

RELEASE: 86-66

PRIVATE ENTERPRISE STIMULATED BY ECONOMIC LOANS

Saipan, Mariana Islands, Trust Territory of the Pacific Islands - -
June 3, - - - The Economic Development Loan Fund has been one of the
most important means by which local economic activity has been
stimulated in Micronesia. Much new mercantile, agricultural and
industrial development has been made possible through direct or bank
loans guaranteed by the Fund.

Although the Economic Development Loan Fund was established in
1963, the Trust Territory Government has been loaning funds to private
enterprise for over 10 years. In 1956, a revolving fund from funds
made available by the U. S. Congress was established for loans to
locally-owned trading companies. This revolving fund was continued
until August 1964 when U. S. Public Law 487 transferred \$368,000 in
the former revolving fund for loans to trading companies to the Trust
Territory Economic Development Loan Fund.

The volume of loans made by the fund has increased from year to
year. In fiscal year 1964, loans totalling \$200,000 were made, while
\$104,000 worth were guaranteed with commercial banks. During 1965
loans totalling \$68,600 were granted while \$39,625 worth were guaranteed.

MORE

Since July 1965, the amount again was increased. The \$146,000 which was made in direct loans may be broken down as follows:

- \$44,000 - granted for business expansion and modernization for handicraft shop, construction business, bakery and bus transportation.
- \$40,000 - granted for establishment of business enterprises such as construction of a skipjack and reef fishing boat, construction of apartments, motels, gas and motor service station, electrical and fish market shop and small industries.
- \$33,000 - establishment of shipping agency, to operate vessels serving as common carrier and to engage in stevedoring and operation of port terminal facilities.
- \$29,000 - establishment of poultry farms, cultivate land for vegetables and tropical fruits, and improve cattle pastures.

In addition, loans totalling \$127,600 were guaranteed with commercial banks. Loans were guaranteed for the following:

- \$83,200 - for business expansion and modernization: Upholstery shops, bakery shop, tailor shop, movie theatre, warehouses and construction materials.
- \$31,700 - establishment of motels, electric and appliance shop, bakery shop and fishing industry.
- \$12,700 - establishment of poultry farm, cultivate land for vegetables and to purchase farm equipment.

As of March 31, 1966, the Economic Development Loan Fund had a total capital of \$691,621.

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PIO/2148



TRUST TERRITORY OF THE PACIFIC ISLANDS

Office of the High Commissioner

RELEASE: 85-66

Regions

INTERIOR DEPARTMENT PROPOSES \$172 MILLION IMPROVEMENT PROGRAM FOR TRUST TERRITORY

Saipan, Mariana Islands, Trust Territory of the Pacific Islands - - June 3, - - - The Department of the Interior has submitted to Congress a legislative proposal to authorize a \$172-million, five-year accelerated capital investment program for the Trust Territory of the Pacific Islands.

Yes

Assistant Secretary Harry Anderson said such a program is necessary if the United States is to meet its obligation of promoting the political, economic, and social advancement of Micronesia.

Penape

Assistant Secretary Anderson said: "If we are to carry out this commitment, enactment of this bill is urgently required. We have very much farther to go. We need authority to expend much more Federal money in the Trust Territory than we have spent in the past. Our responsibilities to the Micronesians permit no alternative."

Morochelis

Mr. Anderson added that development problems faced by the 90,000 Micronesians are "enormous" and are complicated by the fact the Trust Territory of the Pacific Islands is scattered over almost 3,000,000 square miles of the Pacific Ocean, an area similar in size to that of the United States. The population of the Trust Territory is divided among some 97 of the 2,000 islands, yet the total land area of all the many hundreds of islands is only 700 square miles, or about half that of Rhode Island.

Yes

Falke

MORE

Although important progress has been made in education and health services in the Trust Territory, much more remains to be done, Assistant Secretary Anderson said. "The capital improvement program that this legislation will make possible will allow this Government to make the needed improvements in the Trust Territory and allow its people to enter the 20th Century," he said. "These investments will create a favorable climate for the economic development of this area and its people."

Under the plan proposed by Interior, the \$172 million investment would bolster health, education, water, power, and sewage services; provide better air, ground, and water transportation; modernize and extend radio and telephone communications; and establish suitable buildings for executive, legislative, and the judicial branches of the Territorial Government.

In addition to providing a stepped-up construction program, the legislation requested by the Department calls for removing the ceiling of \$17.5 million a year for civil government operations. A financial plan accompanying the draft legislation would boost the operations budget from \$15.8 million to \$22.6 million for 1967. This would rise to \$39.2 million by 1970-71. Similar changes would increase the budget for construction and capital equipment from \$15 million to \$22.2 million next fiscal year and to \$37.9 million by 1970-71.

The plan envisions that in five years the Trust Territory would be sharing a much greater portion of its financial needs through a higher level of economic development. A private consulting firm now is completing a comprehensive development program for the Territory.

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Highlights of the proposed plan:

Health--Provide 515 hospital beds in three major hospitals, seven regional health centers and 75 dispensaries; construct nursing school facilities, four medical service vessels, and 100 units of medical housing. Cost: \$30.1 million.

Education--Construct 834 classrooms for elementary school children and 356 classrooms for secondary education and associated facilities such as kitchens and utilities. Cost: \$76.9 million. (The amount does not include funds for a possible educational television system. A feasibility study for educational television is under way).

Utilities--Water supply and distribution, sewage treatment and electrical power supply plants and distribution systems. Cost \$32 million.

Transportation--Surfacing airfield runways, providing runway lighting, navigational aids, terminals and shops; constructing 190 miles of gravel or coral surface roads and 100 miles of asphalt surface roads; construction of harbors, piers, and dredging and marking channels. Cost: \$19.8 million.

Communications--Installation of improved radio equipment in widely separated administration centers, installation of a two-way radio in each community with more than 50 people, construction of a Micro-wave system for voice communication between the territorial capital on Saipan and Guam and with the U. S. mainland; and installation of telephone systems. Cost: \$2.8 million.

General Government-- Buildings for Territorial Congress, court houses, offices, employee housing and equipment maintenance shops. Cost: \$10.2 million.

MORE

There also would be expenditures to contribute to the development of agriculture, territorial government radio, fisheries and boat-building, and public safety. Construction of hotel facilities would help encourage tourism.

Assistant Secretary Anderson said all of the improvements planned are interrelated. And he said they are necessary if Micronesians are to rise above a low level of subsistence and take their place in a modern world.

He said a "crash" program to achieve objectives of the plan would cost much more than the proposed outlay and fail to allow training of Micronesians to take advantage of new employment opportunities.

On the other hand, he said, a program extending longer than five years would have heavy costs in lost education opportunities, debilitating effects of preventable--but unprevented--disease, and in unused resources.

The plan also includes:

. . . Recruitment of 20 doctors and 36 registered nurses, supplemented by up to 21 public health nurses; training for Micronesian nurses; and recruitment and training of medical support personnel. There would be special programs for detection, isolation, treatment and rehabilitation of patients with diseases.

. . . Recruiting and training more teachers, since 43 per cent of the teachers now are not high school graduates and only 30 per cent have more than high school diplomas. More than half of the teachers cannot instruct in English. One goal would be to teach English as a second language to every child in every grade.

MORE

Assistant Secretary Anderson said the Trust Territory now has 19,000 children in elementary school and 2,500 in high schools. Enrollment at both levels is limited by space. Estimated enrollment in 1972, if there are enough classrooms, is 29,000 in elementary schools and 8,000 in secondary schools.

Population in the Trust Territory is growing almost 4 per cent annually, compared to 1.6 per cent in the United States and 2.3 per cent in India. About half the population is less than 20 years of age.

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