

Annual Plan

Infrastructure Monitor - no new construction - 2 years
cut of 8 million - 4 Hefes 4th Budget (Oct)
cut 3.5 in 76

Excluded 77 of 53 200
from 55 200 270

increase, especially when one takes into account the fact that we have built in an inflation factor through the use of constant dollars to express future program levels. The proposal is "front end loaded," i.e., funding is to be increased sharply through Fiscal Year 1978 and then tapered off sharply to a more modest, sustainable level during the post-trusteeship period. Specific schedules for the remainder of the trusteehip are as follows:

Capitex
Budget

55	FY 1975 - \$20 million	75
55	FY 1976 - \$25 million	80
54	*FY 1977 - \$ 30 ²⁵ million	79
50	FY 1978 - \$35 million	85
47	*FY 1979 - \$ 20 ²⁵ million	72
45	FY 1980 - \$15 million	60

26 would have to be spent in this period.

* Program developed into Stages I and II, Stage II representing the period after agreement is reached on a new status and constitution. In the event Stage I is extended through Fiscal Year 1977, these amounts would be \$25 million, i.e., a deferral of \$5 million capital improvement projects from 1977 to 1979.

The capital improvement program level in the first five years of the post-trusteeship period, in contrast, would be \$12.5 million, dropping progressively each five year period thereafter as Micronesian income from its own resources picks up and other sources of financial support also become available to make possible a sustained long term program for infrastructure development beyond the basics provided in the transition period.

1.4.5 count in 76.