

THE MARSHALLS HUMAN DEVELOPMENT PROJECT

Testimony Before The
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
United States Senate
Henry M. Jackson, Chairman

Submitted Upon Request
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I
project
summary

1. We would like to express our gratitude to this Committee for the opportunity to speak briefly on the nature and need of the Marshalls Human Development Project and on its worthiness of special fundings from our Federal government. The MHDP is a Community Development program for the Marshall Islands District of the Trust Territory of the Pacific. It is a comprehensive effort that involves both the social development and economic development of the Marshallese people. The local citizens conceived the project, provided the substance for the planning of it, and are quite ready now to do actuation of it themselves. Their intent is to move their economy toward self-sufficiency, to transpose their ancient heritage into a social fabric relevant to the modern world, and to create the training structures that will enable them to participate effectively in that world. The MHDP is further seen both as a pilot project that hopefully can be replicated in the other districts of the Trust Territory and as a demonstration project that can be of service to our whole nation. The Institute of Cultural Affairs of Chicago has been invited by representatives of the Marshallese people in both the public and private sectors to serve as consultants to the project.

II
ICA
profile

2. The Institute of Cultural Affairs is a not-for-profit organization incorporated in the State of Illinois. Although headquartered in Chicago, the ICA has 102 offices in the major cities of 23 nations. The ICA is supported by gifts from foundations, corporations and concerned individuals, by grants from federal, state, and municipal agencies, and by income from various programs. As a program division of the Ecumenical Institute for fifteen years, the ICA developed the methodologies now being applied in communities such as the Fifth City Project located on the West Side of Chicago. The ICA is concerned with the human factor in world development. Toward this end the Institute is engaged in planning and actuating Community Development.

III
initiating
consult

3. For six years The Institute of Cultural Affairs has been working with the Marshallese people. Two years ago the Institute was asked to send a Certified Public Accountant and a business manager to assist the bankrupt Kwajalein Import and Trading Company (KITCO). Within a year the organization was solvent and a Marshallese man had been trained to manage KITCO. As a result, the Board of Directors of KITCO, with other local leaders of Majuro invited the Institute of Cultural Affairs to hold a consultation in September, 1974. to explore the issues facing the Marshallese people. In response the ICA selected business and professional leaders, including those from the fields of oceanography, general contracting, mechanics, business development, agriculture, education and others to work with an equal number of leaders in the Marshallese community. The Marshallese people were candid and direct in stating their concerns about the future. The consult discerned the fundamental contradictions that lie behind these concerns and wrote proposals to deal with their resolutions. The result of this work is the Marshalls Human Development Project (MHDP), a two year plan for the comprehensive development of the Islands. (This plan is described in detail in a separate publication.)

IV
transition
period

4. The Marshall Islands are in a period of transition between a subsistence economy and a market economy. As the Marshallese people experience this transition from the great culture which their fathers built into a new age, it is necessary to hold their rich heritage in concert with significant economic and social development. The MHDP is geared toward alleviating the paralyzing effect of a nine-to-one deficit trade balance through developing the resources of the Islands in a way consistent with traditional customs and local objectives. The project programs have a heavy emphasis on training, including formal academic education, practical vocational skills, and informal instruction in heritage and culture. The programs also emphasize the need for a local economy which will help achieve self-sufficiency for the people of the Marshall Islands. Recently, the ICA and Island leaders participated in a field trip to chart a possible ferry route through the islands, to survey the needs of the people, and to determine the development potential of the available resources. Although the living standard is appallingly low, yet the possibilities for development are plentiful. The Marshallese people are excited about participating in the implementation of the MHDP.

V
local
support

5. The MHDP is designed to involve the citizens of the Marshall Islands in economic and social development. The Iroijs, the business leaders, and the civic leaders of the Marshall Islands have given their approval to the MHDP. During the recent field trip, the peoples inhabiting the twenty-two atolls outside Majuro provided the representatives of the MHDP with a warm reception and have pledged their full participation in the project. The MHDP document contains the proclamation of 100 citizens which sets forth the decision of the Marshallese leadership to work hand in hand with any and all institutions who are concerned with the future of Micronesia. Because the project relies on mutual effort, exhaustive work has been done to map out plans in conjunction with all interested groups. Local and territorial government offices, business, civic, and religious leaders, as well as the citizens of the outer islands have been consulted. Both the territorial administration in Saipan and the district offices in Majuro have shown a real interest in this type of development effort, not only in the Marshall Islands but in each of the Micronesian districts. It has been primarily the civic and business leaders, however, who have provided counsel throughout the development of the MHDP, and who now are ready to lead the Marshall Islands to a new level of self-sufficiency.

VI
actuating
principles

6. The underlying philosophy of Community Development is crucial to understanding the MHDP. First, the ICA is convinced that effective Community Development must be comprehensive. This philosophy has been presented earlier to the Senate in Testimony before the Committee on Government Operation during the second session of the 90th Congress. During a decade of experience in the Fifth City Project on the West Side of Chicago, the ICA has seen that only by dealing with all issues, all groupings and all dynamics of a community can anything creative and enduring be expected to happen. To deal with a single issue is futile. The three million dollar housing project in Fifth City would not have succeeded had not education, health and a full range of social and economic programs opened the community to a new sense of pride and commitment. Second, the MHDP is grounded in the concept that effective social development requires simultaneous development of the social and economic. One without the other will necessarily fail. Third, the ICA believes that local reformulation requires the coordinated efforts of both the public and private sectors of society. Neither sector can succeed alone.

Fourth, while comprehensive planning must be done, the emphasis must be on actualization. The ICA methods of corporate action and planning, tactical thinking, and sustained motivity are specifically designed to actualize a program, not simply to plan it.

7. This basic philosophy operates within a series of principles having to do with the local people. In the first place, outsiders or outside forces cannot do a Community Development Project successfully. Only the people themselves can supply the substance of the planning if it is to be at all realistic; and the local people alone can actualize their dreams. The ICA's task as consultant is that of catalyst. Second, because the project is done by the people, ninety percent of the actuating consultant's work is to supply the methods that create human motivity. The key to this is to do the entire project at once. Doing one thing at a time may be sensible, but it denies the interworkings of a society and is finally debilitating. Effective actuation is in doing the whole which uses the inner relatedness of the society and requires as much local participation as possible from the beginning. Third, the consultant's role is that of a trainer. The methods must be transmitted to the people. In the MHDP one Marshallese is assigned by the community to work with each staff member of the ICA. This is done so that over a two year period the Marshallese may replace the ICA staff. Finally, the MHDP must be replicable as a project. The project and the methods must be useable not only by other districts in the Trust Territory but by any developing people in the world.

VII
program
description

8. The tactical programs of the MHDP (see attached chart) were derived from the objectives developed at the September, 1974 consult in Majuro. There are sixteen programs: eight of these deal with social development, and eight deal with economic development. These programs are phased into two groups, systematically introducing social and economic programs over a two year period. In Phase One, the four programs in social development are the Marshall Islands Ferry System, the Marshallese Training Corps, the All-Island Pre-School, and the Heritage-Tourism Project. The four programs for economic development are TASC Small Industry Program, the Copra Lagoon System, the Multi-Purpose Repair Center, and the Majuro Business Center. The tactical programs for Phase Two in the social arena include the Inclusive Apprenticeship Program, the Demonstration Housing Project, the Adult Education Program, and the All-Island Health Service. The programs in the economic dimension

are the Marine Farm Demonstration, the Tuna Fishing Enterprise, the Coconut Processing Plant, and the Demonstration Land Farm. At the end of this time the Marshallese people will have been trained to continue the operation of these programs and the ICA anticipates that the services of its staff could be withdrawn. The ICA believes that conducting these programs in this manner would yield discernable signs of socio-economic revitalization by the end of the initiating period.

VIII
social
programs

9. Two examples from the social programs may help to indicate their direction and scope. In the first phase, the Inter-Island Ferry System is the most important program for the development of the Marshall Islands. Without a regular systematic flow of both goods and people throughout the twenty-three inhabited atolls there is not the slightest chance of developing economic self-sufficiency or the social relationships needed for a growing society. Doctors, educational inspectors, and businessmen cannot adequately service the islands while dependent on copra boats which may take two weeks to two months to transport passengers from one atoll to another. It is hoped that five boats could be obtained to activate this system. One of the boats would be reserved in maintenance while the other four were in operation. According to feasibility studies, such a system in time could operate at a profit as a small business. Every program depends on the ferry system; the Marshall Islands without a ferry service is like Tokyo without a public transportation system.

10. The second program provides for youth training. Many of the young people do not attend high school. Half of those who begin do not finish, and very few who finish go on to University training. As in any society, these youth represent the future potential, and if there is to be a future for the Marshallese people they must be trained. The Marshalls Training Corps is envisioned by the Marshallese people as a way to solve this problem. It is dependent upon acquiring an LST equipped with a machine and carpentry shop where two to three hundred youth could be engaged in a six-month program. A staff of twenty-five Marshallese copra men and twelve school teachers would conduct a practical and academic curriculum. The ship would travel to various atolls where the youth would learn copra harvesting, replanting of trees, and cultivating a second crop under the trees. Some of these islands have not been harvested since the time of the German possession of the islands. Profits from the harvest could go to offset

the costs of the program and provide the youth with funds. Skills in basic mathematics, English, sociology, history, carpentry and mechanics would be taught, along with Marshallese heritage and culture. Such a curriculum would provide the necessary tools for responsible citizenship in a developing society.

IX
economic
programs

11. The economy of the Marshall Islands is marginal, relying heavily on imports. The economic programs are designed to develop the use of local resources through the creation of small industries and businesses which can provide jobs, services and products, and direct the Marshall Islands into a more substantial economic position. One example from the chart is the Copra Lagoon System. It was one of the first programs described by a Marshallese businessman at the consult. The Japanese had such a system when they occupied the Islands. The basic plan is to locate a warehouse on each major atoll as a collection point for storing copra from surrounding islands. A small five-ton boat would be utilized for this purpose. Thus when the large copra boats arrive, they can unload supplies and load copra in a matter of hours and proceed to the next stop. This would insure regular collection and a broader range of harvesting. While there are no reliable statistics, after a tour of the outer islands we believe only a tenth of the available copra is now being marketed. Also one to three million of the coconut trees on the islands are over seventy years old and need to be replaced. This effort alone could lead to a tripling of the copra production. In conjunction with each copra warehouse there needs to be a store. With a cash flow thus provided, sale of consumer goods in the store would be assured. Only in such a fashion are the people going to be able to learn to live in a market economy.

12. A second program is the Small Industries. In the first year ten of these industries could begin: the saw mill for coconut logs, a pre-fab house plant, a small multi-use cannery, a multi-repair service center, a small copra oil plant for local use, shark fishing, a general plastics manufacturing company, a demonstration land farm, and a local metal works for assembling and making copra harvesting carts. The feasibility studies on these industries are not geared toward large profits but toward providing jobs, services and goods for local use. The rate of unemployment is alarming and must command a high priority for any economic remedies to work. Our economic concern has to do with three basic principles: one is to have

as many dollars as possible flowing into the Islands by increasing exports such as copra and by manufacturing goods through the small industries program. Second, our aim is to keep these monies in the Marshalls as long as possible by producing more useable goods and foodstuffs locally. A third principle is to have money change hands as many times as possible through expanded local services before it flows out to bring more imports into the Marshall Islands.

X
budget
summary

13. The budget summary for the MHDP (see attached chart) outlines the first year costs of the program. The budget is divided into federal and non-federal monies. In the non-federal category, which totals \$2.1 million, there are three funding sources. These include the local business community which participated in the initial formulation of the MHDP and is at this time establishing a favorable credit position to generate long and short term capitalization monies. Second, it is anticipated that the program itself, particularly the small industries, will generate income. Thirdly, the local legislative body, the Nitijela, has issued a positive critique of the MHDP and has indicated that it will attend to the request for \$114,660 as their share of this non-federal portion of the budget. The federal monies requested for the first year of program operations total \$1.8 million. The federal request is designed on a sliding scale so that the federal budget allocation the second year is fifty percent of the first year. Likewise, the federal share in the third year is fifty percent of the preceding year. In the fourth year, it is our opinion that federal funds can completely phase out as the local Marshallese community absorbs the entire program budget.

XI
anticipated
results

14. In conclusion, we believe that the MHDP will move the Marshall Islands toward economic self-sufficiency and reformulate the social structures to allow the Marshallese people to participate authentically in the decisions which confront mankind in the 20th Century. In addition, the ICA is firmly convinced that the Marshall Islands can serve as a prototype for the Trust Territory and for the United States. In this context, the ICA has considered the possibility of contacting representatives of the United Nations Conference on Human Settlement (Habitat). This body plans to meet in Vancouver during July, 1976 and could be invited to visit the Marshalls to see one of the ways in which the United States is fulfilling its trust to the United Nations.

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U.S. SENATE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HEARING ON H.R. 7688, TO PROVIDE AUTHORIZATION
FOR THE CIVIL GOVERNMENT FOR THE TRUST TERRITORY
OF THE PACIFIC ISLANDS

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1 STATEMENT OF JOSEPH W. MATHEWS, CHAIRMAN, THE
2 INSTITUTE OF CULTURAL AFFAIRS

3 Senator Johnston. Dr. Mathews, we are glad to have
4 you. Proceed as you like.

5 Dr. Mathews. Mr. Chairman, the Institute of Cultural
6 Affairs is appreciative of the opportunity to discuss briefly
7 before this Committee the nature and needs of the Marshalls
8 Human Development Project relative to its worthiness for
9 direct federal funding.

10 Senator Johnston. Would you tell us first of all,
11 the Institute of Cultural Affairs is not connected with
12 the Micronesian government or the federal government at all,
13 except for studies, is that correct?

14 Dr. Mathews. That is correct. The Institute of
15 Cultural Affairs is a nonprofit operation chartered in the
16 State of Illinois, although we work in some 100 installations,
17 and do community development programs in many different
18 places. We receive our funding from foundations such as
19 Rockefeller, such as Ford. Our programs are funded by
20 government agencies on the federal, state and municipal
21 level. Church bodies fund us, individuals fund us.

22 The Marshallese people, both in the public and private
23 sector, have invited us to be consultants for a community
24 development project on the local level, which is their own
25 project. The project holds together both the economic
26
27

1 development and the social development of the people, which
2 we believe, if they are not done together, you might as
3 well save your effort.

4 So I want to talk very briefly about that. You have
5 the written document before you. I will try to follow that
6 closely, but be brief.

7 The Marshallese people have a great heritage, as you
8 know. Their ancestors built a most remarkable culture on
9 those some 2,000 islets in the heart of the Pacific Ocean.

10 Now, like any developing people, they are suffering
11 transition, first of all from a subsistence economy into
12 a market economy.

13 And secondly, during the occupation of an influence of
14 the Spanish, and the Germans, and the Japanese, and now of
15 the Americans. Their ancient social fabric faded away,
16 and new social structures that must come are not yet born.

17 And it is in that context that they have for years
18 seen the need of a community development program on the
19 local level. I am also persuaded in many developing peoples
20 that such programs must be conducted upon the local level.

21 One of the basic principles with which we operate also,
22 is that such a project has to be comprehensive. If you
23 pick out some small problem, or large one even, and the
24 Marshalls District of the Trust Territory has many, many
25 problems that can be isolated, such as health and education,

1 and unemployment, and a nine-to-one deficit imbalance
2 between export and import. We believe if you do not attack
3 all of the discernable contradictions or issues in a
4 delineated area, it is not putting proud flesh over a deep
5 wound.

6 We also believe the public and private sector must
7 work together if such a project is to be effectively
8 actuated.

9 I think in the last 30 years, as all of us know, our
10 government has reason to be somewhat embarrassed about
11 not what we have done in the Trust Territory, but what we
12 have not done. What I really think is the reason for that
13 is our government tried to do it by themselves without the
14 assistance of the private sector.

15 My point is, this project is geared toward both the
16 private sector in the Marshall Islands and the public
17 sector, including our own government, as well as their
18 governmental offices.

19 Senator Johnston. Let me interrupt there to say I
20 don't necessarily share that view, we have a reason to
21 be embarrassed. I think we have a reason to want to do much
22 better, but I think we have done remarkably well considering
23 what this government has done in the TTPI and the amount
24 of money we have provided, the amount of self government,
25 we have provided in the amount of education, health,

1 infrastructure we have provided. Not perhaps in the best
2 way possible, but in any historical context, I think clearly
3 we have done more than any nation on the face of the earth
4 has ever done in any like situation.

5 Dr. Mathews. Mr. Chairman, I would subscribe to that.
6 I am really directing attention toward -- I smile a little
7 bit, because I firmly believe, for whatever series of reasons,
8 the people of our nation aim high. That is what I wanted
9 to communicate here in the statement.

10 Our program there is geared precisely in the direction
11 you indicated.

12 Senator Johnston. Let me also interrupt. The staff
13 just handed me a comparison of assistance to the Trust
14 Territories, comparing TTPI, which had \$544 per capita in
15 1973, which compares to \$77 for New Guinea, and you go down
16 to \$4, \$7, \$1, \$8, \$6, and \$7, from Western Samoa, Cameroon (?),
17 Nigeria, Ghana, Togo, Somaliland, etc. I just want to get
18 that into the record.

19 I think we have done remarkably well, and we are
20 tremendously generous. And the fact that we listen to experts
21 like yourselves. But my conscience for my country does not
22 bother me at all on the TTPI.

23 Senator Hatfield. Mr. Chairman, may I interrupt also.
24 I would like to make an observation, too. I don't disagree
25 with either the witness or the Chairman, except to bring up