \$1,233,000.

Funds requested for this activity support the planning, engineering, operation and maintenance of the modern, sophisticated telecommunications system which has been installed to serve the needs of the Trust Territory Government and the residents of the Territory for a means of fast and reliable communications to, from and within the Territory. A high frequency independent sideband communications network links each of the six district centers to the major relay/control center on Saipan. The relay center provides the necessary interface connections between the districts and to worldwide commercial and governmental systems to provide required international

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telephone and teletype services. A secondary system provides communications between the outer islands and the district centers using over 250 radio installations (both single sideband and very high frequency) installed on all major islands and remote municipalities. This secondary system serves as the only immediate link to the outside world for the approximately 40,000 people who live in these remote areas. Full back-up systems, including power generators, serve to eliminate, or at least reduce, lengthy communications outages which would endanger the lives of these people since medical emergencies, natural disasters, and food and water shortages can and do frequently occur. The major communications facilities are capable of maintaining continuous contacts with shipping and aircraft operating in the Trust Territory, and they maintain a continuous radio guard on a number of frequencies including the international distress facility. Non-directional radio beacons are operated to provide navigational guidance for all ships and aircraft transiting the area. The Trust Territory communications system is a part of the U.S. National Communications System. Trust Territory citizens have been, and are being, trained to take an increasingly larger role in operating, maintaining and managing the Territorial communications system in preparation for self-government upon termination of the Trusteeship.

(iv) Sea Transportation, \$ + 28,100; total \$2,150,000.

These funds provide for: (1) the operation of the Trust Territory's small fleet of interisland ships; (2) costs not recovered by the charter of its even smaller fleet of transocean ships; (3) the operation of Transportation Offices in the Palau, Truk, Ponape and Marshalls Districts; (4) the operation of the small ship repair facility in Palau; and (5) for the maintenance of port facilities in the Trust Territory. The interisland fleet consists of one new ship, the 242-foot MS Micronesian Princess, and nine others of varying ages, sizes and capabilities ranging from the 111-foot MS Truk Islander to the 203-foot MS Pacifica. Eight of these ships are engaged in regular interisland passenger and cargo operations either operated directly by the Government or under charter to private firms owned by Territory citizens. The other two ships are special-purpose vessels: one (the MS Pacifica, noted above) is a landing ship used to deliver heavy equipment by over-the-shore means where docking facilities are not available and the other is a tug used as required for special towing projects. The transocean "fleet" consists of four 338-foot sister ships operated on a charter basis (either time or voyage), generally to private firms owned by Territory citizens, to augment shipping service to and from the Trust Territory which is now provided by a number of international shipping lines since the demise of TransPacific Lines, Inc., which had

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held an exclusive government-protected franchise to provide trans-ocean logistic service to major ports in the Trust Territory. Territory citizen-owned companies perform stevedore, terminal and warehousing functions at the Territorial ports, leasing available facilities from the Government. Published port regulations are generally consistent with commercial regulations throughout the world. The ship repair facility located in the Palau District performs relatively minor repair and maintenance work since it has no dry-docking facilities.

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(8) Public Works: Fiscal Year 1976, \$11,583,800 Fiscal Year 1977, \$12,543,800; an increase of \$960,000 The increase consists of:

	<u>Amount</u>	<u>Posi- tions</u>	<u>Total Program</u>	<u>Total Posi- tions</u>	<u>Explanation</u>
(i)	\$ +67,900	+3	\$ 638,800	38	Administration -- annualization of costs of new salary schedule in effect during 7 months of FY 1976 plus establishment of 3 new positions required to handle increased management workload resulting from acceleration of the Capital Improvement Program.
(ii)	+ 438,900	-	6,195,700	972	Operations and Maintenance -- annualization of salary increases, as above, plus additional costs for POL and other supplies due both to increased prices and increased requirements resulting from completion of new facilities.
(iii)	+453,200	-	5,709,300	475	Utility services -- annualization of salary increases, as above, plus additional costs as indicated above for the operation and maintenance activity.
	<u>\$ + 960,000</u>	<u>+3</u>	<u>\$12,543,800</u>	<u>1,485</u>	

In neither FY 1976 nor FY 1977 is there any significant change in program content from the FY 1975 level. Rather, the requested increase in required funding is attributable largely to the need to fund: (1) for the full year, the increased personnel costs resulting

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from the new salary schedule which was in effect for only seven months during FY 1976; and (2) higher costs for petroleum, oils, lubricants and other supply and equipment requirements due both to increased prices and additional requirements for the operation and maintenance of new facilities scheduled for completion in FY's 1976 and 1977. The small increase proposed in the administrative staff is required to cover the additional workload involved in managing the accelerated Capital Improvement Program which is designed to put into place the basic infrastructure required to support the successor government to the Trust Territory Government when the Trusteeship is terminated.

### Program Description

The Public Works program is designed to meet the Trust Territory Government's obligation under the Trusteeship Agreement to build, operate and maintain the facilities required to support the social and economic development of the citizens of the Territory in preparation for their establishing a viable self-government when the Trusteeship is terminated. Given the widespread dispersion of the relatively small population over a remote expanse of the western Pacific Ocean, the logistics involved in putting this basic infrastructure in place and providing for its operation and maintenance under adverse climatic conditions present problems of a nature which requires the application of considerable ingenuity and the investment of considerable resources to resolve. Of particular importance is the concerted effort being made to ensure that the facilities being, and to be, built under the accelerated Capital Improvement Program can be operated and maintained by the successor government to the Trust Territory Government in a manner that will ensure their continuing availability to serve the purposes for which they were, and are being, built.

		<u>Public Works Funding</u>		
<u>Program</u>		<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>	<u>Change</u>
(i)	Administration	\$ 570,900	\$ 638,800	\$ + 67,900
(ii)	Operation and Maintenance	5,711,800	6,195,700	+ 438,900
(iii)	Utility Services	<u>5,256,100</u>	<u>5,709,300</u>	<u>+453,200</u>
	Total	<u>\$11,538,800</u>	<u>\$12,543,800</u>	<u>\$+ 960,000</u>

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(i) Administration, \$+67,900; total \$638,800.

The Director of Public Works is directly responsible to the High Commissioner of the Trust Territory for the executive direction, administrative control and technical supervision of the Territorial Public Works program including the development of projects for inclusion in annual Capital Improvement Program budget submissions; the construction of approved projects, and the operation and maintenance of Trust Territory Government facilities. He is assisted in meeting this responsibility by a team of public works engineers and specialists who are skilled in all facets of planning for the construction of necessary facilities, contracting for and supervising the construction of those facilities, and providing for the efficient operation and maintenance of all public facilities in the Trust Territory. It should be noted here that funds required for the support of design and engineering and construction administration work is budgeted separately under the "Construction Support" activity of the "Grants - Capital Improvement Program" portion of this budget presentation.

(ii) Operation and Maintenance, \$438,900; total \$6,195,700.

These funds are required to support the operation and maintenance of all public facilities and equipment required by the Trust Territory Government for its effective and efficient operation. These facilities range from airports, docks and harbors, roads and bridges through hospitals, dispensaries, schools, police and fire stations, jails, warehouses and garages to court houses, office buildings and employee housing. The equipment ranges from lawn mowers, small boats, outboard motors and cars to road-building, earth-moving, load-lifting and heavy-duty hauling equipment. In short, the requested funds cover the provision of all services needed to maintain in reasonably good working order all facilities and equipment which a government must have in order to function and provide the services expected of it by the governed. Special services may be provided the general public and private contractors on a reimbursable job-order basis when such services are not otherwise available and can be provided without interfering with regular workloads. In addition to covering operation and maintenance costs, these funds also provide for the procurement of supplies, including petroleum, oils and lubricants, spare parts and replacement, or additional, equipment as may be required.

(iii) Utility Services, \$+453,200; total \$5,709,300.

These funds are required to provide power, telephone, water and sewage treatment utilities and cold storage facilities not only for use of the Trust Territory Government to meet its own operating

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needs but also to meet the needs of the residents of, visitors to, and private businesses operating in the Trust Territory. Generally, however, these services are available only in the more heavily populated areas in and around the district centers since distribution and collection lines seldom extend much beyond these relatively limited areas at the present time though provision is being made in the acceleration of the Capital Improvement Program for extension of these lines further out from the district centers and to install water and power utilities in remote areas and on outer islands where there is a sufficient population to support the provision of these services. Where there is a reasonable economic base, as there is in the district centers, to levy and collect charges for utility services provided, these reimbursements are used to help support the costs of providing these services. The following table provides data indicating a substantial rise in these reimbursements in FY 1975 as compared to FY 1974:

	<u>FY 1974</u>	<u>FY 1975</u>	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>
Telephone	\$ 46,770	\$ 72,512	\$ +25,742	+55.0
Water	55,213	81,650	+26,437	+47.9
Power	<u>557,170</u>	<u>839,992</u>	<u>+282,822</u>	+50.8
Total	<u>\$659,153</u>	<u>\$994,154</u>	<u>\$+335,001</u>	+50.8

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## CAPITAL IMPROVEMENT PROGRAM

<u>Type of Improvement</u>	FY 1976	(Transition	FY 1977	FY 1977
	Current Program (TOA)	Quarter) (NOA)	Estimate (NOA)	Compared to FY 1976 Increase (+) Decrease (-)
1. Public Affairs Facilities	\$ 773	---	---	\$ - 773
2. Legal Affairs Facilities	126,668	---	118,000	-8,668
3. Judiciary Facilities	2,112	---	---	-2,112
4. Education Facilities	1,978,683	---	3,700,000	+1,721,317
5. Public Health Facilities	5,933,603	---	535,000	-5,398,603
6. Transportation and Communi- cations Facilities	17,018,182	---	7,370,000	-9,648,182
7. Resources and Development Facilities	2,013,139	---	300,000	-1,713,139
8. Community Development Facilities	129,124	(110,000)	390,000	+260,876
9. Water, Sewer, and Power Facilities	2,219,079	(21,000)	7,676,000	+5,456,921
10. Maintenance and Rehabilita- tion Facilities	316,405	(83,000)	391,000	+74,595
11. General Support Facilities	-11,245	---	120,000	+131,245
12. Construction Support Facil- ities	<u>1,594,756</u>	<u>(264,000)</u>	<u>1,000,000</u>	<u>-594,756</u>
Total	<u>\$31,321,279</u>	<u>(478,000)</u>	<u>21,600,000</u>	<u>-9,721,279</u>

<u>Type of Improvement</u>	Unobligated FY 1976 Carryover	FY 1976 Regular Appropriation	FY 1976 Current Program
1. Public Affairs Facilities	\$ 773	\$ ---	\$ 773
2. Legal Affairs Facilities	668	126,000	126,668
3. Judiciary Facilities	2,112	---	2,112
4. Education Facilities	37,683	1,941,000	1,978,683
5. Public Health Facilities	4,269,603	1,664,000	5,933,603
6. Transportation and Communications Facilities	4,133,182	12,885,000	17,018,182
7. Resources and Development Facilities	52,139	1,961,000	2,013,139
8. Community Development Facilities	2,124	127,000	129,124
9. Water, Sewer, and Power Facilities	728,079	1,491,000	2,219,079
10. Maintenance and Rehabilitation Facilities	19,405	297,000	316,405
11. General Support Facilities	-11,245	---	-11,245
12. Construction Support Facilities	<u>586,756</u>	<u>1,008,000</u>	<u>1,594,756</u>
Total	<u>\$9,821,279</u>	<u>\$21,500,000</u>	<u>\$31,321,279</u>

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1. Public Affairs Facilities - \$ - 0 -

No funds are requested in FY 1977 for Public Affairs Facilities.

2. Legal Affairs Facilities - \$118,000

Funds are requested in FY 1977 for:

a. Fire Truck, Palau	\$ 59,000
b. Fire Truck, Truk	<u>59,000</u>
	<u>\$118,000</u>

a. Fire Truck, Palau - \$59,000

The district center recently suffered a loss of several structures from fire, due in part, to the obsolescence of its fire fighting equipment. The need for good equipment is magnified by the fact that one of the trucks must be present at the airport. That truck is virtually unavailable to protect the district center during plane movements as the distance, road conditions, and the slow-moving ferry prevent the truck from arriving at a fire in Koror for at least one-half hour after being called.

It is proposed to replace the older fire truck in FY 1977 with a modern piece of equipment estimated to cost \$59,000.

b. Fire Truck, Truk - \$59,000

One of the fire trucks on Moen Island in the Truk District is approaching the point where continued maintenance and operation is becoming prohibitively expensive. Extensive down time for repair also means that the equipment is not available to provide the protection for which it was intended.

The funds requested in FY 1977 will be used to replace one of the trucks with a new tank truck estimated to cost \$59,000.

3. Judiciary Facilities - \$ - 0 -

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4. Education Facilities - \$3,700,000

Funds requested in FY 1977 will be used for the construction of the following educational facilities:

a. Elementary, Palau	\$ 300,000
b. Elementary, Ponape	165,000
c. Secondary, Marshalls	2,200,000
d. Secondary, Ponape	335,000
e. Secondary, Truk	<u>700,000</u>
	<u>\$3,700,000</u>

a. Elementary, Palau - \$300,000

About 20 metal quonset type buildings are in use as elementary classrooms on Koror and Babelthaup. These buildings are deteriorating rapidly in Palau's humid tropical climate and are in need of replacement. It is proposed to replace ten of the most badly deteriorated units with permanent concrete block structures. The learning environment of about 250 elementary students will be upgraded at an estimated cost of \$300,000.

b. Elementary, Ponape - \$165,000

Funding is being sought for elementary classroom construction at three sites in the Ponape District. Three classrooms each will be built at Mand, and Lukop and two classrooms built at Lewetik, all with necessary toilet facilities. The eight classrooms will be of a standard 30' x 30' concrete block design to accommodate about 25 students each.

The additional classrooms are needed to keep pace with the growth in the elementary school age population, currently increasing by about 3.5% annually. The requested amount of \$165,000 includes the costs of collateral equipment for the new classrooms.

c. Secondary, Marshalls - \$2,200,000

There are two public high schools in the Marshalls District. The Marshall Islands High School on Majuro, the district center is projected to have an enrollment of 1,400 students. The newly opened Jaluit High School will grow each year as new facilities are added, up to a planned enrollment of 800 students.

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(1) Dormitory - Marshalls Islands High School - \$775,000

The requested facility is planned as a three-story "H"-shaped, pre-cast concrete building with a central utility core and appropriate recreation, study, and resident advisor space. The facility must accommodate 400 male students in 4-man rooms. Female students are presently housed in the upper floor dormitory of a newly completed vocational arts building on the campus.

Mechanical equipment will be kept to a minimum with air conditioning in selected areas. A basic intercom system to dorm advisor spaces will be included as will a telephone system.

Completion of the new facility will allow the enrollment at the Majuro campus to reach about 1,400 students.

(2) Dormitory and Administration Building, Jaluit High School - \$1,425,000

Jabwor Island, the site of the Jaluit High School campus, has quite a small land mass; a population of less than 700, and is separated from the district center by a distance of 150 miles. Construction of the new campus has been phased over time to take account of logistical and social constraints.

Phase I has been completed and will allow a ninth-grade class of about 220 students to enter school this October. It is planned to increase enrollment and add additional classes as new facilities become operational. Phase II construction now underway will allow enrollment to grow to more than 400 students when completed in 1977. This is somewhat less than originally programmed because of the rapid rise in construction costs which occurred during the period between the first contract and the second.

Phase III funding of \$1,425,000 is being requested in FY 1977. This amount will be adequate to build a two-story boy's dormitory for 256 students to bring total dormitory space capacity to 384 beds. An administration building for the campus will also be built. When completed, enrollment at the campus will grow to about 800, although additional dormitory space will be needed in the future.

d. Secondary, Ponape - \$335,000

A total of \$335,000 is being sought to design a new high school for Ponape at the Palikir site. The existing Ponape High School cannot meet the current demand for secondary school spaces nor can this single campus be expanded efficiently to meet the projected demand of over 2,500 spaces needed by the early 1980's.

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A new campus is proposed at Palikir, about seven miles from the district center but linked to it by a recently completed all-weather road. A total of 26 general purpose classrooms are being planned plus science and business education rooms; a trade and industry building; an agricultural complex; and three home economics classrooms to allow a total enrollment of about 1,000 students. A library, administration building, a cafetorium, and warehouse space will also be included at the site. No dormitories are being proposed since completion of the major segments of the road network around the island will allow students to travel to and from school. Construction funds for the new high school will be requested in a future year's budget.

e. Secondary, Truk - \$700,000

The funds requested in FY 1977 will be used to construct a two-story, 140-bed capacity boy's dormitory at the Truk High School campus on Moen Island. The new structure will be of a design similar to the style of the classroom buildings already standing.

Enrollment at the senior high school is expected to exceed 1,000 in 1977. The requested dormitory is part of the planned expansion program for the high school to keep pace with the growing demand for secondary school spaces.

5. Public Health Facilities - \$535,000

Funds requested in FY 1977 are required for:

a. Hospital Design, Marshalls	\$450,000
b. Mortlocks Sub-District Hospital, Truk	<u>85,000</u>
	<u>\$535,000</u>

a. Majuro Hospital A&E Design - \$450,000

The funds being sought will provide for the detailed architectural and engineering design for a new district center hospital at Majuro in the Marshall Islands. Construction must be phased since the limited space on the Majuro atoll islands requires that the new hospital use the current site so that the existing hospital will have to be kept operational as the new one rises.

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Construction funds for the new facility will be requested in future years' budgets.

b. Mortlocks Sub-District Hospital, Truk - \$85,000

About 5,000 people live in the upper and lower Mortlock Islands in the Truk District. It is proposed to construct a small hospital (perhaps better described as a large dispensary) in the island group to better serve the medical needs of the people.

The funds requested will be used to construct a one-story structure to house an outpatient clinic, a small laboratory/pharmacy, a basic operating/delivery room, and a dental clinic. Ward space for eight inpatients will also be provided. While seriously ill patients will still have to rely on the district center hospital on Moen, the more routine medical needs of the Mortlockese can be met in their home islands once the proposed new hospital becomes operational some time during 1978.

6. Transportation and Communications Facilities - \$12,942,000

Funds requested in FY 1977 will be used for the following projects:

a. Port Facilities, Marshalls	\$ 770,000
b. Ebeye Dock Improvements, Marshalls	200,000
c. Dock/Harbor Construction, Yap	2,000,000
d. Interisland Ships	<u>4,400,000</u>
	<u>7,370,000</u>

b. Port Facilities, Marshalls - \$770,000

The funds appropriated in FY 1976 will be used to construct the bulkheading and the concrete landing areas for the new port/industrial complex at Majuro. About 35 acres of reclaimed land will be utilized for the port and the industrial park. Utilities and access roads have already been provided for in the FY 1976 request.

The \$770,000 requested in FY 1977 will be used to purchase an 80-ton rubber tired crane for the port. The mobility of the crane will allow it to work any of the proposed berths for ocean-going or interisland ships.

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b. Ebeye Dock Improvements, Marshalls - \$200,000

The present Ebeye dock does not have sufficient water depth to berth an ocean-going ship. As a result, goods must either be lightered from Kwajalein Island which does have a deep-water port or they must be transferred to a smaller interisland ship at Majuro and then transported to Ebeye. Both methods involve multiple handling and shipping which add significantly to the costs of goods landed at Ebeye.

The funds requested in FY 1977 will be used to extend the existing dock by 100 feet. Required dredging for the landfill will create a berth depth of 32 feet, deep enough to allow a single ocean-going ship to offload cargo at Ebeye. The ability to ship directly to Ebeye should reduce the costs of both consumer goods and government cargoes on the island.

c. Dock/Harbor Construction, Yap - \$2,000,000

The design of a new dock and harbor facility for the Yap District has been completed using funds appropriated in FY 1975.

The new complex, on the opposite side of the island from the existing harbor, will eliminate the navigation and cargo handling problems now encountered by ships stopping at Yap. The largest ships now in service will be able to tie up at the dock, in contrast to the situation now where cargoes must sometimes be lightered from ships moored in the harbor. The safety factor will be significantly improved once the crumbling existing structure can be abandoned.

The new facility is expected to cost over \$3,000,000. The amount requested in FY 1977 will be adequate to do the necessary dredging and landfill and will provide for a 450 foot dock face. Additional funding will be sought in FY 1978 to complete the berth for an interisland ship and to provide warehousing, paved access roads, and utilities on the site.

d. Interisland Ships - \$4,400,000

The world economic picture has changed significantly since the first ship of the new fleet was built, and with it has changed the basic economics governing ship construction and ship operation. The "Micronesian Princess" built at a cost to the Government of about \$1.1 million could not now be duplicated for less than \$3,000,000. These changed economic conditions have prompted the Administration to explore more economical alternatives. Adding further impetus to the move towards a more economical replacement ship is the fact that each passing year makes the existing ships less seaworthy and more expensive to keep in operation. The fleet must be replaced as soon as possible to maintain the vital link between the district centers and the outer islands. The design for a new class of interisland ships has been developed which is responsive to the interisland requirements and the current economic situation. The new ship, named the "Islander" class, is somewhat smaller than the "Princess" type but has a number of advantages over the larger ship in that: (1) It can be built at far less cost; (2) it can be built faster by a yard; (3) it can operate efficiently and more economically in the conventional interisland service;

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- (4) because it is cheaper and easier to build, more of the new ships can be put in the water in a much shorter time-frame to accelerate the fleet replacement program and to more rapidly achieve the goal of providing safe, dependable interisland service.

The "Islander" class ship is essentially a modification of an existing ship, the "MILITOB I." Design modifications include lengthening the existing design by 10 to 20 feet to increase cargo capacity; moving the bridge forward to increase passenger capacity to provide 20 cabin and 100 deck spaces; increasing refrigerated cargo capacity; increasing the water supply; and adding a capacity for bulk carriage of some POL products. These modifications will improve upon the already efficient design of the "MILITOB I" type ship.

In addition, the "Islander" class ships would have redundant machinery capacity; significant modularization of machinery components; and the ability to have replacement parts and machinery components quickly repairable to prevent service delays. Standardization of design will correct a basic problem that plagues the existing fleet, i.e., the ships' machinery is of American, Japanese, British, and German make, often obsolescent, and not compatible for ship-to-ship transfers of parts or machinery. The new fleet will have as many interchangeable components as possible to reduce the spare parts inventory and to lessen breaks in service caused by machinery failure.

It is estimated that the "Islander" class ships can be ordered in FY 1977 for \$1.1 million per copy. Four ships can be built and be in operation before the end of 1978.

7. Resources and Development Facilities - \$300,000

Funds requested in FY 1976 are required for:

a. Marine Resources Facility, Ponape	\$200,000
b. Rice Irrigation System, Ponape	<u>100,000</u>
	<u>\$300,000</u>

a. Marine Resources Facility, Ponape - \$200,000

Ponape District has begun an expansion of its marine resources facility planned for Takatik Island and the facility is anticipated to adequately accommodate and support the fishing activities of Ponape. A feasibility study has been completed and some minor land-fill work has already been done.

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The complex will eventually require at least a two-acre site. Facilities planned for the site include a fishing dock, freezer, storage and ice plants, a marine resources station, a Fishing Authority and fisheries co-op building, and a boat fueling and repair capability.

The funds requested in FY 1977 will be used to continue work on the landfill and the dock face. Facilities will be added and additional funding requested over time to allow the growth of the fisheries complex to match the growth in the fishing industry in Ponape.

b. Rice Irrigation System, Ponape - \$100,000

A rice project has been initiated in the Ponape District after it was determined that a strain of rice could be grown there that would meet local taste requirements and could compete in price with imported rice.

A rice mill has been funded in the FY 1976 budget and cultivation of rice is underway on a limited scale. The funding proposed for FY 1977 will be used to enlarge the irrigation system to allow more acreage to come into production.

8. Community Development Facilities - \$390,000

Funds requested in FY 1977 are required for:

a. Civic Action Teams - \$390,000

The funds requested in FY 1977 are adequate to support two military Civic Action Teams, one for Truk and one for the newly formed district of Kusaie.

The teams are self-contained units which bring their own equipment to project sites. The team requested for Kusaie will be specially equipped for road building projects on that island. The provision of equipment is of high value in the Trust Territory where heavy construction machinery is in such short supply.

The teams perform a second vital service through the recruitment of residents to participate in projects. Through on-the-job training, local people gain valuable experience in construction methods and the use of equipment.

The total cost of the CAT team is about four times the Trust Territory's share of \$195,000 per team, the major cost being borne by the U.S. military.

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9. Water, Sewer, and Power Facilities - \$7,676,000

Funds requested in FY 1977 are required for:

a. Water Resources Study, Trust Territory-Wide	\$ 87,000
b. Water System Expansion, Marianas	160,000
c. Ebeye Water Distillation Unit, Marshalls	300,000
d. Water System Expansion, Palau	610,000
e. Water Line Extension, Ponape	100,000
f. Water System Expansion, Truk	970,000
g. Sewer System Expansion, Marianas	308,000
h. Power Plant and Generators, Marianas	3,373,000
i. Power Generation, Marshalls	205,000
j. Power Generation, Palau	470,000
k. Power Generation and Distribution, Ponape	450,000
l. Power Generation and Distribution, Truk	643,000
	<u>\$7,676,000</u>

a. Water Resources Study, Trust Territory-Wide - \$87,000

The funds requested in FY 1977 are required to continue the water resources survey that has been conducted for several years in joint venture with the U.S. Geological Survey.

On the small land masses of Micronesia, the supply of potable water is a binding constraint on economic and social development. Hydrological surveys continue on many islands to measure the amount of surface and sub-surface water that can safely be tapped for consumption by the local population and for such water-using economic development efforts as hotels, commercial scale agriculture, and food processing facilities.

The U.S.G.S. has provided engineering, training, instrumentation and equipment for hydrological surveys and analysis of field data. The cost to the Trust Territory will be \$87,000 in FY 1977 with the U.S.G.S. contributing a like amount in manhours, computer time, and materials.

b. Water System Expansion, Marianas - \$160,000

The primary water system for Saipan is complete, funded from earlier year appropriations. The program approved for FY 1976 will allow additional wells to be drilled to increase supply and will allow for the replacement of some of the village distribution systems.

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The \$160,000 being sought in FY 1977 will continue the replacement of the secondary distribution lines in the villages. Many of these smaller pipelines have badly deteriorated causing considerable water loss due to leakage and a chronic water shortage on the island. These secondary lines are being replaced in a continuing program to upgrade the overall water delivery system.

c. Ebeye Water Distillation Unit, Marshalls - \$300,000

The heavily populated island of Ebeye in the Kwajalein Atoll faces chronic water shortages such that water must be barged from Kwajalein Island during the dry season.

Some excess distillation units were acquired from the Kwajalein Missile Range but the equipment is obsolescent and spare parts are very difficult to acquire. Units had to be cannibalized for parts in order to keep some in operation.

Funding requested in FY 1977 will be used to purchase and install a new 600-gallon per hour distillation unit for Ebeye. The new unit cannot meet the total demand for water since it can produce only 2 gallons per person per day. But the water can be produced at a cost lower than that of barging in water from Kwajalein. An in-depth study is underway to determine total water requirements. It is quite likely that the study will recommend that additional distillation units be installed and the surface collection system be expanded. Additional funding will be requested in future years to fully meet the water requirements of the island.

d. Water System Expansion, Palau - \$610,000

The Palau primary water distribution is nearing completion so that the major funding and construction of the system has been accomplished.

As is the case in many district centers, a continuing expansion and replacement program is needed in Palau to replace old lines installed during Japanese times; to provide secondary and tertiary pipes to homeowners property lines; and to expand the system to keep pace with the movement of urban population. The \$610,000 requested for FY 1977 will continue the expansion and replacement program of the secondary and tertiary systems. The funds will also be adequate to purchase and install meters for all users hooked into the system.

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e. Water Line Extension, Ponape - \$100,000

The funds requested in FY 1977 will continue the water pipeline extension program that has been underway for several years. Laterals off the primary system are being installed in the large municipalities of Sokehs and Net on the island of Ponape. It is planned to bring water to every homeowner who lives within a reasonable distance of the primary pipeline and who wishes to be tied into the central system.

f. Water System Expansion, Truk - \$970,000

Funding for two projects in the Truk District is being requested.

(1) Dublon Water System Construction - \$800,000

Design of a water distribution system for Dublon Island in the Truk lagoon has been funded in FY 1976. Some work on the system has already been undertaken including rehabilitation of a 3.5 million gallon storage tank left over from Japanese times.

The \$800,000 requested in FY 1977 will be used to complete the water system for the island. About 2,000 residents will benefit from the completed system. Of prime importance is the fact that the system will be able to supply fresh water to the site of a proposed marine resources complex now under consideration.

(2) Moen Water and Sewer System Design - \$170,000

The primary water distribution system and the sewerage system are essentially in place in the district center island of Moen. Two areas have not yet been reached by water and sewer lines; the southeastern portion of the island and the Sapuk peninsula. Funds requested in FY 1977 will be used to design water and sewer systems for the residents of these areas.

g. Sewer System Expansion, Marianas - \$308,000

The Saipan sewerage system and its two treatment plants are in operation and serve most of the residential areas on the island. A total of \$208,000 is being requested in FY 1977 to extend secondary lines to new housing developments in the Garapan area. An additional \$100,000 is being requested to establish a revolving fund to assist homeowners in making connections to the sewer mains. The revolving fund is meant to reduce the initial financial impact on the homeowner who will be able to borrow from the fund for hookup costs and then pay back his loan through manageable increases to his monthly utilities bill.

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h. Power Plant and Generators, Marianas - \$3,373,000

A surplus power barge capable of generating 30,000 KW of electricity is on loan from the U.S. military and is now being hooked up to relieve Saipan's chronic shortage of power. This is an interim solution at best since the barge can be recalled during an emergency and it was never intended that it should remain permanently on Saipan.

A design study for a new permanent power plant should be completed by the end of 1976. Current projections indicate that power demand will reach 30,000 KW by 1980 so that the plant will be designed to that capacity. The power barge will be needed until the new plant comes on line to replace it.

The funds requested in FY 1977 will be adequate to construct a plant large enough to house diesel generators of 30,000 KW capacity. In this first phase, generators with a total capacity of 15,000 KW will be installed along with necessary switching gear, fuel tanks, and auxiliary equipment. Provision will be made in future year budget requests for the installation of the additional generators required to expand production to the anticipated demand of 30,000 KW.

i. Power Generation, Marshalls - \$205,000

The funds requested in FY 1977 will be used to purchase and install 600 KW generating units in existing power plants on the populous islands of Ebeye and Jaluit in the Marshalls District.

The Ebeye generator will allow improved service to the more than 7,000 residents of the island as well as providing the additional power for the water distillation unit requested for FY 1977. The Jaluit generator, to be installed in the new high school generating plant will serve the school and will allow at least some nearby residents to enjoy the benefits of electrical power for the first time.

j. Power Generation, Palau - \$470,000

The funding requested in FY 1977 will be used to purchase and install an 800 KW Caterpillar generator in the Malakal Power Plant in the district center. The substation at Airai on the adjacent island of Babelthau will be upgraded to handle the additional generating capacity. About five miles of 24,000 volt primary lines will also be installed between the power plant and the substation.

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The thrust of the program requested for FY 1977, as well as the two generators requested in FY 1976, is to prepare for the electrification of the large island of Babelthaup. The bridge connecting the island to the district center is already under construction. An extensive road-building effort for the island is already underway and will be continued. A power distribution network will keep pace with road construction and allow fisheries and agriculture to be developed on a commercial scale. The generator and primary line-work sought in FY 1977 is an important step towards the development of the island of Babelthaup.

k. Power Generation and Distribution, Ponape - \$450,000

A total of \$300,000 is being requested in FY 1977 to purchase and install two 800 KW Caterpillar generators in the new Ponape Power Plant. This will increase total capacity to 5,500 KW in the district center to keep pace with the increasing demand for electrical power both from the public and the private sectors. An additional \$150,000 is also being requested to continue the extension of the distribution system in the villages of Net and Sokehs. It is estimated that some 700 additional users can be reached with the line work funding requested in FY 1977.

l. Power Generation and Distribution, Truk - \$643,000

Funding for two projects is being requested in FY 1977. A total of \$415,000 is being sought for a generator and about eight miles of distribution lines for the district center island of Moen. This will allow service to be extended to the northern and northeastern sections of the island and bring power to some 2,000 residents.

The balance of the funding request, \$228,000, will be used to purchase and install two 600 KW generators for Dublon Island in the Truk lagoon. About five miles of distribution lines will also be built. The additional generating capacity is required to electrify the homes of some 800 residents of the island as well as to provide power for the commercial fisheries facility being developed.

10. Maintenance and Rehabilitation Facilities - \$391,000

Funds requested in FY 1977 are required for:

a. Heavy Construction and Maintenance Equipment	\$ 41,000
b. Emergency and Minor Construction	<u>350,000</u>
	<u>\$391,000</u>

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a. Heavy Construction and Maintenance Equipment - \$41,000

The public works activities in the districts have the responsibility for maintenance of public facilities and for some minor construction projects. Much of their equipment has been acquired from military surplus sources and must be replaced periodically.

The funds requested in FY 1977 will be used to purchase a new backhoe for the Truk District Public Works Department to replace a piece of equipment which is nearing the end of its useful life.

b. Emergency and Minor Construction - \$350,000

The purpose of this request is to provide funding for unforeseen minor projects which arise as a result of an emergency or to support minor construction projects in the districts.

Most of the Trust Territory lies within that area of the Pacific Ocean where severe tropical storms up to typhoon strength pose a constant threat to public facilities. All of the islands are humid and subject to a salt spray that makes corrosion and rot a continuing problem in maintaining buildings and equipment.

Each year, there have been requests from the districts for small building projects arising from an unforeseen need or from equipment failure or from tropical storm damages. The funds being sought in FY 1977 will be made available for selected emergency and priority projects for which no budgetary provision has been made elsewhere in this request.

11. Construction Support - \$1,000,000

Funding is being sought in FY 1977 for operation of the Design/Engineering and the Contract Construction Administration Divisions of the Department of Public Works at Headquarters on Saipan. The functions and the workloads of these two divisions are tied entirely to the size and the complexity of the construction program. It is considered more appropriate to fund their support costs within the Capital Improvements Program rather than from operating funds.

The workload of these two divisions is expected to increase and remain at a high level of activity for some years to come. A total of \$88 million of ongoing construction was on the books at the end

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of FY 1975. The construction program for FY 1976 and FY 1977 adds more than \$50 million and amounts under consideration for future years imply that total construction activity for projects nearing completion, under construction, and being planned will average \$150 million for some years to come.

The Design/Engineering Division is responsible for design, engineering, specifications, surveys, and soils and materials testing required to undertake construction projects. The division's inhouse design workload is increasing with the growth of the construction program. Increasingly, the division must also resort to outside design contracts for architectural and engineering services, with a concomitant increase in its contract preparation and monitoring responsibilities. The \$550,000 requested in FY 1977 will provide for an increase of 8 positions over the FY 1976 staffing level to meet the increasing design and engineering workload generated by the acceleration of the Capital Improvement Program. One surveyor and three assistants are assigned to each district. The remaining positions will be stationed at Headquarters to provide design and engineering services to all districts.

The Contract Construction Division is responsible for the administration of construction projects entered into by the Trust Territory Government. This includes monitoring of construction contracts administered for the Trust Territory Government by one of the military engineering commands.

The workload of this division continues to grow as the volume of the construction activity under contract grows. The \$750,000 requested in FY 1977 for this division will support an increase of 10 positions over the FY 1976 staffing level to support the increasing contract construction workload generated by the acceleration of the Capital Improvement Program.

12. General Support Facilities - \$120,000

Funds requested in FY 1977 will be used for:

- |  |                  |
|--|------------------|
| a. Administration Building Design, Palau     | \$ 60,000        |
| b. Administration Building Design, Marshalls | <u>60,000</u>    |
|  | <u>\$120,000</u> |
- a. Administration Building Design, Palau - \$60,000

The Palau District Administration is concentrated on the island of Arakabesang in buildings inherited from the Page Communications Operation. A number of functions are scattered throughout the district center.

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The funds requested in FY 1977 will provide for the design of an administrative complex planned as part of a new civic center that includes municipal offices, judiciary facilities, and recreational facilities, in a park like setting in the center of Koror. Construction funds will be sought in a future year budget.

b. Administration Building Design, Marshalls - \$60,000

The present district administration complex is a conglomeration of rusting quonset huts, wood frame additions, and remodeled warehouses. It is located on lagoon frontage property which could be put to better use.

A courthouse and museum/library have already been built on the new Civic Center site. It is proposed to relocate the district administrative functions on the site in buildings of similar design to complete the Majuro Civic Center. It is currently envisioned that a two-story concrete wall structure of about 9,500 square feet will be adequate to house all the administrative offices.

The \$60,000 requested for FY 1977 will be used to design the building, with construction funds to be sought in the future.

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Printing and Publications Operations

The Chief of the Printing and Publications Division of the Public Affairs Department is responsible to the Director of Public Affairs for meeting the printing and publications needs of the Trust Territory Government. The Division is staffed and equipped to handle about 95% of the Government's printing and copying services and requirements, and it contracts for provision of the remaining requirements. The Division is supported entirely from user-charges levied for printing and publications services provided. In addition to providing printing and copying services, the Division provides for the distribution of publications, control and management of forms utilized by the Government and the microfilming of records and documents both for safe-keeping and reduction of storage requirements. The need for establishing small printing and publications shops in the six administrative districts of the Territory to reduce time lags and shipping costs in meeting district printing and publications requirements is being studied.

Printing and Publications Operations

Revenues and Expenses

<u>Objects of Expenditure</u>	<u>FY 1975 Actual</u>	<u>FY 1976 Estimate</u>	<u>T.Q. Estimate</u>	<u>FY 1977 Estimate</u>
<u>Personnel Services:</u>				
Non-TT Citizen Compensation	\$ 39,877	\$ 42,000	\$ 11,000	\$ 44,500
TT Citizen Compensation	104,529	110,000	28,000	115,000
Personnel Benefits	<u>3,568</u>	<u>4,500</u>	<u>1,200</u>	<u>5,000</u>
<b>Total, Personnel</b>	<u>147,974</u>	<u>156,500</u>	<u>40,200</u>	<u>164,500</u>
<u>Other:</u>				
Travel	17,436	21,100	5,400	21,700
Rent, Communications and Utilities	47,348	57,600	15,200	58,900
Printing and Reproduction	42,181	51,200	13,500	52,500
Other Services	27,247	33,400	8,800	33,900
Supplies and Materials	109,606	133,400	35,100	136,300
Equipment	<u>5,584</u>	<u>6,800</u>	<u>1,800</u>	<u>7,200</u>
<b>Total, Other</b>	<u>249,402</u>	<u>303,500</u>	<u>79,800</u>	<u>310,500</u>
<b>Total Obligations</b>	<u>397,376</u>	<u>460,000</u>	<u>120,000</u>	<u>475,000</u>
<u>Reimbursements</u>	<u>421,498</u>	<u>460,000</u>	<u>120,000</u>	<u>475,000</u>
<b>Net result of operations</b>	<u><u>\$+24,122</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>

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Trust Territory of the Pacific Islands

CONGRESS OF MICRONESIA

Pursuant to the Secretary of Interior's Order 2882, the Congress of Micronesia was created on September 28, 1964, consisting of two Houses, the Senate and the House of Representatives. The Senate is composed of 12 Senators, two from each of the six administrative districts, elected for a term of four years. The House of Representatives is composed of 21 Representatives, elected on a population basis from each of the twenty-one representative districts for a two-year term. Up to July 26, 1968, four amendments were issued which made several significant changes to the Order.

On December 27, 1968, Secretary Order 2918 was issued and consolidated previous Trust Territory Orders, and their amendments, into a single document. The Legislature provisions, formerly contained in Order 2882 and its four amendments, are Part III of Order 2918.

On August 13, 1970, Amendment No. 1 to Secretarial Order 2918 was issued which made several significant changes to the Order, among which are the lengthening of the present 45-day session to 50 days, and moving the Regular Session from July to January beginning with the 4th Congress, 1st Regular Session of the Congress of Micronesia.

Section 4 of the Order, as amended, sets forth the legislative authority of the Congress of Micronesia to enact tax laws and other revenue laws, and provides in part federal subsidy to the Congress of Micronesia. The pertinent Section 4 of the Order, as amended, reads as follows:

"Section 4. Budget. Money bills enacted by the Congress of Micronesia shall not provide for the appropriation of funds in excess of such amounts as are available or estimated to be available from revenues raised pursuant to the tax laws and other revenue laws of the Trust Territory: Provided, that the Secretary of the Interior shall, from time to time, define the term 'revenue' as used herein, so as generally to exclude therefrom all sums attributable to user charge or service related reimbursements to the Government of the Trust Territory.

Prior to his final submission to the Secretary of the Interior of requests for Federal funds necessary for the support of governmental functions in the Trust Territory, the High Commissioner shall prepare a preliminary budget plan. He shall submit such plan to the Congress of Micronesia or the appropriate authorized committee or committees thereof for its review and recommendations with respect to such portions as relate to expenditures of funds proposed to be appropriated by the Congress of the United States. With respect to such portions of the preliminary budget plan, the High Commissioner shall adopt such recommendations of the Congress or the appropriate authorized committee or committees thereof as he shall deem appropriate, but he shall transmit to the Secretary of the Interior all recommendations he has not adopted.

For Fiscal Years 1971 and 1972, the Congress of Micronesia is authorized \$125,000 from Federal grants appropriated to the Trust Territory of the Pacific Islands by the Congress of the United States, for operations and expenses of the Congress of Micronesia. For succeeding fiscal years, the Congress of Micronesia may request continuing or additional funds for its operations and expenses. Such requests shall be incorporated in the High Commissioner's preliminary budget plan for processing as set forth in this section."

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Trust Territory of the Pacific Islands

Congress of Micronesia

Estimated Revenues by Sources

Sources:	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>
<b>1. <u>Public Law 4C-2</u></b>			
Income Tax	\$4,108,002	\$4,140,000 <u>1/</u>	\$4,033,000 <u>2/</u>
<b>2. <u>Public Law 4-22</u></b>			
Business Licenses	38,769	45,000	50,000
Gasoline and Diesel Fuel Tax	65,298	75,000	80,000
Scrap Metal Export Tax	2,315	3,000	3,000
Import Taxes	1,119,676	1,190,000	1,240,000
<b>3. <u>Other Revenues</u></b>			
Court Fines, Penalties, Etc.	64,717	70,000	70,000
Unimproved Land Rental	82,382	80,000	80,000
Other Property Rental	62,412	60,000	60,000
Corporation Tax (Mobil)	19,706	-	-
Miscellaneous	<u>11,579</u>	<u>20,000</u>	<u>25,000</u>
Total	<u>\$5,574,856</u>	<u>\$5,683,000</u>	<u>\$5,641,000</u>

1/ Net of 20% revenue sharing for two quarters. (per Public Law 5-91).

1/ Based on 2% wage and salary tax and 1% Business Gross Revenue Tax (net of District Surtax) (per Public Law 6-52).

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Trust Territory of the Pacific Islands

Congress of Micronesia

Summary of Appropriations

	<u>Public Law No.</u>	<u>Fiscal Year</u> <u>1975</u>
<b>A. <u>Congress Operational Expenses</u></b>		
1. Senate and House Expenses	6-34 and 6-35	\$ 851,600
2. Special Session	6-34 and 6-35	43,900
3. Legislative Counsel's Office	6-29	598,947
4. Special Session, Legislative Counsel's Office	6-29	72,276
5. Joint Committee on Future Status	6-34	110,000
6. Joint Committee on Administrative Appointments	6-34	16,000
7. Special Joint Committee Concerning Rongelap and Utirik	6-34	12,000
8. Joint Committee on Program and Budget Planning	6-35	38,000
9. Joint Committee on Resources and Development	6-35	<u>45,000</u>
		<u>\$1,787,723</u>
<b>B. <u>Other Programs</u></b>		
1. Various projects for Marianas District	6-18	\$ 225,000
2. Various projects for Palau District	6-40	111,500
3. Various projects for Truk District	6-21 and 6-44	210,000
4. Various projects for Yap District	6-13	110,000
5. Various projects for Ponape District	6-47	150,000
6. Various projects for Kusaie Island	6-22	52,000
7. District Delegations to Constitutional Convention	6-30	253,764
8. District Fishing Authorities	6-39	90,000
9. District Housing Authorities	6-42	112,500
10. Development and Improvement of Copra Production	6-36	400,000
11. To survey, design and construct roads, bridges and causeway in Faichuk, Truk, area	6-54	50,000
12. General Referendum	6-20	30,000
13. Vocational Agriculture Program	6-1	30,000
14. UN Law of the Sea Conference	6-4	139,500
15. Revenue Division	6-10	297,400
16. Trust Territory Personnel Board	6-6	31,000
17. Scholarship Funds	6-26	400,000
18. Engine for MS Kaselehia	6-27	80,000
19. Micronesian Sports Council	6-41	94,046
20. Social Security Administration	6-49	132,621
21. Comprehensive and Balanced Development Policy for Micronesia	6-56	<u>70,000</u>
		<u>3,069,331</u>
		<u>\$4,857,054</u>

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Activity	Federal Grantor Agency	Name of Grant (Authorizing Legislation)	FY 1975 Estimate	FY 1976 Estimate
Manpower Training	HEW-USOE Dol-Manpower Ad.	Manpower Development & Training Act	\$ 57,000	\$ 57,000
Education Professional Development	HEW-USOE	Higher Education Act, Title V	106,000	106,000
Vocational Education	HEW-USOE	Vocational Education Act	300,000	300,000
College Work-Study	HEW-USOE	Higher Education Act, Title IV	72,000	72,000
Educational Opportunity	HEW-USOE	Higher Education Act, Title IV	12,000	12,000
Education of the Handicapped	HEW-USOE	Education of the Handicapped Act	244,000	244,000
Emergency School Assistance	HEW-USOE	Emergency School Assistance Act	270,000	270,000
National Defense Education	HEW-USOE	National Defense Education Act	29,000	-0-
Special Food Services	USDA-FNS	National School Lunch Act	75,000	75,000
Donated Food Commodities	USDA-FNS	Agriculture & Consumer Protection Act	900,000	900,000
Total Education Grants			3,725,000	3,696,000

RESOURCES AND DEVELOPMENT:

Mariculture	NOAA-NMFS	Sea Grant Program	40,000	-0-
Oceanic Conditions Study	DOI-USGS	U.S. Geological Survey Program	14,000	-0-
Animal Health Services	DOD-USAF	(Technical Assistance)	30,000	30,000
Total Resources and Development Grants			84,000	30,000

PUBLIC WORKS:

Water Resources Study	DOI-USGS	(USGS/TPI Contract)	85,000	85,000
Disaster Control Office	FDAA	Disaster Relief Act	25,000	25,000
Water Pollution Control	EPA-ORM	Const. Grants for Waste Water Treatment	524,000	500,000
Airport Planning & Construction	FAA	Airport & Airway Development Act	500,000	3,000,000
Total Public Works Grants			1,134,000	3,610,000

18- 415705

Trust Territory of the Pacific Islands  
Analysis of Funds Available Within Trust Territory from Other Federal Funds

<u>Activity</u>	<u>Federal Grantor Agency</u>	<u>Name of Grant (Authorizing Legislation)</u>	<u>FY 1975 Estimate</u>	<u>FY 1976 Estimate</u>
<b>HEALTH:</b>				
Comprehensive Health Planning	HEW-HSMHA	Public Health Services Act	\$ 100,000	\$ 100,000
Public Health (d) Programs	HEW-HSMHA	Public Health Services Act	386,000	386,000
Mental Health	HEW-HSMHA	Public Health Services Act	68,000	68,000
Prevention and Control of Communicable Diseases	HEW-HSMHA	Public Health Services Act	24,000	24,000
Maternal and Child Health	HEW-HSMHA	Social Security Act, Title V	295,000	295,000
Crippled Children Services	HEW-HSMHA	Social Security Act, Title V	160,000	160,000
Family Planning	HEW-HSMHA	Public Health Services Act	30,000	30,000
Veneral Disease Control	HEW-HSMHA	Public Health Services Act	37,000	37,000
Alcohol Abuse/Alcoholism	HEW-HSMHA	Alcohol & Narcotic Rehabilitation Act	25,000	25,000
Drug Abuse	HEW-HSMHA	Alcohol & Narcotic Rehabilitation Act	5,000	5,000
Vocational Rehabilitation	HEW-HSMHA	Vocational Rehabilitation Act	702,000	702,000
Handicapped Children (Developmental Disab.)	HEW-HSMHA	Vocational Rehabilitation Act	40,000	40,000
Regional Medical Programs of Hawaii	HEW-HSMHA	Public Health Services Act	180,000	-0-
Cervical Cancer Detection			124,000	-0-
Health Assistance			32,000	-0-
Physical Therapy			31,000	-0-
Otology				
Water Pollution Control	EPA-ORM	Water Pollution Control Act	75,000	75,000
Donated Food Commodities	USDA	Agriculture & Consumer Protection Act	30,000	30,000
<b>Total Health Grants</b>			<b>2,344,000</b>	<b>1,977,000</b>

**EDUCATION:**

Elementary and Secondary Education Programs	HEW-USOE	Elementary & Secondary Education Act	1,531,000	1,531,000
Library Services and Construction	HEW-USOE	Library Services & Construction Act	44,000	44,000
Adult Education	HEW-USOE	Adult Basic Education Act	85,000	85,000

18-415706

Trust Territory of the Pacific Islands

<u>Activity</u>	<u>Federal Grantor Agency</u>	<u>Name of Grant (Authorizing Legislation)</u>	<u>FY 1975 Estimate</u>	<u>FY 1976 Estimate</u>
<b><u>PUBLIC AFFAIRS:</u></b>				
Territorial Economic Opportunity Office	OEO	Economic Opportunity Act	\$ 20,000	\$ -0-*
Community Action Agencies	OEO	Economic Opportunity Act	650,000	-0-*
CAA Training and Technical Assistance	HEW-OCD	Economic Opportunity Act	30,000	-0-*
Micronesian Legal Services Program	OEO	Economic Opportunity Act	600,000	600,000
Head Start Program	HEW-OCD	Economic Opportunity Act	546,000	546,000
Trust Territory Office on Aging	HEW-SRS	Older Americans Act	550,000	550,000
Youth Services Coordination	HEW-SRS	Juvenile Delinquency Prevention and Control Act	25,000	25,000
Youth Conservation Corps	DOI/USDA	Youth Conservation Corps Act	25,000	-0-
Donated Food Commodities - Needy Family	USDA	Agriculture & Consumer Protection Act	425,000	425,000
<b>Total Public Affairs Grants</b>			<b>2,871,000</b>	<b>2,146,000</b>

**ADMINISTRATION:**

Public Employee Training (Public Services Careers)	Dol-Manpower Ad.	Comprehensive Employment and Training Act	505,000	505,000
Training of the Elderly	Dol-Manpower Ad.	Older Americans Act, Title IX	25,000	25,000
<b>Total Administration Grants</b>			<b>530,000</b>	<b>530,000</b>
<b>Peace Corps:</b>	<b>ACTION</b>	<b>Peace Corps</b>	<b>1,188,000</b>	<b>1,200,000</b>
<b>GRAND TOTAL</b>			<b>\$11,876,000</b>	<b>\$13,189,000</b>

\* Funding uncertain

18- 415707

## Trust Territory of the Pacific Islands

Program and Financing  
(in thousands of dollars)

	<u>1975</u> <u>Actual</u>	<u>1976</u> <u>Est.</u>	<u>TQ</u> <u>Est.</u>	<u>1977</u> <u>Est.</u>
<u>Program by activities:</u>				
1. High Commissioner's Office.....	458	494	123	513
2. Judiciary.....	353	472	114	460
3. Federal Comptroller's Office...	297	228	58	250
4. Grants.....	64,191	68,169	22,845	82,534
5. Economic Development Loan Fund.	1,000	1,000	---	---
6. Categorical Assistance Programs	281	419	---	---
7. Bikini ex-gratia payments.....	<u>---</u>	<u>3,000</u>	<u>---</u>	<u>---</u>
Total program cost funded.....	66,580	73,782	23,140	83,757
Change in selected resources (undelivered orders)	<u>-3,204</u>	<u>+7,508</u>	<u>---</u>	<u>-1,436</u>
10. Total Obligations	63,376	81,290	23,140	82,321
<u>Financing:</u>				
21. Unobligated balance available, start of period (-).....	-2,606	-8,980	-8,000	---
24. Unobligated balance available, end of period.....	<u>8,980</u>	<u>8,000</u>	<u>---</u>	<u>---</u>
Budget Authority (appropriation)	69,750	80,310	15,140	82,321
<u>Budget Authority:</u>				
40. Budget Authority (Appropriation)	69,750	80,196	15,100	82,321
44. 20 Supplemental now requested for civilian pay raises.....	---	114	40	---
<u>Relation of obligations to outlays:</u>				
71. Obligations incurred, net.....	63,376	81,290	23,140	82,321
72. Obligated balance, start of period.....	36,098	29,070	25,912	31,743
74. Obligated balance, end of period.....	-29,070	-25,912	-31,743	-33,247
90. Outlays, excluding pay raise supplemental.....	70,404	84,340	17,267	80,817
91. 20 Outlays from civilian pay raise supplemental.....	---	108	42	<b>18-415708</b>

Object Classification  
(in thousands of dollars)

	<u>1975</u> <u>Actual</u>	<u>1976</u> <u>Est.</u>	<u>TQ</u> <u>Est.</u>	<u>1977</u> <u>Est.</u>	
Personnel Compensation:					
11.1	Permanent positions.....	2,763	2,826	717	2,774
11.5	Other personnel compensation...	<u>331</u>	<u>326</u>	<u>81</u>	<u>315</u>
	Total personnel compensation.	3,094	3,152	798	3,089
Personnel benefits:					
12.1	Civilian.....	207	211	54	210
21.0	Travel and transportation of persons.....	104	98	25	106
22.0	Transportation of things.....	---	2	---	2
23.0	Rent, communication, and Utilities	18	11	4	14
24.0	Printing and reproduction.....	9	10	4	12
25.0	Other services.....	209	350	95	404
26.0	Supplies and materials.....	25	13	5	14
31.0	Equipment.....	24	12	3	7
41.0	Grants, subsidies, & contributions	<u>59,686</u>	<u>77,431</u>	<u>22,152</u>	<u>78,463</u>
99.0	Total obligations	63,376	81,290	23,140	82,321

Personnel Summary

	<u>FY 1975</u> <u>Actual</u>	<u>FY 1976</u> <u>Estimate</u>	<u>FY 1977</u> <u>Estimate</u>
Total number of permanent positions.....	160	148	140
Average paid employment.....	151	149	135
Average GS grade.....	11.05	11.08	11.03
Average GS salary.....	\$20,034	\$21,316	\$21,595
Average salary of ungraded positions.....	\$17,936	\$18,832	\$18,832

18- 415709

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS  
PAID FROM FUNDS AVAILABLE TO TERRITORIAL AFFAIRS

Detail of Permanent Positions

	<u>1975</u> <u>Actual</u>	<u>1976</u> <u>Estimate</u>	<u>1977</u> <u>Estimate</u>
GS-18.....	2	2	2
GS-16.....	2	2	2
GS-15.....	14	14	14
GS-14.....	18	18	18
GS-13.....	30	27	25
GS-12.....	47	45	45
GS-11.....	47	43	40
GS-10.....	9	9	8
GS-9.....	17	17	16
GS-8.....	4	4	3
GS-7.....	12	12	12
GS-6.....	5	5	6
GS-5.....	11	12	11
GS-4.....	1	1	1
GS-3.....	3	3	3
Sub-Total	<u>222</u>	<u>214</u>	<u>206</u>
Ungraded.....	<u>12</u>	<u>11</u>	<u>11</u>
Total Permanent Positions	234	225	217
Unfilled positions, June 30.....	<u>-38</u>	<u>-04</u>	<u>-14</u>
Total Permanent Employment, end of year.....	196	221	203

18-415710