

Table 1 attached identifies the object categories of trust territory operating expenditures and obligations by years, and in the 1966 budget. The capital improvements program, shown in total on table 1 and by object classifications in table 2, presents a cumulative total for fiscal years 1963-65 expenditures and obligations of \$9,364,800 as compared with appropriations of \$14,947,300. Expenditures and obligations for the 3-year period cannot at present be further segregated as between expenditures and obligations, nor—because of changes in accounting methods—can the expenditures and obligations of a single fiscal year be clearly identified in the 1963-65 total. For the fiscal year ending June 30, 1965, Treasury funds disbursed to the trust territory government for operating and capital expenditures, but excluding expenditures of the High Commissioner's Office and the judiciary, totaled \$12,478,435.

An economic development operations unit, under contract with a private development firm, began full-fledged operations at the beginning of the 1966 fiscal year. Among other things, the unit is to prepare and maintain an economic plan looking toward increased use of Micronesian resources by the Micronesians themselves and to provide advisory services concerning capital investment and economic development.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

The Office of Territories intends to initiate a legislative proposal that will (1) increase the authorized ceiling on Federal appropriations for the trust territory to a level which will sustain the development momentum that has now been established and (2) exclude from any such general appropriation authority any Federal grants that now or hereafter may be allocated to the trust territory pursuant to other acts of Congress.

7. *Coordination and cooperation*

The trust territory has received expert assistance from several agencies. For example, the Department of Agriculture has conducted a program to eliminate the fruitfly in the trust territory and the Department of Health, Education, and Welfare, now is advising on establishment of a retirement system for those trust territory government employees who are not covered by the Federal retirement system. Of special importance has been the assistance of Public Health Service personnel in epidemic control, mass immunization programs, reorganization and planning of health services.

8. *Laws and regulations*

Act of June 30, 1954, 68 Stat. 330, as amended, 76 Stat. 171, 78 Stat. 601 (48 U.S.C. 1681).

Department of Interior Appropriations Acts: 1963, Public Law 87-578, 76 Stat. 335, 339; 1963 Supplemental, Public Law 88-25, 77 Stat. 20, 29; 1964, Public Law 88-79, 77 Stat. 96, 102; 1965, Public Law 88-356, 78 Stat. 273, 278; 1966, Public Law 89-52, 79 Stat. 174, 179.