

Storage

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Y 4  
.In 8/13  
T 77/2

1040  
9044  
FN 8/13  
+ 77/2  
8/13

HEARING  
BEFORE THE  
TERRITORIES AND INSULAR AFFAIRS  
SUBCOMMITTEE  
OF THE  
COMMITTEE ON  
INTERIOR AND INSULAR AFFAIRS  
UNITED STATES SENATE  
NINETIETH CONGRESS  
FIRST SESSION  
ON  
S. 303

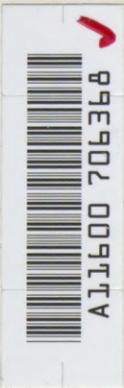
A BILL TO AMEND THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS, AND FOR OTHER PURPOSES

FEBRUARY 2, 1967



Printed for the use of the Committee on Interior and Insular Affairs

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1967



200  
75  
10/10  
1/10  
1/10

4 Y  
8/18 A.I.  
T J.S.

HEARING  
HONOR THE  
MEMBERS AND STAFF  
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HENRY M. JACKSON, Washington, *Chairman*

CLINTON P. ANDERSON, New Mexico  
ALAN BIBLE, Nevada  
FRANK CHURCH, Idaho  
ERNEST GRUENING, Alaska  
FRANK E. MOSS, Utah  
QUENTIN N. BURDICK, North Dakota  
CARL HAYDEN, Arizona  
GEORGE McGOVERN, South Dakota  
GAYLORD NELSON, Wisconsin  
LEE METCALF, Montana

THOMAS H. KUCHEL, California  
GORDON ALLOTT, Colorado  
LEN B. JORDAN, Idaho  
PAUL J. FANNIN, Arizona  
CLIFFORD P. HANSEN, Wyoming  
MARK O. HATFIELD, Oregon

JERRY T. VERKLER, *Staff Director*  
STEWART FRENCH, *Chief Counsel*  
JAMES GAMBLE, *Professional Staff Member*

SUBCOMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

QUENTIN N. BURDICK, North Dakota, *Chairman*

HENRY M. JACKSON, Washington  
CARL HAYDEN, Arizona  
GEORGE McGOVERN, South Dakota  
GAYLORD NELSON, Wisconsin  
LEE METCALF, Montana

MARK O. HATFIELD, Oregon  
THOMAS H. KUCHEL, California  
CLIFFORD P. HANSEN, Wyoming

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON: 1967

## CONTENTS

---

	Page
S. 303.....	1
Departmental reports:	
Bureau of Budget.....	3
Interior Department.....	2

### STATEMENTS

Fong, Hon. Hiram L., a U.S. Senator from the State of Hawaii.....	13
Luce, Charles F., Under Secretary, Department of the Interior, accompanied by Harry Anderson, Assistant Secretary; Mrs. Ruth Van Cleve, Director, Office of Territories; and George Milner.....	4

### ADDITIONAL INFORMATION

Order of January 30, 1964.....	22
Order of September 28, 1964.....	18
Trusteeship agreement.....	15

# CONTENTS

1	.....
2	.....
3	.....
4	.....
5	.....
6	.....
7	.....
8	.....
9	.....
10	.....
11	.....
12	.....
13	.....
14	.....
15	.....
16	.....
17	.....
18	.....
19	.....
20	.....
21	.....
22	.....
23	.....
24	.....
25	.....
26	.....
27	.....
28	.....
29	.....
30	.....
31	.....
32	.....
33	.....
34	.....
35	.....
36	.....
37	.....
38	.....
39	.....
40	.....
41	.....
42	.....
43	.....
44	.....
45	.....
46	.....
47	.....
48	.....
49	.....
50	.....
51	.....
52	.....
53	.....
54	.....
55	.....
56	.....
57	.....
58	.....
59	.....
60	.....
61	.....
62	.....
63	.....
64	.....
65	.....
66	.....
67	.....
68	.....
69	.....
70	.....
71	.....
72	.....
73	.....
74	.....
75	.....
76	.....
77	.....
78	.....
79	.....
80	.....
81	.....
82	.....
83	.....
84	.....
85	.....
86	.....
87	.....
88	.....
89	.....
90	.....
91	.....
92	.....
93	.....
94	.....
95	.....
96	.....
97	.....
98	.....
99	.....
100	.....

# CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

THURSDAY, FEBRUARY 2, 1967

U.S. SENATE, SUBCOMMITTEE ON  
TERRITORIES AND INSULAR AFFAIRS  
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 2 p.m., in room 3110, New Senate Office Building, Senator Quentin N. Burdick, chairman of the subcommittee, presiding.

Present: Senators Burdick, Anderson, and Moss.

Also present: James H. Gamble, professional staff member.

Senator BURDICK. I have scheduled today's hearing for the purpose of taking testimony from representatives of the Department of the Interior and the Department of Defense on S. 303, relating to the Trust Territory of the Pacific Islands.

By letter of May 13, 1966, Secretary Udall transmitted proposed legislation to amend the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory. Senator Jackson introduced this legislation, S. 3504, by request, on June 15, 1966. Hearings were held on July 21, 1966, and S. 3504, as amended passed the Senate on August 26, 1966, but did not receive final action in the House. Senator Jackson has reintroduced an identical bill in the 90th Congress, S. 303. A copy of the bill and the departmental reports will be included in the record at this point.

(The data referred to follow:)

[S. 303, 90th Cong., 1st sess.]

A BILL To amend the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended (76 Stat. 171), is hereby amended to read as follows:

"SEC. 2. There are authorized to be appropriated not to exceed \$32,000,000 for fiscal year 1967 and \$35,000,000 for fiscal year 1968, to remain available until expended, to carry out the provisions of this Act and to provide for a program of necessary capital improvements and public works related to health, education, utilities, highways, transportation facilities, communications, and public buildings: *Provided,* That except for funds appropriated for the activities of the Peace Corps, no funds appropriated by any Act shall be used for administration of the Trust Territory of the Pacific Islands except as may be specifically authorized by law."

SEC. 2. The offices of the High Commissioner of the Trust Territory of the Pacific and the Deputy High Commissioner of the Trust Territory of the Pacific shall hereafter be known as the Governor of the Trust Territory of the Pacific and the Lieutenant Governor of the Trust Territory of the Pacific, respectively. Appointment hereafter made to the office of the Governor of the Trust Territory of the Pacific shall be made by the President with the advice and consent of the Senate.

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., January 24, 1967.

Hon. HENRY M. JACKSON,  
Chairman, Committee on Interior and Insular Affairs,  
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This is in response to your letter of November 30, 1966, advising of your Committee's then proposed inspection trip to Guam, the Trust Territory of the Pacific Islands, and American Samoa, and your request for the views of this Department on S. 3504 of the 89th Congress, a bill "To amend the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes," as passed by the Senate on August 26, 1966. You stated that you intended to re-introduce S. 3504 in the 90th Congress, and we note that you did so on January 12, 1967. We understand that S. 303, 90th Congress, is identical to S. 3504, 89th Congress.

We have carefully examined S. 303, and we favor its enactment if amended as follows:

AMENDMENT 1

Delete section 1 and substitute therefor a new section as follows:

"That the Act of June 30, 1954 (68 Stat. 330), as amended (76 Stat. 171), is hereby amended by revising section 2 and by adding section 3 as follows:

"Sec. 2. There are hereby authorized to be appropriated to carry out the provisions of this Act not to exceed \$25,000,000 for fiscal year 1967, and not to exceed \$35,000,000 for each of the fiscal years 1968, 1969, and 1970.

"Sec. 3. Except for funds appropriated for the activities of the Peace Corps, no funds appropriated by any Act shall be used for administration of the Trust Territory of the Pacific Islands unless such use is specifically authorized by law."

AMENDMENT 2

In section 2 of the bill, the word "Islands" should be inserted after the word "Pacific" each time it appears.

AMENDMENT 3

Delete the last sentence of section 2 of the bill.

For your information, and to clarify the amendments that we have suggested attached to this letter is a copy of the bill with the amendments included.

The effect of our amendment 1 is to authorize appropriations for the three years following the current year, and to increase the authorization for the current year by \$7,500,000.

A \$35,000,000 authorization will meet the most pressing needs of the Trust Territory for the immediate future, and will permit some progress toward achievement of the program we have in mind for the Trust Territory. It clearly will not permit, however, development on the scale or within the time frame detailed in our executive communication proposing legislation on this subject to the 89th Congress, but it will be a useful and very necessary step in our administration of the Trust Territory.

After 1967, a 3-year authorization, rather than a 1-year authorization, as set out in S. 303, will allow the Department to plan, based on minimum figure of \$35,000,000, for the immediate future, and will permit some progress toward achievement of the program that we have in mind for the Trust Territory. An authorization of less than three years will seriously complicate the administrative and budgetary process.

We urge that the authorization cover three additional years, rather than one as provided in S. 303. The budget for fiscal year 1970 is prepared in the fall of 1968, which is only 18 months away. It would be wasteful, in our opinion, to legislate now for a period that would cover the budgeting process for less than 18 months.

S. 303 authorizes a \$32,000,000 appropriation for fiscal year 1967. Given the existing ceiling of \$17,500,000, that language, in effect, provides authorization for a supplemental appropriation of \$14,500,000 for the fiscal year 1967. Taking into account the expiration of over one-half of fiscal year 1967, we believe that the needs of the Trust Territory of the Pacific Islands for the remainder of fiscal year 1967 could properly be met with a maximum authorization of \$25,000,000. Some supplemental funds are needed and can be used in the second half of fiscal year 1967 for urgently needed capital improvement items which can be put under

construction relatively promptly or which, because of the lead time required for procurement, should be ordered promptly so as to expedite completion of the project involved. An example of the latter is the lead time required for the manufacture and delivery of generators which are a prerequisite to the providing of adequate power systems.

Our amendment number 1 contains language identical in substance to the language in S. 303 which prohibits the use of funds appropriated by any Act for the administration of the Trust Territory unless such use is specifically authorized by law. Funds appropriated for the activities of the Peace Corps are excepted from this prohibition.

The exception with respect to activities of the Peace Corps is intended to resolve any question which might arise in connection with the sizable Peace Corps program now under way in the Trust Territory. Although the Peace Corps has broad general congressional authorization in its organic legislation, it does not have a specific authorization to conduct its program in the Trust Territory.

Our amendment number 2 is a technical amendment. It in no way changes the intent of section 2 of S. 303, but adds the word "Islands" to the phrase "Trust Territory of the Pacific" so the phrase reads "the Trust Territory of the Pacific Islands". This has been our customary usage and we believe that until such time as there is a specific change in the designation of the area, a uniform reference is desired.

Amendment 3 deletes the provision of section 2 that calls for the appointment of the Governor by the President with the advice and consent of the Senate. This deletion leaves the appointment of the High Commissioner (or Governor) as it is today, in the hands of the Secretary of the Interior by delegation from the President. We have no objection to the change in the title of the two highest officers in the Trust Territory of the Pacific Islands and have made no change in that portion of section 2 that provides for the change in title.

Legislation along the lines recommended is urgently needed to meet the immediately foreseeable requirements of the Trust Territory. Measured against total needs for physical plant and against the territory's rapidly expanding population, the past capital improvement program has been inadequate. An increased appropriation authorization is needed at this time to meet the need for physical facilities throughout the Islands. Comparable needs exist in the operating program. They cannot be met at the current level of funding, which is insufficient to increase education, health, and other social and economic activities to acceptable levels.

This Administration has committed itself to promote the political, economic, and social development of the people of the Trust Territory. If we are to carry out this commitment, adequate appropriation authorizations are required promptly. We have, during the twenty years that we have administered the area, made progress toward the achievement of acceptable levels of development, but we have much further to go. We need authority to expend more Federal money in the Trust Territory than we have spent in the past. Our responsibilities to the Micronesians and their need for assistance in helping themselves permit no alternative.

We hope that your Committee will give this measure the prompt and favorable consideration we believe that it deserves.

Due to the urgency of this matter and because of his interest in the legislation, a copy of this letter is being sent to Chairman Aspinall of the House Committee on Interior and Insular Affairs.

The Bureau of the Budget advises that enactment of a bill along the lines of S. 303, as amended, would be in accord with the program of the President.

Sincerely yours,

STEWART L. UDALL,  
*Secretary of the Interior.*

---

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington, D.C., February 24, 1967.*

HON. HENRY M. JACKSON,  
*Chairman, Committee on Interior and Insular Affairs, U.S. Senate,  
New Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your letter of January 20, 1967, requesting the views of the Bureau of the Budget regarding S. 303, "To amend the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes."

In a separate report to your Committee, dated January 24, 1967, the Department of the Interior proposed several amendments to S. 303 and recommended its enactment, if amended.

Enactment of a bill along the lines of S. 303, amended as suggested in the Interior Department's report, would be in accord with the program of the President.

Sincerely yours,

WILFRED H. ROMMEL,  
*Assistant Director for Legislative Reference.*

Senator BURDICK. Generally speaking, the purpose of the bill is to substantially increase the authorization of funds for the territory to carry out an accelerated capital improvements and public works program. Present authorization for the Trust Territory is \$17.5 million annually, which is supplemented to a limited extent by local tax revenues in the islands. I understand several amendments are proposed by the Interior Department.

Under Secretary Charles F. Luce has been designated by Secretary Udall to testify on behalf of the Interior Department, and we are happy to have him here, together with several officials from the Office of Territories who will be available to answer our questions.

On January 27, 1967, Senator Jackson wrote to Secretary of Defense McNamara stating that this hearing would be held and that this would be an appropriate occasion to examine the present and long-range defense importance of Micronesia. I understand that Col. John G. Wheelock III is available as the Defense Department witness. At the conclusion of Secretary Luce's presentation, the committee will go into executive session in room 3112 to receive his testimony.

Our first witness, then, will be Secretary Luce.

**STATEMENT OF CHARLES F. LUCE, UNDER SECRETARY, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY HARRY ANDERSON, ASSISTANT SECRETARY, DEPARTMENT OF THE INTERIOR; AND MRS. RUTH G. VAN CLEVE, DIRECTOR, OFFICE OF TERRITORIES, AND GEORGE MILNER**

MR. LUCE. Thank you, Mr. Chairman. With me at the witness table is Assistant Secretary Anderson and the Director of the Office of Territories, Mrs. Ruth Van Cleve.

Secretary Udall is out of the United States today and for some 2 weeks in the future. Consequently, I am appearing for him today in support of Senate bill 303, with several amendments that we are suggesting to the committee.

First of all, I want to express my appreciation to the chairman and to the committee generally for moving ahead so rapidly on this legislation at this first session of the 90th Congress. We think it emphasizes the importance of the legislation to the proper administration of the Trust Territory of the Pacific Islands.

I have a brief statement which I shall read, and I will then, of course, be available for questions, along with Assistant Secretary Anderson, who made a trip to the Trust Territory of the Pacific Islands last fall, with Mrs. Ruth Van Cleve, Director of the Office of Territories, who likewise has been to the islands, and various other of our staff members.

We in the Department, and our colleagues in the Trust Territory sincerely appreciate this early hearing, because, as you know, we believe that this bill is of great importance, both to the United States in its administration of the Trust Territory and to the people of the Trust Territory.

This bill, if enacted, would authorize the appropriation of not to exceed \$32 million for fiscal year 1967 and \$35 million for fiscal year 1968. These amounts would be in lieu of the existing limitation on annual appropriation of \$17,500,000.

S. 303 is substantially identical to S. 3504 of the 89th Congress as passed by this body. One element has changed, however, and that is time. The previous measure was aimed at a ceiling adjustment applicable to fiscal years 1967 and 1968, and S. 303 is in the same time frame. In the meantime, however, we have moved well past the midpoint of the 1967 fiscal period. It is for this reason that our formal report on the bill recommends adjustment of the time factor on two counts.

We have suggested in the January 24 report which will be sent to the committee that the 1967 increase be reduced by \$7 million. We feel that the resulting ceiling of \$25 million for this year is an amount reasonably within the Trust Territory's capacity to obligate efficiently in the 4 or 5 months remaining. At the same time, the \$7.5 million increase over the current authorization level would permit a major start toward meeting the most pressing needs of the territory.

On the other hand, we have recommended that the \$35 million authorization for fiscal year 1968 be also extended through the 1969 and 1970 budget years. Coincidentally, this level of appropriations will not achieve the ambitious scale of improvement on the time schedule detailed in our original presentation of the subject to this committee last year. We would also hope that the pace of development will accelerate to the point that the \$35 million figure will prove adequate for fiscal year 1970. However, that amount will permit very substantial progress toward the goals we have outlined for the Trust Territory. Moreover, there is merit in having a 3-year authorization as the basis for firm planning on a minimum basis that far ahead. In the very near future, for example, the budgeting process will require that we develop fiscal requirements for fiscal year 1969.

We begin, actually, in about March of this year to develop our 1969 budget. It is obviously essential that the authorization level for that period be considered in the discussions we are now conducting.

Whether 1968 or 1970 is accepted as the cutoff point, it will be necessary to revisit this question in a relatively short time. If, as we confidently hope, the Trust Territory can effectively expand and accelerate its efforts so as to require more than the \$35 million authorization in fiscal year 1970, we will most certainly take the initiative to bring the matter to your attention.

In connection with the substantive amendment just discussed, we have also suggested a change in the format of section 1. The proviso to that section, prohibiting the use of other appropriated funds for trust territory purposes except as specifically authorized by law, has been observed for many years since it was first inserted in our appropriation act for 1953. We do not propose to change its substance from that proposed by this committee last year. However, it seems

desirable from a drafting standpoint to make this limitation a separate item of substantive law. Historically, the authorization language has been changed with some frequency and we are now proposing to specify temporary increases for specific fiscal years. To avoid language complications, the limiting proviso should be converted to a self-contained separate section.

The exception to the prohibition, relating to the activities of the Peace Corps in Micronesia, has, of course, been retained in the revised format. Such an exception is still required for the same reasons which prompted this committee and the Senate to include it in S. 3504 of the 89th Congress.

A second amendment recommended in our report is purely technical in nature. It would merely modify the references to the Trust Territory so as to use the full designation of the area as set forth in the trust agreement with the United Nations and in the 1964 act passed by Congress for the administration of this area; namely, the Trust Territory of the Pacific Islands. The word, "islands," is one that is often dropped in talking about this area.

Our third and last amendment suggests the deletion from section 4 of the bill that language which would require appointments to the Office of Governor of the Trust Territory (now the High Commissioner) to be made by the President with the advice and consent of the Senate. We certainly have no objection to the change in title of the two highest officers in the Trust Territory since that change, at least with respect to the Office of the High Commissioner, would produce a degree of uniformity in the designation of the chief executives of the territories, and the trust territory which is, in our opinion useful. It is the executive branch preference, however, to leave the appointment as it is at the present time—that is, in the hands of the Secretary of the Interior by delegation from the President.

Subject to the amendments contained in our report, which I have identified for you, we heartily endorse this legislation. In the course of the past year we have expressed to you on several occasions our belief in the merit of this legislation and the importance of the needs of the Trust Territory which cannot be met unless legislation along the lines of S. 303 is enacted, and enacted sooner rather than later.

Nearly 50 years ago, after two centuries of Spanish and German rule, the Marshall, Caroline, and Marianas islands were recognized as among the most primitive and dependent of all the undeveloped colonial outposts in the world. At that time the League of Nations Covenant placed these islands and their Micronesian people under Japanese tutelage, but in a category which held out little hope for political or social advancement.

Despite the harsh treatment meted out in the later years of Japanese administration, the people of what is now the Trust Territory did manage to make considerable progress in that quarter century. A beginning was made in the field of education, modern medical techniques were introduced and, above all, the fisheries, agriculture, and mineral resources were developed to a considerable degree—albeit for the primary benefit of the Japanese home market.

The obligation we have assumed under the trusteeship provisions of the United Nations Charter and the terms of our trusteeship agreement runs much deeper than that held by the Japanese. In addition to preserving the security of the area, we were also committed to the

social, economic, and political development of the people. This means, in the first instance, raising the standards of education and health. Our goals in those areas have been established and understood for several years. In major part, the capital investment program which S. 303 contemplates is necessary to make those goals a reality.

A major deficiency in program planning for the area has been our inability to devise realistic goals or objectives for economic advancement. The resource base of the area makes its economic potential very limited for the immediate years ahead. But we now begin to see some basis for optimism in this area.

For more than a year an intensive study of resources, emphasizing analysis of potentials and alternatives, has been underway. The first phase of this effort has been completed and a draft of a long-range economic development plan is under study by the High Commissioner and his staff, with, I might add, the advice and counsel of the report of Nathan Associates, which we hope to receive quite soon.

We have confidence that this study will provide more reliable information than has been available heretofore and that it will point the way toward a higher degree of economic self-sufficiency for the Micronesian people.

In view of congressional action in the 89th Congress, and in view of this Committee's prompt consideration of this bill so early in this new Congress, we feel certain that you share in large measure our view that, while we have made progress in the Trust Territory over the past 20 years, we have much further to go toward the achievement of acceptable levels of development, and that if we are to move ahead we must expend more Federal money in the Trust Territory than we have spent in the past. We hope that you share also our view concerning the urgency of this measure.

I have deliberately not burdened this statement with detailed budgets, actual or proposed, but that information is available here today, and we will be happy to entertain any questions you may have.

I might add that I did review, in preparation for this hearing, the testimony of last year's hearing, and noted therein that Mr. Norwood, the new High Commissioner of the Trust Territories, did develop in last year's hearing the economic justification for this legislation.

I noted also in reviewing the committee's report on last year's bill that it agreed with this economic justification.

Mr. Chairman and other members of the committee, that completes my opening statement.

Senator BURDICK. Before beginning the questioning period, I wonder if Mr. Anderson would have anything to say?

Mr. ANDERSON. I have nothing at this time.

Senator BURDICK. Mrs. Van Cleve?

Mrs. VAN CLEVE. Nothing, thank you.

Senator BURDICK. Senator Anderson?

Senator ANDERSON. On page 4, I note that you suggest the deletion from section 4 that language which requires appointment of Governor of the Trust Territory to be made by the President, with the Senate confirming the appointees.

What is your worry about that?

Mr. LUCE. The Senate bill would have the President appoint and the Senate confirm which I understand now is the procedure followed in the appointment of the Governors of the Virgin Islands and Guam.

The recommendation to this committee is that the Secretary of the Interior should make the appointment. The argument in behalf of that point of view is that this gives the Secretary of the Interior a closer supervision and more authority, you might say, to direct the operations of the Trust Territory, since the head of it would be operating under a commission that he has issued, as is the case now in Samoa. The case can be argued either way, of course.

Senator ANDERSON. Of course the Department does not recommend that the Senate be not allowed to confirm?

Mr. LUCE. Well, of course the Senate will make its own decision on that but our recommendation is that the appointment be by the Secretary of the Interior and not subject to Senate confirmation.

Senator ANDERSON. Do you have some reason for it? Have you had bad experience with Senators?

Mr. LUCE. No, sir. I can hardly say that, having just appeared before this committee on my nomination within the past 4 months.

Senator ANDERSON. On the money side, how much increase in the next 3 or 4 years will it be going from \$17.5 to \$25 million—

Mr. LUCE. \$17.5 million, sir.

Senator ANDERSON. Is it not \$25 million the first year?

Mr. LUCE. \$25 million total. The present authorization is \$17.5 million, so it will be a \$7.5 million increase for the present fiscal year. We have a supplemental appropriation up here for about \$5 million, as I recall.

Senator ANDERSON. The next amount, then, is \$35 million or \$37 million?

Mr. LUCE. \$35 million for fiscal 1968 under the bill Senator Jackson introduced. We would extend that, under our recommendations to the committee, to the 1969 and 1970 fiscal years.

Senator ANDERSON. Do you think it urgent to pass this bill?

Mr. LUCE. Yes, sir; it is urgent.

Senator ANDERSON. As you know, there has been some cutting down of appropriations because of activity in Vietnam. They are cutting down almost every program you can conceive of. Why should this be doubled?

Mr. LUCE. Well, we think that the obligations that we assumed in our agreement with the United Nations for the administration of this territory, as well as our humanitarian interest in the welfare of these people and our own national interests, makes it advisable, Senator Anderson.

I asked the staff to give me some comparative information on how much we spend in the Trust Territory at the present time compared with Guam and Samoa. The figures, I think, speak for themselves.

The total per capita expenditures that we made in the last fiscal year, 1966, for the Trust Territory were \$183. In Samoa, they were \$186. If you look at the education costs per pupil in the Trust Territories for that same fiscal year 1966, they were in the Trust Territory, \$135 per pupil, in Guam, \$278, only twice as much. In the Virgin Islands, \$529.

If you look at the health expenditures on a per capita basis for fiscal 1966, the Trust Territory we are now considering were \$28, in Samoa, \$65; in Guam, \$71.

I realize, as the Senator is well aware and certainly the Department of the Interior has felt, the budgetary stringencies we are all operating

under these days. Nonetheless, this is a justified and necessary increase for the Trust Territory. It still will not bring them up as high as Guam or the Virgin Islands, or as high as we hope that we can get them eventually.

Senator ANDERSON. Are they identical in situation?

Mr. LUCE. No, sir; they are not identical. I think the Trust Territory of the Pacific Islands are not as highly developed as the others, not as far along, either economically or politically.

Senator ANDERSON. I just want to say that I think it is probably a good indication that in time we should do it, but when everything else is being cut or at least dampered, this seems to be a strange procedure here.

I have no more questions.

Senator BURDICK. Senator Moss?

Senator MOSS. It is your opinion that if we had the Presidential appointment and confirmation of the Governor, this would tend to upgrade or give more prestige to the office than having appointment just by the Secretary of the Interior?

Mr. LUCE. I believe that it would.

Senator MOSS. And if our objective here is to give more recognition to these residents of the Trust Territory and to aid them educationally and any other way, do you not think it would be desirable, then, to give more status to the Governor that would preside over the trust territory?

Mr. LUCE. Well, Senator Moss, we think that with the secretarial appointment, he will have sufficient status to do his job and do it well. But certainly, I will have to concede that your point is well taken.

Senator MOSS. As I understand it, one of the reasons that there is a feeling of urgency that we increase appropriations and do more in the Trust Territory to help these people toward development is the general wave of unrest in underdeveloped peoples around the world and the ability of some other governments of the world to fan this unrest. We might, for that reason, be bringing on difficulties for ourselves in the islands if there were an opposition movement underway. Is this your understanding as a cogent reason for flying in the face of the general retrenchment economically at this time?

Mr. LUCE. Senator Moss, we have based our case for this increased authorization on our obligations under the trust agreement by which we hold these territories and our belief in the humanitarian purposes of what we are proposing. I must say, though, that the facts which you have just pointed out are a cogent reason for supporting this legislation.

Senator MOSS. Thank you.

I have no more questions, Mr. Chairman.

Senator BURDICK. Mr. Luce, I presume that the Department has some kind of a program, a long-range blueprint for administering these areas. Can you tell me something about that?

Mr. LUCE. Mr. Chairman, at last year's hearing, High Commissioner Norwood explained to the committee a capital improvement program for 5 years, which as I recall, had a price tag of \$172 million; It consisted of having new capital investments in educational facilities to the tune of about \$72 million; large investments in new hospitals, and health facilities of around \$30 million; and sanitation—water,

power, sewerage—facilities of some \$30 or \$32 million; and further investment in transportation facilities, airports and highways and communications facilities. Because we are dealing here with some 2,000 islands spread over an area the size of the United States, that program, in general, I think, is still an objective that we have. Obviously, we cannot fit it within the authorization that we are asking for here.

We hope and expect that Commissioner Norwood will refine that program with the aid of this Nathan report that is expected shortly, and we will come to this committee shortly thereafter with a more up-to-date set of cost estimates than we were able to present to the committee last year.

I might say also that the appropriations that we requested this year from Congress under our existing ceiling of \$17.5 million are entirely operational and maintenance appropriations. We have not found it possible to include any capital improvements or capital investments in that budget. Yet many facilities in the Trust Territory of the Pacific Islands, as Secretary Anderson reported to us when he came back from a trip last fall, are quite antiquated. Some of them dated from World War II surplus property and equipment of that sort. We have a very great need for capital improvements that can only be made if legislation of this type is enacted.

If there are further details, Mr. Chairman, our staff is here, and certainly they are prepared to answer your detailed questions.

Senator BURDICK. Has the Department considered anything beyond that so-called 5-year plan?

Mr. LUCE. I shall ask our Director of the Office of the Territories, Mrs. Ruth Van Cleve, to answer that question, if I may.

Mrs. VAN CLEVE. We have done no specific planning, Mr. Chairman, in connection with budgetary arrangements beyond the 5-year period. We foresee, of course, that with increasing population in the Trust Territory, the need is not likely to decrease as time passes. But we are not able to be specific with respect to fiscal needs for, particularly, schools and hospitals, beyond roughly fiscal year 1972.

Senator ANDERSON. Has the population increased greatly? What is the average yearly population increase? How much has it increased in the last 10 years?

Mrs. VAN CLEVE. We have a graph that will show you that quite clearly. The population is increasing at the rate of 4 percent per year, which is a very heavy population increase. The current population is approximately 93,000.

Senator ANDERSON. We have a figure of 86,000.

Mr. MILNER. It is approximately 92,000 at the present time.

Senator ANDERSON. What was that figure, 86,000?

Mr. MILNER. It was an estimate of a few years back. It would be about 1963.

Mr. LUCE. If I may, Mr. Chairman, at last year's hearings, we used a figure of 90,000. This year, it is up to 93,000, Senator Anderson.

We have projected on a chart which I am holding in my hand the population trend in the Trust Territory of the Pacific Islands. At the present time, it is, at the end of 1966, about 93,000. We project it on out to 1976, at which time it will be about 123,000.

This same chart shows the population age 19 or less, which I think is significant. Of the total population of 93,000 at the present time,

about 49,000 of them are 19 or less, which shows you the dimensions of our education problem out there.

That large increase in the younger segment of the population is likewise projected out of 1976, 10 years from now, when it is estimated to be 70,000. All this translated to need for schools indicates quite an increase in the need.

Senator ANDERSON. What is our direct obligation in this matter? You say we have an obligation to make certain—

Mr. LUCE. Yes, sir; I referred to the trust agreement under which our Government administers the Trust Territory. Article 6 of that trust agreement provides—I shall not read it in its entirety, but I shall read that part of it which I think is relevant to the Senator's question.

Subsection 2 obligates us in this agreement signed by the United States of America to promote the economic advancement and self-sufficiency of the inhabitants and, to this end, we shall regulate the use of natural resources, encourage the development of fisheries, agriculture, and so on, protect the inhabitants against loss of the land, and explore sources of improved means of transportation and communication.

Subsection 3 says that the United States shall promote the social advancement of the inhabitants and, to this end, shall protect the rights and fundamental freedoms of all elements of the population without discrimination; protect the health of the inhabitants; control the traffic in arms, ammunition, opium, and other drugs, alcohol, and so on; protect the inhabitants against social abuses.

Fourth, the United States shall promote the educational advancement of the inhabitants and, to this end, shall take steps toward the advancement of a system of elementary education, facilitate the cultural and educational advancement of the population, and to help the students to pursue higher education, including training on a professional level.

Senator BURDICK. Mr. Luce, so far, you have been testifying to development in the public sector—the schools, sanitation, roads, et cetera. In the long term, we need some private development, too, do we not? We need some taxpayers.

Mr. LUCE. That is correct. Our goal, albeit we recognize it to be a goal that cannot be achieved in the near future, is economic self-sufficiency for the Trust Territory of the Pacific Islands.

Senator BURDICK. Is there any sort of private endeavor going on in those islands now, any business of any kind?

Mr. LUCE. I am confident there is. I shall ask Mrs. Van Cleave and Secretary Anderson to provide details on that.

Mrs. VAN CLEVE. There are a number of efforts underway which are encouraging. Mr. Luce has referred to the economic development report which we expect to receive in a few days, and we shall forthwith upon receiving it, present some copies to this subcommittee. We understand, although we have not seen it, that it will identify three areas as being reasonably promising for private economic development in the Trust Territory—agriculture, fisheries, and tourism.

Agriculture is obviously of merit in those islands of sufficient acreage to permit it. In Tinian, for example, there is currently underway a relatively new beef cattle program, one which appears to offer very

real potential to those who are engaged in it. The principal entrepreneur involved is a man from Guam by the name of Kenneth Jones, who has introduced cattle from Australia. He seems very encouraged at the probable success of the program.

Elsewhere in the Trust Territory in agriculture, there are promising experiments in ramie fiber, for example, improved coconut production, and in pepper production. All of these projects need to be pursued further to make sure that they indeed make sense, not only that these are products that can be grown but that they can be marketed successfully in the world market. With respect to fisheries, there is already an establishment in Palau by the Van Camp Seafood Co. We are doing our best to interest Van Camp in other portions of the trust territory, and also introduce other fish processors to other portions of the Trust Territory. There is no question but what the resources of the sea are very likely the chief potential for development in that area.

Tourism is, so far, only a glimmer in the eye of some of the airlines and hotel operators. To date, there has been insufficient transportation and insufficient housing for tourists in any appreciable numbers. However, most observers feel that this, too, is an area that represents a very promising one in terms of bringing money to the trust territory economy.

These are all areas which are essentially untested at the moment, but which expert views suggest are going to be available to us.

We have done, additionally, something to encourage local entrepreneurs in lesser forms of activity—businessmen who are running stores, cleaning establishments, and so on. We have an economic development loan fund now totaling roughly three-quarters of a million dollars, which makes loans to Micronesian businessmen for local enterprises. We are making efforts. We shall obviously increase them when we are able to do so in the light of further funding.

Senator BURDICK. Is this economic development fund similar to the one in Guam?

Mrs. VAN CLEVE. I do not know at the moment precisely how to compare them.

Senator BURDICK. Is it called the Pacific development fund?

Mrs. VAN CLEVE. The government of Guam has its own economic development enterprise known as the Guam Economic Development Administration. It is funded in a far lesser way than the Trust Territory Economic Development Loan Fund at this point. The trust territory's fund, as I have suggested, has resources of roughly \$700,000. Almost all of that money now is either loaned out or being held in the form of loan guarantees, so there is very little available to it at the moment.

I am not at the moment able to bring to mind the funding of the Guam enterprise, but it is less significant, unfortunately.

Senator BURDICK. These loans are to private parties only?

Mrs. VAN CLEVE. The Trust Territory fund is available, I am sure, exclusively to private parties, that is correct, or to loans to cooperative enterprises, corporations or partnerships.

Senator BURDICK. So-called private groups?

Mrs. VAN CLEVE. Yes.

Senator BURDICK. Anything further, Senator Anderson?

Senator ANDERSON. I have nothing further.

Senator BURDICK. Senator Moss?

Senator MOSS. I have no more questions.

Senator BURDICK. Senator Hansen?

Senator HANSEN. No, thank you.

Senator BURDICK. Thank you, gentlemen and Mrs. Van Cleve, for appearing today.

Mr. LUCE. Let me say it is our hope that the Senators will take the trip that has been spoken of some time this fall. It is my hope that I may accompany the committee members when they do make the expected trip.

Senator BURDICK. This is under consideration, and we might do it at a time when we can do a thorough job and not a hurry up job.

Would you agree with that?

Mr. LUCE. Yes, sir, I do.

Senator BURDICK. Is there anyone else, other than the representatives of the military here, who would like to testify at this time?

(No response.)

I have a statement here from Senator Fong of Hawaii for inclusion in the hearing record.

(The statement referred to follows:)

STATEMENT OF HON. HIRAM L. FONG, A U.S. SENATOR FROM THE STATE OF HAWAII

I appreciate this opportunity to express my views on S. 303, providing for the continuance of civil government for the Trust Territory of the Pacific Islands. The bill authorizes appropriations with a ceiling of \$32 million for fiscal year 1967 and \$35 million for fiscal year 1968 to provide for a program of necessary capital improvements and public works related to health, education, utilities, highways, transportation facilities, communications, and public buildings.

I support the purposes of this proposed legislation as vital to the further development and progress of the Trust Territory. I have on numerous occasions voiced my support toward this objective in my statements in the Senate and elsewhere.

In the words of the Secretary of the Interior, who has jurisdiction over the Trust Territory, "We have, during the 20 years that we have administered the area, made progress toward the achievement of acceptable levels of development, but we have very much farther to go. We need authority to expend much more Federal money in the Trust Territory than we have spent in the past. Our responsibilities to the Micronesians permit no alternative."

There is general recognition that the present ceiling of \$17.5 million a year is much too low and that it should be raised to a more realistic level.

We are concerned here with the problems and needs of a vast geographic area comparable to the size of the continental United States; a widely scattered and rapidly growing population (almost half of whom are less than 20 years of age); and a prior history of assistance which inadequately met the diverse needs of the people.

From information already submitted to this Committee, it would be repetitious to go into detail on the numerous problems of health, education, water, power, sanitation, transportation, communications, and administration. These problems present obstacles to progress—progress which is possible for the Micronesians if they are given the required help and encouragement.

In supporting S. 303, I am mindful of the unique status of the Trust Territory of the Pacific Islands. It is the only United Nations trust area under U.S. administration. When the Micronesian Islands were placed under U.S. administration by agreement with the United Nations Security Council in 1947, this country accepted the responsibility of promoting the people of the Trust Territory toward self-determination. We are thus obligated to do all we can to prepare them for self-government so they can make the choice of the kind of government they wish to have for themselves.

S. 303 is a vehicle we have to meet the deficiencies of our administration of the Trust Territory. With the improvements possible through enactment of S. 303,

we can help the Micronesians to develop a strong capability for assuming the responsibilities of self-government when the time comes.

Therefore, I strongly urge this Committee to approve S. 303 as speedily as possible.

Senator BURDICK. We will adjourn to the executive hearing.

(Whereupon the committee proceeded to executive session at 2:25 p.m.)

## APPENDIX

---

(Subsequent to the hearing the chairman ordered that the trusteeship agreement referred to in the hearings, the order of September 28, 1964, establishing legislative authority for Congress of Micronesia, and the order of January 30, 1964, to delimit the executive authority of the government of the Trust Territory of the Pacific Islands, be printed as an appendix to the hearing record.)

### TRUSTEESHIP AGREEMENT FOR THE UNITED STATES TRUST TERRITORY OF THE PACIFIC ISLANDS

#### PREAMBLE

WHEREAS Article 75 of the Charter of the United Nations provides for the establishment of an international trusteeship system for the administration and supervision of such territories as may be placed thereunder by subsequent agreements; and

WHEREAS under Article 77 of the said Charter the trusteeship system may be applied to territories now held under mandate; and

WHEREAS on 17 December 1920 the Council of the League of Nations confirmed a mandate for the former German islands north of the equator to Japan, to be administered in accordance with Article 22 of the Covenant of the League of Nations; and

WHEREAS Japan, as a result of the Second World War, has ceased to exercise any authority in these islands;

Now, THEREFORE, the Security Council of the United Nations, having satisfied itself that the relevant articles of the Charter have been complied with, hereby resolves to approve the following terms of trusteeship for the Pacific Islands formerly under mandate to Japan.

#### ARTICLE 1

The Territory of the Pacific Islands, consisting of the islands formerly held by Japan under mandate in accordance with Article 22 of the Covenant of the League of Nations, is hereby designated as a strategic area and placed under the trusteeship system established in the Charter of the United Nations. The Territory of the Pacific Islands is hereinafter referred to as the trust territory.

#### ARTICLE 2

The United States of America is designated as the administering authority of the trust territory.

#### ARTICLE 3

The administering authority shall have full powers of administration, legislation, and jurisdiction over the territory subject to the provisions of this agreement, and may apply to the trust territory, subject to any modifications which the administering authority may consider desirable, such of the laws of the United States as it may deem appropriate to local conditions and requirements.

#### ARTICLE 4

The Administering authority, in discharging the obligations of trusteeship in the trust territory, shall act in accordance with the Charter of the United Nations, and the provisions of this agreement, and shall, as specified in Article 83 (2) of the Charter, apply the objectives of the international trusteeship system, as set forth in Article 76 of the Charter, to the people of the trust territory.

## ARTICLE 5

In discharging its obligations under Article 76 (a) and Article 84, of the Charter, the administering authority shall ensure that the trust territory shall play its part, in accordance with the Charter of the United Nations, in the maintenance of international peace and security. To this end the administering authority shall be entitled—

1. to establish naval, military and air bases and to erect fortifications in the trust territory;
2. to station and employ armed forces in the territory; and
3. to make use of volunteer forces, facilities and assistance from the trust territory in carrying out the obligations towards the Security Council undertaken in this regard by the administering authority, as well as for the local defense and the maintenance of law and order within the trust territory.

## ARTICLE 6

In discharging its obligations under Article 76 (b) of the Charter, the administering authority shall—

1. foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned; and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends;
2. promote the economic advancement and self-sufficiency of the inhabitants, and to this end shall regulate the use of natural resources; encourage the development of fisheries, agriculture, and industries; protect the inhabitants against the loss of their lands and resources; and improve the means of transportation and communication;
3. promote the social advancement of the inhabitants, and to this end shall protect the rights and fundamental freedoms of all elements of the population without discrimination; protect the health of the inhabitants; control the traffic in arms and ammunition, opium and other dangerous drugs, and alcohol and other spirituous beverages; and institute such other regulations as may be necessary to protect the inhabitants against social abuses; and
4. promote the educational advancement of the inhabitants and to this end shall take steps toward the establishment of a general system of elementary education; facilitate the vocational and cultural advancement of the population and shall encourage qualified students to pursue higher education, including training on the professional level.

## ARTICLE 7

In discharging its obligations under Article 76 (c), of the Charter, the administering authority shall guarantee to the inhabitants of the trust territory freedom of conscience, and, subject only to the requirements of public order and security, freedom of speech, of the press, and of assembly; freedom of worship, and of religious teaching; and freedom of migration and movement.

## ARTICLE 8

1. In discharging its obligations under Article 76 (d) of the Charter, as defined by Article 83 (2) of the Charter, the administering authority, subject to the requirements of security, and the obligation to promote the advancement of the inhabitants, shall accord to nationals of each Member of the United Nations and to companies and associations organized in conformity with the laws of such Member, treatment in the trust territory no less favourable than that accorded therein to nationals, companies and associations of any other United Nations except the administering authority.

2. The administering authority shall ensure equal treatment to the Members of the United Nations and their nationals in the administration of justice.

3. Nothing in this Article shall be so construed as to accord traffic rights to aircraft flying into and out of the trust territory. Such rights shall be subject to agreement between the administering authority and the state whose nationality such aircraft possesses.

4. The administering authority may negotiate and conclude commercial and other treaties and agreements with Members of the United Nations and other states, designed to attain for the inhabitants of the trust territory treatment by the Members of the United Nations and other states no less favourable than that granted by them to the nationals of other states. The Security Council may recommend, or invite other organs of the United Nations to consider and recommend, what rights the inhabitants of the trust territory should acquire in consideration of the rights obtained by Members of the United Nations in the trust territory.

#### ARTICLE 9

The administering authority shall be entitled to constitute the trust territory into a customs, fiscal, or administrative union or federation with other territories under United States jurisdiction and to establish common services between such territories and the trust territory where such measures are not inconsistent with the basic objectives of the International Trusteeship System and with the terms of this agreement.

#### ARTICLE 10

The administering authority, acting under the provisions of Article 3 of this agreement, may accept membership in any regional advisory commission, regional authority, or technical organization, or other voluntary association of states, may co-operate with specialized international bodies, public or private, and may engage in other forms of international co-operation.

#### ARTICLE 11

1. The administering authority shall take the necessary steps to provide the status of citizenship of the trust territory for the inhabitants of the trust territory.

2. The administering authority shall afford diplomatic and consular protection to inhabitants of the trust territory when outside the territorial limits of the trust territory or of the territory of the administering authority.

#### ARTICLE 12

The administering authority shall enact such legislation as may be necessary to place the provisions of this agreement in effect in the trust territory.

#### ARTICLE 13

The provisions of Articles 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may determine the extent of their applicability to any areas which may from time to time be specified by it as closed for security reasons.

#### ARTICLE 14

The administering authority undertakes to apply in the trust territory the provisions of any international conventions and recommendations which may be appropriate to the particular circumstances of the trust territory and which would be conducive to the achievement of the basic objectives of Article 6 of this agreement.

#### ARTICLE 15

The terms of the present agreement shall not be altered, amended or terminated without the consent of the administering authority.

#### ARTICLE 16

The present agreement shall come into force when approved by the Security Council of the United Nations and by the Government of the United States after due constitutional process.

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., September 28, 1964.

Order No. 2882 (as amended June 10, 1965, and June 28, 1966).

Subject: Legislative authority for the Congress of Micronesia, Trust Territory of the Pacific Islands.

WHEREAS, pursuant to the Trusteeship Agreement between the United States and the Security Council of the United Nations, the United States has undertaken to promote self-government in the Trust Territory of the Pacific Islands; and

WHEREAS, in 1956 the High Commissioner of the Trust Territory created an Inter-District Advisory Committee composed of Trust Territory citizens to assist in the development of programs and policies for the area; and

WHEREAS, the Inter-District Advisory Committee in 1961 was reconstituted as the Council of Micronesia, selecting its own chairman; and

WHEREAS, the deliberations of the Council of Micronesia have been of a uniformly high order; and

WHEREAS, the Council of Micronesia has recommended the establishment of a legislature for the Trust Territory of the Pacific Islands to be known as the Congress of Micronesia;

NOW, THEREFORE, there is hereby created the Congress of Micronesia, as set forth in the following order:

SECTION 1. *Purpose.*—The purpose of this Order is to grant certain legislative authority to the Congress of Micronesia in the Trust Territory of the Pacific Islands, to delimit its membership, duties, and procedures, and to define its relationships to other branches of the Government of the Trust Territory of the Pacific Islands.

SEC. 2. *Organization.*—The Legislature of the Trust Territory of the Pacific Islands shall be known as the "Congress of Micronesia" and shall consist of two Houses, the Senate and the House of Representatives. The two Houses shall sit separately except as otherwise provided herein.

When the Congress shall convene, each House shall organize by the election of one of its number as presiding officer and such presiding officer shall be designated by the title of "President of the Senate" or "Speaker of the House of Representatives," as the case may be. When the Congress meets in joint session, the Speaker of the House of Representatives shall preside.

SEC. 3. *Legislative Power.*—The legislative power of the Congress of Micronesia shall extend to all rightful subjects of legislation, except that no legislation may be inconsistent with—

- (a) treaties or international agreements of the United States;
- (b) laws of the United States applicable to the Trust Territory;
- (c) Executive Orders of the President of the United States and orders of the Secretary of the Interior; or
- (d) sections 1 through 12 of the Code of the Trust Territory.

No law shall be passed by the Congress imposing any tax upon property of the United States or property of the Trust Territory of the Pacific Islands; nor shall the property of nonresidents be taxed at a higher rate than the property of residents. No import or export levies shall be imposed on goods transported between or among the Districts of the Trust Territory as described in Section 39 of the Code of the Trust Territory or any political subdivision thereof and the levy of duties on goods imported into the Trust Territory is hereby reserved to the Congress of Micronesia and the High Commissioner.

SEC. 4. *Powers of the High Commissioner.*—At the opening of a legislative session and at any time thereafter the High Commissioner may submit to the Congress and recommend the enactment of legislation.

In the event that the High Commissioner has submitted to the Congress proposed legislation which he has designated as urgent, and the Congress has failed to pass the same in its original form or an amended form acceptable to the High Commissioner at the session at which it was submitted, the High Commissioner may himself, with the approval of the Secretary of the Interior, promulgate such legislation as law: *Provided*, That such designation as urgent shall be made no later than seven days prior to the end of the session.

SEC. 5. *Budget.*—Money bills enacted by the Congress of Micronesia shall not provide for the appropriation of funds in excess of such amounts as are available from revenues raised pursuant to the tax laws and other revenue laws of the Trust Territory. Prior to his final submission to the Secretary of the Interior of requests for Federal funds necessary for the support of governmental functions in the Trust Territory, the High Commissioner shall prepare a preliminary budget plan. He shall submit such plan to the Congress of Micronesia in joint session for its review and recommendations with respect to such portions as relate to expenditures of funds proposed to be appropriated by the Congress of the United States. With respect to such portions of the preliminary budget plan, the High Commissioner shall adopt such recommendations of the Congress as he may deem appropriate, but he shall transmit to the Secretary of the Interior all recommendations he has not adopted.

SEC. 6. *Membership.*—For the purpose of representation in the Congress, the Trust Territory is divided into six Districts as described in Section 39 of the Code of the Trust Territory.

The Senate shall consist of twelve members, who shall be known as "Senators", of which each District shall elect two.

The House of Representatives shall consist of twenty-one members, who shall be known as Representatives, and who shall be elected from each District as follows:

- In the Mariana Islands District, three;
- In the Marshall Islands District, four;
- In the Palau District, three;
- In the Ponape District, four;
- In the Truk District, five;
- In the Yap District, two.

Each of the six Administrative Districts shall be subdivided initially into single member election districts of approximately equal population, in such manner as the High Commissioner shall determine, and each such election district shall elect one of the Representatives to which the Administrative District is entitled. Future subdivisions shall be established by law.

Election districts shall be reapportioned every 10 years on the basis of population, but each District (as described in Section 39 of the Trust Territory Code), shall be entitled to at least two Representatives. The first such reapportionment shall be made in 1971.

SEC. 7. *Qualification of Legislators.*—In order to be eligible to election as a member of the Congress a person shall—

- (a) be a citizen of the Trust Territory for at least five years;
  - (b) have attained the age of twenty-five years at the time of his election;
- and
- (c) have been a bona fide resident of the District (as described in Section 39 of the Code of the Trust Territory), from which he is elected for at least one year next preceding his election.

No person who has been expelled from the Congress for giving or receiving a bribe or for being an accessory thereto, and no person who has been convicted of a felony by any court of the Trust Territory or any court with the jurisdiction of a district court of the United States, shall sit in the Congress unless the person so convicted has been pardoned and has had restored to him his civil rights.

SEC. 8. *Franchise.*—The franchise shall be vested in residents of the Trust Territory who are citizens of the Trust Territory and eighteen years of age or over. Additional qualifications may be prescribed by the Congress: *Provided*, That no property, language, or income qualification shall ever be imposed or required of any voter, nor shall any discrimination in qualification be made or based upon literacy, tribal custom, or social position, nor upon difference in race, color, ancestry, sex, or religious belief.

SEC. 9. *General elections.*—General elections shall be held biennially in each even numbered year on the first Tuesday following the first Monday in November. All elections shall be held in accordance with such procedures as this order and the laws of the Trust Territory may prescribe. Legislators shall be chosen by secret ballot of the qualified electors of their respective districts.

SEC. 10. *Term of office.*—Each Senator shall hold office for a term of four years: *Provided*, That of the Senators elected at the first general election, one from each District shall hold office for two years only, and the determination of which Senator shall serve the short term shall be made by drawing lots.

Representatives shall each hold office for a term of two years.

The terms of all members of the Congress shall commence at noon on the third day of January following their election, except as otherwise provided by law.

SEC. 11. *Disqualification of government officers and employees.*—No person holding a position as a Department Head or Assistant Department Head in the Headquarters of the Trust Territory Government, as a Department Head or Assistant Department Head in a District Administration, as a District Administrator or Assistant District Administrator, or as a Judge, and no person serving as a member of a District Legislature, shall be eligible to serve as a member of the Congress while holding said position: *Provided*, That this disqualification shall not become effective until the third general election to the Congress.

The High Commissioner shall permit any employee of the Government of the Trust Territory to be accorded leave without pay, for a period not to exceed 30 days prior to and including the day of the general election, for the purpose of seeking election to the Congress.

No member of the Congress shall, while on official legislative business, receive any other compensation from the Government of the Trust Territory or any political subdivision thereof.

SEC. 12. *Legislative sessions.*—There shall be a regular session of the Congress held in each year beginning on the second Monday of July and continuing for not to exceed 30 consecutive calendar days. Each such regular session shall be held at the seat of the Government of the Trust Territory.

The High Commissioner may call special sessions for such period of time and at such time and place, as in his opinion the public interest may require. No legislation shall be considered at any special session other than that specified in the call therefor or in any special message by the High Commissioner to the Congress while in such session.

SEC. 13. *Enacting clause.*—The enacting clause of all bills shall be: "Be it enacted by the Congress of Micronesia," and no law shall be enacted except by bill. Bills may originate in either House, and may be amended or altered or rejected by the other.

SEC. 14. *Veto by the High Commissioner.*—Every bill passed by the Congress shall, before it becomes a law, be presented to the High Commissioner. If the High Commissioner approves the bill, he shall sign it. If the High Commissioner disapproves the bill, he shall, except as hereinafter provided, return it, with his objections, to the Congress within ten consecutive calendar days after it shall have been presented to him. If the High Commissioner does not return the bill within such period, it shall be a law in like manner as if he had signed it, unless the Congress by adjournment prevents its return, in which case it shall be a law if signed by the High Commissioner within thirty days after it shall have been presented to him; otherwise, it shall not be a law.

Not later than 14 months after a bill has been vetoed by the High Commissioner, it may be passed over his veto by a two-third's majority of the entire membership of each House but may not be so repassed at the same session at which originally passed. A bill so repassed shall be re-presented to the High Commissioner for his approval. If he does not approve it within 20 days, he shall send it together with his comment thereon to the Secretary of the Interior. Within 90 days after its receipt by him, the Secretary of the Interior shall either approve or disapprove the bill. If he approves it, it shall become a law; otherwise it shall not.

If any bill presented to the High Commissioner shall contain several items of appropriation of money, he may object to one or more of such items, or any part or parts thereof, while approving the other items or parts of the bill. In such case he shall append to the bill, at the time of signing it, a statement of the item or items, part or parts thereof, to which he objects, and the item or items, part or parts thereof, so objected to shall have the effect of being vetoed.

SEC. 15. *Adjournment.*—Neither House may adjourn for more than two consecutive days nor may either House adjourn *sine die* without the concurrence of the other House.

SEC. 16. *Publication of Laws.*—The High Commissioner shall make provision for publishing laws and resolutions within thirty days after the close of each session and for their distribution to public officials and sale to the public.

SEC. 17. *Procedure.*—

(a) *Quorum.*—A majority of the members of each House shall constitute a quorum of such House for the transaction of business. A smaller number may adjourn from day to day and may compel the attendance of absent members in such manner and under such penalties as each House may provide.

(b) *Reading of bills—Passage.*—A bill in order to become a law shall pass two readings in each House, on separate days, the final passage of which in each

House shall be by a majority vote of all the members present and voting, which vote shall be entered upon the journal.

(c) *Title*.—Every legislative act shall embrace but one subject and matters properly connected therewith, which subject shall be expressed in the title; but if any subject shall be embraced in an act which shall not be expressed in the title, such an act shall be void only as to so much thereof as shall not be embraced in the title.

(d) *Certification of bills from one House to the other*.—Every bill when passed by the House in which it originated, or in which amendments thereto shall have originated, shall immediately be certified by the presiding officer and sent to the other House for consideration.

(e) *Amendment and revisions by reference*.—No law shall be amended or revised by reference to its title only; but in such case the act, as revised, or section or subsection as amended, shall be re-enacted and published at full length.

(f) *Language*.—All legislative proceedings shall be conducted in the English language: *Provided*, That knowledge of the English language shall not be a qualification for membership in the Congress. Nothing herein shall limit the right of a member to use his native language if he lacks fluency in English, and the Congress shall provide for interpretation into English in such cases.

(g) *Journal*.—Each House shall keep a journal of its proceedings, and publish the same in English.

(h) *Public Sessions*.—The business of the Congress, and of the Committee of the Whole, shall be transacted openly and not in secret session.

(i) *Procedural authority*.—The Congress shall be the sole judge of the elections and qualifications of its members, shall have and exercise all the authority and attributes inherent in legislative assemblies, and shall have the power to institute and conduct investigations, issue subpoenas to witnesses and other parties concerned, and administer oaths.

SEC. 18. *Immunity*.—No member of the Congress of Micronesia shall be held to answer before any tribunal other than the Congress for any speech or debate in the Congress, and the members shall in all cases, except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the Congress and in going to and from the same.

SEC. 19. *Compensation*.—Each member of the Congress shall be paid \$16 for each day the Congress is in session, regular or special. Each member shall also be paid \$16 for each day during which he is engaged in official legislative business, when the Congress is not in session. Compensation at this daily rate shall be paid for each day the member is in a travel status to and from each session or while on other official legislative business. Travel shall be performed by the most expeditious and direct means. Compensation shall be paid for days when travel is delayed for reasons beyond the control of the member. Travel shall be arranged by the Trust Territory Government by the most direct and expeditious means, and travel expenses and per diem at the standard Trust Territory Government rates shall be allowed: *Provided*, That compensation, travel, and per diem shall not be allowed in excess of such amount as may be budgeted therefor.

SEC. 20. *Appointment to new offices*.—No member of the Congress shall, during the term for which he was elected or during the year following the expiration of the term for which he was elected, be appointed to any office which was created by the Congress during such term.

SEC. 21. *Vacancies*.—Whenever, prior to six months before the date of the next general election, a vacancy occurs, the High Commissioner shall call a special election to fill such vacancy. In case of a vacancy occurring within six months of the next general election, no special election shall be held and the District Administrator of the District wherein such vacancy arises may fill such vacancy by appointment.

SEC. 22. *Conversion into a unicameral body*.—At its fifth regular session following the effective date of this order, the Congress shall convene in joint session to consider whether the bicameral legislature should be continued, or whether the legislature should be converted into a unicameral body. The final recommendation to the High Commissioner shall be adopted by a majority vote, and the recommendation shall be submitted to the High Commissioner and by him to the Secretary of the Interior.

SEC. 23. *Legislative Counsel*.—The Congress of Micronesia may by joint resolution nominate a legislative counsel of its own choosing to serve the Congress during and between sessions, subject only to the High Commissioner's concurrence in the competency of the designated legislative counsel. Salary for the Legislative Counsel shall be budgeted by the High Commissioner at a level comparable to the United States GS 12 level including those periodic step increases which

would be available if the position were in fact a GS 12 position. Personnel benefits for the legislative counsel, including, but not necessarily limited to, annual and sick leave, shall be provided by the Congress of Micronesia, *Provided*, that such personnel benefits do not exceed those provided United States Government employees in the Trust Territory. The Congress of Micronesia may make budgetary provision for such supporting staff for the legislative counsel and the legislature as it may deem necessary.

SEC. 24. *Amendment*.—This order may be amended only by further order of the Secretary of the Interior. The Congress may, during any regular session, by a two-thirds majority vote of the membership of each House, recommend to the High Commissioner the amendment of any part of this order. The High Commissioner shall transmit such recommendation, together with his own recommendations thereon, to the Secretary of the Interior.

SEC. 25. *Existing Laws*.—All laws and regulations of the Trust Territory not inconsistent with the provisions of this order shall continue in effect until modified or repealed by competent authority.

SEC. 26. *Temporary extension of export and import duties*.—Notwithstanding any other provision of this order, any District or municipal import and export duties in effect upon signature of this order may continue in effect until October 1, 1965, unless sooner reduced or repealed by the District Legislature or municipality concerned: *Provided*, That no such District or municipal import or export duty may be increased above its rate as of the date of signature of this order.

SEC. 27. *Effective Date*.—The provisions of this order shall become effective upon signature, with the first general elections to the Congress of Micronesia to be held on Tuesday, January 19, 1965, in accordance with such regulations as may be promulgated by the High Commissioner therefor: *Provided*, That subsequent general elections shall be held as provided in Section 9 of this order: *Provided, further*, That the terms of members elected to the first Congress of Micronesia shall commence February 16, 1965.

SEC. 28. *Prior Orders*.—Section 3 of Order No. 2876 is superseded, effective July 12, 1965, or effective on the date the Congress of Micronesia meets in special session, whichever first occurs. Provisions of other prior orders of the Department of the Interior, insofar as they are inconsistent with the provisions of this order, are hereby superseded.

STEWART L. UDALL,  
*Secretary of the Interior.*

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., January 30, 1964.

Order No. 2876.

Subject: Government of the Trust Territory of the Pacific Islands.

SECTION 1. *Purpose*.—The purpose of this order is to delimit the extent and nature of the authority of the Government of the Trust Territory of the Pacific Islands (hereinafter called "the Trust Territory"), as it will be exercised under the jurisdiction of the Secretary of the Interior (hereinafter called "the Secretary"), pursuant to Executive Order No. 11021 of May 7, 1962, and to prescribe the manner in which the relationships of the Government of the Trust Territory shall be established and maintained with the Congress, the Department of the Interior and other Federal agencies, and with foreign governments and international bodies.

SEC. 2. *Executive authority*.—(a) The executive authority of the Government of the Trust Territory, and the responsibility for carrying out the international obligations undertaken by the United States with respect to the Trust Territory, shall be vested in a High Commissioner of the Trust Territory who shall be appointed by the Secretary, and shall be exercised and discharged under the supervision and direction of the Secretary.

(b) The relations of the Government of the Trust Territory with the Congress of the United States on all legislative matters, including appropriations, shall be conducted through the Department of the Interior.

(c) With freedom to consult directly with the Secretary when necessary, the High Commissioner of the Trust Territory shall normally communicate with the Secretary of the Interior through the Director of the Office of Territories. The High Commissioner shall be responsible for all United States property in the Trust Territory which is required for the operation of the Government of the Trust Territory and for which the Department of the Interior has administrative responsibility. The High Commissioner shall perform such other functions for

the Department of the Interior in the Trust Territory as may be delegated to him by the Secretary.

(d) Initial contact by the Government of the Trust Territory with Federal agencies outside the Department of the Interior on other than routine matters shall be established through the Office of Territories of the Department of the Interior. Once the relationship has been established, direct contact between the Government of the Trust Territory and the Federal agencies concerned may be maintained, in which event the Office of Territories shall be kept informed of significant developments in the relationship. Federal agencies should be encouraged to extend their normal Federal services and assistance to the Trust Territory whenever practicable and the Government of the Trust Territory should be reimbursed for services it performs for other Federal agencies.

(e) Communications of the Government of the Trust Territory with foreign governments and international bodies shall be cleared through the Department of the Interior for transmittal by the Department of State, unless some other procedure is approved by the Secretary of the Interior.

(f) In exercising his authority the High Commissioner shall obtain prior Secretarial approval of any significant deviation from the budget justification presented to the Congress, any expenditures from local revenues beyond the amount estimated in the budget justification, and any significant transfer of funds between programs or between administration and construction funds.

SEC. 3. *Legislative Authority.*—(This section was superseded by Order No. 2882, effective July 12, 1965. Order No. 2882 created the Congress of Micronesia and sets forth the legislative authority of the newly created Congress.)

SEC. 4. *Judicial authority.*—The judicial authority of the Government of the Trust Territory shall be vested in a High Court for the Trust Territory and such other courts as may be established pursuant to law. The Secretary shall appoint the Chief Justice and the Associate Justice of the High Court. The judicial authority shall be independent of the executive and legislative powers. Budgetary requests for the territorial judiciary, with supporting justification, shall be drawn up by the Chief Justice of the Trust Territory and submitted for the approval of the Department of the Interior by the High Commissioner of the Trust Territory as a separate item in the annual budget for the Trust Territory. The High Commissioner should call the attention of the Department to any question which he may have regarding the budget for the judiciary. Regulations bearing on the organization or operation of the judiciary shall be submitted to the Secretary of the Interior for approval prior to issuance.

SEC. 5. *Prior orders.*—Department of the Interior Order No. 2658 of August 29, 1951, and Department of the Interior Order No. 2812 of April 6, 1956, insofar as it pertains to the Trust Territory, are hereby superseded.

SEC. 6. *Existing laws.*—Existing laws, regulations, orders, appointments, or other acts in effect immediately prior to the effective date of this order shall remain in effect until they are superseded pursuant to the provisions of this order.

STEWART L. UDALL,  
*Secretary of the Interior.*

○

The Department of the Interior in the Trust Territory may be deemed to have been established by the Government of the Trust Territory with Federal funds under the Department of the Interior of the United States. The Department of the Interior of the United States is authorized to provide for the establishment of the Department of the Interior in the Trust Territory. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States.

The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States.

The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States.

The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States.

The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States. The Department of the Interior in the Trust Territory shall be organized and operated in accordance with the provisions of the laws of the United States which apply to the Department of the Interior in the United States.

STEWART L. HARRIS,  
Secretary of the Interior.