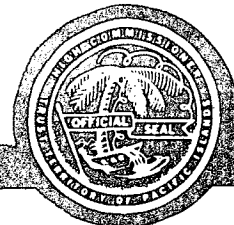


# PRESS RELEASE



## TRUST TERRITORY OF THE PACIFIC ISLANDS

Office of the High Commissioner

Saipan, Mariana Islands

96950

RELEASE: 115-87

Moricians

### HIGH COMMISSIONER PRESENTS OPENING STATEMENT TO UNITED NATIONS TRUSTEESHIP COUNCIL

Saipan, Mariana Islands, Trust Territory of the Pacific Islands  
June 15 . . . High Commissioner W.R. Norwood appeared before the U.N. Trusteeship Council last week to present his opening statement, a review of events in the Territory since July 1, 1966. The Trusteeship Council began its consideration of conditions in the U.S. administered Trust Territory of the Pacific Islands on June 8 and in addition to Mr. Norwood, heard statements by its President, Dr. Angie Brooks of Liberia, chairman of the U.N. Mission which toured the Territory in February and March of this year; by Mrs. Eugenie Anderson, Ambassador to the Trusteeship Council and head of the U.S. Delegation; and by Representative Lazarus Sali, member of the Congress of Micronesia and Advisor to the U.S. Delegation.

Truk

Ponape

Marshalls

Yap

Palau

Also attending the session of the Trusteeship Council are Senator Amata Kabua, member of the Congress of Micronesia from the Marshall Islands; Assistant Commissioner for Public Affairs N. Neiman Craley, Jr.; and two Leader Grantees from the Territory -- Budget Analyst Juan Sablan and Political Affairs Officer Raymond Ulochong. George Milner, Assistant Director of the Office of Territories, and John E. de Young, Deputy Assistant Director of the Office of Territories are also with the U. S. Delegation.

MORE

HIGH COMMISSIONER PRESENTS OPENING STATEMENT  
TO UNITED NATIONS TRUSTEESHIP COUNCIL - Page 2

The Council concluded its consideration of conditions in  
the Trust Territory on June 14.

The text of Mr. Norwood's statement follows:

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Opening Statement to the United Nations Trusteeship Council by the  
Honorable William R. Norwood, High Commissioner of the Trust Territory  
of the Pacific Islands, June 8, 1967

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Our annual report which is before the Council provides information on the period from July 1, 1965, to June 30, 1966. Inasmuch as almost a year has elapsed since the latter date, I shall discuss events occurring in the period subsequent to that of the report. In so doing, my remarks may overlap to some extent the information supplied to the Visiting Mission when it was in Micronesia last February.

At the time of my report to you a year ago, the Administering Authority had determined that our responsibilities to the people of Micronesia and our obligations under the Trusteeship Agreement required an acceleration of effort and a reorganized and revitalized program of development.

Legislation was drafted requesting the Congress of the United States to authorize and appropriate funds for an expanded construction program totaling \$172 million over a five-year period, with corresponding increases in operating expenses.

Confronted with numerous other pressing demands, the 89th Congress took the view that the proposal was too ambitious and that a scaled down two-year program would be more realistic.

Accordingly, the legislation was revised to raise the then existing Trust Territory ceiling of \$17.5 million to \$32 million in fiscal 1967 and \$35 million for 1968.

This legislation received strong support in both the U. S. Senate and House of Representatives. It passed the Senate but failed to pass the House when it became involved in a log-jam of legislation in the closing hours of the 89th Congress.

However, the momentum of support carried over into the 90th Congress. New Trust Territory legislation passed both houses and was signed into law by President Johnson May 10, 1967.

The new bill raised the ceiling to \$25 million for 1967 and to \$35 million--double the previous limit--for 1968 and 1969.

In a statement issued by the President at the time he signed the bill, he said:

"We have made an appreciable start toward meeting that obligation--though a great deal remains to be done to raise living standards in the islands.

"From my visit to American Samoa in October of last year, and from conversations with leaders of the Trust Territory in Guam last March, I know of the urgency that attends this responsibility. I am happy to sign into law a measure that recognizes that urgency and allows us to respond to it meaningfully.

"I have already asked that the Congress appropriate additional funds, both this year and next, so that among other projects we can build schools, hospitals, roads, airfields, and communication facilities, hire teachers and doctors and nurses, and provide for the economic development of the area. We are working to help the people of the islands become self reliant, and ultimately joined in a full relationship with other nations bordering the Pacific."

It should be emphasized, however, that the passage of this legislation does not mean that the Trust Territory now has available for its use the total amounts of money indicated by the new, higher ceilings.

These are merely upper limits. Requests for appropriations within these limits must be thoroughly and convincingly justified to gain approval of the several committees of the Congress which are responsible for reviewing and evaluating the Trust Territory programs and their costs.

The committees of the Congress and the Bureau of the Budget before which we have testified in quest of larger sums of money have stressed that while they recognize the expanding financial requirements of the Trust Territory, they also expect to see more evidence of achievement; more progress in education; better health programs; economic development; more evidence that the citizens of Micronesia are developing an increasing capability to share a larger responsibility for shaping and directing their destiny in a world that is rapidly closing in upon them.

It is evident, therefore, that the U.S. Congress and the Trusteeship Council of the United Nations look upon our administrative responsibilities in Micronesia in much the same light.

This has the effect of bringing the scrutiny to which our Administration is subjected into a binocular focus of attention. It should clarify and sharpen our vision and lend a sense of immediacy and urgency to our task.

A PERIOD OF PREPARATION

In the period that has elapsed since I reported to you a year ago, the main thrust of our effort has been in the direction of reorganization and preparation for program expansion and new construction as the needed additional funds are made available.

There have been a significant number of staff changes which should add strength to our administrative capability. Further changes are contemplated as we continue to assess our organizational and management requirements.

As a basic guideline for constructing new facilities and improving or expanding those presently existing, we believe there should be the maximum possible coordination and planning.

What is built, where and when it is built, should depend largely on identified priorities and planning.

Power, water and sanitation requirements were selected for first consideration. Through a consulting contract, we obtained power studies and pre-engineering surveys of the islands with the largest populations. Similarly, through a separate consulting contract, we have obtained water supply surveys of Saipan, Koror and Moen and sewer surveys for Saipan and Koror.

The object of these surveys is not only to provide reliable data on which to base construction plans and budget projections as we seek to improve the residential areas of these various islands, but an equally important purpose is to identify as far as possible the scope and cost of services required to encourage economic development.

We intend to prepare a comprehensive plan for the entire territory to provide guidelines for highest and best use of the limited land areas. The objective is to shape the direction and character of future development so that services and facilities are appropriately related to community needs, and so that requirements for economic growth, urban expansion, and protection of valuable resources are in an orderly and mutually beneficial relationship.

Because Micronesia is subject to periodic typhoons, we occasionally are compelled by circumstances beyond our control to shift our administrative attention and our resources suddenly to meet emergencies.

The typhoon which devastated Koror and Babelthuap early in March causing damage estimated at \$5 million is an example of such an emergency.

All available food supplies, construction materials and medical assistance were rushed to the stricken islands. The reconstruction program, which will be financed in large part from funds made available through the U.S. Office of Emergency Planning, is now underway.

Rather than limit the rebuilding to restoration of the previously existing structures and facilities, we decided to convert the disaster into an opportunity to rebuild according to a new community development plan.

This required adjusting our 1967 budget projections to allocate an additional \$1,700,000 to supplement the Federal disaster assistance we expect to receive.

We look upon this as a sound investment because the combination of reconstruction and new construction should not only result in a more desirable arrangement of buildings and facilities but they should be sturdy enough to survive future typhoons.

THE PEACE CORPS

While we have been concentrating on efforts to improve our administration and on program planning, our ability to extend the reach and the effectiveness of existing programs has been strengthened substantially by the presence of the Peace Corps in Micronesia.

There are presently about 450 volunteers assigned to various districts. More than half of these are employed as teachers, principally in English language instruction. Almost 100 others are serving in health



programs as health aides, nurses, medical technicians and x-ray technicians. The remainder of the group, including those serving as architects, lawyers, surveyors, business advisers, are assigned to a wide variety of activities including community development and miscellaneous other categories.

A new group of volunteers will begin training this summer at a Peace Corps training center on Udot Island in the Truk lagoon. By the end of this calendar year, it is estimated that there may be more than 700 volunteers in service throughout Micronesia.

At the outset of the movement of the Peace Corps into Micronesia a year ago, there was of course some concern about administrative and logistic support for the volunteers as well as concern about jurisdictional relations between the Peace Corps and the Administration.

We have in fact experienced some administrative growing pains. The Visiting Mission saw some evidence of this and has included some constructive comments in its report which we have taken into account in preparing training for the new group of Volunteers.

Regarding the question of jurisdiction, the Peace Corps and the High Commissioner have initiated a basic agreement which places the Peace Corps under the full authority of the Administration. Peace Corps programs are developed jointly between the Peace Corps and the High Commissioner. An advisory council, a Micronesian advisory council composed of members of the Congress of Micronesia, has been formed to advise the High Commissioner and Peace Corps.

There is one aspect of the Peace Corps involvement which I wish to highlight as particularly useful and timely. The volunteers are strongly service motivated. Their philosophy is to work with

people in need of their services. Their desire to become directly involved in village life, has facilitated the establishment of constructive rapport with Micronesians.

This has enabled the volunteer to gain the confidence and respect of Micronesians and thus influence the planning of many useful community development projects by injecting a new revitalized spirit of self-help and self-assurance into the communities.

The Administering Authority and the citizens of the territory have gained much from the presence of the Peace Corps. Administrative and jurisdictional problems can and are being resolved and we look forward to a full and compatible partnership that will benefit the people of Micronesia.

#### ECONOMIC DEVELOPMENT

One of our major objectives in Micronesia is to identify ways and means of developing the economy of these islands. This has been a problem of great concern to the Trusteeship Council, the Administering Authority, the Congress of the United States and to the patient, deserving citizens of Micronesia.

Earlier this year, we took delivery of an economic development plan prepared by Robert R. Nathan & Associates. The plan is based on two years' study of various factors, conditions and policies affecting economic development prospects.

This massive report, makes certain basic policy recommendations and establishes guidelines for coordinated program efforts to be implemented as rapidly as possible. (Copies of the report have been made available to members of the Trusteeship Council.)

The Administering Authority accepts the validity of the great majority of these recommendations. A few we accept with reservations or modification of approach. For example, we do not believe it would be politically practical to change the existing law so that non-citizens could own land in Micronesia. We feel that economic development objectives can be well served by long-term leases.

We are already encouraging outside investors to explore business opportunities in Micronesia. The resulting enterprises, however, should provide employment opportunity for Micronesians and make provision for Micronesian participation in the management and ownership.

The need to import some selected skills not locally available is recognized, but we doubt the necessity and political acceptability of any large-scale importation of cheap foreign labor. The preferable alternative is to accelerate training programs and vocational instruction as rapidly as possible.

#### CREDIT UNIONS AND COOPERATIVES

During the period of the Nathan study, the economy of Micronesia not stand still. Progress has been slow but there have been some gains. For example, we have experienced rapid growth of credit unions and cooperatives. By the end of the 1966 calendar year, the number of credit unions through Micronesia increased from 26 to 41, or 57 percent.

Their combined assets rose to one-half million dollars, an increase of 87 percent.

Cooperative activity also expanded during 1966. At the end of the year there were 24 cooperative associations in existence, an increase of eight from the preceding year. These cooperatives had approximately 6,200 members, or one member from every 2.5 families in Micronesia. They had gross revenues approaching \$4 million.

#### AGRICULTURE

Agriculture with an estimated value product of close to \$12,000,000 is the largest source of real income and support of the people in Micronesia today. However, the Administration, well aware of the impending increase in demand upon its limited labor supply and increasing costs of living is not satisfied with present levels of production. A critical evaluation of the total agricultural program has been undertaken to determine ways and means of increasing production of both domestic and export crops and the subsequent return to the producers.

Programs will be reviewed to improve the technology of both home garden and cash crop production. A fertilizer demonstration program will be initiated. Funds have been set aside to purchase both heavy equipment for land clearing and machinery for demonstration farming in those districts where mechanization is feasible and can provide the greatest impact. Consideration is being given to re-directing the emphasis of our agricultural stations away from experimentation and toward demonstration.

The rice, pepper and cacao pilot projects are being evaluated. Results of the cacao feasibility study carried out by the Nathan team show that cacao, at the current scale of production is uneconomical. Results of a revised program with additional effort aimed toward increasing production through Fiscal '68 will determine whether we will further expand or phase out this project in Fiscal '69.

The plant disease and pest control sections are continuing their efforts to control the Rhinoceros beetle in Palau and eradicate the melon fly on Rota, while efforts are being continued to determine the cause of the Pingelap disease of breadfruit prevalent in the South Pacific and in the Marshalls, Ponape, Truk and Marianas Districts of the Trust Territory.

A new Trust Territory-Peace Corps program for agriculture, which will place major emphasis on increasing copra production has been developed, and is expected to be implemented this fall. The objective of this program will be to increase copra production by 30 percent in 2-4 years and by more than 100 percent in 8-10 years.

During the year, eleven Micronesians have either completed or are undergoing agricultural technical training outside the Trust Territory. These include a Plant Quarantine and Weed Control training program at the East-West Center in Hawaii, Paddy Rice Culture training in Taiwan, and Forestry training at the Bulolo Forestry Training Center in the Territory of Papua and New Guinea.

The Administration is presently investigating the possibility and benefits which might accrue from direct participation of the U.S.D.A. in ongoing Trust Territory agricultural programs.

We are anticipating a more than 100 percent increase in the total domestic demand for marketable food items by 1973 and a shift away from home grown to marketed food items of some 50 percent by 1973. This could result in an increase of from 5-10 million dollars in food imports. Our objective will be to increase the ability of local farmers to produce to fill the anticipated gap. Consistent program evaluation with redirection as necessary should provide the local producers with the necessary technical support to enable them to capture a fair share of the projected domestic market.

Copra continues to be the largest export item of the Trust Territory with over 12,000 tons valued at \$2,000,000 estimated to be exported during the fiscal year, however this amounts to a decline in production and a decrease of \$600,000 in earnings from the previous year. This was a result of disruption of field trip vessel service in the Marshalls and Truk Districts and the low world market price of copra which continued to decline up through November of 1966. The Copra Stabilization Fund now stands at a low of \$383,000, having paid the producers \$355,000 during this period while maintaining the price of a short ton of copra at \$102.50. In line with a resolution passed by the Congress of Micronesia at its last session, the membership of the Board of Directors has been increased to include a representative from each district.

Regardless of the extent to which the world price of copra may fluctuate, copra is, and as far as we can determine will continue to be a major source of income to a large portion of the Trust Territory citizens for some time to come. In line with this reasoning, we are launching a program to upgrade our copra production base through coconut grove rehabilitation in an effort to safeguard this very important source of income and subsistence to out-island inhabitants.

A two-year contract has been awarded to the United Micronesian Development Association to purchase and market copra in the territory. This was the first territory-wide contract awarded a Micronesian firm. Atkins-Kroll and Company of San Francisco was the marketing agent for the past 12 years.

Mobil Oil Micronesia, a corporation organized under the laws of the Trust Territory, was granted a contract for the establishment of a commercially-operated petroleum supply, storage and distribution system throughout the territory. The distribution of the petroleum had been handled by the Government since World War II.

The contract has resulted in a reduction in fuel costs generally approximating 15 percent and will promote private enterprise with Micronesian participation throughout the districts. Micronesian district managers are currently being trained in the Philippines. Stock ownership by Micronesians is also available.

The Economic Development Loan Fund is presently capitalized at \$700,000, and our goal is to raise the capital level to \$1,000,000. Since last July, 19 direct loans totaling \$193,000 (increase of \$37,000 over 1966) have been granted to individuals to assist in new enterprises or to expand existing businesses.

Additionally, the Fund guaranteed 10 bank loans for a total of \$285,700 (an increase of \$158,000). The Board of Directors of the Fund is prepared to provide technical assistance to borrowers for the improvement of their projects. A loan specialist was hired to assist the Board in carrying out this program and follow up the loan projects.

During the past year development of the marine resources of the territory continued. In Palau, the boatbuilding cooperative built a total of 60 boats ranging up to 75 feet and valued at approximately \$150,000.

At the present time there are approximately 25 men participating in the Hawaii Skipjack Fisheries Training Program which gives each man two years of commercial fishing experience. Returning trainees are expected to participate in commercial fishing in the Trust Territory.

The commercial tuna vessels fishing in Palau landed 3,010 short tons of tuna valued at \$280,000 during the year.

The Palau Fishermen's Cooperative, which produced approximately three quarters of a million pounds of reef fish for local and export sales, recently has completed some packaging trials and is planning on setting up a small packaging operation. The fishing cooperative on Truk has purchased a small ice plant of its own and is now erecting a cold storage plant. These facilities will make it possible to increase the production of reef fish in the Truk lagoon.



We have received many expressions of interest in the possibility of establishing a marine biological and oceanic research center in Palau, and believe that a useful program of pure and applied research can be established on Koror if we can finance suitable laboratories and buildings adequately equipped for research purposes.

#### LAND RESOURCES

An islander's most precious possession is his land. In Micronesia this attachment to the land is magnified by the fact that in this ocean area of some three million square miles, the land area of all the two thousand islands combined totals only some 700 square miles.

The Division of Land Management which has been established for nearly two years is responsible for the administration of approximately 236,000 acres of public lands scattered over hundreds of islands and atolls. Land administration and land tenure problems are complex. They are typical of most developing territories of the Pacific where there is an increasing requirement for land areas for expanding capital improvement programs. We need to establish criteria for determining Government requirements in relation to the enduring demand for return of lands to private ownership and use.

#### TRANSPORTATION

Transportation services and equipment are obsolete and critically inadequate. One of our most pressing needs is to obtain new ships properly designed for trade and travel within and between districts.

I particularly noted the Visiting Mission's statement that it " . . . can think of no single step which would be better calculated to invigorate the economy and encourage its growth than the improvement of shipping services between the islands and the districts and the outside world."

We are currently considering acquisition of some new vessels for administrative use so that our doctors, nurses, educational administrators and other staff members do not have to depend on the tight, commercial schedules of the trading ships to get necessary work done in outlying islands.

The larger logistic vessels on which we depend for inward and outward movement of goods and equipment are also obsolete. The present contract for the operation of these ships will expire at the end of August. We presently are developing a new set of specifications and will invite proposals from carriers who may be interested in providing services with newer ships better designed for our needs.

With respect to air transportation, the Mission noted that "services are neither sufficient nor sufficiently regular and there is a requirement for improved air services." (p. 68). The administration agrees and we have issued an invitation for proposals from qualified air carriers to provide improved services with better frequencies of flights and, hopefully, improved equipment. Our timetable calls for such improved services to be inaugurated no later than next January 1.

## EDUCATION

The foregoing portion of this review has dwelt mainly on the material aspect of our various activities; money, economic development, transportation, power, water, land. In the concluding portion of this report, therefore, I shall focus on the human element -- the people of Micronesia -- what is being done to help them cope with changing conditions; to help them develop self-reliance; a capacity for self-determination.

The program areas that have the most interrelated influence on the Micronesian citizen and his ability to deal successfully with the challenges and uncertainties confronting him are education, health, community development and political action.

There is evidence that our approach to education and the present system of instruction in the elementary and secondary levels are not producing the results that the people of Micronesia deserve and that we hoped to achieve.

Some statistics are impressive, showing steady increase in school enrollment, more classrooms built, more scholarships offered each year. But we have other concerns -- the quality and content of education. These need attention as noted in the report of the Visiting Mission.

These comments are not intended to minimize the substantial achievement of those Micronesians who have gone on to or through college or those who have developed skills in trades and professions. But it appears they have done so because they have been individually motivated and cannot be claimed as typical products of our educational system.

Perhaps we should not be too discouraged by what appears to be a lack of progress, because it was as recent as 1961 -- only six years ago -- that the Administering Authority undertook to accelerate and coordinate a greatly expanded educational program, including school construction.

This past year, we have been reevaluating our efforts. We are attempting to identify needs that are not being met and devise new concepts and new procedures to do a better job.

The Nathan study calls for more emphasis on vocational and trade training. We are planning to establish at least one polytechnic high school, and will be placing more emphasis on vocational courses in the existing high schools.

We have had a study made of the feasibility of adapting educational television to our school program. The conclusion was that ETV could be applied effectively in some of the districts, but cost estimates were so substantial that we have temporarily deferred any decision or action.

Within the past few months, we have contracted with the Stanford Research Institute to do an overall evaluation of our educational system. This will cover curriculum, goals, quality of instruction, administrative organization, and other related factors.

During the year, the number of public elementary schools increased from 171 to 178 while enrollments (grades 1-8) climbed from 18,788 to 20,087, an increase of 1,299. Enrollments in private schools increased

706 in grades 1-8 and 219 in grades 9-12. Total enrollment in both public and private schools has increased during the past 4 years from 20,813 in 1963 to 29,724 in 1967. Three hundred and eighteen Micronesian students are enrolled in the schools of Guam. The total estimated number of Trust Territory students who will graduate from high schools this year is 544. Of the 291 Micronesian students seeking higher education abroad, 141 are on full-support Government scholarships. Forty-two of these are studying in medical or paramedical fields. Sixty-eight students received partial scholarship support in the form of tuition and/or transportation assistance. The remaining 82 students received assistance from various private sources. Additionally, 141 Micronesians received short-term training in 36 different fields at the Institute for Technical Interchange at the East West Center. Five students were abroad under UN Technical Assistance programs. Many other Micronesians received technical training under various programs offered to the territory.

Major emphasis has been placed on the teaching of English as a second language. A system of instruction which has proved effective in other Pacific island areas is being adapted to our educational program. This is known as the Tate Oral English Syllabus.

Some 19,000 public and 4,600 private school children have benefited from programs under the provisions of the Elementary and Secondary Education Act. Special courses have been offered in remedial English and

reading, commercial education, science instruction and "catch-up" education for youth who had dropped out of schools. In addition, 41 experienced American teachers were employed in a project which emphasized teaching English as a second language.

Meantime, within budget limits under which we have been operating prior to the recent new ceiling legislation, we have continued some school construction. Ninety-six classrooms were completed during the year. Ninety-seven emergency classrooms for public elementary schools are expected to be completed by September 1967.

HEALTH

Health services and facilities in Micronesia are far from satisfactory. We have not achieved nearly as much progress as we had hoped following the critical report of the World Health Organization of more than a year ago. However, there have recently been some encouraging developments which lead us to believe that a year hence we shall have more to show for our efforts than we do at this time.

The year-long quest for a new director of health ended successfully a few weeks ago with the hiring of Dr. William Peck whose experience appears particularly applicable to our needs.

Since 1964 Dr. Peck has been in Malawi, Central Africa, supervising health programs conducted in that country by the University of North Carolina's School of Public Health. He worked closely with the Malawi Ministry of Health and supervised 41 Peace Corps volunteers as well as

African health workers. From 1959 to 1964 he was head of the Territory of Guam's Division of Public Health. While there, he helped coordinate health programs with the Trust Territory's medical director.

We are considering moving this position up to cabinet level to strengthen responsibility for health program development and administration.

Meantime, the departmental staff has been augmented by a hospital administrator, an administrative assistant and a medical records librarian. The recruitment of eight fully-accredited physicians has been authorized and funded since 1964, but we have had great difficulty in filling these vacancies.

The three-year mass immunization program instituted in 1964 for smallpox, typhoid, tetanus, diphtheria, whooping cough and poliomyelitis is now virtually complete for all districts except the Marshalls, where to date some 10 of the 26 inhabited atolls have been covered. A continuing followup program on immunization is being conducted throughout the territory.

A serious epidemic of infantile gastroenteritis broke out in Ebeye late in April of this year. Despite imposition of rigorous sanitation measures and the prompt dispatch of medicines and a senior medical officer to the scene, five deaths resulted among the more than 700 cases. A quarantine was instituted, but was not successful in preventing spread of the disease to nearby Likiep atoll and the district center of Majuro. In the two latter areas, the epidemic has been milder in impact and less widespread, with no deaths reported.

Once again the outbreak of communicable disease on Ebeye has pointed up the urgency of reducing population on this crowded island of 72 acres. Plans are now underway to repatriate some 1,000 persons, who are not native residents of that atoll, to their homes elsewhere in the Marshalls or other districts.

Following upon a territory-wide health census now 90 percent complete, plans have been made, in cooperation with the University of Hawaii, for surveys of the incidence of tuberculosis, leprosy and filariasis. Peace Corps volunteers will be utilized to a large extent in this program.

The dental survey of Micronesian children, begun last year, continues. By the end of this year we expect that coverage will be complete for four districts -- Truk, Ponape, Palau and the Marianas.

During the past year, the territory has been visited by 26 public health consultants, representing such agencies as the World Health Organization, the University of Hawaii, the University of Southern California, the National Institute of Health, the College of Guam, and the Government of Guam.

Twelve students entered Central Medical School, Fiji, in January and are enrolled in medical, dental and para-medical fields. These are the first Micronesians to attend in Fiji since use of this institution was suspended in 1962. Additionally, 40 other Micronesians are studying abroad on medical scholarships. Three completed WHO fellowships. Six members of the public health staff participated in WHO



seminars in the fields of statistics, training of health workers and environmental health. Four Micronesians attended programs sponsored by the South Pacific Commission dealing with mental health and problems of coral atoll populations.

Enrollment at the Trust Territory School of Nursing has been increased to 40 and six buildings have been renovated to provide additional classroom and dormitory space. One Peace Corps registered nurse has been added to the faculty. Plans are underway to expand the Nursing School to a three-year program by 1969.

The 13th Annual medical survey of the people of Rongelap was carried out in March by a joint AEC-Trust Territory team. No unusual findings were noticed during this survey. An exposed boy who had not been examined during the past few years because he was living in another atoll, had developed a nodule in the thyroid gland. Hormone therapy was prescribed rather than surgery.

#### COMMUNITY DEVELOPMENT

The community development program has continued in rural and urban areas throughout the territory with increased emphasis on improving services and self-improvement efforts in the territory's congested, urban communities, where more than 30 percent of the Micronesians now reside.

Community Action Agencies have been chartered in each of the six districts. These private, non-profit bodies have applied for more than \$200,000 in grants from the Office of Economic Opportunity for the conduct of Head Start programs for an estimated 1,500 pre-school youngsters. An

### POST-WAR DAMAGE CLAIMS

During the period September 21 to November 4, 1966, a three-man team appointed by the Secretary of the Interior travelled throughout the Trust Territory and conducted an investigation of unpaid post-secure World War II damage claims against the United States. The team included two representatives of the Department of the Interior and the Trust Territory Attorney General.

As a result of the investigation, the team reported to the Secretary that there were a substantial number of unpaid claims against the United States for post-war damage to land, buildings, crops, trees and other personal property. A total of 889 claims has been received. It is expected that a small number of additional claims will be submitted but it is believed that a substantial majority of possible claims have been registered.

It is obvious that there must be a careful evaluation to determine a reasonably exact tabulation. Many of the claims received deal with injuries and damages to property occurring during actual hostilities and were not properly within the scope of the present claims investigation.

As a followup to the investigation, a claims office is being established in the office of the Attorney General at Trust Territory headquarters. The major task of this office will be to refine the existing claims data to eliminate those resulting from wartime activities; identify those which appear to be duplications; and establish identification

of claimants or their heirs. Once the claims data are evaluated and refined, the Government should be in a position to recommend a formula for settlement.

At the request of the Congress of Micronesia, an investigation of Japanese postal savings and Japanese yen currency conversion claims was made during the year. The response to requests for submission of such claims was negligible. This category of claims appears to have been satisfactorily settled in 1957 when the Trust Territory Government received postal savings claims and paid out \$25,000 to the Micronesian claimants.

#### POLITICAL AFFAIRS

If our record of achievement in Micronesia is not studded with success in all areas of administrative responsibility, there is one where progress has been impressive.

In the relatively short time they have been encouraged to do so, the Micronesians have demonstrated an ability to understand and use the democratic political process.

With perception and quality standards, they have selected some of the ablest individuals in the territory to represent them in the district legislatures and in the Congress of Micronesia. This not only reflects favorably on the growing maturity and reliability of the Micronesian voter, but it also credits the prior Administration with solid achievement in the area of political development.

From the administrative point of view, however, this progress presently tends to be paradoxically self-defeating. This is because most of the ablest legislators selected by the discriminating voters are also persons who have been chosen for responsible positions in the executive branch of the Government. Either the legislative or the executive branches stand to lose some top talent in the 1968 elections when some Government employees who are also members of the Congress must decide whether to continue to run for office or pursue a career as a Government employee.

Fortunately, this day of decision will leave neither the legislative nor executive arms of the Government without reserves to draw upon to replace losses which either side may suffer. There are many promising persons in Government who are not in legislatures. There should be opportunity for those with the proper training to move into vacated positions.

This also points up the urgency of developing the economy of the territory so that there will be more employment opportunities outside of Government service. In addition, it underscores the importance of better training for Government employees. This is necessary to have a reserve of qualified replacements for Micronesians who seek employment elsewhere. It is even more important in relation to our responsibility to prepare Micronesians adequately for positions now held by Americans.

We are making progress in this direction. The past year saw the start of a management intern program. This is designed to identify, select and train young Micronesians for positions of leadership in Government. Selections are by competitive examination to minimize personal favoritism. The first year of employment has been devoted to planned, systematic training in fundamentals of the intern's field of specialization.

A program to rotate Micronesian assistant district administrators is being prepared. The object is to broaden their experience and expose them to the differing political environments and the geographical conditions which distinguish each district and result in administrative requirements peculiar to each.

In addition, it is planned to assign one Micronesian assistant district administrator as administrative assistant to the high commissioner. As assistant to the high commissioner, he will become familiar with headquarters' operations and have direct administrative contact with all departments at the headquarters level. The availability of such a person should also help strengthen administrative coordination between headquarters and the districts.

We have also recently established a policy to have representative Micronesian staff members participate in cabinet meetings. The purpose is not only to acquaint Micronesian employees with major problems and issues confronting the Administration, but to bring them actively into the planning and decision-making process.

A revision of the Micronesian Title and Pay Plan will become effective July 1, 1967. This will provide for substantial wage increases for skilled craftsmen and craft supervisors. There will also be significant increases for clerical and administrative personnel.

#### CONGRESS OF MICRONESIA

The Second Regular Session of the Congress which convened July 11, 1966, concluded its 30-day session on August 9. This was followed by a short special session to reconsider certain appropriation bills, a proposed election law, and to review the Trust Territory budget prior to its submission to Washington. Of the 149 bills introduced during the Congress, 29 passed both houses and 27 were signed into law.

One of the most important of these measures was the Merit System Act, covering Micronesian employees. This law spells out terms, conditions and benefits of employment with the Trust Territory executive branch and gives legal force to the rights of employees.

Among features incorporated into the Merit System Law are: (1) appointment of a Territorial Personnel Board; (2) protection against arbitrary and discriminatory punishment of employees through procedural guarantees of due process and a system of appeals; (3) a provision for competitive appointments through examinations; (4) an employee council to act as official spokesman for employees on matters affecting their pay, status, and working conditions; (5) authorization for a retirement system, group life insurance, annual and sick leave and other benefits.

Although this act technically is not effective until July 1, 1967, all of the above features have been implemented already, except the appointment of a personnel board and the enactment of a retirement system.

Over 90 percent of all Micronesian and contract employees are now covered by the group life and accident insurance. Recommendations for a complete social security plan, developed by the Chief Actuary of the U.S. Social Security Administration, providing retirement benefits for wage earners in both public and private employment are under consideration.

Our Administration has been preparing a legislative program to present to the Third Regular Session of the Congress of Micronesia which will open July 10. We have transmitted to the Congress for advance study some twenty-five proposals originated by department heads and district administrators.

These include a government employees' retirement plan previously mentioned; laws to standardize and improve the administration of elections; legislation to provide for conservation of both land and marine resources; more effective tax collection; controls or protection to Trust Territory citizens in the areas of claims against the Government; laws regulating sale of securities and weights and measures; and one related to acquisition of land for public use.

In making these remarks, I have referred at times to the report of the Visiting Mission. As an independent audit of the Administration of the Trust Territory, this report was perceptive and helpful. Those of us who had the pleasure to meet the members of the Visiting Mission during their tour of the islands last February were impressed with the

range and depth of their interest and their evident concern for the people of Micronesia, a concern which I am sure is shared by other members of the Trusteeship Council and by the administering authority.

#### CONCLUSION

In the foregoing report, I have sought to speak with candor. It serves neither pride nor purpose to gloss over failure or to overstate accomplishment. That some progress has been made is evident. That meaningful progress has lagged in some areas is also evident.

The capability of the Trust Territory Administration has been strengthened and will be strengthened further. The Congress and the President of the United States have recognized that we must have additional funds and resources to fulfill our responsibility to Micronesia under terms of the Trusteeship Agreement. They also insist that there must be a showing that results are being achieved. Members of the Trusteeship Council have provided an independent, perceptive and constructive surveillance over our efforts.

The U.N. Trusteeship Agreement has been in existence 20 years. We all recognize that the time should be now approaching for the citizens of Micronesia to decide for themselves what future political and governmental structure they prefer.

Whatever this decision may be and whenever it may come, it should be made in an environment which offers hope, health and opportunity to the citizens of Micronesia and assures them that we have fulfilled our obligation to them.