HIGHLIGHTS

OFFICE OF THE HIGH COMMISSIONER
TRUST TERRITORY OF THE PACIFIC ISLANDS
SAIPAN, MARIANA ISLANDS

July 1, 1970

Major Marine Resources Development Agreement in Palau

Another significant step in the development of manpower and marine resources in Micronesia was announced at the conclusion of meetings in Palau on June 15. District Administrator Thomas Remengesau and TT Director of Resources and Development, Wyman X. Zachary, issued a joint statement in which they outlined highlights of a new operational agreement with the Van Camp Seafood Company.

Government officials and the President of Van Camp, Glen Coveland, completed meetings in Palau to work out details of the agreement. Complete terms of the contract will not be released until final details have been reviewed by the High Commissioner, but it is evident from the information which is available that additional Micronesian participation in the development of a viable commercial fishing industry in Palau is assured.

Here are highlights of the new operational agreement:

1) All Micronesian fishermen working on the Van Camp tuna boats will receive all the benefits now accorded the Okinawan tuna fishermen, including transportation to and from their home districts, monthly guarantees, insurance protection, and other benefits.

2) Van Camp will accept proposals for the purchase or charter of their skipjack fishing vessels by Micronesian fishermen or businessmen.

3) Van Camp will attempt to increase the productivity of the local fishery in Palau by obtaining two large refrigerated fishing vessels capable of operating in the highly productive fishing grounds now beyond the range of present vessels. These vessels will include crew accomodations, which, it is felt, will help to increase Micronesian participation in the crews.

4) Van Camp has agreed to sell a reasonable amount of tuna to a locally owned plant to aid in developing a local manufacturing business capable of exporting fish.

5) Van Camp will conduct a feasibility study of the possibility of establishing a small tuna cannery to process fish for TT consumption.

ATTENTION FOCUSES on the Congress of Micronesia this month as the gavels signal the beginning of a new 45-day session. Scenes like this one from January's special session will be played out against a background of important events in the history of Micronesia. For more, see pages 2-3.

6) The company has agreed to refurbish the fishermen's camp and to maintain it in good condition.

7) Van Camp will also insure that all reef fish accepted at their plant for freezing or storage will be of good quality, so as not to jeopardize the export quality of Palau reef fish.

8) Officials of the company also indicated that they will implement a substantial training program for Micronesians in all aspects of offshore live-bait skipjack fishing.

While these negotiations were in progress, further efforts toward developing TT marine resources were underway. A fleet of seven American fishing vessels are surveying the Pacific for schools of yellowfin and skipjack tuna. Van Camp and the Star Kist Sea Food Company have equipped the vessels for an extended voyage as far south as Tahiti. Star Kist has requested permission for possible entry into TT ports to take on food, water and fuel.

Third Congress of Micronesia Third Regular Session

Members of the Senate

Member	District	Term Ends
Petrus Tun	1st, Yap	1971
Rafel Moonfell	1st, Yap	1973
Tosiwo Nakayama	2nd, Truk	1973
Andon Amaraich	2nd, Truk	1971
Bailey Olter	3rd, Ponape	1973
Ambilos Iehsi	3rd, Ponape	1971
David Ramarui	4th, Palau	1971
Lazarus Salii	4th, Palau	1973
Amata Kabua	5th, Marshalls	1971
Isaac Lanwi	5th, Marshalls	1973
Olympio Borja	6th, Marianas	1973
Francisco Palacios	6th, Marianas	1971

Members of the House

Members	Representative District
Benjamin Manglona	1st, Tinian, Rota, Southern Saipan
Nicholas Palacios	2nd, Central Saipan
Felix Rabauliman	3rd, Northern Saipan and Northern Marianas
Charles Domnick	4th, Northeast Marshalls
Henry Samuel	5th, Southeast Marshalls
Ekpap Silk	6th, Southwest Marshalls
Ataji Balos	7th, Northwest Marshalls
Roman Tmetuchl	8th, Western Babelthuap, Peleliu, Angaur, Southwest Islands
Polycarp Basilius	9th, Eastern Babelthuap
Tarkong Pedro	10th, Koror
Joab Sigrah	11th, Kusaie, Pingelap
Bethwel Henry	12th, Sokehs, Mokil, Ngatik, Nukuoro, Kapingamarangi
Heinrich Iriarte	13th, Uh, Net, Kolonia
Olter Paul	14th, Metalanim, Kiti
Raymond Setik	15th, Mortlock
Sasauo Haruo	16th, Moen
Endy Dois	17th, Namoneas
Masao Nakayama	18th, Hall Islands, Namonuito
Hans Wiliander	19th, Faitchuk
John Mangefel	20th, Yap Islands
John Rugulimar	21st, Ulithi, Woleai, and Others

Standing Committees

Judiciary and Government Organization:
Amaraich, chmn, Borja, Tun, Iehsi, Salii

Ways and Means:
Olter, chmn, Salii, Moonfell, Nakayama, Kabua, Palacios

Resources and Development:
Palacios, chmn, Nakayama, Ramarui, Borja, Iehsi

Education:
Ramarui, chmn, Kabua, Olter, Amaraich

Health:
Lanwi, chmn, Tun, Moonfell, Nakayama

President.....Amata Kabua
Vice-President.....Olympio Borja
Floor Leader.....Tosiwo Nakayama
Clerk.....Victorio Uherbelau
Sergeant-at-Arms.....Jesus Borja

Standing Committees

Appropriations:
Setik, chmn, Manglona, Dois, Tmetuchl, Mangefel, Samuel, Silk, Sigrah

Ways and Means:
Domnick, chmn, Nakayama, Palacios, Rugulimar, Iriarte, Wiliander, one seat vacant

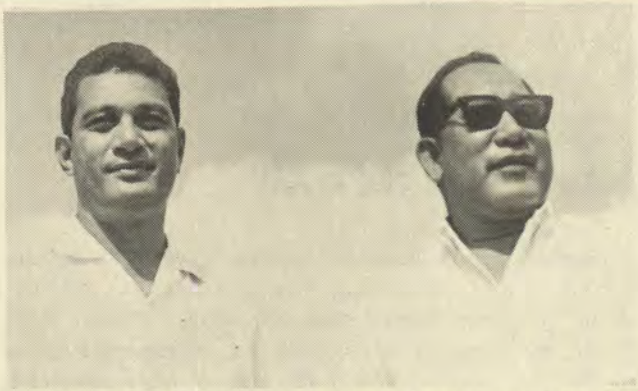
Resources and Development:
Manglona, chmn, Haruo, Tmetuchl, Samuel, Mangefel, Iriarte

Health Matters:
Rugulimar, chmn, Haruo, Rabauliman, Balos, Paul, one seat vacant

Judiciary and Government Relations:
Paul, chmn, Nakayama, Palacios, Balos, Mangefel, Basilius

Education and Social Matters:
Basilius, chmn, Dois, Rabauliman, Rugulimar, Domnick, Sigrah

Speaker.....Bethwel Henry
Vice-Speaker.....Henry Samuel
Floor Leader.....Ekpap Silk
Clerk.....Carl Heine
Sergeant-at-Arms.....Francisco Uludong



CONGRESS OF MICRONESIA leaders have been preparing for the coming session for many weeks. The men elected to head their respective houses in the Third Congress will continue at the same positions this month. Speaker of the House Bethwel Henry, left, with Senate President Amata Kabua.

THE REPORT FROM the members of the Future Political Status Delegation is to be made public for the first time when it is presented to the Congress. Co-chairmen of the Delegation are Ekpap Silk, left, and Lazarus Salii, right, pictured with Assistant Secretary of the Interior, Harrison Loesch, during his visit earlier this year.

Activity at Congress of Micronesia Heralds Coming Session

Legislative chambers which have been relatively silent since the Congress of Micronesia adjourned its January special session will soon echo with ringing oratory, lofty praise, stinging criticism, and the reasoned debate from which laws and lawmakers are made. The sound of the gavel will signal the opening of the third regular session of the third Congress in mid-July.

The leadership of the Congress had given some thought to postponing the opening of the session by one day. By law, Congress should convene this year on Monday, July 13. But this year, since July 12, Micronesia Day, falls on a Sunday, July 13 has been proclaimed a holiday by Deputy High Commissioner Peter T. Coleman. Micronesia Day is a national holiday set aside to commemorate the convening of the First Congress of Micronesia in 1965. And so, perhaps appropriately, the holiday observance this year will include ceremonies to open the Third Congress.

The Congress meets against a background of important developments concerning the future of Micronesia. Last month, the United Nations Trusteeship Council received the report of the 1970 UN Visiting Mission which had toured the Territory in the Spring. The mission's report indicated that while there had been some progress in specific areas toward political, economic and social maturity, now was the time for the American administration to place renewed emphasis on "Micronization" of the executive branch of the government. In remarks before the Council, High Commissioner Edward E. Johnston indicated that the American administration endorsed the findings of the report.

Also, the Political Status Delegation has concluded a second round of talks with US officials regarding the delegation's proposal that Micronesia eventually become a state in free-association with the United States. The members of the delegation have been working for the last several weeks to prepare a full report on the status of the negotiations. That report is to be made public for the first time when it is presented to the Congress, soon after the session has begun.

During the 45-day session, the Congress will also consider bills on which no final action was taken in previous sessions, including the proposal for an income tax, and a meat inspection bill, both of which were hotly debated during the January special session.

But as the lawmakers again sit down to begin their deliberations, they give way to the traditional events of the opening days: addresses by Senate President Amata Kabua and Speaker of the House of Representatives Bethwel Henry, and the "State of the Territory" message from the High Commissioner.

HISTORY IS MADE whenever a legislative body sits down to formulate laws and dictate policy. The newest chapters in the history of Micronesia will be written here, in the Congress of Micronesia's legislative halls. The House of Representatives will convene in the chambers to the left, the Senate to the right, at 10:00 AM, July 13.

Heine Warns: Remember 'Outer Micronesia'

Carl Heine, Deputy District Administrator in Yap, has challenged youthful graduates of Outer Islands High School to take their proper places in the Micronesia of tomorrow.

Speaking at ceremonies in Ulithi, Heine said: "You are living in the only period in the long and foreign-dominated history of Micronesia in which the people have been accorded the right to voice their discontentments against the administering power."

"The US Administration in Micronesia," Heine said, "desires a closer if not a permanent relationship in Micronesia. American officials on Capitol Hill in Saipan and in Washington are showing more and greater understanding of the problems in this area."

But Heine cautioned there is an "Outer Micronesia" which is the "Forgotten Micronesia."

"The conditions and circumstances of Micronesia's Outer Island people are almost the same as when Christopher Columbus discovered America; they were here when Kaiser Wilhelm decided to colonize these islands; the same as when Japan extended its military aggression into these islands, and have remained the same since 1947 when the US signed the Trusteeship Agreement.

"The Micronesian people are divided into two schools of thought," he added. "First, are those who see no prospect of maintaining the traditional culture and would promote the idea of complete westernization. Second are those who prefer to fight for complete independence regardless of the economic, geographical and political realities. They will overthrow what has been gained and assimilated during the past 20 some years and return to the origin of Micronesia itself.

"Between these two extremes, I believe there is a middle course, a synthesis of the two, based on the promise that there are certain wisdoms and values from the past, our own traditional culture that one should try to retain and reconcile with what is acceptable from the present of the western tradition."

Heine proposed that a special agency within the Administration at Headquarters be created to watch over the interests of the "Outer Micronesians." He indictated that such an agency could advise and co-ordinate the problems and affairs of the people remote from district centers. He told the students to "challenge the unchallengeable; think the unthinkable; and question the unquestionable."

VIP's Expected This Month

Several distinguished visitors will be in the Trust Territory during the early days of July. Mrs. Elizabeth Farrington, Director, Office of Territories, Department of Interior, is expected to be in Saipan over the long Fourth of July weekend. She has also scheduled a second visit here later in the month.

Mrs. Farrington's first stop will coincide with the visit to Headquarters by two US Congressmen, Wayne Aspinall (D-Colorado) and John Saylor (R-Pennsylvania). They are to be here during a tour of Pacific Island areas with which they must be familiar as members of the House Interior and Insular Affairs Committee. Representative Aspinall is chairman of the Committee. Saylor is the ranking Republican Party member of the group.

Other official visitors this month will include a six-member Papua-New Guinea House of Assembly Select Committee on Constitutional Development. Papua-New Guinea is the other Trust Territory covered by United Nations Trusteeship Agreements. It is administered by Australia.

During their stay in Saipan, the committee will meet with political leaders at Territorial and district levels, and confer with Headquarters officials. The committee members are Charles G. Littler, Matthias T. Toliman, Paulus Arek, David J. Ayling, Oala Rarua and John M. Middleton.

Pope Paul Invited to Visit Micronesia

The Government of the Trust Territory of the Pacific Islands has officially extended an invitation to His Holiness Pope Paul VI to visit Saipan during his forthcoming visit to Australia and New Zealand. The invitation was extended on behalf of the people of the Trust Territory by High Commissioner Edward E. Johnston, and sent to the Vatican by the Office of Territories and its Director, Mrs. Elizabeth Farrington, through the Department of State.

The Pontiff has planned to fly to the Pacific in October, as the latest in a series of world-wide peace-seeking and goodwill journies. The possibility of a Papal visit to Saipan became more practical when the Government and the people of the Territory of Guam extended an invitation to His Holiness to visit that island.

Pope Paul VI was elevated to the head of the Roman Catholic Church to succeed Pope John in 1963.

TRUST TERRITORY REPRESENTATIVES were among those who presented testimony before the 37th meeting of the United Nations Trusteeship Council during the first weeks of June. First row, from left, US Ambassador S. Harry Wright, High Commissioner Edward E. Johnston, Senator Ambilos Iehsi, Representative Benjamin Manglona; 2nd row, Don Sutter, US State Department, Fred Sacksteder, US Mission Staff, TT Executive Officer Leo Falcam, Public Affairs Director N. Neiman Craley, Congress of Micronesia Legislative Counsel, Kaleb Udui; 3rd row, Mrs. Elizabeth Farrington, Director, Office of Territories, US Department of Interior;4th row, Jim Scanlon, Office of Territories staff. The Trusteeship Council finished its work on June 19.

Text of High Commissioner Johnston's Report to the UN

The following pages include the final portions of High Commissioner Johnston's Report to the United Nations Trusteeship Council. The first part of the statement was published in the June 15 Highlights.

With the opening of the Ponape International Airport in February, our tired old water-landing planes were retired, and the jet age was extended to another area. Air Micronesia's 727 jets now service four of our districts, and their recently renovated DC-6 serves the other two. Starting June 1, the Guam, Saipan, Truk, Ponape segment of the route will have three weekly flights, and since December 1969 Air Micronesia jets have connected Majuro in the Marshall Islands with the Republic of Nauru on a twice per month schedule. The excellent service provided by Air Micronesia (with its over 1100 Micronesian stockholders) has been a major factor both in linking our widely spread districts to each other and in developing the economy of each area. In keeping with their contract with the Trust Territory to develop first class modern hotels in each districts, Continental/Air Micronesia will this year open its new hotels in Truk and Palau with the other four to follow within eighteen months to two years.

Surface transportation continues to be a problem, but during the year the service of Micronesian Interocean Lines, Inc. (MILI) has improved in the field of commercial shipping. Our antiquated field trip vessels which serve the islands within each district will be replaced over the next five years. In the meantime, the assignment of an LCU as an administrative vessel in each district will be of considerable benefit.

For many years one major problem in the Trust Territory of the Pacific has been the at times almost total lack of proper financial management and good accounting practices. To remedy this situation, during Fiscal Year 1970 the Trust Territory Government contracted with the Certified Public Accountant firm of Peat, Marwick and Mitchell to design a new financial management and financial information system. Their report should be completed later this month and forwarded to the Department of the Interior for review and approval. During the past year we have already eliminated some of our more antiquated procedures with the increased use of automatic data processing equipment.

Along with the attempts to improve our financial management and accounting we have made considerable strides in the field of long-range planning and budgeting. Important in this respect has been the continually increasing involvement of the Congress of Micronesia in the budgeting and planning process; and recently, for the first time, the legislators and administrators of our six administrative districts have played an important part in preparing our annual budget. In fact, one district, the Marianas, last month produced its own five-year plan and proposed budget.

Pursuant to a law passed by the Congress of Micronesia, members of our Attorney General's staff have worked closely with the Congress of Micronesia on a new Trust Territory Code. The new code will update, modernize, and reorganize

(continued on page six)

More on HiCom's UN Report

(continued from page five)

the existing one and should make access to the laws of the Trust Territory much easier for the citizens of Micronesia. The completed manuscript is scheduled to be submitted to the July, 1970, session of the Congress of Micronesia for its approval.

Economic development continues to be a major sources of concern to the Trust Territory Government, and although there is much to be done in this vital field, some progress can be reported. The Economic Development Loan Fund which at the start of this administration, had loaned only $200,000 in several years, has now almost exhausted its slightly over $1,000,000 and we are attempting to have the loan fund increased to $5,000,000. To assist recipients of such loans and other new or potential businessmen, business advisors are being placed in each administrative district. In February, 1970, a new Foreign Investors Business Permit Act was signed into law creating an Economic Development Board of Micronesian citizens in each district, whose duties will include evaluating applications for business permits.

During Fiscal Year 1971, one of the largest increases in proposed spending throughout the Trust Territory will be to encourage expansion in the fields of agriculture and marine resources. During the past year, the agriculture extension service made 16,000 contacts with farmers through individual calls, group meetings, and demonstrations, and this service will be gradually extended in 1971.

Tourism continues to be a major hope for the future of Micronesia with 20,600 visitors in calendar year 1969 -- a 58 percent increase over the previous year. With the addition of new hotel rooms and expanded air service, we anticipate 32,000 visitors during calendar year 1970. The administrating authority is encouraging Micronesian participation in the development of this important industry to the maximum extent possible.

At last year's session of the Trusteeship Council the Honorable Chutomu Nimwes stated that not one Certificate of Title had ever been issued for any parcel of land in Micronesia. During the past year, with the assistance of twenty surveyors from the United States Department of the Interior Bureau of Land Management and the United States Geological Survey, and an expanded staff in our Lands and Surveys Division, we have embarked on a five-year, five million dollar, land registration program which is making rapid progress. Land titles are actually being issued for the first time in the history of our area. In the Marianas District, 269 preliminary certificates of title had been issued by May 1, 1970, and several hundred more were in the process of determination. These Certificates of Title become final at the expiration of a statutory 120-day appeal period. It is important to note that Micronesian citizens occupy the majority of positions in this new program and will be trained to carry on the program on a permanent basis after all land has been properly identified and registered.

Efforts continued during the year to combat the crown of thorns starfish. It is hoped that the Trust Territory's efforts in the control of this menace will be augmented by funds which would be provided under legislation introduced by United States Senators Fong and Inouye of Hawaii to provide funds for starfish control in Guam, Hawaii, the Trust Territory and American Samoa. These four areas are also working together in the field of developing new methods of fishing for skipjack tuna throughout the Pacific, and at a recent conference of chief executives of each area and their marine resources directors, formed a "Pacific Islands Development Commission." In April, 1970, a Marine Resources Conference was held on Truk to specifically consider the development of marine resources in this our largest district.

In cooperation with the Trust Territory Government, the Janss Foundation of California is constructing a marine laboratory in Koror, Palau District. The Laboratory will provide facilities to organizations and individuals from all nations interested in marine research in tropical waters. The Foundation will also operate a floating marine laboratory and will provide scholarships for Micronesians who show an aptitude and interest in ocean studies.

A major concern to this Council for many years has been the political development of Micronesia. To encourage additional interest and participation by Micronesians in their own government, $200,000 was appropriated in Fiscal Year 1970 for a Trust Territory wide political education program, and this effort will be further expanded in Fiscal Year 1971.

Our radio stations in each district -- still our one means of communication with virtually all Micronesian citizens -- have been expanded and improved during the year, and a new 10,000 watt station in Majuro in the Marshalls District will be completed by the end of this calendar year. This station will not only cover the entire expanse of the Marshall Islands District, but will be heard in Nauru, Fiji, Tonga, the Gilberts, and possibly Hawaii.

Ambassador Wright has reported our progress in the rehabilitation of Bikini atoll. Another group of displaced Micronesians -- now living on Ujelang and formerly of Eniwetok Atoll -- were given $1,020,000 by the United States Government in 1969 to establish a trust fund. In addition, during the past year the people of Ujelang received $80,000 worth of building materials and tools for reconstruction of homes and public buildings. The Trust Territory Government is continuing to work for the eventual return to the Micronesians of the Eniwetok Atoll.

Major assistance in improving conditions for Micronesian citizens of all districts was provided during the year by United States Civic Action teams. There are now seven of these teams in operation throughout the Trust Territory assisting in small construction projects and training the Micronesians who are working with them on each project. This program has been exceptionally popular with the Micronesian people, and the budget committee of the Congress of Micronesia has recommended its continuance at least through 1976.

Peace Corps volunteers continue to assist in many vital programs throughout the Trust Territory in education, agriculture, community development, and other fields. Current planning is for approximately 338 Peace Corps volunteers in Micronesia in Fiscal Year 1971.

The Judiciary Branch of the government of the Trust Territory of the Pacific Islands continued during the past year its program of training more and more Micronesians in various aspects of the court system. A major event occurred in late April, 1970, when the first jury trial in the history of the Trust Territory was held in the Marshall Islands District.

I have left until the last of this report to the Trusteeship Council one of the keystones of Secretary Hickel's program for Micronesia and possibly the major goal of our administration. A year ago Secretary Hickel pledged "ever increasing pay for equal work and equal qualifications." We are especially pleased to report that substantial progress has been made toward fulfilling both of these pledges. A team of personnel classification experts from the United States mainland will complete, no later than June 30, a single pay schedule for the Trust Territory Government, and it will be presented to the Congress of Micronesia at its session beginning July 15. The existence in a government for only 100,000 people of some sixteen separate pay schedules and classification plans not only resulted in inexcusable inequities in pay, but made the work of our personnel department virtually impossible to accomplish. A single pay plan will certainly be a major step forward for the Government of Micronesia.

We have also made rapid strides in the placing of qualified Micronesians in positions of ever greater responsibility at all levels of our Government. When our government was reorganized late last year along lines set up by the committee on government organization of the Congress of Micronesia, Mr. Leo A. Falcam, who is with us today, became the Executive Officer of the Trust Territory Government. On several occasions since then, as one of the three top ranking government executives, he has served as the acting Chief Executive during periods when both the High Commissioner and the Deputy High Commissioner have been absent from the Territory. This is the first time in the history of the people of our three million square mile area that a native-born Micornesian has actually served even temporarily in the top decision-making role in government. You can rest assured that the advice of Mr. Falcam and of Mr. Dwight Heine, who has also appeared before this Trusteeship Council and now serves as Special Consultant to the High Commissioner, is sought in every major executive decision. Micronesian citizens have become Deputy Directors of three of our Cabinet level departments and Division Chiefs of five major divisions. A few months ago, the Honorable Chutomu Nimwes who appeared before you last year, became the first Micronesian District Director of Education.

But perhaps our greatest progress has been in the field of our decentralization program which gives far more authority for decision making and carrying out programs to the District Administrators of each of our six districts. At the present time, five of our District Administrators are Micronesians and the sixth is of part Polynesian ancestry in the only district which has any large number of Polynesian inhabitants. Four of our Deputy District Administrators are Micronesian citizens, and in the Palau District, both the District Administrator and his Deputy are native-born Palauans. The Administering Authority pledges to you that we will continue to accelerate this program of decentralizing our government into the six administrative districts with only overall technical supervision by Trust Territory Headquarters personnel and will continue to involve capable, well trained Micronesian citizens to an increasing degree in the government.

My colleagues from the Congress of Micronesia and I, and our staffs, look forward to our discussions with you during the next few days. Again, thank you for the privilege of being with you to make these opening remarks.

Representative Benjamin Manglona's Report to the UN

Mr. President and Distinguished Members of the Trusteeship Council:

It is indeed most exciting for me to visit the great city of New York and to attend the meeting of the Trusteeship Council. I feel most humble to have been chosen by my colleagues in our Congress to represent our small constituency of Micronesians, and I appreciate the honor to present my views on the administration of the Trust Territory.

This Council has before it the Report of the 1970 U.N. Visiting Mission to the Trust Territory of the Pacific Islands. Our High Commissioner, the Honorable Edward E. Johnston, has reviewed for this Council the highlights of progress and development for the year under review and has presented plans for the future of Micronesia. It seems to me, therefore, not necessary that I belabor these matters.

I would like, instead, to use this opportunity to bring before this Council matters of immediate concern and where, in my opinion, future challenges in Micronesia should be met.

Appropriation and Government Spending

The one dominant factor which has had the overriding impact in the development of the Trust Territory is the increase in the annual appropriations. This budgetary increase has enabled the Trust Territory Government to move forward in planning and construction of essential physical facilities. Increased funding is making it possible to focus more attention on the development of Micronesia's human resources and to direct a major portion of the budget to public services of every kind, especially education and public health. Increased money flows from the increased budget is inducing the expansion of the private sector of the economy. Indeed, Micronesia is now at the threshold of a real upswing in private sector business and commercial activities. The nurturing of this upswing should mark both the shift in the proportion of economic activity from the Government to the private sector, and an increasing responsibility of the private sector to support itself.

But if these increases in Governmental activities are going to be meaningful at all, and, if their results will be to benefit the rank and file of the Micronesian people, I consider it overwhelmingly important that these developments be brought down to the people in their villages and in their outlying islands.

Our past efforts have always seemed to fail us in this direction. All too often the allocation of limited capital, physical, and manpower resources has tended only to maintain and operate the Government, with developmental aspects of programs serving only as justification of the expenditure for budget purposes.

It is said that the combined revenues expenditure in the Trust Territory by the territorial and local governments and by other government agencies reached $52 million in 1969. Yet, of this amount, only $22 million had any multiplier effect within the Micronesian economy. Total net worth of assets in commercial banks, credit unions, insurance services and financial funds in the Trust Territory amounted to more than $12 million in 1969, but less than 35% of this amount was available for investment in Micronesia. Financial institutions operating in the Trust Territory are ill prepared to handle the increasing volumes of commercial transactions, not to mention the need to use a portion of the privately invested capital to meet a projected private sector investment need of $70 million between now and 1976. If economic growth in Micronesia is to be sustained, it becomes quite obvious that we must find better ways to utilize accumulated capital already in Micronesia and to have ready access to investment capital resources from outside the Trust Territory.

Land Programs

For years it has been the practice to request funds from the United States Government for planned land management and land use program, for land to be devoted to agriculture, for commercial and residential use, and for infrastructure. But so far there is really no planned public land management program. Well over half of good agricultural, commercial, and residential lands now owned and controlled by the Government is idle and non-productive. Agricultural, forestry, and conservation programs, outside of coconut replanting efforts, look as though they will remain for some time to come in experimental stages.

Lands, best suited for commercial and residential use, are either made available to outside investors on a preferential basis over Micronesian applicants or set aside for staff residential housing or sites for secondary supporting facilities of the Government. In the meantime, the homesteading program, as a way to divest the Government of some of its land holdings and to put lands into the hands of private individuals to be developed as residential, grazing, and agricultural lots, has virtually come to a standstill, with the whole program practically defunct.

The land cadastral survey program recently initiated to establish control points for land title registration purposes needs to be closely coordinated in its efforts with our Lands and Survey Division and Land Commissions are presently doing. Any failure to coordinate efforts in establishing land title coordinates system, control points, and other land survey information will run the risk of creating more problems in the already difficult, if not complex, land tenure systems in Micronesia.

Education

In education, while classrooms and teachers housing are being built primarily in the administrative and commercial centers, the peripheral communities which account for about 50% of the total Micronesia population still have to make do with inadequate classrooms, shortage of quality teachers and teaching aids and materials.

Health

Shortfalls in scarce skill areas of our labor force and supply will require us to import and employ more and more alien workers, yet unemployment and underemployment of able-bodied Micronesians continue to be a chronic problem of major dimension. Total construction expenditures in fiscal year 1969 were between $7.8 to $8.9 million -- $6.4 million in capital expenditures and $1.5 to $2.3 million in private sector construction. These are expected to reach between $20.8 to $26.8 million by 1976. To support this projected increase in construction expenditures, the construction labor force will need to be increased from its present 500 to 700 workers (58% of which were foreign nations in 1969) to 1,200 to 2,300 by 1976. And, if the present situation is not altered by training more skilled Micronesian workers at a greater rate than our present capabilities have been able to do, the labor demand for skills in the administrative, professional, semi-professional and skill categories will have to be filled by alien workers. Micronesian workers will then be relegated only to lower paying semi-skilled, helper, laborer, and clerical categories.

Commerce and Industry

Constraints being placed on commerce and industry (in wholesale and retail trades) are contributing directly to the inflationary trends prevailing in Micronesia. Inadequate marketing system, sporadic transportation network, limited short-and-long term credit in wholesale and retail trades and lack of proper methods of accounting, desperately require assistance, guidance, and direction from the Government to the Micronesian businessmen and the general public.

Tourism

In the field of tourist and travel industry which promises to have the most immediate and direct impact in the total economy of Micronesia, the Trust Territory Government is ill prepared to meet the anticipated tourist industry requirements. The 20,000 visitors who entered the Trust Territory in 1969 for leisure, business, and other purposes are expected to number between 250,000 to 300,000 by 1976. Tourist expenditures will then have reached between $26 to $34 million, and taking into account high leakage and a multiplier of 3.0, a $100 million impact on the Micronesian economy is said to be possible. But all these prospects of economic expansion, new jobs, income, and training opportunities depend upon hotel accomodations, labor force, and transportation facilities being available in Micronesia -- an unlikely situation from any point of analysis. To support the tourist industry an estimate of 5,000 workers is projected, 2,000 to whom will work in hotels alone. The demand will unduly overtax the already short supply of Micronesian labor force, assuming qualifications and skills are available. This is not to mention, of course, the estimated required $21 to $28 million investment in 1200 to 1600 hotel rooms and other supporting facilities to serve the influx of visitors.

Marine Resources

The foreign based offshore fishing fleets which annually harvest 30 to 35 thousand metric tons of skipjack in the waters surrounding the Trust Territory provide little, if any, economic benefits to the people in the various islands in Micronesia. All is taken to other countries for sale.

Economic benefits to be derived from fisheries in the Trust Territory must still await the projected plans to install basic support facilities such as docks, ice and cold storage plants and to develop less labor intensive methods and techniques which will make possible the most effective use of local available labor source sources. The financial commitment of $3 million to provide these essential support facilities in the development of commercial fisheries in Truk, Ponape, and Marshalls Districts, where fisheries potential appears to be great, is surely a modest sum when compared with the full $10 million potential that could be realized annually from the marine resources in the Trust Territory waters. (continued on page ten)

More on Rep. Manglona's UN Report

(continued from page nine)

Agriculture

Developments in commercial agriculture in the Trust Territory have been more of a reaction to the prevailing demands than a systematic planned economic endeavor and program. Agricultural development, in commercial terms, is at modified subsistence or embryonic stage. Small production units, low levels of investment and technology characterize the Trust Territory's agricultural program. With the progressively widening gap between imports and exports of commodities in Micronesia, it is fast becoming critical that developments in agriculture be used to offset this undesirable trend. What seems to be needed at this time in any agricultural programs to be instituted in Micronesia is the necessary infusion of larger capital and technology. At the same time, there will have to be efforts made to remove institutional restraints that have retarded agricultural expansion and productivity. The Government needs to assist the farmers in finding for them the principal sources of credit which at present do not exist in Micronesia. A present day Micronesian farmer does not recover his cost in production or expansion until his crops are sold. He must rely on his limited capital reserves and assume his own risk, and regardless of the market demand and his desire to expand, he is limited by his capital resources.

The Trust Territory Government should provide assistance in the transportation and marketing of farm produce. The marketing mechanism for farm produce is not only uncoordinated and slipshod, but basically nonexistent. "Consignment swindles" crops spoiling at dockside while waiting for a ship two days behind schedule, loss from poor packing and handling at all stages and market flooding are a few of the host of examples showing the present day condition.

If the objectives to be achieved in Micronesia is to develop the islands at the earliest possible rate with maximum Micronesian participation, I consider it necessary that Micronesians in all walks of life should share in and be involved in the whole developmental process. Maximum participation means the fullest degree of employment for Micronesians or an acceptable level of unemployment. It means to the extent possible underemployment should be minimized and productivity on the part of every Micronesian considerably increased. It means a more imaginative, if not dynamic, program to train more Micronesians in skilled crafts and professions; care must be taken that training is tied in to present demands and projected needs, in order that the labor market not be flooded with skills for which no jobs are available; it means to maximize the productivity of the most essential and important resource in the Trust Territory -- the people of these islands.

Significant progress has been and will certainly continue to be made. And I hasten to say that all is not lost in Micronesia. I am most happy to note that, in our endeavor to better the conditions of lives in these far flung islands, we have the most sympathetic ears and the closest of attention from the United States and the community of nations through this distinguished Council.

Peace Corps Group 9 Invades Saipan

Some 200 Peace Corps Volunteers, comprising Group 9 of the newest trainees, arrived in Saipan last week to begin 12 weeks of intensive work prior to assignment in the districts. The volunteers are housed at Hopwood Junior High School, which also serves as a base for their training while on Saipan.

Peace Corps/Micronesia director Laurence Johnson indicated that this session's training will be headed in new directions. "We're teaching this year's group to achieve an effective image of America," he said. In the past, training has been geared to "survival techniques in a strange culture." But now the criteria call for "productive and effective relations with Micronesian and Americans alike."

Johnson noted that while there have been some problems in the past five years of Peace Corps operations in Micronesia, volunteers have made significant contributions, especially in the fields of education, public health and agriculture. "The 1970 UN Visiting Mission report notes that the contribution of the volunteers was greatly appreciated," Johnson said.

This year, in line with the UN Report's recommendations, the volunteers will be given more comprehensive instruction in the role of the United Nations, the US, and the formal structure of the Trust Territory government in Micronesia. In addition, the training program will emphasize learn-how-to-learn techniques, and drill the volunteers in cross-cultural exchange, and language and technical skills. "We have a clearer picture of the problems we face and the contributions we can makein Micronesia," Johnson said. "We're approaching our mission more realistically,"

Briefly

Twelve Micronesian employees of the Trust Territory Government have returned from Honolulu where they attended a month-long journalism seminar. The session was designed to provide intensive training for Pacific area journalists and public information specialists. It was sponsored by the East-West Center and the Department of English at the University of Hawaii.

Several of the participants will be on Saipan this summer to provide coverage of the Congress of Micronesia for their home districts.

TT participants included Rudy Sablan, Marianas; Lee Silk and Andrew Bilimon, Marshalls; Miriam Timarong and Bonifacio Basilius, Palau; Kodaro Gallen and Herbert Gallen, Ponape; Henry Asugar and Fermin Likiche, Truk; Wilfred Gorongfel, Yap; and Patrick Mangar and Asterio Takesy, Headquarters.

Two Municipal elections were held in Ponape recently. Francisco Kirielmo was elected Chief Magistrate of Sokehs Municipality to fill the post vacated by Aleksos Alik. The new Chief Magistrate had been Acting Chief Magistrate since Alik resigned. In another election, Thomas Senda was elected Chief Magistrate of Uh Municipality. Both men took office May 15.

Ywao Elanzo, of the TT Department of Transportation and Communications, begins a six-month study course at the US Naval School in Oakland, California, this month. Elanzo was chosen to attend a program in transportation management. He serves as assistant to the Tariff and Cargo Specialist, in the Transportation Division, at TT Headquarters.

Walter H. Schick has been appointed Program and Budget Officer, Palau District. Schick was formerly an auditor with the US Department of Labor in Chicago. His previous government service also includes assignments with the Department of the Army and the Army Audit Agency in Europe.

Louis G. Thaxton, veteran staff member of the TT Department of Education, has left Saipan to return to the US for work on a doctoral program at Ohio State University. Thaxton had served with the TT government for seven years, most recently as vocational and agricultural education specialist. He had been with the Government of Guam for nine years previous to his work in the Trust Territory.

LASARO R. MAIPI, supervisory meteorological technician at the Weather Bureau Office in Truk, was recently presented a certificate in recognition of having completed one year of college work. In the photo above, Maipi is receiving the certificate from East West Center Chancellor Dr. Everett Kleinjans, while EWC program officer Gregory Trifonovitch looks on. Maipi studied courses in management and supervision at Kapiolani Community College in Honolulu under the Micronesian Management Scholarship Program. He returned to his station in Truk to begin on-the-job training.

PROCLAMATION

WHEREAS, Public Law No. 1-2, enacted by the Congress of Micronesia, General Session, 1965, designates the Twelfth Day of July as Micronesia Day, commemorating the inauguration of the Congress of Micronesia, to be observed by Micronesian citizens and non-citizens alike throughout the Trust Territory as a national holiday;

NOW, THEREFORE, I, Peter T. Coleman, Deputy High Commissioner of the Trust Territory of the Pacific Islands, do proclaim that Sunday, the twelfth day of July, 1970, shall be declared a holiday for all persons within the Trust Territory of the Pacific Islands.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 19th day of June, 1970.

Peter T. Coleman
Deputy High Commissioner
Trust Territory of the Pacific Islands

Incentive Awards, Commendations Approved by Headquarters

Fifteen cash incentive awards totalling $2300 and a letter of commendation have been approved for Trust Territory employees. Two of the awards were for $200 each, presented to Gregorio Calvo, for his service as Staff Housing Officer, and to Alejandro Laniyo, Heavy Equipment Operator, Marianas District Public Works.

Laniyo was cited for his heroic action on June 12, 1969. On this date, Laniyo was operating a heavy crane at the Saipan power plant when the crane's brakes failed. The work area was on a slope, and the crane began to roll down hill, sideswiping a parked vehicle and snapping a power pole.

Instead of leaping off, Laniyo remained with the crane, fighting to keep it on the road and prevent it from toppling over as it continued to gain momentum. He rode the crane for 700 feet at considerable personal risk before it finally stopped. Laniyo's bravery kept the expensive piece of equipment from being destroyed, and from causing damage to other property and persons.

FELLOW WORKERS from Yap District Public Works Department joined to congratulate Donnalene Barry. From left, Yap Distad Leonard Aguigui, Mrs. Barry, Acting District Director of Public Works, Mr. Malarei, Mrs. Weinrich, Administrative Assistant, and Mr. Carl Heine, Deputy District Administrator

The remainder of the incentive awards were presented to TT employees for superior performance of duties in the Public Works and Health Services Departments, to three government employees in Ponape, and one in Yap:

Marianas District Health Services, Mrs. Maria Sablan, Administrative Assistant, and Head Nurses Mrs. Maggie Pangelinan, Mrs. Maria Atalig, Mrs. Rita Tenorio, and Mrs. Margarita Seman. From Public Works, Gregorio Demapan, Foreman Plumber; Victorino Cabrera, Foreman Power Plant Electrician; Jesus Castro, Electrician Lineman; and Vidad Camacho, Plumber. Also, Elpes Linos, medical equipment repairman, Ponape; Florentino Amor, agriculture extension agent, Ponape; Ciro Lohrens, rice extension agent, Ponape; and Mrs. Donnalene Berry, clerk-typist, Yap.

A letter of commendation was approved for Emmitt Blankenfield, Construction Superintendent, Headquarters Public Works, for his special act of removing a derelict vessel at Majuro dock. The operation saved the TT Government approximately $25,000.

AWARDS RECIPIENTS in Ponape District are pictured with Acting Distad Lawrence Burback, left. They are, l to r: Ag Station Agents Ciro Lorens and Florentino Amor, and Med Repairman Elpes Linos.

HIGHLIGHTS
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