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TERRITORY OF THE PACIFIC ISLANDS

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON
TERRITORIES AND INSULAR AFFAIRS

OF THE

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST SESSION

ON

S. 1385

TO AMEND SECTION 2 OF THE ACT OF JUNE 30, 1954, AS
AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL
GOVERNMENT FOR THE TRUST TERRITORY OF THE
PACIFIC ISLANDS

APRIL 11, 1973

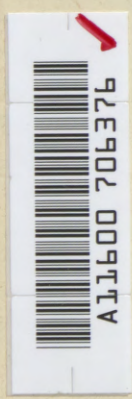


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(II)

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AUTHORIZING ADDITIONAL FUNDS FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

WEDNESDAY, APRIL 11, 1973

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 9:10 a.m. in room 3112, Dirksen Senate Office Building, Hon. J. Bennett Johnston (chairman) presiding.

Present: Senators Johnston, Buckley, Bartlett, Fannin, and McClure.

Also present: Jerry Verkler, staff director; and James H. Gamble, professional staff member.

OPENING STATEMENT

Senator JOHNSTON. The meeting will come to order. Gentlemen, let me say at the outset that I returned from a trip in February to Micronesia. I want to thank Mr. Johnston and my many good friends from Micronesia for the many courtesies extended to me and my traveling companions, James Gamble of the committee staff and Fred Rade- wagen with the Interior Department. The visit was instructive to me and eye opening, for there is no way to read in various books, publications, and magazines about Micronesia and get an accurate picture of it without seeing it. I noted with a great deal of interest that my visit coincided with the visit of the United Nations investigating team. There was on the team, Senator Buckley, one Russian member who had the habit of going throughout the territory and questioning the people, and called on them and America to give greater political freedom, and in the educational process to point out various alternatives of governmental systems for them to choose, which seemed rather ridiculous if not downright outrageous to me. I want to be on the next team to go to Czechoslovakia to help them with their political process and political education. [Laughter.] I mention that because I returned from the visit with the feeling that while the United States has made frequent mistakes in its dealings in the world community, I see no reason to be at all ashamed of the job the United States has done in carrying out its mission in the trust territory under the United Nations. I don't mean to say that we have done a perfect job, or that there are not many changes needed, or that the present situation should be a permanent one, but the United States has no reason at all for any sense of collective guilt for what we have done in Micronesia. The amount of money we have spent and the amount of altruistic help we have put into Micronesia deserves not the condemnation of the world community but some praise from the world community.

I want to make a few observations for the record. One of them—I see one of our Peace Corps friends who recently returned from Micronesia—the Peace Corps is doing an excellent job in Micronesia. I was very pleased to see the universal acceptance of the Peace Corps and the job they are doing. If they do as well around the rest of the world as they are doing there, they are doing very well.

The purpose of our hearing this morning is to take testimony from appropriate officials of the Department of the Interior and from spokesmen for Micronesia on S. 1385, a bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands. This proposed legislation was introduced by Senators Jackson and Fannin at the request of the Interior Department in order to continue the civil government of the trust territory under the act as mentioned.

The bill is actually an open end bill which strikes the inappropriate language which is 1971, 1972 and 1973 and the figure \$60 million and put in lieu thereof “such sums as may be necessary”, that is such sums as may later be decided upon. It is desired that this committee grant that authority by this bill. I say, as the chairman, I am opposed to that kind of legislation for a number of reasons. First, I think it is the role of the Congress to authorize and to appropriate money and in the process to seek justification for every dollar spent. That is not only the role of the Congress under the Constitution but the role the American people elected us for, to oversee the spending of their money. Between the two committees—Appropriations and Interior—as to which one should get involved, I think it is more appropriate for this committee to get more deeply involved for the justification of the dollar spent than the Appropriations Committee, the reason being that this committee has the responsibility to oversee all territories. Of course, that responsibility is limited to Micronesia and two or three other territories.

For this committee to approve an open-end authorization I think would be a tremendous dereliction of our responsibility. In my judgment, this committee should annually receive the budget and pass on it and seek justification for every dollar spent, as opposed to doing it for 2, 3, or 5 years. The reasons for this are quite clear and quite simple. First of all, it will give this committee necessary information on which to base spending decisions. Again, we are charged by the Constitution to execute that responsibility. Secondly, it will give to the Micronesian Congress and the Department of the Interior the duty of annually seeking to justify those appropriations. I think that is the kind of self-discipline and discipline in the budgetary process which is very good and efficient.

It is my intention this morning to introduce an amendment which we will come back to at a later date, at a later convening of the committee, after the Department has an opportunity to submit a budget to us. Basically, what the amendment will do is set a ceiling for fiscal year 1974 at a level of \$60 million. Again, this is only a figure that we are putting out.

Without objection S. 1385 and the Department report will be made part of the record at this point.

[The bill and report follow:]

93D: CONGRESS
1ST SESSION

S. 1385

IN THE SENATE OF THE UNITED STATES

MARCH 27, 1973

Mr. JACKSON (for himself and Mr. FANNIN) (by request) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Act of June 30, 1954 (68 Stat. 330),
4 as amended, is amended by deleting "for each of the fiscal
5 years 1971, 1972, and 1973, \$60,000,000", and inserting
6 in lieu thereof the following: "such sums as may be
7 necessary".

II



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 19 1973

Dear Mr. President:

There is enclosed a draft bill "To amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands".

We recommend that the bill be referred to the appropriate committee for consideration and strongly urge its enactment.

Public Law 91-578 currently authorizes the appropriation of \$60 million for fiscal years 1971, 1972, and 1973, but it makes no provision for funds for the civil government of the Trust Territory beyond fiscal year 1973. Our proposed bill would authorize the appropriation of such sums as may be necessary for the civil government of the Trust Territory.

The Trust Territory of the Pacific Islands is administered by the United States pursuant to a strategic trusteeship agreement concluded in 1947 with the Security Council of the United Nations. Under this agreement the United States is charged with the promotion of political, social, educational and economic development. The Trust Territory was originally under the administration of the Secretary of the Navy, but in 1951 administrative responsibility was transferred to the Secretary of the Interior.

Governmental responsibilities are carried out through a territorial government established by order of the Secretary of the Interior. The chief executive of the Trust Territory is appointed by the President with the advice and consent of the United States Senate. The territory has a bicameral legislative body composed of a twelve-member Senate and a House of Representatives with 21 members. The Judiciary is independent of the Executive and Legislative Branches and is headed by a Chief Justice appointed by the Secretary of the Interior.

The Trust Territory Government has made substantial progress in recent years in developing and implementing a coordinated program, which is normally projected five years in advance. The complexity of the current political situation with respect to Micronesia, however, makes it difficult to project with certainty the needs for that long a period into the future. We recommend, therefore, an appropriation authorization not restricted as to either an annual amount or for a single year.

While the 1974 budget includes an appropriation of \$56 million for the Trust Territory, we do not necessarily foresee this amount as an indication of appropriation levels for future years since the outcome of the present negotiations is so uncertain. Even with the status negotiations continuing, however, it seems clear that appropriations for the civil government of the Trust Territory are likely to continue for some period beyond fiscal 1974. Accordingly, we believe it is desirable not to limit the amount or period of years for which appropriations are authorized for maintaining the civil government.

The United States Government has for over three years been negotiating with a delegation of the Congress of Micronesia toward a mutually beneficial form of association. We have come a long way and have developed with that Congress the basis of a compact of free association under which Micronesia would be internally self-governing and the United States would be responsible for the foreign affairs and defense of Micronesia. Other areas of the relationship have yet to be resolved, but future negotiations are expected to outline the framework of the obligations and commitments between the United States and Micronesia in greater detail. A part of the status negotiations will focus upon the financial commitment from the United States to Micronesia that will replace the current administrative financial burdens now held by our government. Moreover, it is possible that agreement on an association of the Marianas Islands with the United States may develop rather quickly.

Over the years, substantial strides have been made in the development of political institutions of which the establishment in 1964 of the territorial legislative body, the Congress of Micronesia, was a major step. Educational progress also has been substantial, and universal education through the twelfth grade has been established as an attainable goal. Utilization of the area's limited natural resources has lagged until recently although tourism and the utilization of the resources of the surrounding seas present immediate opportunities for gainful employment and income.

During fiscal year 1974 and subsequent years, the Trust Territory will continue the programs begun in prior years. The four main goals of the current and proposed programs are: (1) improving of health and education programs and facilities in the Trust Territory; (2) developing a viable money economy in Micronesia, which requires land registration and title determination and public works improvements; (3) increasing the ability of Micronesians to communicate with each other and with the rest of the world; and (4) bringing more Micronesians into high-ranking and responsible positions in the Government.

The FY 1974 program reflects a policy of holding the increasing cost of operations to a minimum in order that maximum amounts may be made available for needed capital improvements. Additional staffing will be held to a minimum but consistent with the need to insure the operation of new facilities. The replacement of United States personnel by qualified Micronesians characterizes many programs during this period, and emphasis will continue to be directed toward the development of a physical infrastructure.

Appropriations will be requested as necessary and will reflect the relative priorities within those amounts for continued progress in providing support for elementary, secondary and post secondary public education; for dental, mental, preventative, and environmental public health programs, including expansion of water and sewerage systems; and for increased electric power generation and improved communications.

The Congress of Micronesia is concerned about economic development and cites roads, shipping facilities and airports as high priority items. Construction and improvement of such facilities is vital to education, health, commerce, and the simplest operations of government and private enterprise in most areas of the Trust Territory. With the territory's 20 major population centers scattered across 3,000,000 square miles of ocean, such facilities are critical. Accordingly, work will continue on the improvement of airfields, roads, and shipping facilities.

Another program which is necessary for the development of Micronesia is a district land tenure system which will adequately protect the needs of the people of Micronesia and serve as a base for future economic development. The present land program, which was started in FY 1971, will be continued in order to provide ownership and boundary determinations and title registration for both public and private lands.

The achievement of the proposed program for FY 1974 will continue to place a major burden upon the people of Micronesia. Consistent with existing policies, construction will be done where possible with local contractors, using local labor and, wherever possible, using locally available building material. This will provide quality facilities at lower prices and at the same time provide training, employment, and incomes for young people and those working at subsistence level. Because of their complexity, large projects may continue to require outside contractors. In addition, locally generated revenues will continue to increase. The recent passage by the Congress of Micronesia of the first Trust Territory tax on salaries, wages, and business receipts evidences a solid commitment by the citizens of the Trust Territory to share in the cost of their government and development of their economy.

The Office of Management and Budget has advised that the presentation of this proposed legislation is in accord with the Administration's program.

Sincerely yours,

Assistant

Secretary of the Interior

Hon. Spiro T. Agnew
President of the Senate
Washington, D. C. 20510

Enclosure

A B I L L

To amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

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, is amended by deleting "for each of the fiscal years 1971, 1972, and 1973, \$60,000,000", and inserting in lieu thereof the following: "such sums as may be necessary".

Senator JOHNSTON. Mr. Carpenter.

Mr. CARPENTER. Thank you, Mr. Chairman and members of the committee. I do have a prepared statement which, with your permission, Mr. Chairman, I would like to read at this time.

Senator JOHNSTON. Yes, of course.

STATEMENT OF STANLEY S. CARPENTER, DEPUTY ASSISTANT SECRETARY OF TERRITORIAL AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. Carpenter. I appreciate the opportunity to appear before this committee in support of S. 1385 and recommend enactment of this legislation by the Congress.

Public Law 91-578 currently authorizes the appropriation of \$60 million for fiscal years 1971, 1972, and 1973, but it makes no provision for funds for the civil government of the Trust Territory beyond fiscal year 1973. Our proposed bill would authorize the appropriation of such sums as may be necessary for the civil government of the Trust Territory.

The Trust Territory of the Pacific Islands is administered by the United States pursuant to a strategic trusteeship agreement concluded in 1947 with the Security Council of the United Nations. Under this agreement the United States is charged with the promotion of political, social, educational and economic development. The Trust Territory was originally under the administration of the Secretary of the Navy, but in 1951 administrative responsibility was transferred to the Secretary of the Interior.

By secretarial order there has been established a territorial government which generally follows the American separation-of-powers model: executive authority is vested in a High Commissioner appointed by the President and confirmed by the Senate; the bicameral Congress of Micronesia is elected by the citizens of the Trust Territory and is vested with comprehensive legislative authority; and the judicial authority rests in a high court whose three justices are appointed by the Secretary of the Interior.

Substantial strides have been made in the development of political institutions of which the establishment in 1964 of the territorial legislative body, the Congress of Micronesia, has been the most notable step. Educational progress also has been substantial, and universal education through the twelfth grade has been established as an attainable goal. Utilization of the area's limited natural resources has lagged until recently although tourism and the utilization of the resources of the surrounding seas present immediate opportunities for gainful employment and income.

The Trust Territory Government has made substantial progress in recent years in developing and implementing a coordinated program, which is normally projected 5 years in advance. The complexity of the current political situation with respect to Micronesia, however, makes it difficult to project with certainty the needs for that long a period into the future. We are recommending, therefore, an appropriation authorization not restricted as to either an annual amount or for a single year.

While the 1974 budget includes an appropriation of \$56 million for the trust territory, we do not foresee this amount as necessarily an indication of appropriation levels for future years since the outcome of the present negotiations on the future political status of the area is so uncertain. Even with the status negotiations continuing, however, it seems clear that appropriations for the civil government of the trust territory are likely to continue for some period beyond fiscal 1974.

Accordingly, we believe it is desirable not to limit the amount or period of years for which appropriations are authorized for maintaining the civil government.

The U.S. Government has, for over 3 years, been negotiating with a delegation of the Congress of Micronesia toward a mutually beneficial form of association. We have come a long way in developing with that Congress the basis of a compact of free association under which Micronesia would be internally self-governing and the United States would be responsible for the foreign affairs and defense of Micronesia. Other areas of the relationship have yet to be resolved, but future negotiations are expected to outline in greater detail the framework of the obligations and commitments between the United States and Micronesia.

It should be noted that separate negotiations have been initiated with, and at the request of, the people of the Mariana Islands District, looking toward their desired goal of a close association with the United States, separate from the rest of Micronesia. Moreover, it is possible that agreement on an association of the Mariana Islands with the United States may develop rather quickly.

The High Commissioner will speak in greater detail to notable aspects of the trust territory program for fiscal year 1974 and subsequent years. Basically, the fiscal year 1974 program reflects a policy of holding the increasing cost of operations to a minimum in order that maximum amounts may be made available for needed capital improvements. Additional staffing will be held to a minimum but consistent with the need to insure the operation of new facilities. The replacement of U.S. personnel by qualified Micronesians characterizes many programs during this period, and emphasis will continue to be directed toward the development of a physical infrastructure.

Mr. Chairman, I will be pleased to answer any questions which members of the committee may have. Thank you.

Senator JOHNSTON. Mr. Carpenter, I certainly recognize and concur with your judgment that the political situation is rather complex and it makes it rather difficult to project the need for a long period of time, for as long as 5 years, which I think is a very good reason to come back to this committee each year in a time of change and changing political situations, changing concepts about Micronesia. I would suggest it does show a need to come back to this committee annually and justify the appropriation.

What has been the total, if you can give this figure offhand, the total imports of Micronesia during the past year? Do you have that or do you have it, Mr. Johnston?

Mr. CARPENTER. We can supply that figure, Mr. Chairman, certainly.

Senator JOHNSTON. Around \$13 or \$14 million, as I recall, and the exports are around \$3 million, copra still being the main export?

Mr. CARPENTER. Imports totaled \$26,334,062 for 1972. Exports for 1972 totaled \$2,636,735, of which \$1,317,542 came from copra.

Senator JOHNSTON. All right, thank you very much, Mr. Carpenter.

The next witness will be Mr. Edward E. Johnston, the High Commissioner of the Trust Territory. Glad to have you with us, Mr. Johnston.

**STATEMENT OF HON. EDWARD E. JOHNSTON, HIGH COMMISSIONER
OF THE TRUST TERRITORY, ACCOMPANIED BY WILLIAM OYLER**

Mr. JOHNSTON. Thank you, Senator Johnston. First of all, Mr. Chairman, may I say all of us from Micronesia enjoyed having you with us and appreciate some of the steps you have taken since you returned to Washington on behalf of Micronesia. It is a pleasure to be here with you today.

If I may, Mr. Chairman, since in my prepared remarks at the start I duplicated some of the information concerning Micronesia which was given by Secretary Carpenter, I would like to ask that my remarks be entered in the record and read only those parts which in a way get into new areas not previously covered by Mr. Carpenter.

The trust territory program derives from the fundamental need of any government to provide programs and services to the people which cannot be effectively or efficiently supplied by the individual or family. The territorial government as a whole renders the full range of services comparable in range, if not in size, to those obtaining at Federal, State, and local levels of the U.S. Government. The United States is directly responsible within the territory only for national defense, the postal system, and the monetary system. Indirect responsibility is exercised over other functions through executive and legislative control of U.S. appropriations and grants to finance the major share of Trust Territory Government operations.

Programs include education, health services, resources and development, public works, public affairs, transportation and communications, attorney general, personnel, finance, and several staff functions. Directors of these activities are responsible for establishment and implementation of territorywide policies and programs. District administrators are responsible for program operations of each activity in their districts. Decentralization of authority and responsibility for program operations is proceeding in the face of immense problems involving communications, distance, and the lack of trained, qualified personnel at the district level.

The United States has only recently begun to finance the level of government services required to help bring Micronesia and the Micronesians into the 20th century. There still exists a tremendous backlog of requirements for even rudimentary public facilities and programs. A start has been made to provide basic infrastructure in the centers of population. Systems for water supply, sewage disposal, and electric power are still essentially limited to government and the larger commercial establishments, although private consumers are beginning to receive utility services. Adequate docks, harbors, airports and roads are vital to continuing development of this scattered island society, but present facilities are far from suitable. A new fleet of Trust Territory interisland ships is an absolute necessity in view of the rapid and increasing deterioration of our vessels, most of which were constructed during or shortly following World War II.

The level of health is quite good in the Trust Territory, but the majority of health care is rendered in poorly constructed, crowded, and inadequately equipped hospitals and outerisland dispensaries.

Universal elementary education is currently provided for the most part by under-trained local teachers who possess, on the average, a high school education. Lack of classroom and dormitory facilities and

instructional staff make it as yet impossible to enroll all eligible elementary graduates in high school.

Negotiations have been underway for over 3 years now to develop a long-term relationship between Micronesia and the United States. Progress has been made but many details remain to be mutually agreed upon. It is anticipated that the relationship will include specific agreement on future financial support by the United States, but the status negotiations have not yet focused on this point in detail. Pending agreement on the future status of Micronesia, we are requesting continuing United States support of the trust territory through the regular authorization and appropriation process.

Programs for the trust territory have been developed in anticipation of gradual increases in the level of U.S. appropriations over the next several years. Such increases would allow orderly progress toward meeting our objectives for economic, social, political, educational, and health development in the trust territory. They would also make it possible to keep up with the ever-increasing cost of living and providing government services. The President's budget for fiscal year 1974 is \$56 million. Future budget requests will be based on annual evaluation of requirements in the budget process.

We sincerely appreciate the opportunity to present our needs to you today Mr. Chairman, and offer at this time to answer any questions which you or the members of the committee may wish to raise.

Senator JOHNSTON. Thank you, Mr. Johnston.

Are you prepared to say at this point, or would you rather wait and give me your comments on the Federal Comptroller in Guam having oversight there in the trust territory, do you feel that would be helpful to you?

Mr. JOHNSTON. I think it would, Mr. Chairman. For a number of years we have been audited by the GAO and occasionally have been checked upon by various officials of the Interior Department at intervals of time, but I feel that having someone near at hand, in fact, we have suggested this from time to time, that someone representing the U.S. Government, a trained auditor near at hand, to regularly check on the expenditures of the Federal funds in the trust territory would be very helpful to us and I certainly have no objection.

Senator JOHNSTON. I know we discussed that briefly on my visit to Micronesia and it would seem to me that would be a useful tool to you and to this committee as well, not just to audit the expenditure but performance auditing, as well, to give you some idea of the assessment of the job being done in particular areas.

One of the difficulties is, Senator Bartlett, in Micronesia is that it is so spread out. It is spread out over the size of the United States with a total land mass of about Rhode Island, and it is very difficult for anyone to know what is going on in all the programs in Micronesia. I would think the Federal Comptroller in Guam would be the appropriate official.

Mr. Carpenter, do you have any comment on that?

Mr. CARPENTER. Yes, Mr. Chairman. I think the proposal that you have set forth certainly has great appeal to us in the Department of Interior. As the High Commissioner indicated, it has come up recently in one form or another. I think at one point the Comptroller himself made that suggestion to us. We would like to explore it more in detail, because there are a few practical problems involved.

Generally, I would myself tend to endorse that proposal.

Senator JOHNSTON. We would like to leave a copy of these proposed amendments with you in order that you and the Interior staff can take a look at them and determine whether they need any additional funding and any suggestion that you have in that respect.

Another comment I might make, I received copies of the proposed budget and I think we can devise some better forms for the budget in the trust territory.

Speaking from the experience of my time spent in the Louisiana Legislature, one of the things we had that was quite good there was the budgetary system forms for budget requests that would catalog all employees and additional employees requested stating the salaries and reasons for wanting to hire them, any new equipment purchased, catalog the whole thing so you could rather quickly go through it and determine the justification for any new expenditures.

I have written some time ago to get copies of those forms for your examination, Mr. Johnston, to determine whether it would be useful to you. I think some additional forms on the budget would be useful to us on the committee.

Senator Bartlett, do you have any questions or comments?

Senator BARTLETT. Mr. Chairman, I have a question of the Chair. I assume our main business today is the appropriation bill?

Senator JOHNSTON. Yes; the authorization bill.

Senator BARTLETT. The authorization bill. I understand that you have an amendment to it.

Senator JOHNSTON. Yes, Senator Bartlett, as I stated in my opening comments, it seems to me it is the job of this committee not to approve an open ended authorization, but to look at the authorization and to do so each year. So the proposed amendment which I have, which I do not suggest that we adopt today, I think we ought to come back after they have a chance to justify a budget, but just for the time being, I propose an amendment limiting it to \$60 million for this year alone, and putting an oversight by the Federal Comptroller in Guam to aid the High Commissioner, the Department of Interior and this committee in its evaluation of the budget process there in Micronesia.

Senator BARTLETT. Mr. Chairman, how much was appropriated for fiscal 1971, 1972 and 1973?

Senator JOHNSTON. \$60 million was authorized in each one of those years and the appropriation last year was \$60 million, is that correct?

Mr. CARPENTER. Yes.

Senator JOHNSTON. The President has submitted \$56 million in his budget this year, which is a little bit of a cutback, as all programs have been cut back.

Senator BARTLETT. Mr. Chairman, I would like to ask Mr. Johnston what is the budget figure that you think the appropriation should be?

Mr. JOHNSTON. We had planned—our planning was for \$60 million for Fiscal 1974 which was the same level of spending which has prevailed in fiscal 1972, 1972 and 1973 and we had anticipated and hoped for the \$60 million figure for fiscal 1974.

Senator BARTLETT. Mr. Chairman, let me say I concur with you that there should be a precise figure in the authorization rather than an open-ended amount.

Senator JOHNSTON. I think this committee is better able to do that rather than the Appropriations Committee.

Jim Gamble on our staff has been with the Micronesian situation for many years and we have a lot more expertise available to us than the Appropriations Committee does, and I think it is more our responsibility than theirs, really.

Do you have anything further, Mr. Johnston?

Mr. JOHNSTON. No, sir.

Senator JOHNSTON. The next witness will be Senator Edward Pangelinan, from the Congress of Micronesia, whom I had the privilege to meet on our recent trip there.

By the way, Senator Bartlett, I hope you will be able to go with us on our next trip. I think it is extremely important that members of the committee be able to go there. You get an insight into Micronesian affairs when you go there that you are unable to get any other way.

[Subsequent to the hearing the following letter was received from Mr. Carpenter:]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 2, 1973.

HON. J. BENNETT JOHNSTON, Jr.,
Chairman, Subcommittee on Territories and Insular Affairs, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR JOHNSTON: During the recent hearing before the Subcommittee on Territories and Insular Affairs, on S. 1385, you inquired with respect to the programs of the Trust Territory of the Pacific Islands for FY 1974. Accordingly, I should like to take this opportunity to provide you with a broad summary of the FY 1974 budget request for the TTPI. We are requesting an appropriation of \$56 million. This amount includes \$46.8 million for Grants-Operations, \$8.2 million for Capital Improvements, and \$1 million for the Economic Development Loan Fund.

The priorities in the budget were established in the Districts, and were reviewed and approved by the District Administrators, the local Legislatures, the High Commissioner and the Congress of Micronesia. The distribution of funds in this budget reflects the combined thinking of both the Executive and Legislative Branches of the Trust Territory Government.

1. SINGLE PAY PLAN

We are pleased to inform the Committee that after several years of trial and error, the Trust Territory Government has finally developed a true single pay plan; one that covers all employees of the Trust Territory Government with the single exception of its declining Civil Service staff. In this new pay plan all employees, Micronesian, U.S. citizen, and third country nationals will be classified in the same schedule and paid the same base pay. Equitable treatment of all is achieved through extra tax allowances and recruitment premiums for expatriate employees.

2. EDUCATION PROGRAM

The largest element of the Grants-Operations request is in the Education program. Nearly \$13 million is earmarked for the education of the young people of Micronesia. In 1974, the High Commissioner anticipates an elementary school enrollment of almost 27,000 children, with the secondary schools enrolling over 6,800.

As the result of a re-evaluation of the educational needs of Micronesia, the vocational education program has grown from 13 teachers and 320 students in 1970 to 141 teachers and 3,134 students in 1972. In 1974 every High School will provide classes in at least four vocational trades and the Micronesian Occupational Center will have 442 students receiving training in 16 different vocational trades.

There are now 871 Micronesian students attending post-secondary schools outside the Trust Territory. Three hundred thirty-eight of these are receiving full or partial scholarships granted by the Trust Territory Government. Other scholar-

ships are provided by the Congress of Micronesia, District Legislatures, and other organizations and educational institutions. Funds requested in this budget will provide 147 full and 277 partial scholarships.

3. HEALTH PROGRAM

The new, modern Truk Hospital, which has been in operation since May of 1971, coupled with the new hospital to be constructed in Ponape will provide an integrated teaching/referral complex for Micronesia. It is planned to intensify the Venereal Disease control program and to operate local maternal and child care and crippled children programs. The Trust Territory Government will also strengthen its immunization program, extend more dental care to school children on the outer islands, and increase efforts in pollution control through augmented health education programs.

4. CAPITAL IMPROVEMENTS

The Trust Territory Government is requesting \$8,224,000 for the Capital Improvement program. The largest single item in this request is \$4.5 million for construction of the Ponape teaching/referral hospital. FY 1973 funds provide for the design of this two-story structure of approximately 57,000 square feet containing 116 beds. Construction can begin in FY 1974 with completion scheduled for FY 1976.

Education facilities are budgeted at approximately \$1.5 million. These funds will contribute to the expansion of secondary school facilities in Truk and the Marshalls and provide a small amount of collateral equipment for the Outer Islands High School in Yap. Funds are also requested for Elementary classrooms in Truk and for a dormitory at the Community College of Micronesia in Ponape.

\$720,000 is requested to continue the benefits provided by the military Civic Action Teams. Six of these teams will be functioning in the Trust Territory contributing much needed facilities as well as training Micronesians in all phases of construction work.

The Bikini Rehabilitation program requires \$330,000 for ten more houses and additional facilities. Although this will not complete the planned construction program, it is planned that resettlement of the Bikini people will begin in FY 1974.

\$790,000 is required for power. \$350,000 will provide an additional 1500 KW generator for Saipan and \$300,000 will be used in Yap for a generator as well as for additional power distribution. \$110,000 will fund three small generators and some line work on Satawan in the Truk District and \$30,000 is needed for power distribution on Kusaie in Ponape.

One of the greatest needs of the Trust Territory today is the need for improved airport facilities. It is generally agreed that tourism presents a tremendous potential for economic development; however, without airports capable of handling modern jet aircraft no tourist industry can be developed.

This past December marked the dedication of the new Majuro International Airport. This airport, with its runway of nearly 8,000 feet, provides not only a first-class twenty-four hour per day airport, but also a water catchment and storage system with some sixteen times the capacity of the former facilities.

The next modern airport is planned for Saipan, which is rapidly developing as a tourist destination area and where 400 new hotel rooms will be constructed by the end of FY 1974. A reprogramming of FY 1973 funds is being requested to rehabilitate Isley Field to provide landing facilities for the largest jet planes.

5. ECONOMIC DEVELOPMENT LOAN FUND

Included in this budget is \$1 million for the Economic Development Loan Fund which was authorized by Public Law 92-257. This Public Law authorizes appropriations to the Fund until it reaches a total of \$5 million. With a \$5 million Fund, a total loan program of \$5.8 million in direct loans and \$7 million in guaranteed loans is anticipated. This program will promote the development of tourism, agriculture, and marine resources; those areas in which the greatest potential for economic development lies. Funds requested here will bring the total capitalization of the Fund to \$2.9 million.

6. STAFFING CHANGES

In the past year, two Micronesians have been placed in positions as Department Directors. Dr. Masao Kumagai is now the Director of Health Services and Mr. Strik Yoma is the Director of Public Affairs. The staff within the Office of the

High Commissioner has been strengthened by the addition of a Special Assistant for District Affairs and a Special Assistant for Legislative Affairs. The continuing program of decentralization requires high level coordination of district programs as well as close liaison with the various legislative bodies in the districts.

7. POLITICAL STATUS

Another development in the past year is the expression of the desires of the people of the Mariana Islands to hold separate negotiations with the United States to form a closer relationship apart from whatever political status is agreed upon for the Trust Territory as a whole. Ambassador Williams and his delegation have held one meeting with the Mariana Islands District Political Status Commission and a further meeting is scheduled for this spring. Further negotiations with the Congress of Micronesia Joint Committee on Future Status are expected to be held in the near future.

8. WAR CLAIMS

As you are aware, the Japanese contribution to the War Claims fund will not be in cash, but in goods and services. To obtain it the Trust Territory Government must buy from or contract with Japanese businesses for items in agreed upon categories. The Japanese Government will pay the Japanese firm and the Trust Territory will place an equal amount of budgeted funds in the Micronesian Claims Fund for payment to Micronesians.

Since the devaluation of the currency, the \$5 million in Yen has grown to \$7 million or more. A top priority in the Trust Territory Government is to identify needs for goods or services which can be acquired from Japan and applied to the Claims Fund; it is extremely difficult to budget for purchases of goods and services from Japan on such a large scale.

I hope this brief summary will assist the Committee. If we can be of further assistance, please let me know.

Sincerely yours,

STANLEY S. CARPENTER,
*Deputy Assistant Secretary
for Territorial Affairs.*

STATEMENT OF SENATOR EDWARD PANGELINAN, REPRESENTING THE JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING, CONGRESS OF MICRONESIA, ACCOMPANIED BY REPRESENTATIVE RAYMOND SETIK, CHAIRMAN, JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING, CONGRESS OF MICRONESIA, AND REPRESENTATIVE ENDY DOIS, VICE SPEAKER, HOUSE OF REPRESENTATIVES, CONGRESS OF MICRONESIA, REPRESENTING CONGRESS OF MICRONESIA LEADERSHIP

Senator PANGELINAN. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee. On behalf of Vice Speaker Endy Dois, who represents the leaders of the Congress of Micronesia, and Mr. Setik, chairman of the Joint Committee on Program and Budget Planning, it is our privilege and pleasure to be with you today in support of authorizing legislation for Micronesia.

I hope, Senator Johnston, that you enjoyed your recent visit to Micronesia, and I bring you greetings from my colleagues in the Congress of Micronesia who were able to meet with you during your visit.

We support the legislation presently before the committee to provide an unlimited ceiling for Micronesia for an unspecified number of years. However, I would like to indicate our estimates of the amount of money that will be required to support the trust territory government during the next several years.

These figures are derived from a 5-year plan which was prepared by the High Commissioner and reviewed by the Congress of Micronesia through its Joint Committee on Program and Budget Planning. We would hope to seek \$60 million in 1974, \$70 million for 1975 to 1977, and \$80 million for 1978 and 1979. These estimates are based on the minimum needs of Micronesia to develop self-government and a viable economy. A significant part of the money will be needed for vital infrastructure and other capital improvement projects necessary to build a base for the future through the joint efforts of the High Commissioner and the Congress of Micronesia.

We would like to request in fiscal year 1975 a direct appropriation from the Congress of the United States to the Congress of Micronesia which will terminate the intermediary functions of the Department of the Interior and permit and require the functions of the Government to be discharged through the Congress of Micronesia and the High Commissioner.

The Joint Committee will propose entering into a matching fund direct budgetary effort which would be composed of a 90-percent United States, 10-percent Micronesian funding base. The Congress of Micronesia would report directly to the Congress of the United States and be accountable to the Congress of the United States and the people of Micronesia for the program carried out.

Again, Mr. Chairman, we support this legislation and will be happy to answer any questions.

Before closing, Mr. Chairman, my colleague, Congressman Dois, would like to present the members of the subcommittee with a package of Ponape pepper which was grown on Ponape Island in Micronesia.

Senator JOHNSTON. Very good.

If I may digress just a moment, Mr. Johnston, one thing I would like to get from you or from Mr. Carpenter from the appropriate source is a statement of all Federal moneys spent in Micronesia. Some don't come under your budget, and I think they all ought to be under the oversight of this committee. I understand the Office of Economic Opportunity is spending, what, \$600,000, and I don't know what other programs are being spent there. I think they all ought to be under the oversight of this committee, because I think we need a coordinated direction for Micronesia, which we would not get from three or four different departments through different funding and different views of what is needed there.

[The material requested follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS—ANALYSIS OF FUNDS AVAILABLE WITHIN TRUST TERRITORY FROM OTHER FEDERAL AGENCIES

	Fiscal year—	
	1973 estimate	1974 estimate
Health program (HEW):		
Comprehensive health planning.....	\$100,000	\$100,000
Prevention and control of communicable disease.....	32,000	32,000
Public health services.....	380,000	380,000
Mental health.....	67,000	67,000
Dispensary construction: Hill-Burton Act.....	750,000	0
Other health services.....	172,000	172,000
Total, health program.....	1,501,000	751,000

See footnotes at end of table, p. 17

TRUST TERRITORY OF THE PACIFIC ISLANDS—ANALYSIS OF FUNDS AVAILABLE WITHIN TRUST TERRITORY F
OTHER FEDERAL AGENCIES—Continued

	Fiscal year—	
	1973 estimate	1974 estimate
Education: ¹		
Elementary and Secondary Education Act, 89-10.....	\$1,599,000	\$1,599,000
Library Services and Construction Act, 89-511.....	90,000	90,000
Adult Basic Education Act, 89-750.....	82,000	82,000
Manpower Development and Training Act, 87-415.....	160,000	160,000
Education Professional Development Act, 89-329.....	25,000	25,000
Vocational Education Act, 90-576.....	318,000	318,000
National Defense Education Act, 89-10.....	59,000	59,000
National School Lunch Act.....	22,000	22,000
Higher Education Act, college work-study.....	33,000	33,000
Education Handicapped Act.....	130,000	130,000
Environmental education.....	25,000	25,000
Total, education.....	2,543,000	2,543,000
Resources and Development (DOD-USAF):		
Agriculture: Animal Health Service (DOD).....	30,000	30,000
Public works:		
Water resources study (USGS).....	25,000	87,000
Disaster Control Office—Public Law 91-606 (OEP).....	25,000	25,000
Total, public works.....	50,000	112,000
Public affairs: ²		
Community Development:		
Territorial Economic Opportunity Office.....	15,000	15,000
Micronesian legal services program.....	600,000	600,000
Trust Territory Office on Aging.....	85,000	85,000
Foundation for the Peoples of the South Pacific.....	175,000	175,000
Community Action agencies.....	886,000	886,000
Head Start program.....	362,000	3,2,000
Neighborhood Youth Corps.....	98,000	98,000
Total, public affairs.....	2,221,000	2,221,000
Administration:		
USDA food (includes freight).....	1,305,000	1,305,000
Emergency Employment Act (Labor).....	296,000	0
Public service career program (MDTA).....	256,000	0
National Science Foundation.....	15,000	15,000
Environmental Protection Agency.....	80,000	80,000
Total, administration.....	1,952,000	1,400,000
Peace Corps.....	1,014,000	1,014,000
Total, other Federal funds.....	9,311,000	8,071,000

¹ All funds are from HEW except Manpower Development and Training which is Labor Department, and National School Lunch Act which is Department of Agriculture.

² All funds are from OEO except Office on Aging and Head Start program which are HEW, Neighborhood Youth Corps which is Labor Department, and the Foundation for the Peoples of the South Pacific.

Senator JOHNSTON. Senator, what do you foresee as the economic future of Micronesia?

Senator PANGELINAN. That is a loaded question. We are concentrating our efforts on the fishing industry, agriculture, and the tourism industries. These are the three major areas that we see as the most important development that will give Micronesia a viable economy in the future.

Senator JOHNSTON. Let's focus in on the tourist business for the moment. Are you satisfied that the Congress really wants to develop tourism in Micronesia? I am not saying this in a critical way, it is a value judgment as to whether you want a lot of tourists coming in on your small island. But do you know whether or not the Congress of Micronesia wants to develop tourism?

Senator PANGELINAN. We have to identify the specific areas of Micronesia. There are six different districts, each with different problems and different potentials.

In the Marianas, this is our major concentration. In the other areas, Truk, Ponape and Palau, I think agriculture is the main industry. In the other areas there is the copra export that provides the revenues for the District.

Again, it is a problem that the Congress is very much concerned with getting the input from each District. But at the present time we do recognize, especially in the Marianas, which I represent, tourism has become a very promising industry for our area.

Senator JOHNSTON. I would say that Micronesia, at least most parts of Micronesia, would have a real future in the tourist industry if they wanted to develop it and pay the price that small islands would have to pay by being inundated with a horde of tourists. To some people that is a wonderful thing with their dollars and their yen and what have you, for others it destroys the lifestyle.

But it seems to me that the time is rapidly coming when the Congress of Micronesia and the individual Congressmen in each District are going to have to make the decision as to whether they want to develop the tourism industry and, if so, to take those steps necessary to do so. To me one of the necessary steps is to revise the system of laws to permit the investment of money. There simply is not a legal system there now that would permit the investment of the kind of capital that I think would be necessary to develop that tourist industry.

Again it is a value judgment I think for the Congress or the individual Congressmen in the Districts to make. But once that decision is made, then we know which direction to take the educational system in. It doesn't make any sense to spend millions of dollars educating for a tourist industry that Micronesia really doesn't want or if it does want it, we need to take some other steps as well to develop that.

I would certainly say that the fishing industry holds real promise, particularly in Palau, but other areas as well. I would hope that we would be able to develop a viable industry there. We are going to have to change our trade laws to develop fishing there somewhere down the line. I understand that was tried once before, passed the Senate and was killed in the House. But certainly that step will have to be taken.

Mr. CARPENTER. Mr. Chairman, if I may add to some of Senator Pangelinan's remarks, I think it is significant that at the last session of the Micronesian Congress, the most significant issue discussed and one in which there was great concern on the part of the members of the congress was this whole area of economic development. Several bills were passed in the lesser area of the development of marine resources. I think the senator can give you a more detailed accounting of that.

Senator JOHNSTON. Are you requesting money this year for the economic development loan fund, and if so what plans do you have?

Mr. JOHNSTON. \$1 million of the \$56 million is specifically for the economic development loan fund.

Senator JOHNSTON. Is that for the fishing boats?

Mr. JOHNSTON. That is broken down roughly, \$300,000 for fishing, \$200,000 for farming, \$200,000 for working capital and business

expansion, \$150,000 for construction, for local contractors, \$50,000 for automobile repair and service stations, and \$100,000 for taxi or car rentals. That is the anticipated distribution of the \$1 million additional that we are requesting to bring the total capitalization of the economic development loan fund up to approximately \$2.9 million.

Senator JOHNSTON. How much is in the budget for the Congress of Micronesia? The congress is financed out of its own funds, is that correct?

Senator PANGELINAN. Yes, sir.

Senator JOHNSTON. What is the budget of the congress?

Senator PANGELINAN. We are anticipating about \$6 million.

Mr. JOHNSTON. About \$6 million locally generated revenues.

Senator JOHNSTON. Is that the total local budget?

Mr. JOHNSTON. Those are the revenues available to the Congress of Micronesia for appropriation. That is maybe a high and optimistic estimate. Our official figures originally showed about \$4.9 million. But our optimistic estimates are that the locally generated revenues could go as high as \$6 million maximum.

Senator JOHNSTON. How much of that is generated from taxes on Americans and how much on Micronesians? Do you have that figure?

Mr. JOHNSTON. I believe we have it here. We have an income tax which can be pinned down to that extent. But not the import and export taxes, and the Congress also gets the revenues from the lease of public lands and have that available for appropriation.

Senator JOHNSTON. While they are looking for that figure, one point I would certainly like to clear up, if there is any doubt about it at all. The budget cutback is to be from \$60 to \$56 million. I read one of the speeches in the Micronesian Congress in which it was suggested that perhaps this cutback was being used as a club in the closet to aid in the negotiations. I want to assure you that it is certainly not the intent of this committee to be party to that and so far as I know, that is not the intent. The Federal programs have been slashed all across the board.

Right before I came here I was the director of social programs in the city of New Orleans, the principal city in my State, and those programs have been slashed to the bone at tremendous economic cost and social cost in my city, and I strongly disagree with the action of the President's cutting back those programs. So we are in the same boat when you look at the cutback. The cutback in my State has been more extensive than it has been in Micronesia. So I want to assure you that you have our sympathy and we can work together and try to restore cuts in both of our budgets.

Mr. JOHNSTON. On the estimated fiscal 1973 revenue from our territorial income taxes, the Micronesian income tax is estimated at about \$450,000, non-Micronesian income tax is at \$1,550,000, and a great deal of this comes from the Kwajalein missile range in the Marshall Islands district. Gross revenue income taxes, which are on businesses, would be \$1,150,000, Micronesian or American.

The reason for the large amount from non-Micronesian individual income taxes is because of the Kwajalein missile range in the Marshalls.

Senator JOHNSTON. Let me speak to your request of funding directly from Congress to your congress. Actually we have nothing before us today to act on in that respect. We are very solicitous of getting your

views, your ideas, and your proposals. Speaking at least as the chairman of the committee, we are not permanently married to the idea that the Interior Department should oversee and control all of your expenditures. I would venture to say that the Interior Department agrees with that statement, but, in case you are not intimately familiar with the Congress, we are completely separate from the Executive. In fact, we don't even speak to each other sometimes. But we would like very much to solicit your ideas and your proposals.

I don't think it would be at all practical to consider this year dismantling of the whole process and direct funding to the Congress of Micronesia. It is just not practical from a number of standpoints.

For one thing, you don't have a budget to present to us, you don't have legislation or a plan or machinery. But we certainly would be happy to consider your proposals as to what kind of machinery you might get and justify your expenditures and that sort of thing.

By the way, is there any money in the budget for the bridge at Palau?

Mr. JOHNSTON. We have a request, Mr. Chairman, which I believe has been submitted by the Interior Department, for a reprogramming action to include reprogramming for the construction of the Palau Bridge.

Senator JOHNTSON. And how much is that, \$2.5 million?

Mr. JOHNSTON. Approximately, yes, sir. The total cost of the bridge will be about \$3.3 million.

Senator JOHNSTON. One thing I might suggest, this might be a mixed blessing to get committee oversight, the committee might not be as generous as the Interior Department is. Particularly on these things such as the bridge at Palau.

For the benefit of the other Senators, there is a proposed bridge in Palau to connect the Island of Babelthuap and the Island of Koror. The main utility for it would be to connect the airport with the city of Koror and in my limited judgement \$2.5 million is too much money to spend for a bridge with that little traffic. I know you couldn't get that kind of money out of a State legislature to build a bridge for that few people. There is just not the traffic to justify it.

So, I would say, gentlemen, we would be delighted to hear those proposals. I am not at all convinced that this committee would be as generous as Interior would be. I don't say that critically of Interior, I just think this committee might be a little tough. We have some very tough minded people on the expenditure of public funds here.

Mr. JOHNSTON. I might say, Mr. Chairman, in commenting on that bridge, one of the systems we have been using in the past few years is to let the district legislatures set priorities at the start of our whole budgeting process rather than coming down from the top. The priorities are first drawn up at the district levels and that bridge between Babelthuap and Koror is definitely the number one priority of the people of the Palau district. They would rather have that than any project we can provide, because it is so important not just to the number of people using it, but the whole development of Babelthuap, which is our largest island in size, and where an agricultural industry could be developed and so on, having the bridge there instead of that slow moving ferry would do a tremendous amount to develop the whole economy of the district.

Senator JOHNSTON. Wouldn't it be possible to put in a more rapidly moving ferry?

Mr. JOHNSTON. I doubt it. The one we have now moves less rapidly than the old one. We find either you have a small, rapidly moving one or a larger one which doesn't move so rapidly. You come out with about the same results. You move more cars on the bigger one but with the slower speed you move about the same number of cars per hour.

Senator JOHNSTON. What is the number of cars that cross on a day?

Mr. JOHNSTON. About 200 on a busy day.

Senator JOHNSTON. Do you have a count on that?

Mr. JOHNSTON. We can get the figures, Mr. Chairman.

Senator FANNIN. Mr. Chairman, I was going to remark, in any projection that you talk about, would there be greater utilization of that bridge than there would be of the ferry from the standpoint of marketing products? What can you project in the future from an economic standpoint?

Mr. JOHNSTON. There definitely would be greater utilization of it. The bridge would be available 24 hours a day whereas the ferry only operates in daylight hours. It would provide a connection between these two islands that the people of Palau feel is essential to their future economic development.

Mr. CARPENTER. I think it would contribute to the greatly undeveloped island of Babelthuap.

Senator JOHNSTON. What would you want to develop Babelthuap for?

Mr. CARPENTER. As you know, it is one of the largest islands in Micronesia which is presently completely undeveloped. It has been looked on for many years as an area for much greater agricultural development, among other things.

Senator JOHNSTON. Where would be the market for agricultural products from Babelthuap?

Mr. JOHNSTON. A lot of it would be to Guam. We have agricultural products right now being sent from Palau to Guam. The people of Palau have been requesting an airlink with Mindanao in the Philippines which is relatively close in point of distance that could be possibly a market at some time in the future. But definitely right now today if the production was there it could be marketed in Guam.

Senator FANNIN. What agricultural products are you talking about, food or fiber?

Mr. JOHNSTON. Fruits and vegetables, primarily. The trust territory is trying to make itself more self-sufficient in producing vegetables and fruits. The market for fresh vegetables in the trust territory is being partially filled by imports from the United States and Japan, and we do have soil and climatic conditions to raise very good vegetables locally.

Senator FANNIN. What potential acreage would be involved?

Mr. JOHNSTON. At the present time, about 37,000 acres have very good potential for cultivation.

Senator FANNIN. That is substantial.

Senator PANGELINAN. I would like to add, taking into consideration the economic potential of the Babelthuap area by opening up the bridge, one other major consideration is the congestion that is presently concentrated in Koror. The total area there is less than a square

mile with close to 10,000 people. The bridge will open an avenue to develop Babelthuap for homestead programs, village homesteads and agricultural homesteads. This is why the people of Palau are very much interested and putting their interest in this one particular bridge. They are willing to sacrifice all other development to have the bridge put up to connect the two islands, because of the need for human development.

Senator McCURE. What is the proposed structure of the bridge, bearing in mind that is the only deep water channel for some distance north and south?

Mr. JOHNSTON. The bridge would close off the channel. We had studies made of four or five different types of bridges and this has been thoroughly discussed with the Coast Guard, the United States Navy and so on. That channel is not widely used for navigation at the present time and it would shut off the channel.

Senator McCURE. As I recall it, it is some 25 or 30 miles to the south and some 40 miles to the north before there is similar deep water to the east and west, is that correct?

Mr. JOHNSTON. Yes.

Senator BARTLETT. You mentioned earlier in the meeting about some of the other members accompanying you and going on the trip to Micronesia. Senator Buckley and I were visiting a little bit at that time, and we both recounted that during the war we were in the South Pacific and were on some of the islands in Micronesia. I certainly would welcome the opportunity of a trip, I think it should be one of some advance planning that would provide us with some advanced material on Micronesia and some briefing ahead of time so we could maximize our time and learn all we could. I feel, as a member of this committee, I need to be brought up to date, become thoroughly familiar with what the responsibilities of the committee are and learn as much as we could in a several day span. It could be that other members would like to also avail themselves of such an opportunity. But I think it would take some advance planning and scheduling ahead of time sufficiently far so we could make sure we could go.

Senator JOHNSTON. I would hope we could pick a time where we won't take so much time from our duties in the Congress. It is a long way out there. I think there is 10 hours difference by the clock between here and Palau and that is many, many miles.

Senator BARTLETT. It is almost halfway.

Senator JOHNSTON. Yes; it is almost halfway around the world. I would say the planning that was done for the trip I took, Jim Gamble of my staff and members of the Interior was excellent. It is possible in a relatively short period of time to get in a great deal. Briefing by the Commander of the Pacific on the way out, briefings at each one of the district areas, and by the Congress of Micronesia. I think we could put together a week or 10-day trip, hopefully when we are not in session, and it would be a very productive trip, and I would hope all the members of the subcommittee might want to go.

Mr. JOHNSTON. If I can inject something at this point for the information of the members of the committee, we have with us two of our distinguished Micronesians who are not really members of our budget team, but are with us today, the District Administrator of the Marianas, Frank Ada, and the distinguished Speaker of the Truk Legislature, Hon. Hermes Katsura.

Senator JOHNSTON. Glad to have all of you gentlemen here today. Does anyone else have anything to add?

Senator FANNIN, I don't believe you were here earlier, the bill under consideration would grant an unlimited open-end authorization to Micronesia for this year. The idea that the Interior Department has is to get an open-end for an unlimited period of time.

The comments I made initially is that I believe this committee ought to be the one to approve the authorization and to do so on an annual basis. I also proposed an amendment whereby the Comptroller in Guam will aid the High Commissioner and the Department and this committee in overseeing the expenditure of money out there. I think that proposal has been well received by Interior and the High Commissioner.

Senator FANNIN. As you know, Mr. Chairman, the committee has been very reluctant to approve open-end authorizations and I think you are very wise in saying you think it should be limited to 1 year if that is approved.

Are you still considering whether or not you will approve the open-end authorization?

Senator JOHNSTON. I offered an amendment to limit it to \$60 million and have it apply only to this year, with the idea that in each succeeding year the budgets will be justified. The representatives of Congress from Micronesia have asked for a direct appropriation from the Congress to the Congress of Micronesia. My response to that was that we would be very pleased to consider any proposals of that sort, however, for this year that would be premature since we don't have the machinery or the budget request. As far as I am personally concerned, I am sure the other members of the committee also would be glad to consider that kind of proposal or a variation on that proposal in future years. The Congress of Micronesia in many respects has done an excellent job in carrying out its duties under the democratic process. I might say in some other areas they might be subject to some criticism. I have heard some criticism on the size of congressional salaries in Micronesia. These are the kinds of things that would be discussed when you come directly to the committee for appropriation. I am not suggesting that the committee would lower those salaries. I am saying these are things that had been discussed, and when we get into a direct consideration of the budget I think all of these things together, with priorities of expenditures and the directions for Micronesia will and should be discussed.

Is there anything further for the committee?

Oh, yes, gentlemen, we have Ponape pepper which I was going to take home, until you all came back. Thank you very much, gentlemen. [Whereupon, at 10:15 a.m., the hearing was concluded.]

