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NORWOOD DELIVERS STATE OF TERRITORY MESSAGE

Saipan, Mariana Islands, Trust Territory of the Pacific Islands, July 12 . . . The new High Commissioner of the Trust Territory, William R. Norwood, told a joint meeting of the second regular session of the Congress of Micronesia today that the emerging identity of the Micronesian "self" is a leading factor in the future political development of Micronesia, and that this identity will grow in strength.

"I believe," he said, "that these widely-dispersed and culturally different groups of island people will be drawn progressively closer together, and that their now beginning sense of mutuality of interest and identity will be steadily strengthened by the necessity of cooperation and coordinated efforts to solve their economic and political problems. Their society will, as a result, become more viable in terms of modern conditions. The formation of the Congress of Micronesia has already had a unifying effect on the citizens of this widely-scattered area."

Mr. Norwood outlined the prospects for development of "the economic

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facilities and services required to sustain the life and growth of this political unity, which are just now beginning to form a cohesive pattern."

He said, "We can no longer be satisfied with patching up, repairing and mending the old establishment."

Mr. Norwood, who returned two weeks ago from an appearance before the Trusteeship Council of the United Nations, told the Micronesian congressmen that, "with the possible exception of the U.S. Congress, there probably is no other legislative body in the world today whose actions are being watched with more critical interest by such a variety of outside observers."

The High Commissioner said he was leaving at the end of this week to testify before committees of both houses of the U.S. Congress on the new five-year construction program which has been presented by the Department of Interior. The measure proposes that a \$172 million capital improvement program be authorized over a five-year period. Five-year period.

"This would enable us," he said, "to plan ahead and achieve a more orderly development of school and health facilities, roads, communication services, harbors, sanitation, and other needed improvements."

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Cautioning that the U.S. Congress will expect assurance that these needs do in fact exist, and that whatever funds are made available will be carefully administered, he said, "I am aware that some of you feel that the Congress of Micronesia should be given more responsibility for appropriating/funds made available by the U.S. Congress. It should be understood, however that any substantial move in this direction at this time would require a rather basic change in the present policy which the U.S. Congress now applies not only to the Trust Territory but to all countries to whom grants-in-aid are made."

He explained that the U.S. Congress does not make lump-sum, unrestricted grants, but appropriates funds only for specific programs, and insists that there must be a careful accounting and assurance that the funds are used for the purpose for which they were granted.

Mr. Norwood promised that his administration would attempt to "strengthen your participation in the budget preparation process, so that the proposals presented to the U.S. Congress reflect your thinking, as well as the views of the Administration."

Continuing the emphasis on economic development, he mentioned that the preliminary report of the Nathan Associates Team, which has been

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studying the economic needs of the Trust Territory, would be ready shortly and that the Team's specific recommendations would follow "in about a month."

In this connection, he said: "As we move forward with business and economic development programs, I shall not only welcome but shall seek outside capital and the assistance of firms or organizations with the type of experience and resources we need. But whatever arrangements we make will have built into them, as best as we can, guarantees that whatever is done here is done for the long-range benefit of Micronesia, and not for the short-term gain of the investors. In addition, we will encourage and deal with Micronesian business interests. To fail to do so would be contrary to the central objective of this Administration, which is to build and strengthen opportunities in Micronesia for Micronesians.

Touching on some of the proposals which the administration will present to the Congress, Mr. Norwood mentioned the Micronesian Wage Scale, which he described as "long overdue for adjustment."

Speaking of the imminent arrival of the Peace Corps volunteers in Micronesia, he said: "Their support, particularly in the outlying islands, should go far toward meeting many of our needs for teachers, health aides, technicians and other specialists." He emphasized that

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the Peace Corps will not replace efforts already being made by the Trust Territory staff members.

The Congress opened its second regular session yesterday in new buildings on Mount Tagpochao, with both houses going through routine organization proceedings. Bethwel Henry, Ponape, was elected Speaker of the House of Representatives, with Petrus Mailo, Truk, being returned to his original post of Vice Speaker. Mailo became Acting Speaker when Dwight Heine, Marshalls, resigned to become District Administrator of the Marshalls District.

Tosiwo Nakayama, Truk, and Bailey Olter, Ponape, were re-elected President and Vice President of the Senate. Lazarus Salii of Palau was elected Floor Leader of the House.

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