

TRUST TERRITORY OF THE PACIFIC ISLANDS

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

"To provide for the continuance of civil government in the Trust Territory of the Pacific Islands" (Act of June 30, 1954, 68 Stat. 330, as amended, 78 Stat. 601).

The United States accepted responsibility to promote the economic, social, political, health, and educational development of the people of Micronesia through a trusteeship agreement between the United States and the United Nations Security Council, effective July 18, 1947. This responsibility was assigned to the Secretary of the Interior by Executive order in 1951 (Executive Order 10265, superseded by Executive Order 11021).

2. Operation

The act of June 30, 1954, as amended, authorizes a maximum of \$17.5 million per year to be appropriated for administration of the Trust Territory of the Pacific Islands. Each year the Office of the High Commissioner of the Trust Territory prepares a request for appropriations, by categories, which after necessary review and approval by the executive branch, is transmitted to the Congress as part of the executive budget. Once appropriated, the funds are transmitted to the government of the trust territory periodically, to reimburse expenditures made or to permit payments to be made on obligations incurred for approved projects.

3. History

For at least 9 years, annual appropriations for the trust territory were under \$6 million, and ranged from \$4.3 to not more than \$5 million in 5 of those years. Actual appropriations thus were well under the \$7.5 million maximum authorized to be appropriated. The effect of these restrictive budgets was to permit very little to be done to improve the educational, health, and economic standards of the Micronesian population, which has been increasing rapidly from 55,000 in 1951 to more than 90,000 in 1965. The "bare bones" of administering the trust territory is a priori more complicated than administration of other U.S. offshore areas, since its 100 inhabited islands extend over 3 million square miles of the Pacific Ocean. Trust territory government, furthermore, finances, either directly or through contractors, transportation, communication and public utilities, community hospitals and medical services, as well as the more usual functions of government.

Until the economic base of the trust territory (mainly copra exports of \$1 to \$3 million per year to the outside world) can be expanded, Federal appropriations, and not the very limited local revenues, are the only means available to provide for improved public facilities, public health, and education. In 1962, the ceiling authorization on trust territory appropriations was increased from \$7.5 to \$17.5 million. The first substantial increase in funds was not appropriated, however, until very late in the 1963 fiscal year (\$7,290,000, Public Law, 88-25, May 17, 1963). The accelerated development program for the trust territory, therefore, is a program of little more than 2 years' duration (fiscal 1964-65). It is already becoming apparent, as indicated in the