







ALIEN LABOR PROGRAM IN GUAM

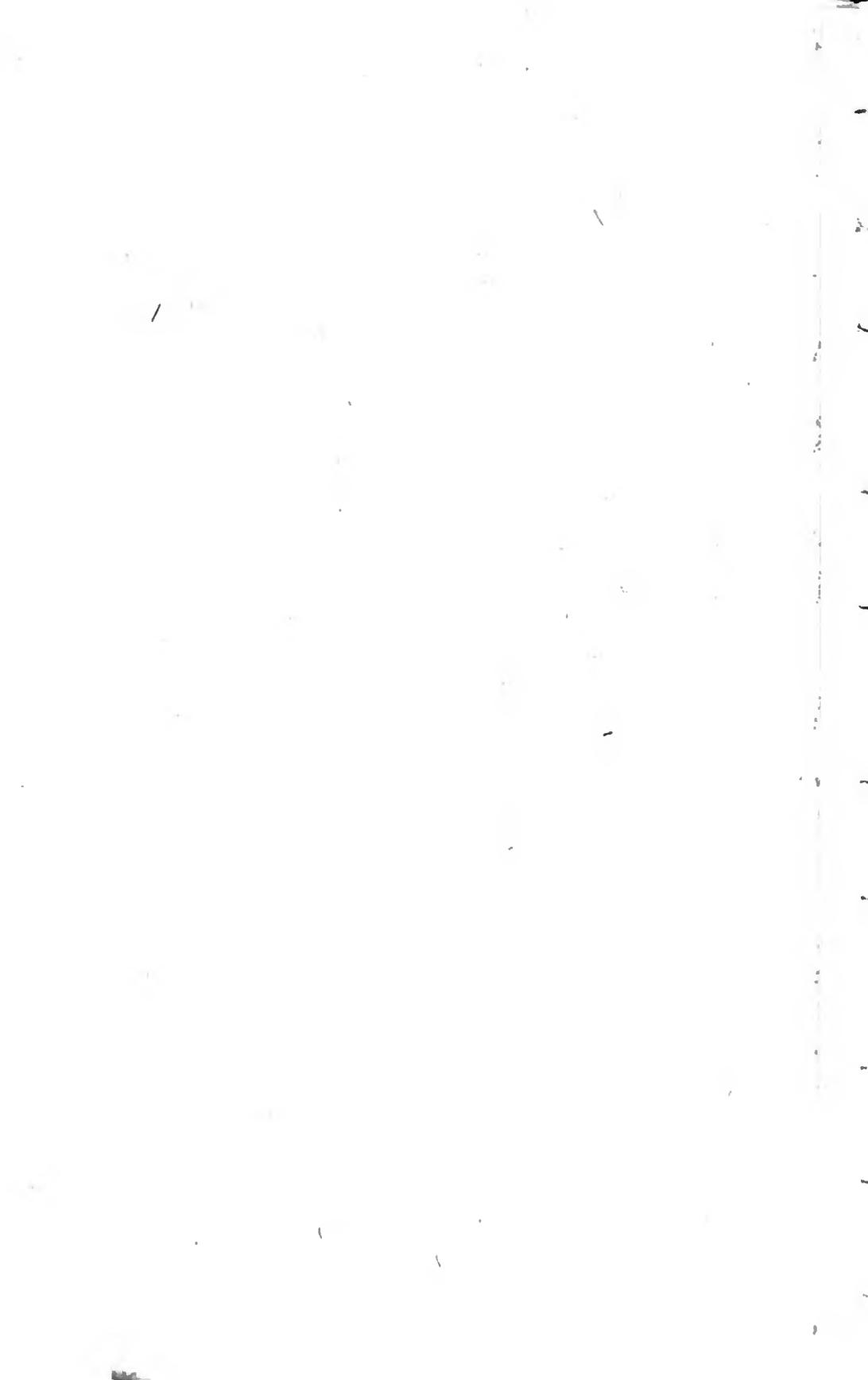
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HEARING
BEFORE THE
SPECIAL STUDY SUBCOMMITTEE
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
NINETY-THIRD CONGRESS
FIRST SESSION
ON
H.R. 981
TO STUDY THE TEMPORARY ALIEN LABOR PROGRAM
IN GUAM

AUGUST 9, 1973

Serial No. 15





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ALIEN LABOR PROGRAM IN GUAM

THURSDAY, AUGUST 9, 1973

HOUSE OF REPRESENTATIVES,
SPECIAL STUDY SUBCOMMITTEE OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2 p.m., in Agana, Guam, Hon. Joshua Eilberg [chairman of the subcommittee] presiding.

Present: Representatives Eilberg, Railsback, Hogan, Cohen, Shriver, Steiger, and Esch.

Also present: Garner J. Cline, counsel; Arthur P. Endres, Jr., assistant counsel; and Donald G. Benn, associate counsel.

Senator FLORENCIO RAMIREZ [Speaker of the 12th Guam Legislature]. Before we proceed with the business this afternoon, I just want to welcome the chairman and the members of this committee on behalf of the legislature and of the people of Guam for their interest in taking time out to visit us and also to hear some of our problems. I will just say that in the last 24 years, I do not think that we have ever been honored by such a delegation—I mean the number of Congressmen that have come to listen to our problems have been in the past perhaps two or three. In this instance, we have really a full committee out here, and we're just wild about it.

So, ladies and gentlemen, I will turn over the mike to the chairman of the committee and we will proceed with the business of the day. Thank you for being with us.

Mr. EILBERG. Thank you very much, Mr. Speaker.

Mr. Speaker, on behalf of the U.S. Congress, we are very happy to be here in the territory of Guam and we are delighted that we have this opportunity to hear some of your problems as far as your manpower needs are concerned.

As you know, my name is Joshua Eilberg. I am chairman of the Subcommittee on Immigration, Citizenship, and International Law of the House Judiciary Committee. I want to introduce the members of this Special Subcommittee to you and the men who are seated at the head table. To my left is Congressman Tom Railsback of Illinois; next to him is Congressman Larry Hogan of Maryland; I'm going to skip a moment to Congressman Bill Cohen of Maine who is seated on the end; Congressman Garner Shriver, to my right on the end, from Kansas; to my right, counsel of our Immigration Subcommittee, Jim Cline; and in the yellow shirt, minority counsel of our Subcommittee on Immigration, Don Benn.

Unfortunately, we do not have as much time as we would like to spend with you on this very lovely island. We hope we can hear from as many of you as we can and we hope that you will summarize your statements as much as possible. Members of the Special Subcommittee may have a question here or there. Let me assure you that we are very much concerned and very much interested in your problems.

Many of you are aware that we have been addressing ourselves to these problems in the form of a bill, H.R. 981, which is before the House Judiciary Committee. Hopefully, within the next month or two, this bill will be reaching the floor of the House for a full debate.

Without further ado, I'd like to call upon the first witness, your Lieutenant Governor, Mr. Kurt Moylan. Mr. Moylan.

TESTIMONY OF LT. GOV. KURT S. MOYLAN ON BEHALF OF GOV. CARLOS G. CAMANCHO IN PRESENTING THE GOVERNMENT OF GUAM'S POSITION BEFORE THE SPECIAL STUDY SUBCOMMITTEE OF THE HOUSE JUDICIARY COMMITTEE

Mr. MOYLAN. Thank you, Congressman, Hafa Adai.

I have prepared a 14-page statement which has already been presented to various members of the subcommittee with attachments. [See p. 9.] Rather than read this lengthy and detailed statement, I would prefer at this time to summarize the Government's position in requesting for a special Guam labor program which will comprise the total labor requirements of our community.

During the mid-1950's the territory of Guam had an expanded H-2 program. This H-2 program allowed employers to recruit aliens in various types of occupations in all industries. These industries included construction, service, agriculture, as well as domestics. This program recognized the need for skilled and unskilled workers because of the unavailability of local U.S. resident workers. This H-2 program was phased out in 1959 sometime prior to the phasing in of the defense parolee program.

During 1959, the defense parolee program was introduced into the territory. Under this defense parolee program, direct hires by the military of nonimmigrant aliens as well as contractors having defense contracts with the military were permitted to import nonimmigrant alien workers to complete defense projects. In addition, the Government of Guam was also permitted to import parolees to work on government contracts up to 1969. Examples of some of the defense contracts importing nonimmigrant alien workers (or parolees) during this period are as follows: Tommy's Bakery; American Bakery; Foremost Dairy; construction companies erecting buildings and housing units for the U.S. Navy and Air Force; service firms doing typewriter and electronic maintenance for the Navy and Air Force; and many types of concessionaires operating at the Navy and Air Force PX's.

On November 11, 1962, Typhoon Karen struck our island, destroying approximately 90 percent of Guam's then existing buildings. Thereafter, the President of the United States declared Guam a disaster area. This necessitated an immediate reconstruction and re-

habilitation program. Under a special arrangement between the U.S. Immigration and Naturalization Service and Guam, the territory of Guam was permitted to import alien workers under a "Reconstruction and Rehabilitation Program." As a result, 1,500 nonimmigrant alien contract workers were permitted to enter Guam. In 1969 the reconstruction and rehabilitation program was phased out and a limited H-2 program was introduced.

The limited H-2 program which was instituted around March of 1969, permitted nonimmigrant alien contract workers to enter and be employed primarily on construction projects. As a result of this limited H-2 program, housing, hotels, and other types of commercial buildings began to be constructed to meet the then existing needs.

During the past 10 years, the territory of Guam has been experiencing a dramatic and dynamic change in its economy. A quick review of the statistical abstract of 1972 (which we have furnished to each member) will graphically point out the significant changes Guam has experienced in population growth, in construction, in the use of public utilities, in tourism, and in other facets of Guam's economy. For historical, cultural, and other reasons, Guam has lacked and lacks the necessary skilled and unskilled labor which is necessary to provide all industries with the needed manpower. As a result, Guam has had to depend upon nonimmigrant alien labor in supplying these necessary services. Unfortunately, the only industry permitted to bring in nonimmigrant alien contract workers has been the construction industry. Of course, under the defense parolee program, defense contractors, including concessionaires, were able to bring in nonimmigrant alien workers (called parolees). The result was that those firms in our local industries that did not have defense contracts were placed somewhat at a disadvantage. These local industries included hotels, restaurants, farmers, fishermen, and other service industry occupations and retailers. Were it not for those entering Guam under E-1 visas (treaty trader) and L-1 visas (intracompany transferees) and military dependents and others who moonlighted (that is, held two jobs), many of the hotel and service industries on Guam would have come to a standstill.

It is estimated that at least 200 agricultural nonimmigrant workers will be needed to increase the output of our agricultural products. Guam's dependence on imports and its precarious position during labor strikes on the west coast of the United States further magnifies the necessity of encouraging large-scale farming in order that Guam begins to approach the point of self-sufficiency. A formal application for their entry was made to the U.S. Immigration and Naturalization Service, only to be turned down some time ago on the grounds that agriculture is not a "temporary occupation."

In addition to agriculture, this administration is committed to the promotion of a fishing industry on Guam. It is highly desirable that this island develop its own fishing natural resources. Guam wishes to import at least 20 fishermen to help pave the way in an industry that has heretofore been commercially dormant.

Tourism has grown from less than 5,000 visitors in 1967 to over 180,000 in 1972. The tourist boom and the industry that has grown up alongside has brought about a great demand for labor, particularly in

service occupations. Since Guam's economy is tourist-oriented, the government of Guam is committed toward the objective of assisting this industry in providing the necessary personnel in hotels, motels, restaurants, stores, and so forth.

Nonimmigrant alien contract workers are also needed for other light industries including the textile and garment industries. Guam needs to attract those industries that will prove beneficial to the community in terms of goods, as well as to produce goods that are to be exported outside the territory. These manufacturers and producers have expressed their desire to begin operation but face the obstacle of a present lack of skilled and unskilled workers.

Accordingly, I would therefore make the following four specific recommendations in which this subcommittee can assist Guam in dealing with the challenges that confront it today.

(1) Guam urgently needs a special labor program for temporary workers in all industries. Hotels, restaurants, stores, garages, farming, fishing, dairies, bakeries, food producers, maintenance shops, transportation, utilities, and other establishments should be included along with the construction industry in bringing in needed nonimmigrant alien contract workers where the local supply is not available or not yet trained. In this connection, I would like to point out that the Immigration and Naturalization Service has advised us that the termination of the importation of defense parolees will occur on December 31, 1973, and that all defense parolees will be phased out by December 31, 1974. This, of course, will affect some 2,200 parolees that are direct hires with the military or indirect hires through defense contractors. In order that essential services to the military can continue to be supplied, these phased out parolees should be allowed to be included within the overall island wide program. The military establishment continues to contribute to the economy of Guam.

(2) That this committee, pending passage of legislation, should recommend to the Immigration and Naturalization Service that they revise present administrative regulations to permit Guam to operate a special islandwide industry labor program in the interim period.

(3) That Guam will establish its own administrative regulations similar to existing administrative regulations for alien workers in the construction industry to implement the special islandwide industry labor program which will include the training of local U.S. residents.

(4) Those nonimmigrant alien contract workers coming in as temporary workers under the special islandwide industry labor program be declared ineligible to seek permanent resident status.

I appreciate the committee's intent in coming out to Guam to listen to the various testimonies concerning the labor problems here. I hope that when this committee returns to Washington, D.C., it will give favorable consideration to authorize a special labor program for Guam.

Thank you.

Mr. EILBERG. Thank you very much, Governor Moylan. You understand, of course, our reasons for phasing out the parolee program. An exception in the parole provision was made because of the peculiar circumstances that existed on this island; so I am sure that you under-

stand that there is practically no way that we can revive that program. You also know that under the H-2, the Labor Department provides the certifications and, apparently, they have decided that only in the construction industry are the terms of legislation complied with—namely, that temporary employees may come here for a temporary purpose or for a job that has a definite termination time.

I'd like you to know, that we have moved through the House Judiciary Committee an amendment to the H-2 which would eliminate the second temporary. That would mean that one might come to the island to fill a permanent job for a period of 1 year and there might be renewals up to another year, or a total of 2 years. Labor certification would still be required by the Labor Department, but there would be nothing in the law which would limit these H-2's to the construction industry. It would be our expectation and hope that the Labor Department would administer the law so that employees might come here for any of the industries that you mention. We, no doubt, will undertake to use our influence with the Labor Department to see that, in the event that the legislation becomes law, you may have temporary workers in any of these industries.

One question: you mentioned the use of treaty traders here—I just wonder how extensive this practice is on the island?

Mr. MOYLAN. Since treaty traders is administered by the State Department in Immigration, we, of course, in the government of Guam are not familiar as to the total numbers that are involved here. I couldn't comment as to the numbers, but there are a number of treaty traders and L-1's who have entered Guam. To some of the industry here, they complain because a number of the hotels which are foreign hotels can exercise these privileges, but American hotels cannot do that. That is why we have asked that this special labor program be granted to Guam—to encompass the American hotels as well. But under the immigration procedures now, in mid-1950 there was an H-2 program that was granted to all industries and up until Typhoon Karen, the program was phased out. Then we went into a reconstruction and rehabilitation program until 1969. The Immigration, then, administratively permitted an H-2 program for the construction industry.

We understand that the Immigration and Naturalization Service has the powers now to grant an H-2 temporary program for other industries and it does not need certification from the Labor Department. This is why we have outlined our requirements—in the hopes that your committee could prevail upon Immigration, if you saw the need that we have presented to you, to then notify Immigration that they could, during the interim before H.R. 981 is passed, provide an H-2 program that would encompass not only the industries I have mentioned, but the defense parolee program which would be phased out by 1974.

Mr. EILBERG. I would just like to react in response to that suggestion, that we will undertake to do so. We cannot guarantee what can be worked out in an administrative fashion; hopefully, the legislation will be placed upon the books as quickly as possible so you are not just simply waiting on the whim of some administrator.

At this time I'll yield to any of my colleagues who may have any questions.

Before that, I neglected to introduce Congressman Marvin Esch of Michigan, the gentleman who is right over here.

Mr. RAILSBACK, do you have a question?

Mr. RAILSBACK. I want to thank you for your testimony and for your four recommendations. I wonder if you could elaborate a little bit on recommendation No. 4 which has to do with permitting nonimmigrant aliens to be declared ineligible to seek permanent resident status. What is the reason for that?

Mr. MOYLAN. If we were to permit the H-2 program to import a number of contractors or aliens into Guam and then permit them to become permanent residents, when the economy did slow down, we would have more people here than the economy could support. We feel that under the present H-2 program for the construction industry that nonimmigrant workers could come in on a temporary arrangement, perform temporary work, and then be returned. But if they come in and become permanent residents, this would place more people on the labor force when the economy eventually came to a leveling off. It is for that reason that we are recommending that those people who come in under this special labor program for all industries be notified that they come in as temporary workers for a temporary program for a temporary time, and for that reason have no eligibility to become permanent residents. Of course, they could become residents if they applied through their various embassies, but not on Guam.

Mr. RAILSBACK. By what means are you suggesting that the 2,200 parolees that are going to be phased out by the end of December 31, 1974, be permitted to stay on? Under what kind of arrangement?

Mr. MOYLAN. We have not looked at the 2,200 defense parolees as to whether they should become permanent residents or not. We are speaking about the special labor program that should be instituted for all industries in Guam. This is one of the conditions that we would like to see incorporated if this program were instituted. As far as the 2,200 defense parolees which will have to be phased out by December 31, 1974, I don't have any position as to how we should seek to get them permanentized or what. I don't know what their backgrounds are. I'm not in a position to state whether they should become residents or not.

Mr. RAILSBACK. In reading your recommendation here, you say that "In order that essential services to the military can continue to be supplied, these phased out parolees should be allowed to be included within the overall islandwide * * * program * * *" I think it's fairly important that we have some idea as to exactly what you are suggesting be done as far as they are concerned.

Mr. MOYLAN. If the defense parolee program is to be phased out and to be incorporated into our H-2 program, I think that there should be a way that could be worked out between the military and ourselves as to whether these people should become permanent residents or fall under the special labor program.

This notice, incidentally, just came to us a few days ago—the notification on the phasing out of defense parolees. We have had no opportunity to really sit down with the military officials and outline in detail as to where these people fit in each category. They will be testifying, incidentally, today.

Mr. RAILSBACK. Thank you.

Mr. EILBERG. Are there any other questions? Mr. Cohen?

Mr. COHEN. I just have one. I notice that in your particular statement, you did not address yourself to the question of wages. Is that a problem with you? Could you elaborate on it, please?

Mr. MOYLAN. No; it isn't a problem with us at all in the administration. We feel that the wages that are paid nonimmigrant workers are the prevailing wage rates. That is determined by the U.S. Department of Labor with the cooperation of our Department of Labor and the local contractors and industry.

Mr. COHEN. And it's your administration's position that you would not want to see the prevailing wage dropped or a ceiling put on the minimum wage?

Mr. MOYLAN. We would not want to see the prevailing wage dropped, no.

Mr. COHEN. In your opinion, has this contributed to the high cost of housing?

Mr. MOYLAN. I would say that it may be one of the factors; there are certainly other factors that contribute to the high cost of housing anywhere.

Mr. COHEN. Could you elaborate because on the way in I had an opportunity to look at some of the housing and some of the prices were rather extraordinary in terms of the quality of the housing.

Mr. MOYLAN. I would say that I don't think Guam's housing is any more extraordinary than what it is right now in Washington, D.C. or in Honolulu where the median price for a home is \$62,000. In Guam—let's take an example—a carpenter from Ohio may earn \$10 an hour; a carpenter here in Guam, with the prevailing wage rate, earns about \$3 an hour. And yet, in Ohio you can put up homes a lot more reasonably than what you can put here. I think we're talking about, really, efficiency as one basis. But as I said, there are other things contributing to the cost of homes here. Land prices are very high here; material costs are high. We import 90 percent of our produce into here; and as you import under the Jones Act, we have to go by U.S. carriers. So the prices are expensive. These are some of the conditions in the high cost here, but if you really look at some of the places in the United States—I understand that in Washington, D.C. homes are running \$150,000 and higher. I think it's efficiency.

Mr. EILBERG. Governor Moylan, you are, of course, alarmed by the phasing out of the parolee system; but, if our legislation, H.R. 981, goes on the books, we are hopeful that some, if not all, of those people can be taken care of on that basis. But, we do not visualize temporary employees under the proposed legislation staying more than 1 or 2 years. Now, in your opinion, do you feel that that will satisfy your problem? In this regard, will your existing permanent residents know enough to continue the industries that, hopefully, will develop?

Mr. MOYLAN. Yes; Congressman. I think that we in the Government would endorse a 1-year program, from year to year. We feel that if at the end of each year we could not justify an extension, we shouldn't get it. It should be based on a temporary program; and as our youth graduate from schools, and as our training programs are implemented, we will phase our youth into the jobs occupied by these aliens. We should analyze this on a year to year basis; it should not be 2, 3, or 4

years. It is for that reason that we feel that a year's certification for the workers is sufficient enough and every year, we should come in, if it needs to be extended, to justify the extension.

Mr. EILBERG. Are there any other questions?

Mr. ESCH. Mr. Chairman.

Mr. EILBERG. Congresswoman Esch.

Mr. ESCH. Mr. Chairman, thank you very much. I want to express my appreciation for the opportunity to be here on the island to join in this discussion.

I think I would be remiss, Governor, if I didn't ask the question of looking down and getting a long range perspective. We are well aware that the immediate problems in terms of labor and immigration and costs in the period of change are significant. But, have you give any long range thought, has the administration given any long range thought, to any type of labor policies over a period of 5 or 10 years, and how the immediate policies might affect the nature of the labor situation on the island 5 or 10 years from now?

Mr. MOYLAN. Yes, the Government has been studying the problem. Governor Camacho has directed the Department of Labor to come up with a manpower program for the next 5 and 10 years. One of the things that has caused a great deal of anxiety here is the continued economic growth rate in Guam. It has gone beyond the economists' figures and this has placed a tremendous demand on the labor supply here. There are those in the community who say that maybe we should come to a halt. This would then satisfy our labor requirements, but this is not, of course, the solution to the problem. We are looking at it and it is for this reason that we support a program that is on a temporary basis, from year to year—and no more than that because then it places the burden of responsibility of the long range labor programs back on us where, rightly, it belongs.

Mr. ESCH. Thank you.

Mr. EILBERG. Congressman Hogan?

Mr. HOGAN. In that connection, Governor, are there any vocational training programs in your schools in an effort to try to fill the specialties that are now in short supply?

Mr. MOYLAN. That's correct; there are. We have them not only in our vocational schools, but we have them at the university. The Federal Government Labor Department is supplying us, I believe, over \$1 million in training funds for our people. But as I mentioned here earlier, in 1967 we only had 5,000 tourists. Last year, we had over 180,000 tourists. It's a brand new industry to our people; and, it takes a little while for our people to understand why they should go into these trades and how much money can be generated from it. So the Labor Department has recognized this and so has our Congressman here. And they have provided programs to train our people, to get them ready to accept these jobs in the industries.

Mr. HOGAN. One problem that we have had in the States is that when aliens come in under either a visitor's visa or a student visa or a temporary work visa, very frequently, they then disappear into the population. Does it concern you that that might be a problem here as well?

Mr. MOYLAN. It did; but, we cracked down on them. We've got the trust territory government mad at us because we went after certain

aliens that had come in under treaty trader and treaty investors and said that you should be going on a student visa; you should be going to school instead of working at the hotels. We found that many of the violators were from the trust territory.

But we have worked out a solution with the High Commissioner in the trust territory government, and things have come back to normal. There isn't a problem now.

Mr. HOGAN. Thank you.

Mr. EILBERG. I'd like to have you recognize another Congressman who has just entered—from Wisconsin, Congressman William Steiger.

One further question, Governor. You are, in effect, asking for numbers of temporary workers and none of us knows how many might be required. Presumably, they would bring their families with them. Would there be any strains upon the existing facilities of the island—schools, hospitals, and other services?

Mr. MOYLAN. Yes. As you know, if a person comes in under an H-2, he could bring his dependents under an H-4. Of course, the Labor Department has no jurisdiction under the H-4. They merely apply through Immigration and then enter and stay with an H-2 worker.

We have discouraged the present H-2 contractors from bringing in dependents under H-4 because we find that H-4 people could bring in their dependents; they could be using our schools, which we frown upon. The Labor Department has done a very good job; and the contractors, the majority of them, have cooperated in keeping out H-4 people. The only leverage that we have, of course, is the certification. If the contractor says that he is going to bring the workers in, or bring the dependents under H-4, the only thing we could do is withhold the certification of H-2 workers, as you know.

Mr. EILBERG. So your position would be that you would make every effort to discourage this?

Mr. MOYLAN. Right; because if it's only a temporary program, we can't see why they would bring in their families—if it's only for a year.

Mr. EILBERG. Are there any other questions?

Governor Moylan, we are very grateful for your testimony here this afternoon.

[The summary, prepared statement, and attachments thereto of Lt. Governor Kurt S. Moylan follow:]

SUMMARY OF STATEMENT OF LT. GOVERNOR KURT S. MOYLAN ON BEHALF OF GOVERNOR CARLOS G. CAMACHO IN PRESENTING THE GOVERNMENT OF GUAM'S POSITION BEFORE THE SPECIAL STUDY SUBCOMMITTEE OF THE HOUSE JUDICIARY COMMITTEE ON AUGUST 9, 1973

Mr. Chairman, I have prepared a fourteen page statement which has already been presented to various members of the Subcommittee with attachments. Rather than read this lengthy and detailed statement, I would prefer at this time to summarize the Government's position in requesting for a Special Guam Labor Program which will comprise the total labor requirements of our community.

During the mid-1950's, the Territory of Guam had an expanded H-2 program. This H-2 program allowed employers to recruit aliens in various types of occupations in all industries. These industries included construction, service, agriculture, as well as domestics. This program recognized the need for skilled and unskilled workers because of the unavailability of local U.S. resident workers. This H-2 program was phased out in 1959 sometime prior to the phasing in of the defense parolee program.

During 1959, the defense parolee program was introduced into the territory. Under this defense parolee program, direct hires by the military of non-immigrant aliens as well as contractors having defense contracts with the military were permitted to import non-immigrant alien workers to complete defense projects. In addition, the Government of Guam was also permitted to import parolees to work on government contracts up to 1969. Examples of some of the defense contracts importing non-immigrant alien workers (or parolees) during this period are as follows: Tommy's Bakery; American Bakery; Foremost Dairy; construction companies erecting buildings and housing units for the U.S. Navy and Air Force; service firms doing typewriter and electronic maintenance for the Navy and Air Force; and many types of concessionaires operating at the Navy and Air Force BX's.

On November 11, 1962 Typhoon Karen struck our island, destroying approximately 90% of Guam's then existing buildings. Thereafter, the President of the United States declared Guam a disaster area. This necessitated an immediate Reconstruction and Rehabilitation Program. Under a special arrangement between the United States Immigration and Naturalization Service and Guam, the Territory of Guam was permitted to import alien workers under a "Reconstruction and Rehabilitation Program". As a result, 1500 non-immigrant alien contract workers were permitted to enter Guam. In 1969 the Reconstruction and Rehabilitation Program was phased out and a *limited H-2* program was introduced.

The limited H-2 program which was instituted around March of 1969 permitted non-immigrant alien contract workers to enter and be employed primarily on construction projects. As a result of this limited H-2 program, housing, hotels, and other types of commercial buildings began to be constructed to meet the then existing needs.

During the past ten years, the Territory of Guam has been experiencing a dramatic and dynamic change in its economy. A quick review of the statistical abstract of 1972 (which we have furnished to each member of the Committee) will graphically point out the significant changes Guam has experienced in population growth, in construction, in the use of public utilities, in tourism, and in other facets of Guam's economy. For historical, cultural, and other reasons, Guam has lacked and lacks the necessary skilled and unskilled labor which is necessary to provide all industries with the needed manpower. As a result, Guam has had to depend upon non-immigrant alien labor in supplying these necessary services. Unfortunately, the only industry permitted to bring in non-immigrant alien contract laborers has been the construction industry. Of course, under the defense parolee program, defense contractors, including concessionaire, were able to bring in non-immigrant alien worker (called parolees). The result was that those firms in our local industries that did not have defense contracts were placed somewhat at a disadvantage. These local industries included hotels, restaurants, farmers, fishermen, and other service industry occupations and retailers. Were it not for those entering Guam under E-1 visas (Treaty Trader) and L-1 visas (intra-company transferees) and military dependents and others who moonlighted, (that is, held two jobs), many of the hotel and service industries on Guam would have come to a standstill.

It is estimated that at least 200 agricultural non-immigrant workers will be needed to increase the output of our agricultural products. Guam's dependence on imports and its precarious position during labor strikes on the West Coast of the United States further magnifies the necessity of encouraging large scale farming in order that Guam begin to approach the point of self-sufficiency. A formal application for their entry was made to the U.S. Immigration and Naturalization Service, only to be turned down some time ago on the grounds that agriculture is not a "temporary occupation".

In addition to agriculture, this administration is committed to the promotion of a fishing industry on Guam. It is highly desirable that this island develop its own fishing natural resources. Guam wishes to import at least 20 fishermen to help pave the way in an industry that has heretofore been commercially dormant.

Tourism has grown from less than 5,000 visitors in 1967 to over 180,000 in 1972. The tourist boom and the industry that has grown up alongside has brought about a great demand for labor, particularly in service occupations. Since Guam's economy is tourist oriented, the Government is committed towards the objective

of assisting this industry in providing the necessary personnel in hotels, motels, restaurants, stores, etc.

Non-immigrant alien contract workers are also needed for other light industries including the textile and garment industries. Guam needs to attract those industries that will prove beneficial to the community in terms of goods, as well as to produce goods that are to be exported outside the territory. These manufacturers and producers have expressed their desire to begin operation, but face the obstacle of a present lack of skilled and unskilled workers.

Accordingly, I would therefore make the following four specific recommendations in which this Subcommittee can assist Guam in dealing with the challenges that confront it today.

(1) Guam urgently needs a special labor program for temporary workers in all industries. Hotels, restaurants, stores, garages, farming, fishing, dairies, bakeries, food producers, maintenance shops, transportation, utilities, and other establishments should be included along with the construction industry in bringing in needed non-immigrant alien contract workers where the local supply is not available or not yet trained. In this connection, I would point out that the Immigration and Naturalization Service has advised us that the termination of the importation of defense parolees will occur on December 31, 1973, and that all defense parolees will be phased out by December 31, 1974. This of course will affect some 2200 parolees that are direct hires with the military or indirect hires through defense contractors. In order that essential services to the military can continue to be supplied, these phased out parolees should be allowed to be included within the overall island-wide program. The military establishment continues to contribute to the economy of Guam.

(2) That this Committee, pending passage of legislation, should recommend to the Immigration and Naturalization Service that they revise present administrative regulations to permit Guam to operate a special island-wide industry labor program in the interim period.

(3) That Guam will establish its own administrative regulations (similar to existing administrative regulations for alien workers in the construction industry) to implement the special island-wide industry labor program which will include the training of local U.S. residents.

(4) Those non-immigrant alien contract workers coming in as temporary workers under the special island-wide industry labor program be declared ineligible to seek permanent resident status.

I appreciate the Committee's intent in coming out to Guam to listen to the various testimonies concerning the labor problems here. I hope that when this Committee returns to Washington, D.C., it will give favorable consideration to authorize a special labor program for Guam. Thank you.

STATEMENT OF LT. GOVERNOR, KURT S. MOYLAN, ON BEHALF OF GOVERNOR CARLOS G. CAMACIO, PRESENTING THE GOVERNMENT POSITION ON THE NEED FOR A SPECIAL LABOR PROGRAM FOR GUAM

I. BACKGROUND

A. THE H-2 PROGRAM IN THE 1950'S

The Territory of Guam had an expanded H-2 program during the mid-1950's. Alien workers of various types of occupations were allowed to enter the island and were utilized by employers both government and private. The program allowed employers to recruit aliens in all industries, including construction, service type industries as well as domestics, thus alleviating a shortage of workers.

Mr. Lenard Elam, who is presently on the staff of the Assistant Regional Commissioner for Travel Control in San Pedro, Calif., confirmed the existence of the expanded H-2 program for all industries during the mid-1950's in Guam. Mr. Elam was stationed in Guam from 1952-1957 as an employee of the Agana local Immigration Office.

B. PAROLEE PROGRAM INSTITUTED IN 1959

During April of 1959, the Parolee Defense program was introduced into the Territory, and the H-2 program was phased out. The Defense Parolee program comprises both direct hires by the military as well as nonimmigrant aliens hired

by defense contractors to work on defense projects. Defense Parolees' services were utilized by the U.S. Air Force, the U.S. Navy (government of Guam up to 1969), and by companies having contracts with the Department of Defense. Examples of these are as follows:

- (1) Tommy's Bakery.
- (2) American Bakery.
- (3) Foremost Dairy.
- (4) Construction companies putting up buildings and housing units for the Navy, U.S. Air Force.
- (5) Service shops doing typewriter and electronic maintenance for the Navy and U.S. Air Force.
- (6) Concessionaires operating at Navy and U.S. Air Force PX rendering services as watch repairmen, barbers, beauticians, warranty work on wash machines, radios, television sets, tape recorders, photography work, furniture repairmen, and other services.

C. TYPHOON KAREN

Following the destruction caused by Typhoon Karen on November 11, 1962, the President of the United States declared Guam a disaster area. As a result of Typhoon Karen, approximately 90 percent of Guam's then existing buildings were destroyed. Therefore, this necessitated an immediate reconstruction and rehabilitation program.

D. RECONSTRUCTION AND REHABILITATION PROGRAM

Under special arrangement between the U.S. Immigration and Naturalization Service and Guam, the territory was permitted to import alien workers under a reconstruction and rehabilitation program. Originally, a quota was set for 1,500 nonimmigrants. In 1969 the reconstruction and rehabilitation program was phased out.

E. LIMITED H-2 PROGRAM

During March of 1969 a limited H-2 program went into effect. Temporary workers permitted to enter were employed primarily on construction projects. As a result of this limited H-2 program, housing, hotels, and other types of commercial buildings were able to be constructed to meet these existing needs.

II. FACTORS INDICATING THE NEED FOR EXPANDED TEMPORARY GUAM LABOR PROGRAM

A. During the past 10 years, the Territory of Guam has been experiencing a dramatic and dynamic change in its economy. An indication of some of these changes is reflected in the following statistics:

- (1) Between 1960 and 1970 alone, the population of Guam has increased from 67,000 in 1960 to approximately 85,000 in 1970. This total is projected to reach 100,000 people in 1975.
- (2) In academic year 1963, 15,000 students were enrolled in the public schools. In academic year 1972, approximately 27,000 students were enrolled in public schools.
- (3) Total revenues in 1963 amounted to \$15.25 million. In 1970 they had risen to \$57.69 million.
- (4) Total expenditures in 1963 were \$17.23 million. In 1970 they were \$48.94 million.
- (5) Total water consumption in 1963 amounted to 1.045 million gallons. In 1972 the amount had risen to approximately 4 million gallons.
- (6) The gross income of contractors increased from \$10.6 million in 1962 to \$66.3 million in 1971.
- (7) In 1963 55.5 million kwh of electricity was consumed in Guam. In 1972 309.3 million kwh in electricity was utilized.
- (8) In 1963 total gross business receipts by sector were \$82,968,000. In 1972 the total gross business receipts had risen to \$423,093,000.
- (9) The gross income of contractors has increased from \$10.6 million in 1962 to \$66.3 million in 1971.
- (10) As recent as 1967, fewer than 5,000 visitors were attracted to Guam. During 1971 over 119,000 visitors arrived in Guam. Approximately 85,000 were tourists attracted to Guam for personal pleasure.

(11) Deposits of all financial institutions went from \$39.3 million in 1963 to \$154.5 million in 1972.

(12) Loans of all financial institutions rose from \$22.8 million in 1963 to \$144 million in 1972.

(13) The total number of building permits rose from 2,000 in 1963 to 5,629 in 1972. The estimated cost of these permits rose from \$7½ million in 1963 to \$92½ million in 1972.

(14) In 1964, 75 hotel rooms were available, in 1972 2,093 hotel and motel rooms had become available.

All of these economic growth indicators reflect the dramatic and dynamic change in Guam's economy and the necessity of a special temporary Guam labor program to cover all industries on the island, especially during Guam's growth period.

B. LOCAL SUPPLY VERSUS DEMAND FOR LABOR

1. *Service Industries*

Guam's growth over the last decade has been phenomenal. The tourist industry has brought about a great demand for labor particularly in service occupations. Since Guam's future economy will be heavily tourist-oriented, the government of Guam must be committed toward the objective of providing assistance to private entrepreneurs in providing all personnel needed to make profitable heavy investment in hotels, motels, restaurants, stores, and so forth.

2. *Farming and Fishing Industries*

The government of Guam over the years has only been able to promote limited farming and fishing because of an inadequate labor pool from which to draw the needed farmhands and fishermen. The new full-time farmers on the island have voiced their desire to obtain farmhands so that they can be reasonably assured that large investments in farming will not have failed because of their inability to get dependable help. The government, also, is desirous of renewing efforts to promote commercial fishing to complement the already budding tourist industry. Guam recognizes the existence of vast resources of tuna in this part of the Pacific. In the past, some attempts have been made to start a fishing industry on a small scale. To be profitable, however, substantial outlay of funds is needed. At present this is hardly advisable because of the small number of fishermen who will be available for hire.

(a) *Farming*

It is estimated that at least 200 farm workers must be made available to the few local full-time farmers. These farmhands are vitally needed to increase output of agricultural products. Guam's dependence on imports and its precarious position during labor strikes on the west coast of the United States further magnifies the need to encourage large-scale farming to at least begin to approach the point of self-sufficiency in certain farm products. Unless current restrictions in the importation of farmhands are lifted or relaxed, no significant increase in locally grown foodstuffs will be evident in the years to come. The island is importing over 90 percent of food from the United States. When a shipping strike occurs, the people on the island will not have enough food without importations.

(b) *Fishing*

The administration is committed to the promotion of a fishing industry on Guam. It desires that the island become more self-sustaining and develop its own natural fishing resources. Local full-time fishermen are not available, except for their own consumption. Therefore, the only viable alternative would be to import at least 20 fishermen to pave the way in developing an industry that has, heretofore, been dormant.

3. *Other Industries*

Nonimmigrant aliens are also needed for textile firms, garment industries, electronics, computer assembly, carpet manufacturing, canneries, and other light industries. Some of these industries are in operation, other manufacturers, producers and concessionaires have expressed their desire to begin operations, but face the obstacle of a lack of skilled and unskilled workers.

4. *Statistics on High School Graduates*

These statistics illustrate that approximately 544 will go into college. Approximately 170 will enter military service. As a result approximately 296 will be

available for employment and over 50 percent will enter local and Federal Government service. This will leave approximately 150 available for private industry. We must realize that the 150 is certainly not enough to begin to replace the 8,000 alien construction workers, and the 2,000 aliens (parolees) in the defense parolee program.

5. *Statistics on total employment of all licensed business establishments and government agencies by industry division for third quarter fiscal year 1973 (see attached table).*

(c) *Phaseout of parolee program*

In response to a letter dated July 10, 1973, from Acting Commissioner of Immigration and Naturalization, the local office thereafter delivered a letter stating that the U.S. Immigration and Naturalization Service, Agana, Guam, advises that the termination of importation of defense parolees will be December 31, 1973. The letter also indicated that the phasing out of all defense parolees will be accomplished by December 31, 1974. (See attached letters.)

There are approximately 2,218 parolees brought in under the parolee defense program at present. What the specific impact will be cannot be determined at the present time by the military. However, there is the possibility that the local bakeries and Foremost Dairy may not be able to continue operations without bakers and milk production technicians. In addition, bakeries at the U.S. Air Force and Navy installations may be closed.

The Navy has formally advised us that it intends to testify before the subcommittee in support of the inclusion within Guam's labor program of the soon to expire parolee program. Likewise, the Air Force has advised us that it will support the inclusion of the parolee program into the expansion of Guam's labor program. The government of Guam supports the military in their request for inclusion in Guam's Special Labor Program because the military is also contributing to the economic growth of the island.

D. EVIDENCE FOR THE EXPANSION OF TEMPORARY GUAM LABOR PROGRAM TO INCLUDE PERMANENT OCCUPATIONS

(1) *Sheepherders.*—On the west coast of the United States, shepherders are allowed to enter on a temporary basis. They are brought in from Spain and other countries to provide labor for farmers raising sheep.

(2) *Tuna Industry.*—There is also information that fishermen are brought in as temporary workers for tuna fishing in the Pacific coast area of the United States.

It has been the position of Immigration and Naturalization Service that farming and fishing programs are permanent in nature; however, fishermen and farmers were brought into the United States on a temporary basis. Consequently, the request for Guam for a similar type of program has merit to be considered under a temporary nature and should not have been denied to help the fishing and farming program on the island.

III. THE LOCAL AGANA IMMIGRATION OFFICE AND ITS OPERATIONAL PROBLEMS

A. BRIEF HISTORY

In 1959, seven immigration officers handled two or three scheduled plane arrivals weekly. Approximately 1,500 parolees were admitted under the reconstruction and rehabilitation program. The tourists numbered less than 4,000. In 1973, there are six immigration officers and one intermittent (who is untrained and entered on duty June 16, 1973). The staff handles 75-80 scheduled plane arrivals weekly, and unscheduled drop-ins which arrive daily. In addition, the staff handles 50 to 60 ships monthly, or one ship every 2 days.

A staggering amount of office work related to visa petitions, adjudications, alien contract labor programs, naturalizations, investigations, and other administrative functions. There are now approximately 8,000 alien contract laborers on the island. Due to the summer period starting in June and lasting through September, two officers were continuously off duty on home leave, annual and sick leave, reducing the force to four.

Volume of vessel arrivals and other related duties call for a minimum of three additional immigration inspectors, two investigators, and two clerks.

Officers must work 7 days per week (a condition that has existed more than 7 years). Consequently, families are neglected, causing anxiety, and emotional

strain. Additionally, this condition results in work fatigue and slow-down in normal productivity.

With limited employees this office is loaded with backlogs in office-type work causing problems with contractors dependent on prompt service in the construction field, and with citizens and residents petitioning for relatives and for citizenship. Additionally, it is impossible to do investigative work, with the result that leads pile up hopelessly.

B. IMMEDIATE NEEDS OF LOCAL IMMIGRATION OFFICE

- 3 Experienced career immigration inspectors.
- 2 Experienced career investigators.
- 2 Experienced clerks.
- 3 Immigration inspector trainees—as a substitute for intermittent immigration inspectors, as permanent career, employment may be inducive to those not interested in intermittent work.

Although authority has been received to hire three intermittent inspectors, (authorized over 5 months ago) only one qualified Guam eligible accepted such part-time work, as others refused to consider other than full-time employment with fringe benefits such as insurance, health insurance, retirement benefits, annual, sick, and home leave benefits. The Governor strongly requests that the personnel problem in immigration be corrected. Otherwise, the office should be closed down because it is not capable of coping with its daily operations with such a limited staff. In the event that the personnel problem is not corrected, then the government of Guam should be deputized to handle the immigration function for the Federal Government or that a special law be enacted allowing Guam to handle this immigration function locally.

IV. SPECIFIC RECOMMENDATIONS

A. SPECIAL LABOR PROGRAM FOR GUAM

Between 1952-62, there was in existence in Guam, an H-2 program that was islandwide in application. This islandwide H-2 program was permitted by policy determination of the National Office of Immigration and Naturalization. With this precedent previously established, it would appear that a similar labor program for Guam based on present needs should be permitted. Temporary workers are needed in all industries and not only in the construction field.

This program worked out well from 1952 to 1962 and would relieve the strain present on Guam as hotels (especially American owned), garages, electronic servicing companies, departments of the government of Guam, U.S. Air Force, and U.S. Navy and other service industries such as produce, dairies, bakeries and food producers that face a most difficult and trying period due to the present labor market situation. Temporary workers will not cause unfair competition to the American labor on the main and 10,000 miles distance away and certainly would aid present efforts to place Guam into a higher economy level with better services in all areas, such as: hotels, bakeries, dairy, garages, electrical maintenance shops, restaurants, transportation field, government of Guam telephone service for use on power barges, et cetera. Moreover, Guam, upon receiving permission to inaugurate a special labor program would correspondingly implement a training program to train local U.S. residents in all job categories.

B. The government of Guam would like to recommend that the Immigration and Naturalization Service revise its administrative regulations to allow Guam to operate a special islandwide industry labor program. Because of Guam's needs, these administrative regulations should be in operation pending passage of legislation in correcting present inequities.

C. Guam will establish its own administrative regulations (similar to existing administrative regulations for alien workers in the construction industry) to implement the special islandwide industry labor program which will include the training of local U.S. resident workers.

D. Because of the high influx of nonimmigrant aliens on Guam, no aliens under the H-2 program shall be eligible for permanent residence.

JULY 10, 1973.

ASSISTANT SECRETARY OF DEFENSE,
Manpower and Reserve Affairs,
Department of Defense, Washington, D.C.

DEAR SIR: In my letter of June 8, 1970, to your office with regard to temporary alien labor in Guam I suggested that steps be taken looking toward the termina-

tion of the practice of employing in defense activities aliens whom the service had paroled into Guam by request of your Department. There was subsequent correspondence between us on the same subject, the last item of which was your letter of April 14, 1973.

Conditions in the Guam economy have now become such that the use of the parole procedure to make nonresident alien labor available there cannot be continued. I intend therefore to terminate as of December 31, 1973, the paroling of aliens into Guam for employment in the Territory. I would appreciate your cooperation in commencing to phase out the number of those aliens in parole status so that all will have departed from the Territory by December 31, 1974.

I am sorry that this action has become necessary and hope that you will find it possible to satisfy the labor needs of the Department of Defense, to the extent that U.S. citizen and alien resident workers are not available, through the regular entry provisions of the Immigration and Nationality Act. It is anticipated that immigrant visas will be available shortly for the permanent admission of any alien workers you may require who are natives of the Eastern Hemisphere other than Hong Kong and the Philippines.

As you know there is also provision in the act for your petitioning, without fixed numerical restrictions, for the classification of qualified aliens to enter Guam temporarily to perform services in jobs there which are themselves temporary.

Any assistance your Department may require will be gladly furnished by members of my staff or by the Service Officer in Charge in Agaña, who maintains the records relating to temporary alien workers there.

Sincerely,

JAMES F. GREENE,
Acting Commissioner.

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Agaña, Guam.

The U.S. Immigration and Naturalization Service, Agaña, Guam, advises that the termination of importation of defense parolees will be December 31, 1973, and phasing out of all defense parolees will be accomplished by December 31, 1974.

For clarification, this announcement is made at this time in order that employers of defense parolees may, on a timely basis, plan means of replacement of personnel now employed as defense parolees.

Sincerely,

JOSEPH BOGNAR, *Officer in Charge.*

TABLE I.—TOTAL EMPLOYMENT OF ALL LICENSED BUSINESS ESTABLISHMENTS AND GOVERNMENT AGENCIES BY INDUSTRY DIVISION, SEX, AND CITIZENSHIP, GUAM, 1ST QUARTER, FISCAL YEAR 1973

Industry division	Employment	Male	Female	U.S. citizen		Alien	
				Local hire	Contract hire ¹	Immigrant	Nonimmigrant ² *
Total ³ , private sectors.....	17,010	13,085	3,925	8,356	209	1,624	6,821
Total, all industries.....	30,365	22,113	8,252	19,280	18,48	1,973	7,264
Agriculture.....	29	26	3	11	0	0	18
Construction.....	7,149	6,995	154	1,147	53	222	5,727
Manufacturing.....	996	698	298	620	9	90	277
Transportation, communication, electric, gas and sanitary service.....	777	600	177	639	42	26	70
Wholesale and retail trade.....	4,619	2,753	1,866	3,493	57	725	344
Finance, insurance and real estate.....	643	279	364	561	6	24	52
Service.....	2,797	1,734	1,063	1,885	42	537	333
Total, government.....	13,355	9,028	4,327	10,924	11,639	349	443
Federal ⁴	6,087	5,061	1,026	4,610	828	213	436
Local ⁴	7,268	3,967	3,301	6,314	811	136	7

¹ U.S. citizens hired from the States on a contract basis.

² Nonimmigrant alien includes H-2, parolee, intracompany transfers, and others.

³ Includes only civilian employees hired directly by Federal agencies. Does not include the employees of private employers who are working under Federal contracts.

⁴ Does not include summer trainees or casual employees of the commercial port. Includes department of education and University of Guam employees hired for the 1972-73 school year.

GEORGE WASHINGTON SENIOR, JOHN F. KENNEDY SENIOR, AND GUAM VOCATIONAL-TECHNICAL HIGH SCHOOL
STATUS OF HIGH SCHOOL GRADUATES AND QUARTERLY FOLLOW-UP

School	Sex		Citizenship or nationality							Coll edu.				Military service				Employment			
	M	F	Tr. Terr.	Japan	Korea	Taiwan	HKong	Phil.	Other	Main-land	UOG	Army	Navy	Air Force	USMC	Guard	C. Guard	Gov Guam	NvAp	Private	Un-emp.
George Washington Senior High School	217	244	34	3				21	403	41	177	37	7	15	4	1		95	25	83	58
John F. Kennedy Senior High School	214	336	17	2	2	3		49	377	111	191	32	16	29	12			24	8	69	
Guam Vocational-Technical High School	88	11	2					1	96	3	21	16			1			24	3	24	7
Grand total	519	491	53	5	2	3		71	876	155	359	85	23	44	17	1		143	30	176	65
		1,010													1,134						

1 Some students were undecided and chose all 3 above.

Mr. EILBERG. Our next speaker will be Senator Paul Bordallo of the legislature's Committee on Resources, Development, and Agriculture. Senator Bordallo, we welcome you, sir.

TESTIMONY OF HON. PAUL BORDALLO, CHAIRMAN OF THE COMMITTEE ON AGRICULTURE, RESOURCES, AND DEVELOPMENT OF THE 12TH GUAM LEGISLATURE

Mr. BORDALLO. Mr. Chairman and members of the committee, my name is Paul Bordallo. I am chairman of the Committee on Agriculture, Resources, and Development of the 12th Guam Legislature. I am also a businessman and a native of this island.

Mr. EILBERG. Senator, may I just tell you what I am going to tell all the witnesses: that if you can possibly summarize your testimony, we will be happy to make your statement a part of our committee's hearings. I think that we could all profit if all the speakers could summarize their recommendations.

Mr. BORDALLO. Yes, sir; I have abbreviated this portion of my speech.

Mr. EILBERG. Thank you, Senator.

Mr. BORDALLO. It is in all three capacities, as senator, businessman, and native Chamorro, that I wish to speak to you this afternoon. All of us on Guam are extremely pleased to have you here. This territory is farthest removed from the mainland of any American community, and sometimes we think Washington doesn't know or really care much about our problems. Your presence here today belies this assumption.

The immigration laws, Mr. Chairman, were designed for a nation of 200 million people and are continental in scope. For them to be equally applicable to the microeconomy and microculture of Guam, only a little over 200 square miles in area, and 9,000 miles from Washington, is, in my view, a violation of the trust relationship existing between the United States at large and Guam—the latter being a non-self-governing dependency of the United States, under the language of the United Nations Charter, and as such, deserving of the protection and concern of the National Government upon which we depend.

The island of Guam entered history's stage well before the founding of Jamestown and the settlement of the eastern seaboard. Our culture, a combination of Polynesian and Spanish traits, was intact for over 300 years. Its very existence is now seriously threatened because of the inappropriate application of continental immigration laws to a small island. Not only is our culture and way of life threatened, but these laws are now planting the seed of future communal strife and conflict. We now see what is happening in those former colonies like Indonesia, the Fiji Islands, and Guyana where, for reasons of their own, the colonial powers brought in large populations. We wish no such future strife here; and we, therefore, respectfully urge that you review these immigration laws and curb their indiscriminate and destructive application to the territory of Guam.

In the economic sphere, it is clear that to do business in Guam, one is much better off to be an alien treaty trader or treaty investor than to be an American citizen and resident of Guam. The Federal immigration laws create the anomalous situation where alien companies are

given material advantages in competing against local U.S. citizens. The people of Guam are as loyal as any who can be found anywhere, their services in America's wars being exceptional. For us who have sacrificed so much on behalf of America to be told that our country's treaties with the Pacific basin nations compel us to put up with unfair competition causes a deep feeling of betrayal, particularly when one of those countries made us suffer 3 years of brutal occupation, an agonizing experience through which no other American community suffered.

Another area of major impact on our economy is the present operation of the H-2 program. Under this type of visa, only construction workers and entertainers are permitted. However, there is no limitation whatever on the number of such construction workers who may come to the territory. All it takes to import workers, basically, is a contract for construction. The territory, thus, has no control whatever over the number of alien construction workers who are here at any one time, and the result is not optimum economic development, to which we all aspire, but maximum development leading to urban sprawl, pollution, and unplanned and untrammelled growth.

The social impact of the Federal immigration laws is even more devastating than the economic one. If these laws continue to operate in the present fashion, in a very few years the Chamorros, like the Hawaiians, will be a minority in their own island and will be employed mostly by the government of Guam with perhaps a few serving as hewers of wood and drawers of water, while the private sector will be manned almost exclusively by aliens or former aliens.

Under the more recent amendment to the immigration laws doing away with national quotas, it has been estimated that 20,000 immigrants a year from one nearby country will be entering the United States. And of this 20,000, it is thought that as many as 5,000 would choose to reside in Guam—this island being close to their homeland, and their ability to rise rapidly being clear.

Gentlemen, think what the impact of this mass immigration would have on our culture and way of life where the total civilian population is only 60,000. It is as if America at large were absorbing not 250,000 immigrants a year, but 20 million. Is this fair to us? Is America doing her duty by Guam in permitting this to happen? Is this why the people of Guam suffered the highest per capita casualty loss of any American community in the war in Vietnam?

As to the political aspect of the current immigration laws, let me emphasize that Guam is a possession of the United States and not a sovereign state. It is sometimes referred to as an unincorporated territory, but no one seems to know just what that means and I think "possession" is a better word. As such a possession, we have no vote in national elections; we have no vote in Congress; and we have no way of effectively participating in the process whereby immigration and other laws important to the territory are enacted. It is our political powerlessness with respect to these laws that we find so terrifying. It is not the present scene that concerns us; it is our future prospects. Right now we elect our own Governor. We all have jobs, for the most part, and we are more prosperous now than we were several years back. However, what is to prevent a situation where for reasons of

national policy, the Federal Government determines to admit as political refugees, say, 250,000 Chinese from Taiwan—just as following the abortive Hungarian revolt a similar number of Hungarian refugees were admitted to the United States at large. It is quite conceivable that for a number of reasons, as many as 100,000 of these Chinese may settle in Guam. What happens to us then? Does the national Government really have the right to so destroy our culture? Is it fair and just that our Government has no say whatever in the number and kind of immigrants that annually enter our community?

Mr. Chairman, I will just conclude without adding any more time, and would submit to any questions by saying that Guam has had a very long tradition and has a very established way of life. I feel that the impact of Federal immigration, as it now stands, without any special consideration of the territory of Guam is the most serious factor affecting the future of Guam.

Mr. EILBERG. Senator, we thank you for your very fine statement and for your cooperation in summarizing your statement.

The U.S. Government has had considerable experience with the development of territories and the employment in territories. We have been through a great deal of experience with the Virgin Islands. It occurs to us that many of the problems that we see here today are not unlike those that exist in the Virgin Islands.

What I want to ask you first—I suppose we could get this information back in Washington—but you two have raised concern about the treaty traders. Do you have, or can you get for us, locally, the statistics on the number of treaty traders and what they are doing here on the island? They are permissible under the treaties that we have, but the subcommittee, up to this point, does not have any figures on that. If you could get those figures for us, we would be grateful. Would you undertake to do so, Senator?

Mr. BORDALLO. Most certainly, Mr. Chairman.

Mr. EILBERG. A further reaction on my part: Of course, we have the Eastern Hemisphere preference system, and under a bill which I previously described, H.R. 981, we hope to establish a Western Hemisphere preference system. In that bill, we provide for a broadening or expansion of the admission of temporary employees, which we spoke about earlier with Governor Moylan. It has been the policy of our Government, in the implementation of the 20,000 limitation per country, that once a person gets his visa number and he qualifies for admission to the United States or any territory to the United States, it is not our wish to tell that individual that he must settle and live in any particular part of the United States or its territories. So I don't know that we have an answer that can electively solve that phase of your concern. In other words, we don't want to say to such a person that you can't live in Guam, but that you must live in some other State or territory.

Would you care to react further to that, Senator Bordallo?

Mr. BORDALLO. Most certainly, Mr. Chairman. I think that we have to look at the relationship of Guam to the United States, and also the conditions that are unique to Guam. Nowhere else in the world is there an urban society 5,000 miles from its main source of supply. So if we allow the tremendous increase in population in Guam, we fear that 1 day, with this new relationship of population to resources, it

could lead to very depressed conditions here in Guam. We do not know what the future holds; and Guam, we know, has very limited resources and a very fragile economy. Could we allow, for example, the population of Guam to go to 250,000? And if so, could we meet a crisis, if that were to come in the future? Now I do feel that Guam has a special relationship to the United States—and all the territories do that are not incorporated—and that it is not against the American tradition to give special consideration giving local authority for Guam to control its population, now and in the future.

Mr. EILBERG. You are saying that the Territory of Guam should be permitted to reject one who has an immigrant visa and who resides in the continental United States. Is this the position that you are taking, Senator?

Mr. BORDALLO. I do say, Mr. Chairman, yes; that Guam should have local autonomy with regard to immigration—permanent immigration to the territory.

Mr. EILBERG. This is a new concept to us; and, of course, I do not intend here, and I am not prepared to speak for the subcommittee or the committee on that issue. It certainly would require a lot of thought.

I might say for the Members of Congress who are here, that I have just been advised that on the island there are 200 to 300 treaty traders. This number cannot be verified here, but the duplicates are in Washington, and evidently we will have to find out for ourselves the answer to that particular question. Are there any questions from any members of the panel? Congressman Hogan?

Mr. HOGAN. Do you have any statistics on how many aliens receive permanent resident status and stay in Guam, by nationalities from other nations?

Mr. BORDALLO. Not precisely, sir; but in 1950 Guam's population was about 22,000 and by natural accretion I would say that there are about 45,000 new Chamorros, the pre-war ethnic stock. So that means that anything over that would represent the new immigrants to Guam. Probably, I would say, in terms of population, close to a third now.

Mr. HOGAN. Do you have any kind of breakdown by nationalities?

Mr. BORDALLO. I do not have the precise figures, but I would be glad to furnish the committee that, Congressman Hogan.

Mr. HOGAN. Thank you.

Mr. EILBERG. Are there any other questions? Senator Bordallo, we thank you very much.

Mr. BORDALLO. Thank you very much for this opportunity also, Mr. Chairman.

[The prepared statement of Senator Paul Bordallo follows:]

STATEMENT OF HON. PAUL J. BORDALLO

Mr. Chairman, and members of the Committee: My name is Paul Bordallo. I am chairman of the Committee on Agriculture, Resources and Development of the Twelfth Guam Legislature. I am also a businessman and a native of this island. It is in all three capacities, as senator, businessman and native Chamorro, that I wish to speak to you this afternoon. All of us on Guam are extremely pleased to have you here. This territory is farthest removed from the mainland of any American community, and sometimes we think Washington doesn't know or really care much about our problems. Your presence here today belies this assumption. In our view, it is especially significant that the general topic for this

hearing is the Federal immigration law since many of us believe that these laws have a greater impact on the day to day life of Guam than almost any other federal enactments. When the bulk of our construction industry is staffed by alien workmen, when the major tourist establishments are operated to a considerable degree by aliens, when even some of the smaller retail stores and restaurants are owned and managed by aliens, it is safe to say that not only the economy of Guam but the very culture and soul of the island are directly at the mercy of Federal immigration laws which the people of Guam did not enact, were not consulted on, and had no say whatsoever in their application to this tiny territory. These laws are designed for a nation of two hundred million people and are continental in scope. For them to be equally applicable to the micro-economy and micro-culture of Guam, only a little over two hundred square miles in area, and nine thousand miles from the continent, is, in my view, a violation of the trust relationship existing between the United States at large and Guam, the latter being a non-self-governing dependency of the United States, under the language of the United Nation's Charter, and as such, deserving of the protection and concern of the national government upon which we depend.

The island of Guam entered history's steps well before the founding of Jamestown and the settlement of the eastern seaboard. Our culture, a combination of Polynesian and Spanish traits, was intact for over three hundred years. Its very existence is now seriously threatened because of the inappropriate application of continental immigration laws to a small island. Not only is our culture and way of life threatened, but these laws are now planting the seed of future communal strife and conflict. We now see what is happening in those former colonies, like Indonesia, the Fiji Islands and Guyana where for reasons of their own, the colonial powers brought in large populations of coolie labor. We wish no such future strife here, and we therefore respectfully urge you to review these immigration laws and curb their indiscriminate and destructive application to the territory of Guam.

These laws impinge on us islanders in basically three areas: In our economic life, in our social and cultural life, and in our political life.

In the economic sphere, it is clear that to do business in Guam, one is much better off to be an alien treaty trader or treaty investor than to be an American citizen and resident of Guam. Wages in Guam are considerably lower than wages in the mainland of the United States, and it is also half way around the world. To pay the wages high enough to attract mainland Americans with the job skills necessary and still operate a profitable business is impossible. Sources of these trained and skilled technicians needed to run a modern economy are readily available at reasonable wages from the surrounding nations in the Pacific. However, as an American, a local businessman is not eligible to bring in these skilled alien workmen except through the arduous, expensive and time-consuming sixth and third preference procedures which create green card immigrants who within a week after they arrive on Guam can take off for greener pastures elsewhere. However, if I am a national of Japan, the Philippines, the Republic of China, or one of the other Pacific nations having an appropriate treaty with the United States, I can establish a small business in the territory and bring in not as immigrants but strictly as contract workers, E-1's, E-2's and J-1's to operate my business. We are not talking now about major industries which are impossible to staff from the local workforce, but much smaller enterprises than that: Short order restaurants, electronic supply and service houses, tour companies, photo studios, and other small businesses. As an example of what the local entrepreneurs are up against, let me cite the case of a good friend of mine who operates a photo studio in downtown Agaña. After much sacrifice by himself and his family, he acquired in the United States an excellent education and training in commercial photography, returning to Guam and setting up what was at first a very successful studio. Then, not too long ago, two alien treaty investor companies, one Japanese and one Korean, set up competition with him and because of their treaty status, they were able to bring in technicians from Japan and Korea who could operate highly automated commercial studios. My friend's business has been practically wiped-out. However, let me make clear that neither he nor I wish to discourage competition in commercial photography or in anything else. The people of Guam ultimately benefit from having competition by way of lower prices and better services. No, what we object to, is that we can not compete with the alien companies because they can bring in qualified but cheap technicians and we can't. The Federal immigration laws thus create the

anomalous situation where alien companies are given material advantages in competing against local U.S. citizens. The people of Guam are as loyal Americans as can be found anywhere, their services in America's wars being exceptional. For us who have sacrificed so much on behalf of America to be told that our country's treaties with the Pacific basin nations compel us to put up with unfair competition causes a deep feeling of betrayal particularly when one of those countries made us suffer three years of brutal occupation, an agonizing experience through which no other American community suffered. We have no objection to Japanese or any other nationals coming to Guam and investing in business that will be beneficial to all, but what we do strongly object to is a set of laws that permit them to compete at a distinct advantage over those of us who were born and raised here.

Another area of major impact on our economy is the present operation of the H-2 program. Under this type of visa, only construction workers and entertainers are permitted to enter Guam. However, there is no limitation whatever on the number of such construction workers who can come to the territory. All it takes to import workers basically is a contract for construction. The territory thus has no control whatever over the number of alien construction workers who are here at any one time, and the result is not optimum economic development, to which we all aspire, but maximum development leading to urban sprawl, pollution, and unplanned and untrammelled growth. Several years ago, we didn't have enough apartment units and yet now, because of the easy availability of construction contractors who desperately wanted the work to keep their men busy, we have too many apartments, and some local landowners who mortgaged their property to put up a four-plex or the like, are probably going to lose their land.

The way these immigration laws and policies frequently work is to encourage alien construction companies to operate in Guam since these companies have better access to sources of H-2 laborers than anyone else and since they can maintain a much higher degree of control over their activities once in the territory. Because of this economic power represented by the ability to import as many alien construction workers as one can justify in the way of construction contracts, there appears to be a pattern of these companies acquiring more and more of Guam's very limited land and acquiring a bigger and bigger economic base. Guam's economy is very fragile: tomorrow Japanese tourists could decide they prefer the Philippines or other countries, and the current detente might well persuade the Defense Department to regroup its defense activities in Hawaii or the mainland. If either of these occurred, our economy would collapse, and while the alien companies can repatriate their workers, and take their profits back to where they came, we of Guam have no where else to go. Even if we wish to leave, with the cost of airfare to the mainland for one of our typical large families being in four figures, all of us here are quite literally on the beach.

The social impact of the Federal immigration laws is even more devastating than the economic one. If these laws continue to operate in the present fashion, in a very few years, the Chamorros, like the Hawaiians, will be a minority in their own island and will be employed mostly by the government of Guam, with perhaps a few serving as hewers of wood and drawers of water, while the private sector will be manned almost exclusively by aliens or former aliens.

Under the more recent amendment to the immigration laws doing away with national quotas, it has been estimated that 20,000 immigrants a year from one nearby country will be entering the United States, and of this 20,000, it is thought by some that as many as 5,000 a year will choose to reside in Guam, this island being close to their homeland and their ability to rise rapidly in this economy being clear. Gentlemen, think what the impact of this mass migration will have on our culture and way of life when the total civilian population is only 60,000. It is as if America at large were absorbing not 250,000 immigrants a year but 20 million. Is this fair to us? Is America doing her duty by Guam in permitting this to happen? Is this why the people of Guam suffered the highest per capital casualty loss of any American community in the war in Vietnam?

As to the political aspect of the current immigration laws, let me emphasize that Guam is a possession of the United States and not a sovereign state. It is sometimes referred to as an unincorporated territory but no one seems to quite know what that means and I think possession is a better word. As such a possession, we have no vote in national elections, we have no vote in Congress, and

we have no way of effectively participating in the process whereby immigration and other laws of such vital importance to the territory are enacted. It is our political powerlessness with respect to these laws that we find so terrifying. It is not the present scene that concerns us as it is our future prospects. Right now we elect our own governor, we all have jobs for the most part, and we are much more prosperous now than we were several years back. However, what is to prevent a situation where for reasons of national policy the Federal Government determines to admit as political refugees, say, 250,000 Chinese from Taiwan, just as following the abortive Hungarian revolt, a similar number of Hungarian refugees were admitted to the United States at large. It is quite conceivable that for a number of reasons, as many as a 100,000 of these Chinese, might settle in Guam. What happens to us then? Does the national government really have the right to so destroy our culture? Is it fair and just that our government has no say whatever in the number and kind of immigrants that annually enter our community?

The old Guam way of life has already suffered severely, and will be gone forever within another 10 years unless this uncontrolled immigration is halted. That to which we aspire is that to which all Americans aspire: a reasonable standard of living and a right to lead our own lives. Gentlemen, if unchecked immigration continues, and no attention is paid to the vital ratio of population to our extremely limited resources, Guam is faced with a situation where not only would our culture be destroyed but our economy could collapse as well. Let us suppose that our population is 250,000 within 10 years as some of us estimate might well be the case. Then suppose world tourism changes and we are no longer considered an attractive tourist spot. Our economy collapses but we are left with this enormous population. Will the United States of America then guarantee to continue us in our then standard of living? We in this island have been through a real emergency: we were occupied by the enemy in December of 1941, and we were cut off from all outside sources of supply for 3 years. Although we suffered grievously, no one starved, and we supported not only ourselves but an extremely large army of occupation. We could do this because our land was still intact and our culture was cohesive and the bonds tying us together were strong. We cooperated, prayed for deliverance, and worked our farms. If such a thing were to take place 10 years from now when the people of Guam are no longer a common community but several communities of diverse origins and ways of life, I shudder to think of the result. In any event let me stress that what we find so frightening and believe to be so contrary to the principles of American democracy is the ineluctable fact that we have no say whatever over immigration to our shores. We believe that common justice as well as America's commitment to the principles not only of the Constitution and Declaration of Independence but also the United Nations Charter entitles us to a voice in deciding a matter of such crucial concern to our political, economic and social lives.

I would now like to address myself to the type of immigration laws and programs we think should be applied to our small island. In the first place, all of us readily concede that the present economy of Guam could not have been built without alien participation, and our continued prosperity and well-being depend in large part on the continuing availability of workmen and technicians from the surrounding nations of the Pacific Basin. We are not anti-anybody, and we readily acknowledge the debt we owe to those many aliens who have participated in the Guam economy. What we want is not an end to alien entry into Guam but a voice in its implementation. We therefore suggest that the government of Guam should be permitted to establish local guidelines on alien entry into the territory. We should hold public hearings annually or quarterly, as the case requires, to establish how many aliens should be permitted entry in that particular year or quarter. We should require as a condition of entry that the importer of aliens, if an alien himself or an alien company, should enter into joint venture agreements with American companies. We want no mass immigration, but we have no objections to the H-2 type of temporary worker who enters not as an immigrant but as a short time worker whose period of stay is limited. We also believe that this type of worker should also be permitted, at least temporarily, in both farming and in the service industries of Guam. We now have a land grant university and we still have vacant land that would be suitable for tropical farming. We also have qualified farmers with the know how and skill to raise much of the crops that we now import at such great expense. What we are lacking is agricultural labor. Again, if alien corporations because of their treaty investor status can bring in

service workers, we think it only fair that American enterprises in Guam can similarly do so. As long as we control the ultimate number of entries and as long as most of the aliens entering Guam are short term workers who will not permanently displace local people, we believe that Guam can continue to grow in an orderly fashion, and our standard of living can parallel that of our fellow citizens on the mainland. If willing agricultural labor was available to our farmers, you would see for the first time since the Japanese occupation, a viable and successful agricultural economy that would substantially lower the very high cost of living that we in Guam now suffer from. Our tourists and our children would be able at last to eat fresh fruits and vegetables that can be so readily grown but are not now cultivated because of the absence of labor. As long as the H-2 type worker is coming on a temporary basis and there is a rapid turnover in such workers, we believe that our culture and way of life will not be threatened, but in fact enhanced since this will result in a lower cost of living, and as our local people are trained in the skills needed to run our modern economy these non-resident aliens can be replaced. We believe the right to import labor, for service, construction and agricultural enterprises, can be an important tool for local development, but this tool must be in the hands of the people of Guam and indiscriminate mass immigration to the territory over which none of us have any control must be terminated. The territory of Guam with such extremely limited resources must have the power and authority to plan its own orderly population growth. National needs are not the same as Guam needs, and national immigration laws and quotas are unfair and inappropriate to Guam.

As another example of this inappropriateness, let us look to the Northern islands of the Marianas. The island of Rota we can see from the end of Guam, and the other islands of Saipan, Tinian, Pagan and the others are all part of the same group. Their history, language, culture, race and traditions are identical. Yet, for U.S. immigration purposes, the island of Rota, the island of Saipan and the others are no different from Korea, Japan, or even Russia for that matter. We believe this is an entirely artificial division contrary to the wishes and aspirations of the people not only of the Northern Marianas but of Guam also. We suggest that the immigration laws be suitably modified to permit easy access between the peoples of the Marianas.

Gentlemen, thank you very much for giving me your attention. The island of Guam is a small place and doesn't count for much in the national scheme of things. However, there are those of us who love it. We respectfully ask that our aspirations to lead a better life within our own unique way be honored and that the national immigration policies and laws be appropriately modified to prevent them from utterly destroying us and our culture. I don't know whether there is such a word as *culturicide*, but, gentlemen, that crime against the Chamorro people of Guam, who are wards of the United States, will occur and will be laid at your door if the national immigration laws are not changed in their application to Guam.

Mr. EILBERG. We would like to have next Mr. John Kerr of the Chamber of Commerce. Mr. Kerr?

TESTIMONY OF JOHN KERR, PRESIDENT, GUAM CHAMBER OF COMMERCE

Mr. KERR. Mr. Chairman and members of the committee, I am John Kerr, president of and representing the Guam Chamber of Commerce. We appreciate very much your coming this long distance to discuss some of Guam's problems and to give us the opportunity to appear before you.

Before I present my testimony, may I first say Hafa Adai and welcome to our island. The chamber extends a most cordial welcome and hopes your visit will be enjoyable.

I am here today to present three, and I'll addend that as I go along to two in the interest of expediency; urgent, hence important matters for this committee's consideration. Guam is fast becoming the economical and financial hub of U.S. activities in the western Pacific in addi-

tion to its military significance. We are growing fast, perhaps too fast, and need help in many ways. May I just briefly outline the aforementioned matters that come under your purview.

First, we have a serious manpower problem in the Guam office of the U.S. Immigration and Naturalization Service. Mr. Norwood, president of the Guam Contractors Association, will cover this item fully in his statement. I won't dwell further on the items that he will cover, but would like to give his recommendations the strongest possible endorsement and urge immediate action. From the chamber's standpoint, the lack of sufficient INS personnel is endangering Guam's tourist image by the overly slow processing of arrivals. We have built tourism from its 1969 inception—the Governor said 1967, so I'll change this—to a flow of about 200,000 people per year, mostly from foreign countries. We count the subsequent \$50 million to \$60 million tourist expenditures, and I think this is very, very conservative, as a very positive contribution to our country's balance of trade and would not want to lose the battle for the want of a nail. Indeed, the size of salaries for additional personnel for INS Guam is no greater than a nail in comparison.

Another area of the chamber's concern is that with too few INS personnel, the alien worker program is improperly monitored, permitting unauthorized work and other contracting violations. These infractions take work from citizens and place many of our firms at competitive disadvantage. We feel this is an extremely serious matter and urge the committee to take immediate action by cable recommending that the Attorney General alleviate the shortage of INS people here on Guam.

My second point here was one that was covered completely by the Governor and, if you will, I'd like to slip over to the next page.

The third and last matter that I will cover is that of the prevailing wage scale. This scale was set by the U.S. Department of Labor, and the government of Guam is required to abide by it. The U.S. Labor Department cites the adverse effect alien workers have on local pay scales even though Guam has the highest minimum wage in the United States. The chamber realizes that the government of Guam must obey the requirements and enforce the wage scale, or else the U.S. Department of Labor would—or could—either suspend, cancel or place stringent restrictions on the certification of H-2 alien workers for Guam. Any such action could well be the death knell of our vital construction industry. This cannot be allowed to happen. In this regard, the current Guam legislature has considered taking this matter to court to force the government of Guam and the U.S. Department of Labor to abandon the prevailing wage scale requirement for H-2 labor importees. The U.S. Department of Labor has also threatened a suspension of the program should this matter go to court—suspension until the matter has been decided.

Guam, indeed, faces a dilemma. To lose or even impede the certification of alien H-2 workers would either cause the construction industry to cease to function or raise the cost of construction so exorbitantly to prohibit local residents from owning their own houses. The prevailing wage has established a reverse double standard of wages which is extremely detrimental to morale and productivity of our own people. As things now stand, local workers, U.S. citizens, can be hired at

the minimum wage and aliens doing the same work can get the higher prevailing wage. This simply does not make sense to us.

The chamber has consistently opposed—and still does—the imposition of a prevailing wage scale for Guam. We maintain that prevailing wage does not, nor will it, have the desired effect of attracting local workers to construction jobs. The Government and other private industry have consumed all of the available labor that we have here on Guam, local labor. Therefore, the prevailing wage only serves to increase the cost of construction and, thus, the cost of living here on Guam. An incidental effect is the detrimental flow of balance and trade for the United States since more money goes back to the nations where the aliens are from.

Gentlemen of the committee, the chamber would urge that serious consideration be given as to whether or not the imposition of a prevailing wage scale accomplishes the desired effect here on Guam. We contend it does not, and that the Government of Guam should be released from the requirement of abiding by it. The abolishment of the scale along with a limited expansion of the H-2 program for the service industries and the military and the Government of Guam will help speed and stabilize the alien labor problems of the territory.

This concludes our testimony, Mr. Chairman, and we thank you for permitting our views to be heard.

Mr. EILBERG. Mr. Kerr, your discussion on the minimum wage and the prevailing wage, of course, is a very interesting and a very serious problem. I might say that, to my knowledge, it is unique because the principle that is adopted here, namely that the prevailing wage must be paid, is a condition of labor certification by the Labor Department throughout the United States. So we have an unusual and unique situation in Guam, and I hope you recognize that.

Mr. KERR. Yes, we do; but, we certainly don't think it's unsolvable.

Mr. EILBERG. I'm not sure that you do more, though, than just state the problem. We would like to know more about this. How would you solve the problem? We don't want to take a lot of time on this right now; there are other speakers.

Mr. KERR. I grant you that. I think some of the speakers behind me have a lot more to say about it than I have.

Mr. EILBERG. Mr. Railsback.

Mr. RAILSBACK. You're talking about the application of the Davis Bacon law which requires the payment of prevailing wage for certain industry, or are you talking about that?

Mr. KERR. It has been extended further here. My understanding with Davis Bacon is that that applies to certain contracts in construction.

Mr. RAILSBACK. Where there is Federal involvement.

Mr. KERR. Exactly. That has been extended further. Any alien workers coming into Guam, whether to work on a hotel which is being built here or on a house that is being built for citizens, whether or not they are FHA funded, must be paid the prevailing wage scale.

Mr. RAILSBACK. I find myself in agreement with the thrust of your testimony if that's true because it seems to me that that is clearly, clearly prejudicial to the local people that are paid under the prevailing wage. They have to be paid the \$2.05 an hour or whatever the minimum wage is. Under what law is it required that the prevailing wage be paid to aliens?

Mr. KERR. Let me clarify my statement. This is what the U.S. Department of Labor is requiring.

Mr. RAILSBACK. You say it's not just Davis Bacon?

Mr. KERR. No; that's right. It's a requirement of the U.S. Department of Labor. Let me qualify what I said before about local citizens. I'm not saying that local citizens are, necessarily, hired at \$2.05 while aliens are hired at the prevailing wage, but the possibility exists.

Mr. RAILSBACK. I understand; I understand. They may be paid more than that.

Mr. STEIGER. Would the gentleman yield?

Mr. RAILSBACK. Yes; I'll yield. I'd be particularly interested in yielding if anybody can cite the provisions of the law. Do you happen to know that? But I'll yield anyway.

Mr. STEIGER. No; I can't cite the provision of the law, but I am fascinated by this intriguing interpretation of prevailing wage.

Mr. KERR. We thought that maybe you folks would bring an explanation to us because we are, too.

Mr. STEIGER. Are you saying that by an administrative ruling of the Department of Labor, by policy, they have attempted to make a differentiation between aliens and U.S. citizens in the application of prevailing wage?

Mr. KERR. No, no; that's not what I'm saying. They are requiring that prevailing wage be paid to any H-2's who come to the island of Guam rather than minimum wage. Now as far as a contractor going out, if he can find citizens to work at minimum wage, he has the freedom to hire them at minimum wage.

Mr. STEIGER. But if it's a Government contract—

Mr. KERR. No; not if it's a Government contract. But if he is working on a strictly civilian project—

Mr. STEIGER. Let me try and clarify this. If it's a Government contract, both aliens, H-2, and U.S. citizens, Guamanians, would be paid the prevailing wage rate. What you are saying is that the Labor Department has extended the prevailing wage rate concept to the point at which nongovernment financed contracts are being forced to pay a prevailing wage rate for H-2 aliens, but are not required to do so for U.S. citizens.

Mr. KERR. That's correct.

Mr. STEIGER. I would think, Mr. Chairman, if the gentleman from Illinois will yield further, that one of the advantages of having a mixed crew such as this one is that the gentleman from Michigan and I serve on the committee that has something to do with the minimum wage and the prevailing wage rate. And that might be something that we could, and I think we should, frankly, take a look at in determining what in the world the Department of Labor is doing to create that kind of situation. That doesn't make any sense at all.

Mr. KERR. We agree.

Mr. EILBERG. I merely wish to say to the gentleman from Wisconsin that his description of the status of things is correct, as far as I'm aware. Now the question is whether we want to do something further about that.

Mr. STEIGER. Is this true also in the Virgin Islands; and is it true in the Trust Territories of the Pacific? Are they doing the same thing?

Mr. EILBERG. Counsel advises me that exactly the same policy is followed worldwide.

I'd like to ask one or two more questions of the gentleman. The matter of lack of INS personnel is a matter of some concern to the Immigration Subcommittee. It happens that we have about 1,400 inspectors, and that does not include the administrative personnel, but that is far less than what is needed by our Government. It has been estimated that we need some 1,500 additional inspectors today. As chairman of the Immigration Subcommittee, and we have oversight jurisdiction over the Immigration Service, I would just like to reassure you that we are going to do our part to urge the Congress to provide more personnel.

There is one other thought in your statement which is interesting and provocative to me, and that is that as a consequence of too few INS personnel the alien worker program is improperly monitored thereby permitting unauthorized work and other contracting violations. Now that is a very broad and general statement. I wonder if you could be a little more specific on that?

Mr. KERR. Yes, certainly, Mr. Chairman. As I mentioned before, Mr. Bill Norwood of the Contractors' Association will go into this at some length. But, in summary, I believe the total personnel here on Guam of INS is No. 7—including the No. 1 man. We have something in the way of 75 to 80 airplane flights arriving and departing per week. Many of them come from foreign countries—most of them come from foreign countries.

Mr. EILBERG. What number was that?

Mr. KERR. Seventy-five to 80 a week. We have cruise ships. This week I think Guam has seen either five or six cruise ships calling here. Now when two 747's land at the airport at the same time that two cruise ships dock, it's a pretty difficult thing for seven people to handle the flow of work.

Mr. EILBERG. All right, but going on with your statement, you say that, in effect, people are permitted unauthorized work and other contracting violations.

Mr. KERR. The INS people that we have are so overworked that they don't have the time nor the ability to cover complaints of irregularities that come into the office. I think Mr. Norwood will say a great deal more about that.

Mr. EILBERG. I thank you, Mr. Cohen.

Mr. COHEN. I just have one question. Do you disagree with the Lieutenant Governor that the prevailing wage has not contributed significantly to the cost of housing?

Mr. KERR. I'm afraid that we do; yes, we take that position. It not only contributes to the increased cost of housing—this is a fairly new regulation, having been regulation policy—it will contribute more to a higher cost of living in the future than it has.

Mr. COHEN. Are you suggesting that you have the manpower with local citizens to supply the construction workers?

Mr. KERR. No; certainly not.

Mr. COHEN. So in other words, the contractors do have to import the aliens to do this type of work?

Mr. KERR. Part of my testimony, Representative, was that, the part that I skipped, was that we need the II-2 program desperately.

Mr. COHEN. But the payment in that situation of prevailing wage does not really work against the local U.S. citizen.

Mr. KERR. What I'm suggesting is that in nongovernment backed contracts, that the contractors here on Guam be allowed to import aliens to work for the minimum wage—\$2.05 an hour which is probably five, six, or seven times what they would be making in their own countries. And they are very happy to get it, believe me.

Mr. EILBERG. Mr. Kerr, we thank you for your testimony.

[The prepared statement of Mr. Kerr follows:]

STATEMENT ON BEHALF OF THE GUAM CHAMBER OF COMMERCE BY JOHN L. KERR

Mr. Chairman and members of the committee, I am John L. Kerr, president of and representing the Guam Chamber of Commerce. We appreciate your coming this long distance to discuss some of Guam's problems and giving us the opportunity to appear before you.

Before I present my testimony may I first say Hafa Adai and welcome to our island. The chamber extends a most cordial welcome and hopes your visit be enjoyable. I am here today to present three urgent, hence important matters for this distinguished committee's consideration. Guam is fast becoming the economical and financial hub of U.S. activities in the western Pacific in addition to its military significance. We are growing fast, perhaps too fast, and need help in many ways. May I just briefly outline the aforementioned matters that come under your purview.

First, we have a serious man-power problem in the Guam office of the U.S. Immigration and Naturalization Service. Mr. Norwood, president of the Guam Contractors Association, will cover this item fully in his statement. I will not dwell further on those facts, but would like to give his recommendations the strongest possible endorsement and urge immediate action. From the chamber's standpoint the lack of sufficient INS personnel is endangering Guam's tourist image by the overly slow processing of arrivals. We have built tourism from its 1969 inception to a flow of 200,000 people per year, mostly from foreign countries. We count the subsequent 50-60 million dollar tourist expenditures as a very positive contribution to our country's balance of trade, and would not want to lose the battle for the want of a nail. Indeed, the size of salaries for additional personnel for INS Guam is no greater than a nail in comparison.

Another area of the chamber's concern is that, with too few INS personnel, the alien worker program is improperly monitored, permitting unauthorized work and other contracting violations. These infractions take work from citizens and place many firms at competitive disadvantage.

We feel this is an extremely serious matter and urge the committee to take immediate action by cable recommending that the Attorney General alleviate the shortage of INS people.

Second, our special H-2 program for the construction industry. Our construction industry would cease to exist without the H-2 alien worker, of which there are some 9,400 currently working on Guam. Why so many? Guam's construction is booming and local people avoid work in construction industries because of full employment in Government and other commercial areas. Our hotels, the military services, the Government of Guam, and private industries such as restaurants, T.V. and radio shops, garages, and, in fact, every technical field needs help.

If for some reason the H-2 program is objectionable, then we would suggest that a special Guam program for temporary workers be instituted. I might remind the committee that INS policy permitted such a program from 1952-62 and it is recommended that it be reinstated for all matters pertaining to temporary workers for the military, the Government of Guam, and civilian businesses.

This former program worked very well here on Guam and should function equally as well or better if reinstated. The program termination in 1962 had little impact because there was little commercial activity, whereas, today the great influx of new businesses and rapid development causes an acute shortage of workers and help is essential. I would suggest, however, that the strict safeguards be instituted so that local workers are protected.

The third matter is that of the prevailing wage scale. This scale was set by the U.S. Department of Labor, and the Government of Guam is required to abide by it. The U.S. Labor Department cites the adverse effect alien workers have on

local pay scales even though Guam has the highest minimum wage in the United States.

The chamber realizes that the government of Guam must obey the requirements and enforce the wage scale else the U.S. Department of Labor would—or could—either suspend, cancel or place stringent restrictions on the certification of H-2 alien workers for Guam. Any such action could well be the death knell of Guam's vital construction industry. This cannot be allowed to happen. In this regard, the current Guam legislature is threatening to take the Governor to court to force him to abandon the prevailing wage scale requirement, and the U.S. Department of Labor has threatened the suspension of the H-2 program should this matter go to court. Guam indeed faces a dilemma. To lose or even impede the certification of alien H-2 workers would either cause the construction industry to cease to function or raise the cost of construction so exorbitantly as to prohibit local residents from owning their own houses.

The prevailing wage has established a reverse double standard of wages which is extremely detrimental to morale and productivity. As things now stand, local workers—U.S. citizens—can be hired at the minimum wage and aliens doing the same work get the higher—prevailing wage. This simply does not make sense!

The chamber has consistently opposed—and still does—the imposition of a prevailing wage scale for Guam. We maintain that prevailing wage does not—nor will it—have the desired effect of attracting local workers to construction jobs, only serves to increase the cost of construction, and thus the cost of living here on Guam. An incidental effect would be the detrimental flow of gold from the United States.

Gentlemen of the committee, the chamber would urge that serious consideration be given as to whether or not the imposition of a prevailing wage scale accomplishes the desired effect here on Guam. We contend it does not and that the Government of Guam should be released from the requirement of abiding by it. The abolishment of the scale along with a limited expansion of the H-2 program for the service industries and the military and the government of Guam will help speed and stabilize the alien labor problems of the territory.

This concludes the chamber's testimony, Mr. Chairman, we thank you for permitting the chamber's views to be expressed before you.

Mr. EILBERG. Next, Senator Carl T. C. Gutierrez of the Legislature's Committee on Housing and Urban Development.

TESTIMONY OF HON. CARL T. C. GUTIERREZ, CHAIRMAN, COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

Mr. GUTIERREZ. Thank you, Mr. Chairman.

Mr. Chairman, members of the subcommittee, I have summarized this piece here. Thank you for permitting me to express to you my concern about certain immigration laws and policies as they are being enforced upon Guam.

My remarks are predicated upon my dual role of chairman of the Committee on Housing and Urban Development of the 12th Guam Legislature and as the owner of a small contracting business. In both capacities, I am concerned with trying to find ways to provide the people of Guam with decent housing at a fair price. The members of my committee are constantly searching for new programs that will help to keep housing costs within the reach of the average man. The contractors of this island, because of the problems we face with having to import virtually all of our construction materials, are always looking for innovative methods that will hold down their building prices. To some degree, both the legislature and the builders have been successful in these particular efforts.

But our own government, through the executive branch, seems determined to thwart us in the field of keeping labor costs for alien

workers at a minimum. We are faced with a situation where a so-called prevailing wage was established not by the required procedures of the U.S. Department of Labor, but rather, merely, by some sketchy and long-range forecasting by inexperienced bureaucrats. This prevailing wage took effect July 1, 1972, and was projected for sharp increases every 6 months through July 1, 1974. I cannot in any way understand how such a forecast could have been made. After all, a prevailing wage is supposed to reflect the money being paid at a given point in time, based upon analysis at that time. It is not a projected figure. Yet this is the situation under which contractors here are compelled to operate.

If the benefit of this prevailing wage scale flowed to the people of Guam, then I think we could accommodate ourselves to the situation. But this is not what is happening.

From your studies of our economy, I am sure you know that we are almost totally dependent upon alien contract workers to fill the job slots in the construction trades. Every contractor on this island has to import his workers, then, from the Philippines, Japan, Korea, or Taiwan. These workers come here and are paid 10 to 20 times the amount they could make in their homeland, but they have virtually no expenses for their upkeep. The contractor provides the workers transportation to and from the island; he can charge the worker only a token sum for food and lodging; and he must supply full medical coverage for the worker. As a result, the alien worker, who is used to a much lower standard of living than his American counterpart, winds up with many surplus dollars. But he doesn't invest them in Guam. He sends them back to his homeland to support his family and his family's families. It is literally true that one mason here can make enough money to not only support a family consisting of his wife and five or six children, but also look after his parents and in-laws as well.

So what is the result of this prevailing wage scheme forced upon us by the Department of Labor? It is constantly rising prices for the consumer and a steady drain of dollars out of Guam to foreign lands.

If you think I exaggerate about how much it takes an alien worker to live here, then I refer you to the Guam Non-Immigrant Alien Wage Schedule used by the Department of Defense for the foreign workers it has working here. Their pay scale runs from a minimum of \$1.30 per hour, which is 85 cents under the minimum wage rate established by the Government of Guam, to a high of \$4.02 an hour. By comparison, the lowest wage rate a Guam contractor can pay to an alien admitted under sections 101(a)(15)(H)(ii) of the Immigration and Nationality Act of 1952, as amended, is \$2.90 an hour.

Gentlemen, the prevailing wage rate was never properly established in Guam and even if it was, it is questionable that this is a realistic policy for Guam. What we need is control over our own immigration situation. You can't expect us to be subject to the same rules that the States of New York and California are. It's just not realistic.

The present regulations provide that if an alien is imported for temporary employment on a specific construction project, and if the project is delayed, the alien may not be allowed to work on another project. The construction business is somewhat unpredictable in that contractors depend on and live by strict schedules which are often disrupted due to circumstances over which they have no control; that is,

materials may not arrive, a permit may be delayed, et cetera. This provision is totally unrealistic and adds to the contractor's cost which is passed on to the consumer. I have been advised that this regulation is contained in eight court Federal regulations, section 214.2 (H) (2) and (ii) and also in 20 court Federal regulation, parts 602, 604, and 621.

In addition, prior to the admission of alien workers, two conditions must be met: There must be a finding that there are no qualified U.S. resident workers available; and, there must be a finding that the importation of such aliens would not have an adverse effect upon U.S. resident workers. This latter provision appears to be somewhat redundant in that if there are no qualified U.S. resident workers available, how can the importation of aliens have an adverse effect on U.S. resident workers? This provision should be deleted, and I have been advised that the regulation is contained in the Immigration and Nationality Act, section 212(a) (14).

I am here to answer any questions, Mr. Chairman.

Mr. EILBERG. Are there any questions from any members of the panel? Mr. Hogan?

Mr. HOGAN. I have one quick question. Lieutenant Governor Moylan indicated that there are vocational training programs in the schools, and yet you said that the contractors have to rely completely upon aliens for their work. Don't you get any out of the vocational training programs or apprentice training programs?

Mr. GUTIERREZ. We may, Congressman, have graduates from the vocational training schools. We are talking about construction out in the field where you build houses. Now these graduates from the vocational technical schools seek jobs wherein they have to work under shelters—like the Navy or the government of Guam, where they don't have to sweat under the sun actually working under construction. And this is very true in this situation.

Mr. COHEN. Mr. Chairman.

Mr. EILBERG. Mr. Cohen?

Mr. COHEN. Mr. Chairman, I have a question. You indicate that the average cost of a three-bedroom home is, roughly, \$27,000—is that correct?

Mr. GUTIERREZ. Yes; sir.

Mr. COHEN. Do you have a figure in here, or have you studied what the projected cost would be if you dropped the prevailing wage and only paid a minimum wage? What would it mean in terms of a three-bedroom house?

Mr. GUTIERREZ. The \$27,000 home, if we dropped the prevailing wage down to the minimum wage, would cost—and this was, of course, publicly stated by the Home Builders' Association—it would come down to no more than \$23,000 immediately.

Mr. COHEN. \$27,000 to \$23,000?

Mr. GUTIERREZ. Or \$22,000—in that range.

Mr. ESCH. Mr. Chairman?

Mr. EILBERG. Mr. Esch was asking for recognition.

Mr. ESCH. Thank you, Mr. Chairman.

Senator, I also serve on the Labor Committee of the House of Representatives, along with Mr. Steiger. What you are really suggesting is that the Department of Labor and the U.S. Government are incon-

sistent in that on the one hand their pay scale may run down to \$1.30 per hour whereas your minimum is \$2.90 per hour—am I correct on that?

Mr. GUTIERREZ. Yes.

Mr. ESCH. And, in effect, there is a wage variance here not of between \$1.30 and \$2.05, but \$1.30 and \$2.90.

Mr. GUTIERREZ. Exactly.

Mr. ESCH. Or \$1.60, in terms of the diversity—is that correct?

Mr. GUTIERREZ. Yes.

Mr. ESCH. I want to understand, now, what you are suggesting—that you would accept the concept that there ought to be a minimum wage, and that already that minimum wage has been established at \$2.05. In general, do you think that the housing industry and the building industry would accept that concept?

Mr. GUTIERREZ. Definitely.

Mr. ESCH. I want to join with my colleague on the Labor Committee to indicate my concern and interest in going back and meeting with the Labor Department officials on this matter.

Mr. GUTIERREZ. Thank you.

Mr. EILBERG. Mr. Railsback.

Mr. RAILSBACK. I had a chance in driving from the airport to the hotel to ask our driver some questions about the cost of housing. I must say that I thought it was bad on the mainland, United States, but the cost of your housing here is absolutely unbelievable. As I look at table 2 in your appendix, I notice that you have had substantial increases in the cost of housing; this is a 936 S.F. three-bedroom house. And I note that in your testimony you say that the prevailing wage was made applicable, I think, in July of 1972, and yet I note in those statistics that there are substantial jumps even before that time. I'm wondering if the prevailing wage itself is really the major or primary contributing factor to this high-priced housing, or has there been a tremendous increase in the cost of supplies and lumber as well? In other words, to what do you attribute the tremendous increase?

Mr. GUTIERREZ. Of the increase in construction costs between the 2-year period, 42 percent of the increase was attributed to the labor costs itself. Sure, the cost of the materials has risen substantially, but 42 percent of 50 percent cost to build a house was attributed to the prevailing wage.

Mr. EILBERG. Your position, then, as I understand it, is that the Labor Department should abandon the prevailing wage concept and should apply the minimum wage concept to any aliens that might be brought in temporarily. Is that your position?

Mr. GUTIERREZ. Yes, Congressman. I believe in the free enterprise system, and I believe that only the minimum wage should be written into law, and that anything above that should be negotiable between the employer and the employee.

Mr. SHRIVER. Mr. Chairman.

Mr. EILBERG. Mr. Shriver?

Mr. SHRIVER. I can recognize that perhaps this problem that has been discussed relating to the prevailing wage rate is not properly within the jurisdiction of your subcommittee, but it certainly is within the jurisdiction of the interests of a number of the members of the committee. I want to commend you and the others who have com-

mented upon this matter and have brought this to our attention. It is of concern and of interest to us who serve on other committees. I serve on the Appropriations Subcommittee dealing with labor, health, education, and welfare, and will work with the members of the Labor and Education Committee who are present to bring this matter to the attention of some of the bureaucrats that you mentioned.

Mr. EILBERG. I would just like to conclude by saying that I am chairman of the Immigration Subcommittee and we are dealing, as has been said here, with an issue that has to do with labor and minimum wages and prevailing wages. This does not come directly under our immediate concern. We are here to make it possible to bring more people here on a temporary basis so that your economy can grow. I don't want this issue to grow out of context.

Mr. GUTIERREZ. As I understood it, Mr. Chairman, the Labor Department, from the interpretation of immigration laws, said that this immigration is forcing them to enforce prevailing wage upon the contractors. This is the adverse effect portion of the immigration law.

Mr. EILBERG. Mr. Cohen?

Mr. COHEN. You indicated in this table that, roughly, 25 percent of the population earns between \$9,000 and \$12,000; another 20 percent is over \$12,000. This leaves about 55 percent under \$9,000. What is the average of this 55 percent under \$9,000?

Mr. GUTIERREZ. I can't answer you immediately, Congressman.

Mr. COHEN. You don't have those statistics?

Mr. GUTIERREZ. I don't have those statistics.

Mr. EILBERG. Thank you, Senator Gutierrez.

Mr. GUTIERREZ. I have just one more portion to give to the committee which I didn't read.

Mr. EILBERG. Do you have a question?

Mr. GUTIERREZ. No; more material.

Mr. EILBERG. We'll be glad to accept it.

Ladies and gentlemen. I just want to repeat and emphasize that as far as this speaker is concerned, our main concern in coming to Guam today and conducting these hearings is to try to help you bring more people here so you can develop business and industry. There are many other facets that could be developed but let us not lose sight of the primary goal.

[The prepared statement of Senator Carl T. C. Gutierrez follows:]

STATEMENT OF SENATOR CARL T. C. GUTIERREZ

Mr. Chairman, members of the Subcommittee: Thank you for permitting me to express to you my concern about certain immigration laws and policies as they are being enforced upon Guam.

My remarks are predicated upon my dual role of Chairman of the Committee on Housing and Urban Development of the Twelfth Guam Legislature and as the owner of a small contracting business.

In both capacities, I am concerned with trying to find ways to provide the people of Guam with decent housing at a fair price. The members of my committee are constantly searching for new programs that will help to keep housing costs within the reach of the average man; the contractors of this island, because of the problems we face with having to import virtually all of our construction materials, are always looking for innovative methods that will hold down their building prices. To some degree both the Legislature and the builders have been successful in these particular efforts.

But our own government, through the Executive Branch, seems determined to thwart us in the field of keeping labor costs for alien workers at a minimum.

We are faced with a situation where a so-called prevailing wage was established not by the required procedures of the United States Department of Labor, but rather merely by some sketchy and long range forecasting by inexperienced bureaucrats. This prevailing wage took effect July 1, 1972, and was projected for sharp increases every six months through July 1, 1974. I cannot in any way understand how such a forecast could have been made. After all a prevailing wage is supposed to reflect the money being paid at a given point in time based upon analysis at that time; it is not a projected figure. Yet that is the situation under which contractors here are compelled to operate.

If the benefit of this prevailing wage scale flowed to the people of Guam then I think we could accommodate ourselves to the situation. But that is not what is happening.

From your studies of our economy, I am sure you know that we are almost totally dependent upon alien contract workers to fill the job slots in the construction trades. Every contractor on this island has to import his workers, then, from the Philippines, Japan, Korea or Taiwan. These workers come here and are paid 10 to 20 times the amount they could make in their homeland; and they have virtually no expenses for their upkeep. The contractor provides the workers transportation to and from the island; he can charge the worker only a token sum for food and lodging; and he must supply full medical coverage for the worker. As a result the alien worker, who is used to a much lower standard of living than his American counterpart, winds up with many surplus dollars. But he doesn't invest them in Guam. He sends them back to his homeland to support his family and his family's families. It is literally true that one mason here can make enough money to not only support a family consisting of his wife and five or six children but also look after his parents and in-laws as well.

So what is the result of this prevailing wage scheme forced upon us by the Department of Labor. It is constantly rising prices for the consumer and a steady drain of dollars out of Guam to foreign lands.

If you think I exaggerate about how much it takes an alien worker to live here, then I refer you to the Guam Non-Immigrant Alien Wage Schedule used by the Department of Defense for the foreign workers it has working here. Their pay scale runs from a minimum of \$1.30 per hour, which is 85 cents under the minimum wage rate established by the Government of Guam, to a high of \$4.02. By comparison the lowest wage rate a Guam contractor can pay to an alien admitted under Section 101(a)(15)(H)(ii) of the Immigration and Nationality Act of 1952, as amended, is \$2.90 an hour.

Gentlemen, the prevailing wage rate was never properly established in Guam and even if it was it is questionable that this is a realistic policy for Guam.

What we need is control over our immigration situation. You can't expect us to be subject to the same rules that the states of New York or California are. It's just not realistic.

Attached herewith is a copy of the Study on Residential Construction Costs prepared by the Committee on Housing and Urban Development which was constituted as a special committee to study in depth the reasons why private home construction has become prohibitively expensive in Guam and of what steps can be taken by the government to provide relief to those local residents who badly need safe, sanitary and decent housing but who cannot pay the costs of present day construction.

STUDY ON RESIDENTIAL CONSTRUCTION COST BY THE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT—TWELFTH GUAM LEGISLATURE

Resolution No. 14—Relative to constituting the Committee on Housing and Urban Development as a special study committee to make a study in depth of the reasons why private home construction has become prohibitively expensive in Guam and of what steps can be taken by the government to provide relief to those local residents who badly need safe, sanitary and decent housing but who cannot pay the costs of present day construction. (Enclosure A)

STUDY ON RESIDENTIAL CONSTRUCTION COSTS

The problem

Recent press releases in the Pacific Daily and Sunday News (Enclosures B and C) have elaborated on Guam's accelerated housing costs.

The tables below indicate what has happened to the cost of residential housing over the past several years.

TABLE 1.—COMPARATIVE COST ANALYSIS OF A TYPICAL 3 BEDROOM CHB RESIDENTIAL BUILDING (958 SF) WITH CONCRETE ROOF

	Total	Labor	Material	Indirect
1964.....	11,500	5,175	4,600	1,725
1965.....	14,000	6,300	5,600	2,100
1966-67.....	14,500	6,525	5,800	2,175
1968.....	16,000	7,200	6,400	2,400
1969.....	17,600	7,920	7,040	2,640
1970.....	19,360	8,712	7,744	2,904
1971.....	21,296	9,583	8,519	3,194
1972.....	23,425	10,540	9,370	3,515
1973 ¹	27,000	12,475	10,300	4,225

¹ Estimated. Costs have risen an average of 11 percent per year.

TABLE 2—Average construction cost of a 936 SF three-bedroom house (GHC statistics)

August 1957.....	\$7,500
August 1960.....	8,500
August 1965.....	13,000
August 1966.....	14,000
February 1968.....	16,000
March 1971.....	18,000
July 1972.....	20,000
September 1972.....	22,000
January 1973.....	24,000

TABLE 3.—COMPARATIVE SELLING PRICES OF LIGUAN TERRACE HOMES FROM 1970-72 (BY DEVELOPER)

	March 1970	October 1970	October 1971	November 1972	Percentage Increase
2 bedrooms.....	15,990	17,990	19,200	20,200	26
3 bedrooms.....	16,990	20,390	21,900	22,400	31
4 bedrooms.....	17,990	22,490	23,900	25,400	41

Values on the same homes have increased as much as 53% over the past year for identical houses (appraisals by FHA in November 1971 and November 1972). Resale prices in February 1973 for a two bedroom house averaged \$28,000, for a three bedroom house \$37,000 to \$39,000, and for a four bedroom house \$39,000 to \$42,500. One unimproved three bedroom house was sold by a builder in March 1970 for \$16,900, which was resold by the buyer in November for \$27,000, which was again resold in September 1972 for \$36,500, an increase of 115% since the home was constructed several years ago.

According to the 1970 U.S. Census, Guam had a total of 13,121 housing units. A Guam Housing Corporation has applications from 500 families who want decent to be substandard, an estimated 7,350 in need of replacement or rehabilitation. Guam Housing Corporation has applications from 500 families who want decent housing, but who can't qualify for a commercial or FHA loan.

The ability to finance a new home depends upon the buyers economic capability. FHA income requirements are listed in Table 4 for houses between \$18,000 and \$26,000.

TABLE 4.—FHA INCOME REQUIREMENTS (221-D-2) (30-YEAR LOAN)

Selling price	Down payment	Mortgage amount	Closing costs	Prepaid items	Total outlay	Monthly payment	Minimum annual income
\$18,000.....	\$540	\$17,460	\$395	\$180	\$570	\$153	\$7,500
\$19,000.....	570	18,430	410	190	600	160	7,700
\$20,000.....	600	19,400	425	200	625	167	8,000
\$21,000.....	630	20,370	440	210	650	174	8,400
\$22,000.....	660	21,340	455	225	680	182	8,800
\$23,000.....	690	22,310	472	240	712	191	9,200
\$24,000.....	720	23,280	490	260	750	200	9,600
\$25,000.....	750	24,250	508	285	793	210	10,100
\$26,000.....	780	25,220	530	310	840	221	10,600

1970 U.S. Census distribution of family income on Guam is indicated below:

TABLE 5

Annual income (Family 5.2 persons):	Percentage of Guam families
Under \$6,000.....	33
to \$7,000.....	18
to \$9,000.....	13
to \$12,500.....	21
over \$12,500.....	15
Total	100

Projecting the above to 1973, an estimated 25% of Guam's families (2400) earn between \$9,000 to \$12,000 per year, and could possibly afford to make payments on a house costing up to \$32,000 under the FHA 221-D-2 Program. At best, an estimated 20% of Guam's families earn over \$12,500 per year and could afford to make payments on a house costing more than \$32,000.

Residential supply is being met in this upper range in the Hyundai, Socio, Y Pao Pao, Marianas Terrace, and Baza Gardens subdivisions, plus owner built homes.

Fifty-five percent of the population do not qualify—the newly married, the average worker, the elderly.

The Causes

Many factors have given rise to the increase in costs or residential construction over the last several years, including:

1. Government of Guam Labor Policy pre-establishing high prevailing wage rates.
2. Increase in residential construction material costs.
3. Devaluation of the U.S. dollar.
4. Increase in Port handling fees.
5. Unusual market factors—scarcity of housing.
6. Housing speculation.
7. Increase in cost of land and infrastructure.
8. Imposition of new Federal safety requirements.
9. Imposition of new Public Works and Public Health requirements.
10. Imposition of new environmental controls.
11. Increase in paper processing time.
12. Increase in financing charges, because of relation to finished cost—GR Tax, Workmen's Compensation Insurance, RE Taxes.

1. The Labor Policy

It is the announced policy of the Government of Guam and the U.S. Labor Department to keep construction wages moving up so that an increasing number of young people entering the labor market are encouraged to seek employment in the construction industry instead of relying on government agencies for jobs. This creates an unusual pressure on the wage line on Guam and results in an inflationary influence in addition to the usual economic factors of supply and demand.

In formulation of the labor policy, the Department of Labor apparently did not consider the effects of such action on residential construction costs, and the many low income families without decent housing so affected. The labor policy, as promulgated, is concerned with helping relatively few non-existent local prospective construction personnel, at the expense of some seven thousand Guam families in need of decent housing. (The 1970 U.S. Census indicated 7350 units needed replacement.)

As a result of new employment policies (Enclosure D) developed and enforced by the Government of Guam and the U.S. Labor Department to phase out the heavy reliance on alien labor on Guam, construction wage rates were increased July 1, 1972. (Enclosure E) The increase averaged about 17 percent over previous levels. Another increase became effective January 1 of this year and further increases are scheduled to be effective July 1, 1973, January 1, 1974 and July 1, 1974. These increases average about 7 percent above previous levels. Further increases may be expected beyond July 1, 1974, depending on economic conditions and government policies.

Increasing wages for alien labor makes economic sense only at such time as sufficient local labor becomes available to replace such alien labor. Then higher wages for aliens would make it more economical to hire locally. Residential contractors on Guam would prefer to employ local or U.S. resident skilled, semi-skilled, and unskilled workers because:

It would save the extra cost of voluminous paper work required for importation of alien workers; the extra cost of transportation to and from the point of hire (approximately \$400); the cost of visa fees of \$53 per alien worker; the cost of legal documents and passports (approximately \$50 per alien worker); and the cost of medical and hospitalization fees which must be guaranteed for each alien worker. The expenses so enumerated, would result in a savings of approximately \$.56 an hour per alien contract worker for a six-month period of employment.

However, until such time as Guam has sufficient local labor available, increasing alien labor rates results only in increasing the dollar drain from Guam, without any increase in production or any other benefit. We only pay more money to the same people for the same work.

The Government of Guam and U.S. Labor Department have mandated that at least 10 percent of the construction trades work force be composed of U.S. citizens or Guam residents.

Contractors on Guam have indicated that insufficient local labor is available to meet this requirement, because (a) local manpower is not generally interested in blue collar construction work. Other employment is locally available at the same or better pay, not requiring such physical exertion; (b) local labor will not likely be available for such employment until Guam undergoes a period of economic recession; and (c) because the Government of Guam Labor Policy has, in effect, established three wage scales (1) GovGuam H2 alien prevailing wage scale with benefits, (hospitalization, transportation, meal and lodging subsidy (2) GovGuam local hire prevailing wage (3) Federal Government H2 minimum wage (approximately 1/2 GovGuam prevailing wage (Enclosure F), the prospective construction employee is deterred from entering this field of endeavor.

The Government of Guam Labor Policy under Article XIII promises a prevailing wage that increases every six months. For example, a journeyman (job category carpenter), five years ago was paid \$1.45 an hour. By July of 1973, the salary of the same carpenter will be \$3.02, an increase of \$1.57 an hour over the prevailing wage in 1968, an increase of 109%. To this prevailing wage rate, add recruitment expenses of \$.56 per hour, making the 1968 rate \$2.01 an hour, and the July 1, 1973 rate \$3.58 per hour. A standard concrete three bedroom house with 1088 SF living area can be constructed and completed in 3,300 man-hours. The labor cost during 1968 (Enclosure G) for this house was \$6,633, and today the same house, constructed and completed, has a labor cost of \$11,847, an increase of \$5,214.

The Government of Guam Labor Department's "Employers Statement" (Enclosure H) paragraph number 16, states "I will permit an employee being terminated for any reason after working on Guam for twenty days to transfer to another employer if the Guam Employment Service and the United States Immigration and Naturalization Service concurs in such transfer." The contractor increases his cost estimate to cover this contingency.

With employee recruitment cost (\$225 transportation, passport, paper work, visa, medical examination, totaling around \$500), it would be more economical for employers with approved petitions to recruit from other contractor employees with a 10-15¢/hr. increase in pay to such employees, with sound savings in the process, and considerably less bother.

Contractors, in negotiating for construction of a residence, must consider the future prevailing wage in predeterminating labor cost estimates, because of the time lag involved in recruiting labor and starting construction, resulting in higher cost estimates.

Before employers may obtain Certification for importation of aliens, they must be able to show that they have initiated programs (Enclosure I) at the contractors' cost, to train local residents and to employ and train apprentices. All these requirements add to increased construction costs, especially at a time when most of the local residents entering the construction industry lack the skills or motivations to be effective on the job. It is anticipated that in time their skills and job interest will improve and their efficiency will improve.

In 1971 a two bedroom house took approximately 3,000 man-hours at \$1.75/hr. at a cost of \$5,250. In 1973, the same house at \$3.10/hr. costs \$9,300. When you

add the additional cost of workmen's compensation, 4% gross receipts tax, the cost of labor ($\frac{1}{2}$ of house cost), labor attributable costs have increased by 92%.

The Government of Guam Labor Policy dictates a maximum of \$24.00/week may be charged employees for board and room. Food prices have risen drastically and little allowance has been made for rapid adjustments, although allowed under the policy.

Using the Federal government allowance of \$4.80/week for lodging leaves a balance of \$19.20/week for food (or 91¢/meal) which is unrealistic on Guam.

2. *The Cost of Construction Material*

Building materials remained at a reasonably steady price level in 1971 and 1972, with the only increase of any note being caused by the 1971 world-wide currency upheavals. Major source of cost increases at that time was in Japanese and German goods. Germany has little impact on our local construction scene, and in 1971 supply sources were switched from Japan to Taiwan and Australia, eliminating need for price increases.

Since that time, the Australian situation has deteriorated, with an additional revaluation of the Australian dollar placing it at \$1.29 against U.S. \$1.00, against an original \$1.12 to \$1.00. Further, there have been several freight rate increases on the Australian-Guam tariff, and this, coupled with Guam's Commercial Port tariff and stevedoring and wharfage surcharges, has nearly phased out Australian building materials price-wise, with but few exceptions.

The Taiwan government in October 1972 initiated a near total embargo on the export of steel reinforcing bars in an attempt to force down the price of their domestic supply of steel bars. As a result of this embargo importers have been forced back into the Japan market to purchase steel bars, less expensive than United States.

The increased demand world-wide for steel has forced the price of reinforcing bars steadily upward. This, and the February 1973 monetary upheaval coupled with the Taiwan embargo has created a price structure nearly 40% higher than last year.

In January, steel reinforcing bars were available at \$195/metric ton. In March, the same bars sell for over \$240/metric ton because of price increases in Japan, an increase of 40%.

Douglas Fir lumber from New Zealand cost 21¢/board foot in January 1972. The price in February 1973 was 28¢/board foot, in March 29¢/board foot, a 35% increase. Framing lumber from the P.I. has increased 16% over the past three months because of control of such supply by the Japanese.

A recent critical shortage in the supply of lauan (Mahogany) logs, world-wide has caused an unbelievable upheaval in the price of mahogany plywood, doors, door jams and other mahogany wood products.

A plywood panel $\frac{3}{4}$ " x 4' x 8' exterior sold for \$12 in January 1973, \$18 per sheet in March 1973, an increase of 48%. Over the past three months door jams have increased 25%, paneling has increased 22%, doors have increased 55%, window frames have increased 13%, ceramic tiles have increased 15% and mosaic tiles even more. Vinyl and asbestos tile from Japan have increased 40% and from the U.S. by 10%, soil pipe and fittings have increased 25% and paint has increased 23%.

The principal material used for construction on Guam is concrete and concrete products. For general construction, the price increase for concrete has been modest within the past year, a little over two percent although the price of cement went up 11%.

Electrical wiring and fixtures have increased 8 to 10%, plumbing fixtures by 6 to 10% and Philippine hardboard by 13%. Although material costs have risen over 11% the past year the effect of the dollar devaluation is just beginning to be felt.

Japanese merchandise has been increased overall 17%, 10% because of the devaluation of the dollar, 7% because of an additional increase in the value of the Japanese yen. Fabricated steel products result in a double increase from this action.

3. *Devaluation of the U.S. Dollar*

President Nixon's devaluation of the U.S. dollar by 10% has not yet been felt, but suppliers from the orient are withdrawing quotations, awaiting stabilization of currencies. Some suppliers have taken a firmer stand, and Taiwan plywood went up 48%.

As cost of oriental construction material rises, U.S. sources will be investigated, which with freight charges, etc., may be higher than existing supplies, even though they do not rise per se.

4. Freight Rates and Port Charges

There have been no general freight rate increases within the past year but there have been increases in port charges for handling various types of cargo. For example, the charge for handling a 20-foot container has gone up from \$5 to \$6 per container. For a 27-foot container, the increase has risen from \$6 to \$8.80. The price for handling a 40-foot container, new to Guam, is \$12.50. More substantial increases have been applied to handling break bulk cargo—from \$2.12 to \$7.43 per ton for general stevedoring and from \$2.12 to \$4.58 per ton for handling.

Rates vary somewhat depending on whether break bulk cargo is utilized. In estimating job costs, some contractors allow about \$10 per ton for port handling and hauling charges.

5. Unusual Market Factors

The higher than normal cost for a home on Guam is due to the scarcity and unavailability of satisfactory housing, because of replacement requirements, the influx of business people who desire to establish themselves on Guam, and to newly marrieds. Under such circumstances people are willing to acquire a home at any cost, irrespective of economic value.

6. Speculation

An expanding economy, not controlled, with a scarcity of housing, has resulted in unrealistic market values, not related to investment or economics. This has resulted in the trend to capitalize on the situation, by making a "quick buck" by various schemes.

While the contractor and/or developer has no doubt raised his profit margin, developers tend to sell out their development prior to construction. This enables individual investors to sign up for a home with little money down long prior to the completion of the home. By the time the home is completed the market has risen and the number of people who have come on the island and been unable to procure proper housing has greatly increased.

The investor then sells his house which he has signed up for at a profit of \$4,000 to \$5,000. After a year the new owner, who has also applied for a development house can re-sell his home for another profit. By jacking up the cost of houses in this manner, the owner of an older house can also raise his selling price. The cycle is then completed when the developer decides that he can raise his selling price.

7. Land Costs and Infrastructure

The price of land has appreciated at a phenomenal rate over the past several years. For the owner who desires to build on his own property, this factor is not a problem. For the individual or developer who has to procure land for such construction, this is a major expense.

In 1970 raw land sold for \$1.60 to \$2.00/sq. In 1971 this rose to \$2.50/sq, in 1972 it averaged \$3.50/sq, and today (March 1973) the average is \$6-\$7/sq, whether on coral or volcanic terrain. Japanese interests have recently purchased undeveloped rice paddy land in Inarajan and Merizo for \$15 and \$17/sq respectively, view land in Inarajan at \$22/sq, undeveloped land in Yigo at \$9/sq to \$11/sq. R-1 developed property on Hospital Road recently sold for \$15/sq.

Cost of land must include cost of infrastructure required to comply with government regulations. In subdivisions, this may involve a sewer treatment plant, paved roads, curbs, gutters, sidewalks, offsite and onsite water lines, etc., which may cost anywhere from \$5 to \$10/sq in addition to the base land cost. For residential construction on individual lots, this added cost is lower, but may involve on and offsite water and sewer lines, etc.

8. Federal Safety Requirements

The new Federal Occupational Safety and Health Act (1970) has had a significant impact on the construction industry on Guam within the past year. It is now being strictly enforced and applies to all types of construction whether under the jurisdiction of the government or private contractors.

The requirements are rigid and expensive, involving a wide variety of safety equipment and construction techniques to assure better safety on job sites and safety training program.

It is estimated that implementation of the Act could add as much as 20 to 30 percent to construction costs at the outset, but eventually these added costs may be offset partially by improved efficiency resulting from safer working conditions and a reduction in insurance costs.

In the U.S. mainland, many contractors feel that the OSHA requirements are far too complicated and too extreme for purposes of reasonable safety on the jobs. There are indications that the legislation may in time be amended.

9. Public Works and Public Health Requirements

The Department of Public Works, in its program to protect the owners of new property. (Enclosure J) requires closer attention to meeting existing legal requirements, such as more detailed planning, a registered engineers signature on drawings and computations, a more elaborate sewage disposal system if the island system is not in the area, the imposition of a new checking fee, and the attendant delays costing time, while documents submitted are checked to see if they comply with the law. Certification by a master electrician is being studied for possible implementation.

Requirements are estimated to add \$800 cost to each house constructed.

Sewer connection plans are required, but GovGuam asbults are frequently inaccurate requiring surveyor services resulting in increased housing costs.

Approximately one month is consumed in securing a building permit, involving too many verifications and approvals from various divisions of Public Works.

Too many agencies inspect system (HUD, Bank AM, Public Works, Guam Housing, etc.) resulting in increased building costs.

10. Environmental Controls

Air and water pollution control standards improve the environment but they also add to the construction cost. It is more expensive to operate trucks and other vehicles in compliance with air pollution control standards, depending on what control devices are required and what fuels are permissible.

In addition, enforcement agencies are paying more attention to air pollution on job sites or near job sites. For example, no open burning of surplus material is permitted except under special circumstances where residences are no closer than 500 feet from the site. Hauling materials to disposal areas instead of burning at or near the job sites will add to costs. Dust must be controlled by watering or oiling access roads on job sites where earthwork is in process.

Water pollution control standards have resulted in more rigid and more costly sewage disposal systems.

All of these requirements are designed to create a more healthful, more liveable and more enjoyable environment, but they add to building costs.

11. Paper Processing

The requirements of Federal and local agencies—Public Works, Public Health, Labor, Immigration, the banks, Land Management (Planning)—all cost increased time resulting in increased housing costs. Part of the delays could be reduced by recruitment of additional inspection personnel.

12. Financing Charges

Because the cost of homes is high, this compounds the monthly price that must be paid for shelter. Principal and interest is currently running at 10-10½% on conventional loans which must be applied to the higher base cost. FHA loans are available for 7% and ½% for FHA insurance. Except under FHA-loans, the Guam home buyer must pay 20% down and can only finance 80% of the project. He must also pay 1½ points on the total loan as a loan fee, all of which is on a higher base. The same applies to the base upon which real property taxes are assessed and to the base for which hazard insurance must be calculated. Gross receipts tax, insurance, real estate tax, are based on the value of the finished product. As other costs rise so do the items indicated. Workmen's Compensation is based on payroll which increases on increase in wage rates.

Eleven percent of the cost of a house goes to the Government of Guam, for taxes, fees, permits, an additional 3% is used for insurance premiums, 42% is attributable to the cost of labor.

Solutions

The low cost house is a phenomenon of the past. However, some reduction in cost of items contributing to residential construction cost is possible, although increases in cost from other factors, previously discussed, is so rapid, that the

final cost of a typical concrete block home cannot be reduced in the foreseeable future.

There are, however, several alternatives.

1. Revamp Government of Guam Labor Policy. Employ all H2 alien construction workers at the existing minimum wage (one job category—construction worker) at \$2.05/hour. Cost of recruitment, housing, messing, hospitalization, etc., would be subtracted from this basic wage (approximately .56/hr. plus \$24/week subsistence and housing). Local hire construction workers would be paid the minimum wage or greater, depending upon demand. The existing 10% local hire ratio to alien hire would be enforced, with subsequent increases in local hire yearly to permit eventual phasing out of alien hire.

Such action would permit a return to residential labor construction cost of a year ago. (If 42% of house cost has been raised by prevailing wage imposition, all but 10% of this increase could be eliminated.)

2. Utilize available Government of Guam land under a sale or lease arrangement at less than fair market value for sale or lease to developers under a contractual arrangement wherein such developers would sell a predetermined priced house to eligible buyers. The Bamba Low Cost Housing Bill (Enclosure K) and Governor Camacho's proposed lease program (Enclosure L) are examples.

This approach has several pitfalls.

(a) Existing contractual arrangements for such housing do not have the legally enforceable controls required to provide housing for the truly low income home owner, who does not own land on which to build. Such controls should include a maximum income range of applicants (see Enclosures M and N for GIURA and HUD programs), forfeiture of the house if rented or sold within a specified period (unless approved by an authorized agency), the specification that sales price, if sold, would be the same as the original cost plus improvements plus no more than a minimal percent escalation per year of ownership.

(b) The Government of Guam land inventory is rapidly diminishing, and substantial additional property is needed for educational, recreational, and governmental purposes including infrastructure right-of-way. Outright purchase of such land by the Government of Guam is not economically feasible, so that any surplus government land disposition should be limited to utilization solely as an exchange medium for the needed public purposes outlined.

Sale of land at actual or less than fair market value reduces this inventory. Real estate taxes over the next several years should equalize, however, the \$ value of the land so utilized if such taxes were earmarked to purchase additional land needed by the government. Leasing government land at a negligible value for 50 years would not destroy the government equity, and real estate taxes would equalize the \$ value over several years, but such a program would require the establishment of a trust company to meet FHA requirements, and would require favorable lease terms (which should be met by the dollar a year value). The sites proposed might have approval problems because of noise pollution, infrastructure requirements, etc. Utilization of the FHIA 235 rent subsidy program appears to have been phased out by President Nixon.

3. The most feasible solution, with major government involvement, for satisfactory housing for low income families is the GIURA low rent housing program, now authorized by law. This would provide housing with adequate controls to serve the eligible over the next fifty years at prices they could afford in apartment and townhouse rental developments. The success of Lada Gardens, and the low rental housing in Sinajana, Agana Heights, Mongmong, and Barrigada has proven the soundness of this approach.

4. Arrange for amendment of U.S. Immigration and Labor laws, providing for local determination of alien labor need and wages to be paid such contract alien labor.

5. Repeal the Davis-Bacon Act, which supposedly assures that wage rates paid under government contracts or Federally assisted projects are in line with local scales (Enclosure W).

6. Experience with prefabricated residential units has not been wholly successful on Guam. "Magic Homes" have been tried but do not provide the security and style of living the home owner is seeking. Mobile homes have been used successfully, and recent design has become more palatable. A number of manufacturers have proposed new techniques to provide economically acceptable answers—new modular designs, new uses of concrete and cement, and new materials. The Stanfoam house, in the latter category, offers a house for the family

of low and median income, at a price he can afford, well designed with desirable amenities.

7. Other possible solutions include:

- (a) Improve efficiency of construction, and labor involved therein,
- (b) design for greater density, utilizing townhouses, cluster houses, low cost condominium apartments,
- (c) Inaugurate price controls, limiting construction markup, reducing interest costs,
- (d) improve and accelerate construction procedures,
- (e) strengthen regulations for new contractors,
- (f) mechanize operations wherever possible to decrease labor cost,
- (g) approach local financial institutions and GEDA to see what they can do to reduce costs of infrastructure. If such costs are not included in the home, the cost of such a home meets the needs of many more families. Independently financed roads, sewers, water lines, etc., with a conventional loan of 80% for a 30 year period should be considered.
- (h) Consolidate Government of Guam permit and inspection staffs to reduce lost time. Employ additional personnel to expedite processing.

Action

To resolve the problem, certain action has been taken by members of the Legislature including:

1. Bill No. 316—An Act to amend Section 44013 of the Government Code of Guam relative to wages for alien contract employees, introduced by the Committee on Housing and Urban Development. Subject bill was passed by the Twelfth Guam Legislature and vetoed by the Governor. Efforts will be made to override the Governor's veto by the Legislature.
2. Bill No. 399—An Act amending Section 44011 of the Government Code of Guam relative to certification of need for alien contract workers by the Guam Employment Service, introduced by C.T.C. Gutierrez.
3. Resolution No. 65—Relative to requesting the Governor of Guam to consolidate all agencies involved in the issuance of building permits.
4. Action has been initiated to submit an amendment to U.S. Immigration and Labor laws, providing for local determination of alien labor need and wages to be paid such contract alien labor. See letter attached (Enclosure V).
5. Action has been taken to repeal the Davis Bacon Act. Senator Tower of the U.S. Senate has entered a bill for this purpose.

[Enclosure A]

TWELFTH GUAM LEGISLATURE

1973 (FIRST) REGULAR SESSION

(Resolution No. 14—Substitute resolution relative to constituting the Committee on Housing and Urban Development as a special study committee to make a study in depth of the reasons why private home construction has become prohibitively expensive in Guam and of what steps can be taken by the government to provide relief to those local residents who badly need safe, sanitary and decent housing but who cannot pay the costs of present day construction.)

Be it resolved by the Legislature of the Territory of Guam:

Whereas, the Legislature has watched with concern as the costs of private construction have mounted ever higher and higher, it appearing that the basic price for building a home has doubled within the last five years; and

Whereas, although a good number of residential subdivisions are now under construction in the territory of Guam, it is clear that the purchasers of homes therein are for the most part of substantial means since even the cheapest of these homes costs more than Thirty-Five Thousand Dollars (\$35,000), and there seems to be no longer any effort being made by developers to construct homes at a price that the average local resident can afford; and

Whereas, what is not clear is the cause for these daunting increases in construction costs, some laying the blame on the alien labor policies of the present administration which has succeeded in tripling the amount of money going to alien construction workers, most of which money is not thereafter locally circulated, without at the same time attracting any sizeable number of local resi-

dents to work in these trades, while others point to the ever higher cost of raw land for subdivision purposes, the prices being rapidly driven up by land speculators, and others think that the contractors themselves are making inordinant profits on the homes they sell which could be priced much lower if the ready market for the higher prices did not exist, and thus before the Legislature can take steps to solve this housing crisis and thereby permit local residents to acquire their own homes at a price they can afford, it is necessary to undertake an investigation to determine what in fact are the real causes for these higher construction costs; now therefore be it

Resolved, that the Committee on Housing and Urban Development be and it is hereby constituted a special study committee on housing costs, which committee shall be given all necessary logstie, clerical and professional support and assistance from the Committee on Rules, and shall have as its task the study in depth of the housing industry in Guam to determine why construction costs have rapidly risen so high and what steps should be taken to lower these costs so that local residents can afford to purchase safe, sanitary and decent homes; and be it further

Resolved, that the Committee conduct its hearings, make its investigations, and conclude its study and submit its report, including any necessary recommendations for legislation, not later than the tenth day of June, 1973, and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President, Guam Chamber of Commerce, to the President, Guam Contractors Association, to the President, Guam Home Builders Association; to the President, Guam Housing Corporation, to the Director of Labor, and to the Governor of Guam.

Duly and regularly adopted on the 1st day of February, 1973.

G. M. BAMBA,
Legislative Secretary.
W. D. L. FLORES,
Vice Speaker.

{Enclosure B}

[From the Pacific Daily News, Feb. 1, 1973]

HOUSING CRITICAL PROBLEM

The day of the thatched roof tin lined shack is over.

In the not too distant days past a typhoon would whistle through the island, knocking over most of the houses, and carrying with it many of the personal belongings of the inhabitants. No matter. Within a few days the houses could be built up again out of materials blown and scattered around. There were no 30 year mortgages to worry about. There were no \$350 monthly payments to make.

But the modern Guamanian resident no longer wants to live in that kind of housing. He wants indoor plumbing perhaps even central air conditioning. He demands that it be typhoon-proof. More likely than not the house will be carpeted and will be complete with refrigerator, electric stove, hot water tank, washer, dryer, and perhaps even a dish washer. In short the Guamanian taste in housing is quite similar to his American counterparts all over the country.

Unfortunately, this new trend in housing has created one of the major problems facing Guam today. Having a typhoon-proof house means concrete, or concrete block construction. Land prices have soared, and as labor costs have risen, so does the construction costs in new housing.

Right now thousands of families have been all but priced out of the housing market, because they've just become too expensive. Governor Camacho was telling us recently about housing developers coming in to see him to tell them their plans for putting up many private homes "in the \$45,000-\$50,000 range." He told them that wasn't what was needed on Guam. What was really needed is low cost housing. It is a well known fact, though, that developers stand to make more money on the higher priced house, and so they are more inclined to build in that price range. The problem is that too few people can afford to buy on those terms.

Young, newly married people, just at the beginning of their career, aren't making the kind of bread required for a \$45,000 house. Payments for such a house would probably be in the range of \$350 to \$400 a month. Normally, a family plans to spend about one-fourth of their total income on housing. At that rate the couple would have to be earning \$1500-\$1600 a month to pay for such a home.

Houses have been built by the thousands in recent years, yet it is estimated that we're still 3,000 units short, and by the time those get built we'll need even more.

Is there any answer to the steadily spiraling prices?

Probably not really, because the same problem plagues such sophisticated places as Hawaii, where the average house now sold is averaging \$48,000. It was hoped that new technology might somehow provide an answer in mass construction, but as yet there have been no real breakthroughs. Several contractors have admitted that construction costs on a new house will total from \$20 to \$25 a square foot, given the current labor scale.

Governor Camacho touched a hot point on housing during his recent State of the Territory address. He said: "The housing situation on Guam is yet another area of deep concern to all of us. The high cost of new housing has placed all hopes of owning a home beyond the reach of many. Nor am I satisfied that Government of Guam low-cost housing programs have been completely successful. The design and quality of housing constructed on former Government land, and the increasing cost of these homes leaves much to be desired."

He went on to make a proposal to implement a new housing program for fiscal year 1974 designed to provide better homes for the truly low-income families on Guam. "This can be accomplished," he warned, "only if the Government of Guam retains firm control over the utilization of its land, over construction, over costs, and, of course, over occupancy. That is, we are building houses for our less fortunate brethren, not for those who can afford to build or pay for their own homes, and certainly not for speculators."

The Governor was irked by the fact that he released privately, that in one planned new development, speculators were buying up as many as one-third of the houses, none of whom planned to actually live there.

Camacho's partial solution goes this way: "The Government of Guam, through the Guam Housing Corporation, will conduct the site preparation of government land for housing development. This will necessitate an appropriation of funds by the 12th Guam Legislature for the construction of roads and the installation of utilities. To this extent the cost of housing for low income families will be subsidized by the Government. The construction of the houses will be placed out on bid to private developers—to be constructed in strict accordance with government design and specifications. The Guam Housing Corporation itself, in lieu of the banks, will screen applicants for FHA insured loans. Loans to low-income families could be eligible for interest subsidies and assistance payments by HUD—depending on level of income. This tightly controlled program should result in better housing at a lower cost to our people."

Privately, the Governor talked about the lease of Government land for private housing—but with the important stipulation that if the original leasee doesn't live on the land it reverts back to the Government. This would prevent speculators from acquiring it.

There are no easy solutions to housing, both at the low income and middle income level. It's a battle not only here, but in other parts of the United States, and of course, around the entire world. Still, with a cautious use of government land, with tight controls on utilities, with green belts and parks, with a judicious tax situation, certainly the housing pains can be eased somewhat. The money seems to be here, along with the knowhow in design. We do have ample government land. It seems that there should be a reasonable way of putting all this together so that all of us can live in a modern home at a reasonable cost. JCM.

[Enclosure C]

[From the Pacific Daily News, February 24, 1973]

LOW COST HOUSING

Like most islanders, we were delighted over Gov. Carlos Camacho's "bold and comprehensive" program that would see about 500 low-cost residential homes to be built in the Dededo area on government land via leasehold agreements.

Such a project would be a start to find housing that the average young, newly married couples can afford in these days of high living costs, and costs of land, and construction. Too many of our average workers have increasingly found themselves boxed into a corner on trying to build a reasonable home for themselves and their families.

The Governor's Council on Industrial Relations just released some figures showing how difficult it has become for many people to build their own home. They pointed out that the actual wage increase for aliens in construction and maintenance jobs on Guam has amounted to an average of 23.3 per cent increase in the past year. Obviously, with this kind of increase in labor costs, there is bound to be a rise in construction costs, which has mostly alien labor involved.

The Industrial Relations Council pointed out that Guam has experienced an exceptional increase in living costs, of goods and services, due to inflation in the United States, the so-called floating of the U.S. dollar and the somewhat non-competitive mark-ups on goods and services sold by some industries. They reported that private unofficial studies indicate that the cost of living has increased on Guam two to three times faster than salaries for the same period.

Because of increasing foreign investment on Guam, the land prices have also soared so that it becomes extremely difficult for the low wage earner to buy a piece of property large enough to build a home upon. Many of the new homes now being built seem to be in the \$35,000, to \$45,000 range level, making the monthly payments out of reach for lower income families, those who are already in trouble because of the rapidly increasing cost of living.

Camacho's proposal is a simple one, in which unused government land in the Dededo area, would be utilized for the construction of low cost housing. The idle land is in six parcels of 24 acres each. The development site is located near existing power, water and sewer facilities which will cut costs of the project. Camacho said that several southern sites have been studied, but they would cost anywhere from \$7 to \$10 thousand a lot for initial development. They hoped that southern sites can be developed in the future.

Long-term financing will be made available for low-income residents through the FHA or Guam Housing Corp. mortgages on leaseholds and improvements. Residential leasehold is a new concept on Guam, but is quite common in Hawaii. The leases will be signed for 75 years at a token fee of \$1 a year.

One of the major, and most realistic points in the proposal is that all home buyers must be an owner and an occupant for at least 10 years. This is designed to prevent speculators from picking up the homes. In some new development currently underway, Governor Camacho estimated as much as 25 per cent of the buyers are buying on speculation, assuming that the prices would rise. We have no quarrel with the speculators, per se, because it is just a sharp business practice, common all over the world. But it does tend to force prices up higher yet, and it does keep many people that can't afford it out of the housing market.

GovGuam says that "If the purchaser ceases to be the owner/occupant, the lot and house reverts to the government or GIURA which will have the right of first refusal to purchase the property. At the end of a lease, the government can either resell, use the property for low-income rentals or utilize it in other ways.

The project will be a "turnkey" operation—a venture put out on bid requiring one price for the design and construction. It is expected to draw proposals within the next two weeks. Contractors will be given broad guidelines for development of the property.

Gov. Camacho said "This project is not a housing development. The government is well aware of the problems faced by lower-income residents of Guam, and we in the ranks want to provide an environment which will enhance their living. Three models of houses will be available. The object would be to build three and four bedroom homes at an average cost of \$18,000 to \$22,000 each. With \$20,000 as an average, and with 500 houses planned, this figures out at over \$10,000,000 in low cost housing could be built in the years ahead. This isn't the entire answer, but it could be a help, and it could give GovGuam a clue on if this is, in fact, the best way to proceed.

The Governor's Council on Industrial Relations recently made several worthwhile suggestions on methods or steps that may be utilized to reduce construction costs on the island. Some of these might apply to those involved in the building of the low-cost housing project in Dededo. They include:

1. The establishment of joint labor camps by small contractors.
2. The establishment of equipment usage cooperatives to reduce the number of men required on the job.
3. The establishment of group purchasing systems through association.
4. The scheduling of the importation of alien labor so as to utilize chartered transportation rates offered by the U.S. and Philippine air carriers.

It should be apparent to everybody that even more study and thought should go into the dual problem of providing low-cost housing, and the rapidly spiraling costs of living, and construction on Guam. It may be that on land-tight Guam, we're going to have to change our entire concept of each family having their own private home. It may be that GovGuam should look into the possibility of good high-rise apartment complexes, such as Singapore and Hong Kong have done. It may be that such units could be put up more economically, and would take the pressure off the land. We're looking forward to seeing how the new Guam experiment in housing will work. It's a needed step forward. JCM.

[Enclosure D]

GUAM DEPARTMENT OF LABOR

(Revised January 15, 1973)

ADMINISTRATIVE POLICY FOR ALIEN EMPLOYMENT CERTIFICATION FOR TEMPORARY ALIEN WORKERS AND DEPARTMENT OF DEFENSE DIRECT HIRES AND DEFENSE CONTRACTORS

I. Purpose

Establishment of policy and procedures to control the importation and extension of temporary stay in the United States of non-immigrant workers including aliens admitted under Section 101(a)(15)(h)(ii) of the Immigration and Nationality Act of 1952, as amended, Department of Defense direct hires and aliens paroled to work for Department of Defense Contractors.

II. Job opportunities for U.S. residents of Guam

It is the intent of this policy to assure maximum recruitment and utilization of U.S. resident workers who are available for employment. Each employer will continue to recruit U.S. resident workers to replace non-immigrant alien temporary workers and parolees in all job categories in which such persons are employed.

III. Basic provisions

Employers seeking to utilize non-immigrant alien temporary workers or parolees in Guam for temporary employment are required to obtain a labor certification from the Guam Employment Service, stating that the employment of such persons will not adversely affect the wages or working conditions of U.S. resident workers and that there are no U.S. resident workers available for the requested employment.

IV. Definitions

For the purpose of this administrative policy, the following terms are defined:

A. Non-Immigrant Alien Temporary Worker.—This is often referred to as an "alien contract worker." The non-immigrant alien temporary worker is defined in Section 101(a)(15)(H)(ii) of the Immigration and Nationality Act of 1952, as amended, as an alien having a residence in a foreign country which he has no intention of abandoning, who is coming temporarily to the United States to perform temporary services or labor in a skilled position if unemployed person capable of performing such services or labor cannot be found in this country. As applied in those procedures, pursuant to 29 CFR Part 621, such person shall be determined eligible for employment only where qualified persons in the United States are (1) not available and (2) the employment of a non-immigrant alien temporary worker will not adversely affect the wages and working conditions of a worker in the United States similarly employed. See 29 CFR Section 60.6 and Paragraph XIV, *infra*, for matters to be considered in determining "adverse effect."

B. United States.—The term "United States" as used herein is that defined in the Immigration and Nationality Act of 1952, as amended, Section 101(a), Public Law 414, as follows: "The term United States . . . when used in a geographical sense, means the continental United States, Alaska, Hawaii, Puerto Rico, Guam and the Virgin Islands of the United States."

C. United States Resident Worker.—The term United States resident worker refers to a citizen of the United States, or a national of the United States or a permanent resident alien.

D. Part-Time Employment.—Part-time employment does not qualify for a temporary labor certification. Part-time employment refers to hours or days of work less than those normal or prevailing for the occupation in the employment area. (i.e., less than 8 hours a day or 40 hours a week).

E. Temporary Employment.—This term refers to the job and job duties to be performed in a position which is to be filled for a period of one (1) year or less. It does not refer to the individual who will perform the duties, or to a job that is permanent in nature. Nevertheless, for purposes of these policies and until further notice, jobs in construction and other industries will be considered to be temporary where the projects are of a limited duration. (e.g. entertainers, boxers, trainers, etc.).

F. Job Order.—This term is used to describe Form ES 514 which is required by the Guam Employment Service. The Job Order must be filled by a prospective importer OR EXTENDER of alien temporary workers or parolees before a determination can be made (1) whether qualified workers are available in the United States and (2) whether the employment of such alien workers will have an adverse effect on the wages and working conditions of workers in the United States similarly employed.

V. Reporting

Not later than the 26th day of each month, each employer employing non-immigrant alien temporary workers or parolees will report to the Guam Employment Service the following:

A. The name, address, and occupation of each non-immigrant alien temporary worker or parolee who is presently on Guam.

B. The number of non-immigrant alien temporary workers and parolees terminated during the 30-day period.

C. The name and address of each United States resident worker currently employed or terminated during the 30-day period.

VI. Restriction of alien to one occupation

Non-immigrant alien temporary workers or parolees *cannot* be employed in any position other than the specific position for which they have been certified by the Guam Employment Service.

VII. Temporary labor certification

Definition.—A temporary labor certification is a certification issued by the Guam Employment Service to an employer for non-immigrant alien temporary workers or parolees for a period of one (1) year or less, for a specific temporary position, for which U.S. resident workers are not available and whose issuance will not adversely affect the wages and working conditions of U.S. resident workers who are similarly employed.

Validity.—A temporary labor certification issued pursuant to this policy shall be issued for a specific period of time setting forth the starting and ending dates of the temporary employment. As a policy matter no temporary certification will be issued for a period longer than (1) year. Extensions of labor certifications will be treated the same as a new application by the Guam Department of Labor.

VIII. Form MA 7-50B (Job Offer for Alien Employment)

The MA 7-50B provides for a description of the job duties to be performed and the minimum requirements necessary to adequately perform the job. It is to be completed by the employer when requesting certification for non-immigrant alien temporary workers or parolees. THIS FORM MAY BE USED FOR ALL OCCUPATIONS, PLEASE SEE SAMPLE MA 7-50B FORM FOR THE NEW ABBREVIATED WAY OF FILLING OUT THIS FORM PLUS THE ACCOMPANYING ATTACHMENT.

THE GUAM EMPLOYMENT SERVICE WILL DETERMINE AND ENTER THEREON THE VALIDITY PERIOD OF THE CERTIFICATION. AN EMPLOYER MAY REQUEST THAT THE CERTIFICATION PERIOD BEGIN UP TO 30 DAYS AFTER SUBMISSION OF HIS PETITION.

IX. Filing procedure

A. AN ORIGINAL AND THREE (3) COPIES, PLUS ATTACHMENT, MUST BE FILED LISTING THE TOTAL NUMBER OF ALIENS REQUESTED IN ALL OF THE OCCUPATIONAL CATEGORIES WITH A BREAKDOWN OF THE REQUIRED INFORMATION PER OCCUPATION ON THE ATTACHMENT.

B. A signed copy of an employer's original project contract must be filed with Guam Employment Service. The copy of the original project contract must be certified by an officer or responsible person of the firm that it is a true and accurate copy of the original project contract.

C. The Guam Employment Service, a division of the Department of Labor, will process certification requests in an expeditious manner. Incomplete forms, insufficient information, etc., may lead to substantial delays in processing time. All persons having questions concerning the filling out of forms, and processing requirements are encouraged to seek the advice of the Guam Employment Service.

X. *Transfer of workers to other projects*

A FIRM MAY TRANSFER A WORKER TO ANOTHER PROJECT (OF HIS OWN) TO WHICH HE HAS NOT BEEN PREVIOUSLY CERTIFIED ONLY AFTER RECEIVING A NEW GUAM DEPARTMENT OF LABOR CERTIFICATION AND AFTER RECEIVING WRITTEN AUTHORIZATION OF THE IMMIGRATION AND NATURALIZATION SERVICE SUBSEQUENT TO THE FILING OF A NEW VISA APPLICATION.

X. *Other laws and regulations*

FOR THE PURPOSE OF THIS POLICY, ALL EMPLOYEES ARE SUBJECT TO THE RULES AND REGULATIONS NOW IN EFFECT WITH ALL GOVERNMENT OF GUAM AGENCIES. OF SPECIAL SIGNIFICANCE TO EMPLOYERS OF NON-IMMIGRANT ALIEN WORKERS ARE THE FOLLOWING AGENCIES:

1. APPRENTICESHIP AND TRAINING.
2. WAGE AND HOUR SECTION.
3. OCCUPATIONAL SAFETY AND HEALTH SECTION.
4. WORKMEN'S COMPENSATION SECTION.
5. RESEARCH AND STATISTICS.
6. EMPLOYMENT SERVICE.

ALL EMPLOYERS MUST AGREE TO COMPLY WITH ALL GENERAL AND LOCAL LAWS AND REGULATIONS RELATING TO RATES OF PAY, HOURS OF WORK, SAFETY AND HEALTH CONDITIONS, AND ALL OTHER CONDITIONS AFFECTING THE WORK PLACE AND THEIR EMPLOYEES. EMPLOYERS CHARGING WORKERS FOR ROOM AND BOARD MUST BE PREPARED TO DEMONSTRATE THAT THE WORKERS ARE RECEIVING GOODS AND SERVICES OF A VALUE EQUAL TO THE ROOM AND BOARD CHARGE. CHARGES IN EXCESS OF ACTUAL COST MAY BE VIEWED AS A VIOLATION OF THESE PROCEDURES.

XII. *Employer statement*

Prior to the issuance of a Labor Certification, a statement by the employer as set forth infra, must be executed by an authorized officer or responsible person of the firm and submitted to the Guam Employment Service.

XIII. *Prevailing rate effective dates*

The current "prevailing wage rates" apply to all requests for certification except for the construction industry. In the latter case, the "prevailing wage rates" (i.e., minimum non-adverse effect wage rates) will apply to all contracts signed subsequent to July 1, 1972. Construction contracts signed prior to July 1, 1972 will not be subject to the new "prevailing wage rates". However, subsequent monetary amendments of construction contracts signed prior to July 1, 1972 will make the additional work under such contracts subject to the new "prevailing wage rate" with respect to requests for certification processed subsequent to the contract amendment. Construction adverse effect wage rates will increase each six months up thru and including July 1, 1974 as set forth in a wage schedule available at the offices of the Guam Employment Service.

XIV. *Adverse effect*

All requests for employment of non-immigrant alien temporary workers and parolees must provide for payment of the applicable prevailing wage rate to each alien. Any requests for certification that does not provide for payment of the applicable prevailing wage rate will be rejected on the grounds of adverse effect. See 29 CFR, Section 60.6 and Paragraph IV (A), supra.

XV. *Availability*

The procedures now followed concerning availability of resident workers will continue in effect. Where U.S. resident workers are available at the prevailing wage, certification requests will be denied on the basis of *availability*.

XVI. Ten percent requirement

As previously announced, beginning August 4, 1972, no certification request will be processed unless the applicant firm can show that at least 10% of its employees on Guam are U.S. resident workers. This requirement is based on the adverse effect that employment of aliens have on job opportunities for U.S. resident workers.

The 10% requirement will be based upon the applicant employer's total work force on Guam including non-immigrant alien temporary workers and parolees certified and currently present on Guam.

XVII. Certifications only for journeymen level positions

Effective immediately only journeyman level non-immigrant alien temporary workers and parolees will be considered for certification except that firms engaged in construction will be permitted to request temporary alien workers for helper or laborer positions in an amount not to exceed twelve and one-half percent of the employer's work force on Guam.

XVIII. Invalidity of certifications

(a) A temporary labor certification will become invalid if there are material changes in the circumstances stated on the application for alien employment certification. (Including supportive attachments or documents required), or if the representation upon which the certification is based is materially incorrect. Materially incorrect means that if the correct facts had been known a certification would not have been issued.

(b) Certification requests will be deemed to adversely affect the wages or working conditions of U.S. resident workers where it appears that employment is with an employer who has within 2 years prior to the offer obtained a certification on the basis of material misrepresentations of Form MA 7-50B or any supplement thereto or employers statement required by the Guam Department of Labor as part of the certification process. Examples of material misrepresentations would be situations where an alien is required by one means or another not authorized by the Department of Labor to return any portions of his wages to the employer, or where an employee is not paid any portion of wages earned according to existing Federal or territorial laws.

XIX. Sanctions

Where a pattern of violations occurs; that is, repetitious violations of a certain section or sections of Guam's labor law, administrative policy or other regulations, the employer will be denied future alien labor certification as follows:

1st offense.—No alien labor certification for a subsequent 12-month period.

2nd offense.—No alien labor certification for a subsequent 2-year period.

In both cases the Guam Department of Labor will first hold an informal hearing giving the employer an opportunity to refute charges against him.

XX. Certainty of wage payment

In any instance where the Guam Employment Service has any uncertainty regarding the employer's financial ability to pay workers their wages when due, the labor certification will not be issued until the employer produces a wage bond from a reputable company guaranteeing 1 month's wages for each alien employee or assigns to the Guam Department of Labor sufficient net assets equal to 1 month's wages for each alien employee. Net assets would include marketable land and equipment minus liens against same.

XXI. Interviews

(a) Upon request, employers employing non-immigrant alien temporary workers, or parolee will promptly make their employees available for private interviews with representatives of the Guam Department of Labor. To the extent practicable, the Department of Labor will not interfere with employer's work in progress.

(b) Where a non-immigrant alien temporary worker or parolee is terminated by an employer prior to the termination of his contract or expiration of his visa, the Guam Employment Service *must* be advised in writing by the employer a minimum of ten calendar days prior to the employee's departure from Guam. The written notice should state the name and address of the employee, dates of employment, hourly and weekly earnings and reason(s) for termination stated in detail. The employer's right to terminate for cause is recognized and in those cases where the Guam Department of Labor can discharge its responsibilities in

less than ten days, the Guam Department of Labor will agree to prompt deportation.

XXII. Parolee subject to these policies

Certification requests for non-immigrant alien workers paroled into Guam to work for Department of Defense contractors will be processed and reviewed in accordance with the policies and procedures set forth in this announcement.

XXIII. Appeals

There is hereby created a Board of Appeals within the Department of Labor consisting of a representative from each of the following departments:

1. Office of the Attorney General.
2. Department of Commerce.
3. Community Action Agency.

Jurisdiction: The board shall have the power to re-examine the facts leading to any adverse decision rendered by the Guam Employment Service or the Director of the Department of Labor relative to alien labor certification and then shall render a final decision on the matter. The appeal to the Board shall constitute the final administrative remedy available on Guam.

REPEAL OF POLICY

This amended policy supersedes previous issuance.
Signed this 15th day of January 1973.

Administrator, Employment Service.

ENCLOSURE (E)

PREVAILING JOURNEYMAN WAGE RATES—GUAM, JULY 1, 1972 TO JUNE 30, 1974

Job title	July 1, 1972	Jan. 1, 1973	July 1, 1973	Jan. 1, 1974	July 1, 1974
Refrigeration and air conditioning.....	\$2.92	\$3.14	\$3.40	\$3.70	\$4.94
Machinist.....	2.89	3.11	3.36	3.68	3.96
Heavy equipment repairmen.....	2.84	3.06	3.31	3.60	3.92
Heavy equipment operator.....	2.77	2.99	3.24	3.53	3.85
Electrician.....	2.76	2.96	3.22	3.50	3.82
Plumber.....	2.75	2.95	3.20	3.46	3.78
Welder.....	2.73	2.98	3.16	3.42	3.74
Sheetmetal worker.....	2.70	2.90	3.12	3.38	3.70
Meson.....	2.63	2.83	3.05	3.31	3.62
Light equipment and general truck driver.....	2.61	2.81	3.03	3.29	3.59
Carpenter.....	2.61	2.81	3.03	3.29	3.59
Painter.....	2.48	2.69	2.94	3.23	3.55
Structural ironworker.....	2.48	2.68	2.90	3.15	3.43

ENCLOSURE F

GUAM NONIMMIGRANT ALIEN WAGE SCHEDULE

Grade	Straight time ¹						Night premium			
	Straight time ¹			Overtime			Straight time		Overtime	
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	1st shift	2d shift	1st shift	2d shift
AW-1.....	\$1.30	\$1.34	\$1.38	\$2.52	\$2.58	\$2.64	\$0.08	\$0.11	\$0.12	\$0.17
AW-2.....	1.33	1.37	1.41	2.57	2.63	2.69	.09	.12	.14	.18
AW-3.....	1.36	1.40	1.44	2.61	2.67	2.73	.09	.12	.14	.18
AW-4.....	1.39	1.44	1.49	2.66	2.73	2.81	.09	.13	.14	.20
AW-5.....	1.42	1.47	1.52	2.70	2.78	2.85	.10	.14	.15	.21
AW-6.....	1.48	1.55	1.61	2.79	2.90	2.99	.10	.14	.15	.21
AW-7.....	1.53	1.59	1.65	2.87	2.96	3.05	.11	.15	.17	.23
AW-8.....	1.61	1.68	1.75	2.99	3.09	3.20	.11	.15	.17	.23
AW-9.....	1.70	1.76	1.82	3.12	3.21	3.30	.11	.16	.17	.24
AW-10.....	1.77	1.84	1.91	3.23	3.33	3.44	.12	.16	.18	.24
AW-11.....	1.84	1.91	1.98	3.33	3.44	3.54	.13	.18	.20	.27
AW-12.....	1.92	1.99	2.06	3.45	3.56	3.66	.14	.19	.21	.29
AW-13.....	2.00	2.07	2.14	3.57	3.68	3.78	.15	.20	.23	.30
AW-14.....	2.08	2.15	2.22	3.69	3.80	3.90	.15	.21	.23	.32
AW-15.....	2.16	2.23	2.30	3.81	3.92	4.02	.17	.23	.26	.35

¹ When quarters not furnished in kind, add \$0.12. When meals not furnished in kind, add \$0.26.

Note: Holiday premium equals straight time rate plus \$0.38. (Full yearend bonus equals 86.667 times (straight time rate plus \$0.38)). Effective 1st pay period after Nov. 1, 1972.

ENCLOSURE G
LABOR COST

Type of house and year	Number of man-hours to complete	Rate per hour	Cost	5.15 percent workmen compensation	4 percent G.R.T.	Total	Difference from 1968
Concrete roof standard 3 bedroom, 1 bath with carport (Area—1,088 sq. ft. ²)							
1968.....	3, 313	\$1.45	\$4,803.85	\$247.40	\$210.47	\$5,261.72	(?)
1970.....	3, 133	1.75	5,797.75	298.58	243.85	6,340.18	\$1,078.46
1971.....	3, 313	2.26	7,487.38	385.60	314.92	8,187.90	2,926.18
1972.....	3, 313	2.70	8,962.67	461.53	392.63	9,815.83	4,514.11
1973.....	3, 313	2.92	9,678.96	498.21	423.84	10,596.01	5,334.29
1974.....	3, 313	3.74	12,390.62	638.12	542.86	13,571.60	8,309.88

¹Average.

² Not available.

Note: This does not include the \$0.56 per hour additional expenses for importation of alien contract workers.

TITLE XL

Employment Service Law

CHAPTER I

Guam Employment Service

§ 44012. Payment of alien contract workers. All persons in the Territory of Guam recruiting, importing, or hiring non-immigrant alien contract laborers under the Defense H-1, H-2, H-3, E-1, E-2 or L-1 Immigration programs shall pay all salaries for services rendered in Guam directly to the non-immigrant alien contract worker and all such salaries shall be paid in full in Guam. [Former § 44012 renumbered to § 44016 and new § 44012 added by P.L. 11-109, effective December 10, 1971.]

§ 44013. Wages for alien contract employees. No person shall enter into any agreement or contract for the employment of an alien contract worker for services to be rendered in Guam at a wage rate below the prevailing wage rate or the minimum wage rate, whichever is higher. [Added by P.L. 11-109, effective December 10, 1971.]

§ 44014. Prohibition on accepting fee for employment of alien contract workers. No person shall accept or receive from any alien contract worker hired under the Defense H-1, H-2, H-3, E-1, E-2, or L-1 Immigration programs any monetary benefit or fee for the employment, procuring, offering, promising or attempting to procure employment under the Defense H-1, H-2, H-3, E-1, E-2, or L-1 Immigration programs for said alien contract employee. [Added by P.L. 11-109, effective December 10, 1971.]

§ 44015. Criminal liability. Any person violating the provisions of §§ 44012, 44013, or 44014 of this Title is punishable by imprisonment for not less than one (1) year nor more than five (5) years, or by a fine of not more than One Thousand Dollars (\$1,000.00) or both such fine and imprisonment.

§ 44015. Criminal liability. Any person violating the provisions of §§ 44012, 44013, or 44014 of this Title is punishable by imprisonment for not less than (1) year nor more than five (5) years, or by a fine of not more than One Thousand Dollars (\$1,000.00) or both such fine and imprisonment.

[Editor's Note: new §§ 44012-44015 added by P.L. 11-109, effective December 10, 1971. In addition, P.L. 11-109 contained the following:

[Enclosure H]

"§ 6. Notwithstanding the provisions of § 3 of this Act, the increase in the wages paid alien contract workers shall not apply to any contract entered into prior to the effective date of this Act, or any contract made pursuant to a public bid opened prior to the effective date of this Act.

The Director of Labor is authorized to issue such regulations as are necessary to effectuate the purpose of this Section, which the Legislature hereby declares to be that of equitably treating contractors who entered into contracts prior to the effective date of this Act."

TITLE XLII

Fair Labor Standards

CHAPTER I

Minimum Wage and Hour Act

§ 46004. Minimum wages. Every employer shall pay to each employee employed by him wages at not less than the following rates:

1. For the period ending July 1, 1971, one dollar and seventy-five cents (\$1.75) per hour;

2. For the period ending July 1, 1972, one dollar and ninety cents (\$1.90) per hour;

3. Thereafter, two dollars and five cents (\$2.05) per hour. [EDITOR'S NOTE: Amended by P.L. 10-172, effective August 6, 1970, and by P.L. 10-38, effective March 13, 1969. P.L. 10-172 also contained the following:

"In implementing the recommendations of the Kamalu Report, no position within the government of Guam, except for student trainees, shall have a minimum rate of less than two dollars (\$2.00) per hour and no employee whose position is proposed to be reduced in pay range shall have his salary reduced for a period of two (2) years."]

§ 46005. Maximum hours: split shifts. (a) No employer shall employ any employee in excess of forty (40) hours a week, unless such employee receives compensation for employment in excess of such weekly hours, at a rate not less than one and one-half (1½) times the regular rate at which he is employed. [Amended by P.L. 11-83, effective July 30, 1971.]

CHAPTER II

Wages, Payment of

§ 46034. Penalty. Any person who, having the ability to pay, willfully refuses to pay wages due and payable when demanded or who violates any provision of § 46030 or § 46033 shall be fined not more than One Thousand Dollars (\$1,000.00) or imprisoned not more than one (1) year, or both. [Amended by P.L. 11-30, effective April 23, 1971.]

[Enclosure I]

TWELFTH GUAM LEGISLATURE

1973 (FIRST) REGULAR SESSION—BILL NO. 316

AN ACT To amend section 44013 of the Government Code of Guam relative to wages for alien contract employees

Be it enacted by the people of the territory of Guam:

Section 1. Section 44013 of the Government Code of Guam is hereby amended to read as follows:

"Section 44013. Wages for alien contract employees. No person shall enter into any agreement or contract for services to be rendered in Guam at a wage rate below the [prevailing wage rate or] the minimum wage rate [whichever is higher.] *No employer shall be made to pay a rate in excess of the minimum wage rate. An employer may deduct from the minimum wage expenses incurred in providing food, shelter, transportation and incidental fees. These expenses shall be determined in accordance with the Cost of Living Index established by the Department of Commerce.*"

[Enclosure J]

TWELFTH GUAM LEGISLATURE

1793 (FIRST) REGULAR SESSION—BILL NO. 399

AN ACT amending section 44011 of the Government Code of Guam relative to certification of need for alien contract workers by the Guam Employment Service

Be it enacted by the people of the territory of Guam:

Section 1. Section 44011 of the Government Code of Guam is hereby amended to read as follows:

"Section 44011. [Distribution of alien contract worker quota.] *Certification of alien contract workers.* The Guam Employment Service, in certifying to the U.S.

Immigration and Naturalization Service the eligibility of construction contractors to import non-immigrant alien contract labor, [under the quota given the Territory of Guam pursuant to its rehabilitation program, shall divide the quota among all of the licensed construction contractors in the Territory of Guam, without regard to the date their licenses were obtained. In the event such a construction contractor does not wish to use his share of the quota so allocated to him, then the Guam Employment Service shall reallocate such unused portion of the quota to all such contractors who desire to import such alien contract workers. It is the intent of this section to assure all licensed construction contractors in Territory of Guam that each will be given a fair and equitable share of that quota of alien contract workers established for the Territory of Guam for rehabilitation purposes.] *Because of the unavailability within the territory of Guam of local construction workers, shall categorize such non-immigrant alien contract labor only as construction workers, and shall make no restrictions as to location of such employment on Guam within the period covered by such certification. Transfer of such employees from one project to another will be accomplished without reference to the Guam Employment Service only after approval by the U.S. Immigration and Naturalization Service.*"

Mr. EILBERG. Our next speaker is an authority on labor matters, I understand, Mr. Mike McClure of the Governor's Industrial Relations Council.

TESTIMONY OF MICHAEL D. McCLURE, CHAIRMAN, INDUSTRIAL RELATIONS COUNCIL

Mr. McCLURE. Mr. Chairman, my name is Michael D. McClure. I am Chairman of the Guam Industrial Relations Council which is an ad hoc committee appointed by the Governor of Guam to advise his office on matters related to Labor and Industrial Relations. The council includes six executives representing the major divisions of the business community and one member from the administrative branch of the government. My testimony here today is as the representative of this group.

In addition to the testimony to be presented and responses to any questions that I may supply for the committee, the council hereby presents 15 copies of its treatise on the proposed "Island Industry Manpower Development Program." I believe you have all received copies of that. Also provided are an equal number of copies of resource studies and publications which supply supportive information on the territorial economy. Much of the information which you gentlemen have asked relative to statistics is available in these publications, and also in the report that the council has provided.

My comments to the committee today are taken from the more lengthy report in a design to provide a brief overview of that material.

The territory of Guam has experienced a level of economic growth which has surpassed the island's capability to meet the manpower requirements of her industries. The orderly continuation of economic expansion is only possible if a source for skilled and capable manpower to enter the labor force can be developed. The current sources for manpower in the territory are: One, residents; two, contract personnel from the continental United States and Hawaii; three, aliens imported from Asian countries.

As will be shown in part II of the more lengthy proposal, the island is faced with the unique problem that there are no additional skilled craftsmen available within the resident populas, and only limited numbers available for entry level positions. The retention of 50 per-

cent of the island's current student population will provide future trainees who will progress to skilled levels over the next decade, but only with the help of qualified trainers.

Currently, aliens are imported to Guam through the H-2 program; however, current policy limits the organizations who may utilize alien labor under this classification to the construction and entertainment industries. In order to provide for the manpower needs of the territory, the government of Guam requests a special administrative arrangement whereby the Department of Labor and the U.S. Immigration and Naturalization Service permit the expansion of the H-2 program to all legally recognized and approved employers in all industries. Under current law—

Mr. EILBERG. May I interrupt there. As far as the Immigration Subcommittee is concerned, the decision of the Department of Labor to apply the present H-2 to the construction industry is entirely an executive or departmental decision, and does not, in my opinion, comply with the congressional intent. Therefore the purpose of a provision in H.R. 981 is to extend this to industries beyond the construction industry.

Mr. McCLORE. Thank you; yes. It is my understanding that they have decided that only this industry can qualify, or perhaps the entertainment industry as well. It is my understanding that it is a somewhat arbitrary decision. I think there is precedent in parts of the United States, as an example, whereby people are brought into industries—permanent industries. These are temporary workers, but they are brought into permanent industries. I think, really, that the contention of the Government here in supporting this request is that we really need an awful lot of people to train other people. I'll cover this a little bit later, but it is our contention that trainers are temporary in nature.

Mr. EILBERG. Please go ahead.

Mr. McCLORE. Under current law, it would then be possible to import temporary alien workers from any country from which immigration is permissible under present U.S. policy to fill positions on a temporary basis until such time as these temporary workers are replaced by local residents or U.S. citizens. Under this temporary program, the employer will provide approved craft and business systems training for local residents to prepare them to replace the temporary alien workers. It is proposed that the expanded program would be under the direct supervision of the government of Guam through its department of labor and the U.S. Immigration and Naturalization Service. The suggested administrative controls for the program are outlined in detail in section IV of the proposal.

In addition to the basic problem of lack of island generated manpower to fill existing and estimated future job openings, inequities exist under current Federal regulations which create gross inequities for U.S.-based and Gnamanian firms, placing them at a severe disadvantage in competition with foreign based organizations from countries such as Japan, Taiwan, Korea, and Hong Kong.

I would like to depart, if I could, from my written statement for just one moment to give two examples. Recently, organizations have attempted to start on the island, business organizations, in the jewelry field and in the textile business. In both instances, organizations from

outside the United States, non-Guamanian based firms, would be able to bring in personnel to help staff and train. But if an American company tried to do the same thing, it would be virtually out of luck because there is no way that they can actually bring these people in.

Mr. EILBERG. How does the foreign company bring its people in?

Mr. McCCLURE. Under E-1 and L-1 classifications.

Mr. EILBERG. That is as treaty traders or as—

Mr. McCCLURE. Treaty traders or intracompany transferees.

Mr. EILBERG. But the treaty traders, we've learned, are relatively small in number; that is, only 200 to 300 according to the estimate given us.

Mr. McCCLURE. If I may give you an example—I hesitate to mention individual hotels, but one international company here, which is an American owned company, can equally compete because of its international status with the foreign hotels. There is another American hotel firm here on the island which is not an international scope company and also is not owned by a foreign organization. Hence, it cannot bring these people in. Now when you are talking about training people, and this is really what we are talking about, to bring them up to proficient levels to make their organizations competitive, a very few people can make a big difference. As an example, in the hotel industry, if you can bring in, let's say, 25 to 35 people who are highly skilled, who can actually work as a waiter and at the same time can train people, and you have another company right down the road who can bring in nobody to train anybody, then you have an inequitable situation. And the same is true with the jewelry industry, with the garment industry or anything along this particular line.

Back to my prepared statement, then, if I may. Some of this may be repetitive of what I have just said.

With the current H-2 program limited to the construction and entertainment industries, a U.S. company in any other type of business has no vehicle by which skilled or unskilled manpower can be recruited to provide the required personnel base. On the other hand, foreign based or international corporations can obtain the needed workers under USINS E-1 provisions, treaty trader, or through the L-1 provisions, intracompany transferee. The capability of the foreign corporation to obtain the vital qualified manpower, and the restrictions which do not allow a U.S. firm to do the same is clearly discriminatory.

In the area of agriculture and food production, lack of qualified manpower is a deterrent to economic growth and the ability of the island community to support its own needs. Presently the cost of all food products is excessive in that virtually all items must be imported from the U.S. mainland, over 6,000 miles away, or neighboring countries in Asia, the nearest of which is Japan, some 1,600 miles distant.

To enable Guam to be more self-sufficient, the administration has repeatedly requested through Federal agencies the opportunity to import farmworkers and agricultural experts to aid in the development of food production programs. All of these efforts have been to no avail and food cannot be produced without the required manpower and trained personnel.

In the area of food production must also be considered the island's poultry and egg producers, dairies and bakeries, all of which have been

partially manned by alien workers under defense parolee classification. It has been announced by the USINS that over the next 12 to 18 months the current parolee programs will be phased out. Under this program, companies with contracts to supply the military have been allowed to import alien workers. With the discontinuation of the defense parolee classification the above mentioned food producers will no longer be capable of producing their goods and services due to the inability to obtain manpower. The reevaluation of the current H-2 restrictions to allow agricultural workers nonimmigrant entrance would eliminate this danger.

The small manpower resources available on Guam, some 1,500 high school and college graduates annually, all require additional training. The development of these young people is a prime concern to the government and a massive training job that cannot be done by standard U.S. mainland systems that have been developed primarily for application in large urban areas. Industrial, on-the-job-type training systems are a better answer to the needs of Guam's rural oriented populus. Training systems whereby one or two trainees are assigned to a skilled worker-teacher will supply the much needed knowledge and job learned skill more effectively in a more compressed time period than any other technique. If all industries are allowed to bring in skilled aliens, and part of their employment contract requires the training of local manpower, the way to the development of a local manpower source for skilled workers will have begun. Controls to insure training are a basic part of section IV of the overall proposal.

Incumbent in the expansion of the H-2 program is the need for administrative control of the program at the point of exercise or experience. At times in the past, Guam has not been permitted to govern its own programs; and as a result, outmoded systems and situations which needed action have taken, in some instances, years to modify or improve. In addition to this timeliness of action problem, local control is needed due to geographical, market and ethnic considerations.

Geographically, Guam is located in Asia. Although the culture is a strong mixture, the American way predominates; and yet, problems of logistics, communication and reaction to U.S. systems are impaired or delayed by the distances involved. Guam is 2,000 miles from the Asian mainland, well over 6,000 miles for the continental United States, and more than 9,000 miles from the seat of Federal Government.

In the marketing area, the island's prime industry is tourism; and although Guam is an American possession, she must compete primarily in the Asian marketplace. As such, her hotels and service industries must have realistic policies and practices under the law to maintain a competitive position. The mandatory adherence to Federal regulations and absentee opinion make an equal competitive stance difficult to attain with areas like Manila, Hong Kong, and Taiwan.

In the ethnic area, this consideration is, of course, obvious. Guam visitors are mainly from oriental countries and much of the labor force must be obtained from Asia. Familiarity with the language, custom, and operational systems are something that a North American can handle and understand only after a period of familiarity. I might add that I still don't understand a lot of the problems and I have been here over 21½ years.

In stipulating local control of the immigration problem, one other major consideration must be voiced. That is the ethnic makeup of the island population. In speaking on this subject, it is vital that we keep in mind that we are speaking of a small island, 209 square miles, that is noncontiguous with any other land mass and whose native inhabitants number no more than half the overall population. In order to prevent a situation similar to that which occurred in the Virgin Islands, there must be some system which can legally be applied to prevent a takeover of the island by any third country nationality, regardless of origin.

In the interest of maintaining an equal balance of national groups in proportion to the native populace, it is considered important that alien contract workers not be allowed to change their nonimmigrant status to that of immigrant. Some restrictions must be considered not to permit the adjustment of immigration status under section 245 of the Immigration and Nationality Act.

It is clear that administrative controls must be at the point of experience to be effective; however, it is also clear that these controls must be in tune with the applicable Federal legislation on the subject, and that the controls involved must be in concert with the affected Federal departments.

This, gentlemen, concludes my remarks relative to the island industry manpower development program.

One other topic must be brought to your attention, and with permission, I will do so in very brief form.

On August 1, 1973, the office in charge of the Immigration and Naturalization Service Office on Guam distributed the following communication. And I quote: "The United States Immigration and Naturalization Service, Agana, Guam, advises that the termination of importation of defense parolees will be December 31, 1973, and phasing out of all defense parolees will be accomplished by December 31, 1974.

"For clarification, this announcement is made at this time in order that employers of defense parolees may, on a timely basis, plan means of replacement of personnel now employed as defense parolees."

Although there is a 16-month period involved prior to completion of the phaseout, unless there is some action on the part of the Federal Government, employers with defense parolee workers may be subjected to severe economic penalties.

Under current U.S. INS regulations, parolees must be repatriated to their nation of origin prior to their reclassification to H-2. At a transportation cost of \$348 per employee, the cost to the island employers to send—I would like to amend those figures to read—2,722 parolee workers home and return them to Guam would be in excess of—and again I would like to change the figures—\$900,000. It would be possible to eliminate this excessive and unfair burden if a discretionary waiver of the regulations were exercised.

The exercise of this discretionary waiver would be possible if the Immigration and Naturalization Service of the Department of State would agree to permit defense parolees to change status to "H-2" non-immigrant under the construction parolees program without returning to their point of origin.

Mr. Chairman, gentlemen, this concludes my prepared comments and I would like to thank you for your interest and your patience.

The Industrial Relations Council stands ready to provide additional information on the multiple topics discussed in today's hearing.

At this point, I will be happy to answer questions that the committee may have.

Mr. EILBERG. Mr. McClure, do you have any difficulty with your students that are graduating from your secondary schools remaining in Guam?

Mr. McCLURE. There is a proportion of students from the high schools who go to the States to gain a further education. I think in many respects that that is a good idea. The problem is that they find such a fertile field in the 50 States that they stay there. Frankly, we desperately need these bright young people back here on the island to help develop the island.

Mr. EILBERG. Do you have any statistics on what has been happening in the last few years?

Mr. McCLURE. We find that about 20 percent are leaving the island totally and failing to return.

Mr. EILBERG. Also, you made a statement that it would be helpful if industries were allowed to bring in skilled aliens to help train your local population. How, under our system of government, would you compel industries to bring in particular types of persons for particular types of training? By what mechanics can we do that?

Mr. McCLURE. I would attempt to request administrative procedure on Guam, whereby this was an inclusion in the employment contract of the alien. In other words, each company, my own included, has a contract that it signs with the nonimmigrant alien when he comes onboard the island. This specifies a number of different things. I believe that it would be possible, and I am not a lawyer, but I believe that it would be possible to enter this into the contract of employment so that the individual would be, then, required by his contract to train other employees. I am particularly interested in getting down to a one-on-one, or one-on-two, or a one-on-three basis where we can train the majority of people.

Mr. EILBERG. But you are not suggesting any legislation?

Mr. McCLURE. Again, it is my impression, Mr. Chairman, that if there were an indication from the Congress, the Immigration and Naturalization Service could allow individuals to come onto the island into all industries. As such, if these people had within their employment contracts the requirement that they train local personnel, we would be able to accomplish a long-range project in a much shorter period of time.

Mr. EILBERG. You are asking us to encourage INS and the Labor Department to have aliens brought in by contract; and, as a matter of regulation or departmental position, to encourage the bringing in of skilled aliens.

Mr. McCLURE. That is correct, sir.

Mr. EILBERG. I know, of course, and it is obvious from what we have heard thus far, that you would like to determine what kinds of people you would like to have here. But we do represent all of the people, some 200 million people; and, although this may be unpopular with some of you in this room, I wonder how we can realistically allow local control without similar demands being made from other parts of the

country or other territories. Conceivably, this could lead to a chaotic situation.

Mr. McCLURE. I would ask the committee's consideration of a couple of points. I think the unique nature of our situation, our location, in effect, 7,000 miles from the coast and 10,000 miles or 9,000 miles from the seat of government. We have problems that are, in my opinion, unique to any land mass group—a State in the United States. We are in the Asian marketplace. All of these elements make us highly unusual. This does not necessarily make us the same as Nevada, Idaho, Maine, or any other State. Because of this situation, I simply ask that you consider that there may be some unusual circumstances here whereby we have some means to balance the population. If not, I can foresee a problem. Let us imagine for a moment that a war should break out between China and Formosa. I can foresee a disastrous situation for the population of Guam. We are the closest U.S. entity and the controls are not here at present. I think we would need emergency legislation to bail Guam out.

What I'm really saying is that I wish I had an answer; I wish I could point to a piece of legislation, to a piece of law, and say, "Gentlemen, here is the way to do it." But I can't. I can only ask that you consider our unique status and our unique problems.

Mr. EILBERG. Mr. McClure, it was called to my attention that you are knowledgeable on the issue that members of this panel have expressed interest in; namely the controversy concerning the prevailing wage rate payable to the alien and the minimum wage rate payable to the U.S. citizen here. How was the prevailing wage rate determined? What are your reactions to this dilemma?

Mr. McCLURE. Let me begin by saying that I would welcome a full-blown congressional hearing on the matter by members of other committees. I feel that there are some inequities; I would like to see some method determined whereby there could be dual salary systems. But under present law, as I understand it, to mention one, title VII, to mention others, all of the Construction Aid Acts, there is a prevailing rate requirement—not the Davis-Bacon requirement, but a prevailing rate requirement that is done on a prevailing rate system.

Now, a year and some months ago, a survey was begun in January of 1972. The survey was run over all positions within the construction field and a few others to determine the prevailing rate or average or mean. These rates were, at that point in time, put into effect by the Government. There was a great hue and cry because there was no relationship of job skill, one to the other. As an example, a lower skilled job in the construction field such as steelworker—now, I'm talking about reinforcement steel—was paid more than, as an example and I don't remember if this is exactly true, but more than a plumber. If you are familiar with wage an hour at all, this is ridiculous. You have to take the more complicated skill and run it downhill in terms of dollars to the least complicated skill. So as a result of this, there were numerous meetings between the Guam Contractors Association, the Guam Homebuilders Association, some Federal Government representatives, and the local department of labor. At that time, all elements of the problem on Guam, including training and many others, were brought to the fore and a system of salaries was developed. The only prevailing rate was the one applicable July 1, 1972. The others

are estimates of what the prevailing rate would be dependent upon the increases in the cost of living.

Now, there were a number of staircase salary increases. These staircase salary increases were prognosticated for the benefit of the larger contractor who has, as an example, 2-year contracts. You may have a contract with the Government, as an example, that will run 2 years if it's a big program. So the estimates were put in in order to answer this problem. To bid a job, we in construction have to know what our salaries are going to be 6 months, a year, or 2 years from now in order to properly bid the job.

These estimates, then, were laid down in the form of: These will go into effect on such and such a date. In order to be sure that we were right in those prognostications, the local department of commerce, for the first time in its history I might add, put into effect a consumer's price index study, and the 6-percent increases that were put into effect proved to be right on the dot. I think by accident we were quite accurate in our 6 percent. That is 6 percent every 6 months, gentlemen, by the way, which is extremely high by mainland standards. The government of Guam has since proven that the cost of living on this island has been tumbling over itself at about 0.8 to 0.9 per month. Now, there are many ramifications and many reasons for this type of thing—because of our location, because of the dollar program; because we were not covered by phase I, as an example, prices kept going up for us out here, but they were held down back in the States. There are a number of problems.

In effect, then, the salary increases that have been put into effect were done so to maintain an equity with the cost of living. And this was done, I might add, for the local, not for the alien: but, in order to do for one, you have to do for others, you have to do for all. As you, yourself, were saying a minute ago, you represent 200 million. Well, in this case we were trying to do for the local, but we also had to do for the alien. Under title VII and a lot of these other Federal regulations, we are required to do this. So the end shot of this is that we still have two more increases that are scheduled to go into effect if the cost of living keeps pace. Now, if this happens, I think they should go into effect because what has been happening on this island, gentlemen, is very simple. We have had a prevailing rate that has had almost a horizontal movement. Because of some misinterpretation, the minimum rate on this island has been practically the highest in the world—\$2.05 an hour. And I recognize that there are changes in this federally. But the problem is that if you maintain the prevailing rate in a horizontal path and you give the cost of living a vertical path, it means that you as a wage earner, as a journeyman in a skill, as a waitress or whatever, are taking home less and less spendable money every single paycheck, 0.8 or 0.9 less. So this is why it was done, and I would encourage you gentlemen, if you can give us some relief in this area, if title VII can be bypassed and if some of the other areas can be bypassed, I think that the majority of employers would certainly be very grateful.

Mr. ENLBERG. Finally, Mr. McClure, how meaningful is your \$2.05 minimum wage rate as far as employment on the island is concerned? I would guess from what you have been saying that very few are employed at the minimum wage.

Mr. McCLURE. I do not remember who said so, and I will beg his pardon for disagreeing with him; but as an employer—and we employ quite a few people on this island—we employ, to my knowledge, not more than one-half of 1 percent at the minimum wage. Because of the market situation here, because we do not have enough people to fill the jobs that we have on the island, you do not pay the local people \$2.05 and aliens \$3 an hour. It is virtually impossible. Why? Because the local, whether he be Guamanian, stateside or whatever, is not stupid. If he can go down the street and get \$3 an hour, why in the devil should he work for you for \$2.05?

Mr. EILBERG. I thank you, and I yield to Mr. Railsback.

Mr. RAILSBACK. In the interest of time, and I suppose we have quite a few witnesses left, I just want to express an interest in your recommendation that we do something about the termination of the parolee program by permitting a discretionary waiver of the provisions. This, I think, makes some sense; and this is what I asked Lieutenant Governor Moylan. I wondered how he felt this could be done. Your theory is that because this repatriation provision is now promulgated under regulations, that that could be changed by regulations without having to enact a new statute?

Mr. McCLURE. That is my opinion; yes, sir.

Mr. RAILSBACK. Then, Mr. Chairman, I would like to suggest that this subcommittee consider taking some kind of action along those lines that would give discretion to somebody, that would not require repatriating the people back to where they are from at a cost of \$900,000. This could be something that our subcommittee could do—if we decide to write a letter.

Mr. HOGAN. Will the gentleman yield?

Mr. RAILSBACK. Yes, I'll be glad to yield.

Mr. HOGAN. It is my understanding, however, that this would not be a permanent solution to that problem, that under H-2 they would still be under temporary status. So in the long run, that does not present a solution to the problem; it presents a temporary Band-Aid to the problem.

Mr. RAILSBACK. Let me just take issue with my colleague, and then we will let you answer. My understanding is that in your recommendation you are actually calling for a reclassification under H-2. And even though it is temporary employment, this is still what you are opting for.

Mr. McCLURE. Yes, sir. We understand, and we have accepted for years the responsibility of paying the freight, so to speak, of the alien, both back and forth. Certainly, it would be nice to be relieved of that cost. It would be a cost which could be taken off the homes, as an example. But what I would like to say in this regard is that we are really interested, in my statement here, with the parolees. If these parolees, 2,700 strong, did not need to be repatriated all the way to their native lands and then returned—this is the only portion that we are asking for here. It would be nice to have the other, but we are only asking for this.

Mr. RAILSBACK. The maximum time factor under H-2 is 2 years, so in the long run you are not resolving the problem permanently.

Mr. McCLURE. Yes, sir, for a year.

Mr. EILBERG. I would add that if 981 becomes law—we would expect that this may happen within the foreseeable future—the 2,700 that you are referring to could easily come within the provisions of 981.

Mr. McClure. Yes, sir. That bill, as we read it, would answer all our problems. However, I am a pessimist; this bill has been advanced for 2 years that I am aware of, and it has not met with favorable consideration. I'm afraid that this may happen again; and if it does, Guam desperately needs some program, gentlemen. This year if possible, and no later than the first of the year.

Mr. EILBERG. Mr. McClure, I'd like to tell you that as far as I'm concerned, as far as 981 is concerned, I'm an optimist.

Are there any other questions from the panel?

Thank you very much, sir; we appreciate this.

[The prepared statement of Mr. McClure follows:]

STATEMENT OF MICHAEL D. MCCLURE, CHAIRMAN, GUAM INDUSTRIAL RELATIONS COUNCIL

Mr. Chairman and Members of the Committee: My name is Michael D. McClure. I am the Chairman of the Guam Industrial Relations Council which is an ad hoc committee appointed by the Governor of Guam to advise his office on matters related to Labor and Industrial Relations. The Council includes six executives representing the major divisions of the business community and one member from the administrative branch of the government. My testimony here today is as the representatives of this group.

In addition to the testimony to be presented and responses to any questions that I may supply for the committee, the council hereby presents fifteen (15) copies of its treatise on the proposed "Island Industry Manpower Development Program." Also provided are an equal number of copies resource studies and publications which supply supportive information on the Territorial economy. My comments to the committee today are taken from the more lengthy report and are designed to provide a brief overview of the material.

The Territory of Guam has experienced a level of economic growth which has surpassed the island's capability to meet the manpower requirements of her industries. The orderly continuation of economic expansion is only possible if a source for skilled and capable manpower to enter the labor force can be developed. The current sources for manpower in the territory are:

1. Residents
2. Contract personnel from the Continental United States and Hawaii
3. Aliens imported from Asian countries

As will be shown in part II of this proposal, the island is faced with the unique problem that there are no additional skilled craftsman available within the resident population and only limited numbers available for entry level positions. The retention of 50% of the island's current student population will provide future trainees who will progress to skilled levels over the next decade, but only with the help of qualified trainers.

Currently aliens are imported to Guam through an H-2 program however, current policy limits the organizations who may utilize alien labor under this classification to the construction and entertainment industries. In order to provide for the manpower needs of the territory, the Government of Guam requests a special administrative arrangement whereby the Department of Labor and the United States Immigration and Naturalization Service permit the expansion of the H-2 program to all legally recognized and approved employers in all industries. Under current law, it would then be possible to import temporary alien workers from any country from which immigration is permissible under present United States policy to fill positions on a temporary basis until such time as these temporary workers are replaced by local residents or U.S. citizens. Under this temporary program the employer will provide approved craft and business systems training for local residents to prepare them to replace the temporary alien workers. It is proposed that the expanded program would be under the direct supervision of the Government of Guam through its Department of Labor and the United States Immigration and Naturalization Service. The suggested adminis-

trative controls for the program are outlined in detail in section IV of the proposal.

In addition to the basic problem of lack of island generated manpower to fill existing and estimated future job openings, inequities exist under current federal regulations which create gross inequities for U.S. based and Guamanian firms, placing them at a severe disadvantage in competition with foreign based organizations from countries such as Japan, Taiwan, Korea, Hong Kong, etc.

With the current H-2 program limited to the construction and entertainment industries, a U.S. company in any other type of business has no vehicle by which skilled or unskilled manpower can be recruited to provide the required personnel base. On the other hand, foreign based or international corporations can obtain the needed workers under USINS E-1 provisions, (treaty trader) or through the L-1 provision (intracompany transferee). The capability of the foreign corporation to obtain the vital qualified manpower, and the restrictions which do not allow U.S. firms to do the same is clearly discriminatory.

In the area of agriculture and food production, lack of qualified manpower is a deterrent to economic growth and the ability of the island community to supply its own needs.

Presently the cost of all food products are excessive in that virtually all items must be imported from the U.S. Mainland, 6,000 miles away, or neighboring countries in Asia, the nearest of which is Japan, some 1,600 miles distant.

To enable Guam to be more self-sufficient the administration has repeatedly requested through federal agencies the opportunity to import farm workers and agricultural experts to aid in the development of food production programs. All of these efforts have been to no avail and food cannot be produced without the required manpower and trained personnel.

In the area of food production must also be considered the Island's poultry and egg producers, dairies and bakeries, all of which have been partially manned by alien workers under the defense parolee classification. It has been announced by the USINS that over the next twelve to eighteen months the current parolee programs will be phased out. Under this program companies with contracts to supply the military have been allowed to import alien workers. With the discontinuation of the defense parolee classification the above mentioned food producers will no longer be capable of producing their goods and services due to the inability to obtain manpower. The re-evaluation of current H-2 restrictions to allow agricultural workers non-immigrant entrance would eliminate this danger.

The small manpower resources available on Guam, some 1,500 high school and college graduates annually all require additional training. The development of these young people is a prime concern to the government and a massive training job that cannot be done by standard U.S. mainland systems that have been developed primarily for application in large urban areas. Industrial, on-the-job type training systems are a better answer to the needs of Guam's rural-oriented populous. Training systems whereby one or two trainees are assigned to a skilled worker-teacher will supply the much needed knowledge and job learned skill more effectively in a more compressed time period than any other technique. If all industries are allowed to bring in skilled aliens, and part of their employment contract requires the training of local manpower, the way to the development of a local manpower source for skilled workers will have begun. Controls to insure training are a basic part of Section IV of the proposal.

Incumbent in the expansion of the H-2 program is the need for administrative control of the program at the point of exercise or experience. At times in the past, Guam has not been permitted to govern its own programs, and as a result outmoded systems and other situations which needed action have taken. In some instances, years to modify or improve. In addition to this timeliness of action problem, local control is needed due to geographical, market and ethnic considerations.

1. Geographical

Guam is located in Asia. Although the culture is a strong mixture, the American way predominates, and yet problems of logistics, communication and reaction to the U.S. systems are impaired or delayed by the distances involved. Guam is 2,000 miles from the Asian mainland, well over 6,000 miles from the continental United States and more than 9,000 miles from the seat of federal government.

2. Market

The island's prime industry is tourism, and although Guam is an American possession, she must compete primarily in the Asian market place. As such, her hotels and service industries must have realistic policies and practices under the law to maintain a competitive position. The mandatory adherence to federal regulations and absentee opinion make an equal competitive stance difficult to attain with areas like Manila, Hong Kong and Taiwan.

3. Ethnic

This consideration is of course obvious. Guam visitors are mainly from oriental countries and much of the labor force must be obtained from Asia. Familiarity with language, custom and operational systems are something that a North American can handle and understand only after a period of familiarity.

In stipulating local control of the Immigration problem, one other major consideration must be voiced, and that is the ethnic makeup of the island population. In speaking on this subject it is vital that we keep in mind that we are speaking of a small island (209 square miles) that is non-contiguous with other land masses and whose native inhabitants number no more than half the overall population.

In order to prevent a situation similar to that which occurred in the Virgin Islands there must be some system which can legally be applied to prevent a takeover of the island by a third country nationality, regardless of origin.

In the interest of maintaining an equal balance of national groups in proportion to the native populace, it is considered important that alien contract workers not be allowed to change their non-immigrant status, to that of immigrant. Some restrictions must be considered not to permit the adjustment of immigration status under Section 245 of the Immigration and Nationality Act.

It is clear that administrative controls must be at the point of experience to be effective, however, it is also clear that these controls must be in tune with the applicable federal legislation on the subject, and that the controls involved must be in concert with the affected federal departments.

This, gentlemen, concludes my remarks relative to the Island Industry Manpower Development Program.

One other topic must be brought to your attention, and with your permission, I will do so in brief form.

On August 1, 1973, the Officer in Charge of the Immigration and Naturalization Service Office distributed the following communication, and I quote:

"The United States Immigration and Naturalization Service, Agaña, Guam, advises that the termination of importation of Defense Parolees will be December 31, 1973, and phasing out of all Defense Parolees will be accomplished by December 31, 1974.

"For clarification, this announcement is made at this time in order that employers of Defense Parolees may, on a timely basis, plan means of replacement of personnel now employed as Defense Parolees."

Although there is a sixteen (16) month period involved prior to completion of the phase out, unless there is some action on the part of the federal government employers with defense parolee workers may be subjected to severe economic penalties.

Under current USINS regulations, parolees must be repatriated to their nation of origin prior to their reclassification to "H-2." At a transportation cost of \$348.00 per employee, the cost to island employers to send these 2,000 odd parolee workers home and return them to Guam would be in excess of \$1,300,000.00.

It would be possible to eliminate this excessive and unfair burden if a discretionary waiver of the regulations were exercised.

The exercise of this discretionary waiver would be possible if the Immigration and Naturalization Service and the Department of State would agree to permit defense parolees to change status to "H-2" non-immigrant under the construction program without returning to their point of origin.

Mr. Chairman; gentlemen, this concludes my prepared comments and I would like to thank you for your interest and your patience. The Industrial Relations Council stands ready to provide additional information on the multiple topics discussed in today's hearing.

At this point, I will be happy to answer questions that the committee may have.

Mr. EILBERG. Now, I just want to alert everyone that time is running on; it is 5 o'clock. I'm going to take some liberties here, if I may. We

are obviously concerned with the cost-of-living problem; and I'm going to go out of order and later call some other witnesses as a group. I'd like Senator Alfred C. Ysrael to come forward and speak to us about the cost of living.

TESTIMONY OF HON. ALFRED C. YSRAEL, MEMBER, 12TH GUAM LEGISLATURE

Mr. YSRAEL. You have before you, gentlemen, two statements: One is a lengthy report; and the first three pages contain a summary.

I want to thank you, Mr. Chairman, for asking me to come over. I can sympathize with you; I see you are the only Democrat among a multitude of Republicans. I happen to be one Republican among many Democrats in Guam. So we do have something in common.

Mr. EILBERG. Senator Ysrael, on the subject of 981 and related problems, I have found very little bipartisanship. So let me assure you that on the subject about which we have come here, I see very little difference of party philosophy.

Mr. YSRAEL. Thank you. What I have to say can best be summarized as follows: What is good for all America is good for Guam; what is good for Guam is good for all America.

A healthy, dynamic, viable Guam, U.S.A., is vital to peace in Asia. It will also permit the closing down of U.S. foreign bases in Asia. The problems in Guam, U.S.A., particularly the high cost of living which affects every Guamanian, is also affecting the high cost of maintaining Guam, U.S.A., as a defense base for peace in Asia.

At present, archaic bureaucratic technicalities are being applied to America's most strategic bastion for peace in Asia. We in Guam are the frontline for defense and offense against the enemy. Without Guam, your frontline would be the frontyards of California, and not here in Guam, 6,000 miles away.

A realistic solution must be found through constructive action by and between the leaders in Washington and Guam.

We in Guam have been treated like poor distant relations, ignored and forgotten. We are treated as second-class citizens in our own land; and yet we have been loyal Americans since 1898. We stand second to none in our support of our Nation. We have the highest proportion of military enlistment. We are second to none in having the highest death ratio and sacrifices; we are second to none in having more than half of our natural resources in Government hands. We are the only part of America that suffered 3 years of enemy occupation. We have more than fulfilled all our obligations as loyal citizens. But we have been denied all the full rights of American citizenship.

The outlandishly high prices in Guam, U.S.A., would never be accepted on the mainland. These high prices adversely affect the people of Guam and the U.S. taxpayers. These high prices can be attributed to the wholesale adoption of laws and policies which have taken 300 years to develop, with a corresponding, gradual awareness of such laws and policies by the populace. These laws and policies are being implemented now in Guam, en toto, on the island without the safeguards that normally go with such an implementation. This results in the highest cost of living found in any part of the United States with the possible exception of certain parts of Alaska.

The old U.S. maritime law under the Jones Act is a primary factor in raising the cost of everything imported into Guam by 30 percent (30 percent). This maritime law, the Jones Act, however, does not apply to the U.S. territory of the Virgin Islands. Here is one type of discrimination; here is one type of relief that can be granted us.

The U.S. Departments of Customs, Labor, Treasury, and Defense are sometimes guilty of double and dual policies for Guam. In one instance, they treat Guam as U.S. soil; in another instance, they treat Guam as foreign soil. We are not allowed to depend upon a source of food from neighboring islands 1,500 miles away at a considerably lower cost. By a decision of some bureaucrat in Washington, we must rely on the importation of the bulk of our food products from 6,000 miles away, at artificially high prices despite the food shortages coming up in the mainland. A specific example: we cannot import mangoes and other tropical fruit and foodstuff from the Philippines because there is a ban on the importation of mangoes to the U.S. mainland from Mexico. This ban is automatically applicable to Guam. However, here is something that happened just recently. A piece of merchandise was bought in New York; it was sent to Guam and found to be defective. I, personally, sent it back to the manufacturer. Here we have U.S.-made goods—made by U.S. firms, by U.S. labor—sent back to the mainland and stamped in return to us by the Department of the Treasury: "Postmaster, collect duties." In one instance they are treating us as part of the United States; in another instance they are treating us as foreign soil—collecting foreign taxes, foreign import duties, on goods that we send from Guam to the mainland.

A significant comparison of ridiculous application of archaic bureaucratic technicalities is in the abuse of certain non-immigrant visa holders. There are many little stores in Guam, jewelry shops, souvenir centers, retail dry goods, and restaurants, where the only employees are the aliens who are supposed to be treaty traders or treaty investors or intracompany transferees. These people are acting as sales clerks, waiters, order takers—and not as directors or supervisors or vice presidents as they were technically admitted to the United States. If aliens are coming here under such visas, they should be required to provide benefits to the local community and employ the U.S. citizenry and not take income away from U.S. citizens. There are approximately 200 such treaty trader visa applicants, companies; there are more than that as far as employees are concerned. But there are approximately 200 treaty trader or treaty investors' companies. It has been documented that about two or three of them represent every company, and these two or three are the entire working force of such a company in Guam. This is in violation of the spirit of the treaty trader law and the treaty investor law.

The high rising cost of labor and materials have increased the cost of badly needed housing above the means of the average citizen in Guam. The increased costs of living are daily blows at the citizen in Guam. The three prime factors in increasing costs are labor, materials, and interest money. We have no control over the interest money. The cost of materials can be attributed to the Jones Act since you have to add an extra 30 percent over and above the cost of the materials when bringing it from San Francisco to Guam. Because of the Jones Act,

we must use American vessels. These same vessels carrying this same merchandise further away can charge a cheaper freight rate than when dropping this same merchandise off to Guam because the freight rate applicable to this same merchandise on this same U.S. vessel being brought some place further away is subsidised by the U.S. Government. So on the matter of materials, there is some control; there is some relief that can be given.

In the matter of labor, the labor has been artificially set by the Department of Labor. It has been said that the prevailing wage has been just recently implemented. In the previous testimony by Senator Gutierrez, if you look at enclosure E, it shows that the prevailing journeyman's wage schedule was started on July 1, 1972, and extended all the way to July 1, 1974. What it does not state is that the theory of the prevailing wage was started in 1970. The minimum wage was \$1.60 at that time in Guam; the mainland minimum wage was about \$1.20. At that time, as far back as 1970 when the minimum wage was \$1.60, our Department of Labor said that you can import aliens only by paying them \$2.26 an hour—approximately 30 percent higher than the prevailing minimum wage. And how can they, on July 1, 1972, in their infinite wisdom, look ahead to 1974, 2 years hence, and say that the prevailing wage would jump from \$2.61 to \$3.50? So the three factors that contribute to our high cost of living are materials, labor, and interest rates—two of which can be controlled and can be alleviated by the Members of the U.S. Congress.

Also, it will affect the tourists coming to the United States. If our costs continue to skyrocket, we will lose whatever tourist industry we have been able to develop, that which should come to Guam, the United States, and help bring in dollars to the United States. The Philippines and Taiwan are conducting a very strong tourist program to lure our tourists away from Guam.

It is high time that the Federal Government should look at the needs of American as a whole; and in the case of immigration laws, fit their application to benefit the U.S. citizens in Guam, as well as Hawaii, California, or New York.

Perhaps the problem has been distance—out of sight, out of mind. We should no longer accept the blind decisions of some faceless bureaucrat in Washington in matters that affect all of us here in Guam and America as a whole. We need some relief, gentlemen; and the relief can be had not through legislative action, but by executive policy. Through executive policy and through the Attorney General's Office, parolees can be granted to alleviate our labor employment problem. It does not need legislation; executive policy alone is adequate.

Mr. EILBERG. Senator, we thank you for your statement. Obviously, it presents another point of view. I wonder if you are saying that the island of Guam does not need an expansion of the definition of "temporary employees."

Mr. YSRAEL. On the contrary, we are saying it is needed to help bring down our labor costs. What is wrong is the imposition of a high prevailing wage over and above what these people would be available for. Our construction costs in the last year have gone up 40 percent. The greater proportion, 50 percent of this, is labor. In the construction of houses or apartments or hotels, approximately 50 percent is

labor and 50 percent is material—or you could say 40 percent for labor, 40 percent for material, and 20 percent for equipment, in that order. When you increase your labor costs from \$2.05 to \$3 an hour, you are automatically increasing the cost of houses in Guam. The same houses that were built, same design, same model—the cracker-box houses that we have here in Guam, the ones that you saw as you were coming in from the airport—a year ago when the minimum wage was \$1.20 an hour, sold for \$12,000. When it went up for \$1.60 an hour, those same houses, those same designs, went up to \$16,000. When the minimum wage went up to \$2.05 those same houses sold for \$20,000 per house. When the prevailing wage of \$3 was imposed, those same houses are retailing for \$30,000. So there is a definite, direct correlation between the wages paid by labor and the amount those houses sell for.

Mr. EILBERG. I'd like to say for your benefit and for all others concerned that this record is being transcribed and will be an official record of the U.S. Congress. All Members and all committees will have access to the testimony which has been offered here today. I, personally, would be interested in other illustrations that might be within your knowledge as to how Guam is being discriminated against, but I don't wish to take any further time.

Mr. YSRAEL. The other aspects of the discrimination can be found on page 2 of my detailed statement—such as, we can't vote in Presidential elections; the U.S. customs considers us a foreign port in some instances and as part of the U.S.A. in other instances; the same U.S. customs prohibits the importation of food because we are part of the United States, but the effect this tropical fruit has on the mainland has no bearing on us. Pages 2, 3, and 4 are the different types of discrimination of the U.S. citizens in Guam. We are really second-class citizens.

Mr. EILBERG. Your statement will be made part of the record, Senator. Are there any questions? Mr. Railsback?

Mr. RAILSBACK. I want to commend you for a very forceful statement. As I understood it, you don't differ in many substantial respects from some of the earlier witnesses. You are emphasizing some of the points that were made by the chairman of the Housing Committee and also Lieutenant Governor Moylan as far as recognizing the problem.

Mr. YSRAEL. Insofar as the prevailing wage has resulted in increasing our labor costs for housing, our construction industry; this, in turn, is passed on and affects everything in Guam. The Jones Act has been mentioned; this affects our material costs. I'll give you an adequate example: If a U.S. vessel leaving San Francisco is carrying two typewriters of the same brand, the freight of one typewriter dropped off in Guam is 30 percent higher than that same typewriter brought farther away to Manila, Hong Kong, Taipei, or Japan.

Mr. RAILSBACK. I want to thank you for your statement.

[The prepared statement of Senator Alfred C. Ysrael follows:]

SUMMARY OF SENATOR ALFRED C. YSRAEL'S STATEMENT

A healthy dynamic viable Guam U.S.A. is vital to peace in Asia. It will also permit the closing down of U.S. foreign bases in Asia. The problems in Guam U.S.A., particularly the high cost of living which affects every Guamanian, is

also affecting the cost of maintaining Guam U.S.A. As a defense base for peace in Asia.

At present, archaic bureaucratic technicalities are being applied to America's most strategic bastion for peace in Asia. We in Guam are the front line for defense and offense against the enemy. Without Guam, your front line would be, the front yards of California, and not here in Guam 6,000 miles away.

A realistic solution must be found through constructive action by and between the leaders in Washington and Guam.

We in Guam have been treated like poor distant relations, ignored, and forgotten. We are treated as second class citizens in our own land: and yet we have been loyal Americans since 1898. We stand second to none in our support of our Nation: We have the highest proportion of military enlistment, (second to none) the highest death ratio and sacrifices (second to none) and more than half of our natural resources are in Government hands: We are the only part of America that suffered three years of enemy occupation: We have more than fulfilled all our obligations as loyal citizens. But we have been denied all the full rights of American citizenship.

The outlandish high prices in Guam U.S.A. would never be accepted on the mainland. These high prices adversely affect the people of Guam and the U.S. taxpayers. These high prices can be attributed to the wholesale adoption of laws and policies which have taken 300 years to develop, with a corresponding gradual awareness of such laws and policies by the populace: are being implemented "en toto" on the island without the safeguards that normally go with such an implementation: resulting in the highest cost of living found in any part of the United States.

The old U.S. Maritime Law under the Jones Act is a primary factor in raising the cost of everything imported into Guam by 30%. This maritime Jones Law does not apply to the U.S. Virgin Islands. The U.S. Departments of Customs, Labor, Treasury, and Defense are sometimes guilty of double and dual policies for Guam. In one instance they treat Guam as foreign soil, in another instance they treat Guam as U.S. soil. We are not allowed to depend on a source of food from neighboring islands 1,500 miles away at a considerably lower cost. By a decision of some bureaucrat in Washington, we must rely on the importation of our food 6,000 miles away, at artificially high prices despite the food shortage in the mainland.

A significant comparison of ridiculous application of archaic bureaucratic technicalities is in the abuse of certain non-immigrant visa holders. There are many little stores in Guam, jewelry shops, souvenir centers, retail dry goods, and restaurants where the only employees are the aliens who are supposed to be treaty traders, or treaty investors, or intra-company transferees, acting as sales clerks, waiters, order takers; and not as directors or supervisors or vice-presidents as they were technically admitted to the U.S.A. If aliens are coming here under such visas, they should be required to provide benefits to the local community and employ the U.S. citizenry and not take income away from U.S. citizens.

We cannot import mangoes and other tropical fruits and foodstuff from the Philippines because there is a ban on the importation of mangoes in the U.S. mainland from Mexico. This ban is automatically applicable to Guam.

The high rising cost of labor and materials have increased the cost of badly needed houses above the means of the average citizen in Guam. The increased costs of living are a daily blow at the citizen in Guam.

It will also affect tourists coming to the U.S.A. If our costs continue to skyrocket, we will lose tourists that should come to Guam, U.S.A., and help bring in dollars to America.

It is high time that the Federal Government should look at the needs of America as a whole, and in the case of immigration laws, fit their application to benefit the U.S. citizens in Guam, as well as Hawaii, California or New York.

Perhaps the problem has been distance, out of sight out of mind. We should no longer accept the blind decisions of some faceless bureaucrat in Washington in matters that affect all of us here in Guam, and America as a whole.

STATEMENT OF SENATOR ALFRED C. YSRAEL, MEMBER, TWELFTH GUAM LEGISLATURE

Mr. Chairman, members of the subcommittee: I am Alfred C. Ysrael, and I am pleased to welcome you to Guam. As a member of the Twelfth Guam Legislature, I am deeply appreciative of the interest you are exhibiting in our Territory's problems by holding this hearing on Guam. We wish that more time could be available

to bring out the many problems that confront our Island and its residents. Our situation is this:

We are faced in Guam with a situation where laws designed for the Continental United States at large, are blindly imposed upon the most strategic geographical area in the Pacific that will insure continued peace and enable the U.S.A. to close other foreign bases. Quite frankly I think the same Federal laws are very harmful to Guam. The blind imposition of Federal laws, to Guam is unrealistic, and causes undue hardships to its overburdened residents. What might be good for New York City, or Topeka, does not necessarily mean it is good for Guam. The past policies of accepting all Federal laws and regulations have resulted in outlandishly high prices and increases in the cost of living and in turn increases the cost of maintaining Guam as a bastion for peace in Asia. Prices that the citizenry of the Mainland will never accept, we in Guam are forced to accept.

The discrepancies of being a U.S. citizen in Guam means, being a second rate citizen, or a second class citizen, a discriminated citizen having all of its obligations and very few of its privileges. We are neither fish nor fowl. To cite a few examples of the discriminations and inequities being imposed on us here in Guam:

1. We cannot vote in the Presidential Election.
 2. We do not have a voting delegate to Congress.
 3. The U.S. Maritime Law (Jones Act) considers Guam a part of the U.S. Coastline; it automatically means that higher freight rate on U.S. ships apply, thereby increasing our cost of goods by approximately 30%. Foreign vessels which have cheaper rates cannot bring goods between Guam and the West Coast. The Jones Act however does not apply to the Virgin Islands which is also a Territory of the U.S.
 4. The U.S. Customs considers Guam a foreign port in so far as importation of U.S. Mainland goods sent by freight. All kinds of documentation and copies of invoices are required, restricting the flow of goods between States and Territory.
 5. However the same U.S. Customs considers Guam to be a part of the U.S. and prohibits the importation of tropical fruit from neighboring islands, because this ban is applicable in the U.S. Mainland, to protect Mainland fruit industry. Increasing the cost of our produce, and causing undue and excessive hardships on our food supply.
 6. The U.S. Customs also restricts the importation of eggs into Guam from neighboring sources because of a similar restriction applicable to the U.S. Mainland to protect Mainland eggs, the net result is eggs in Guam cost \$1.10 a dozen, far above that the Mainland consumer pays.
 7. Baggage is inspected coming into Guam from Foreign soil and also coming in from Hawaii-Mainland. We are considered as foreign soil when we arrive from the U.S. and as U.S. soil when arriving from a foreign port.
 8. The U.S. Department of Labor allows military establishments to pay less than the Federal minimum wage, by entering into an "Off-Shore" agreement with a foreign country and paying \$1.30 an hour for their help, both skilled construction workers and Service related work inside the military bases.
 9. The same U.S. Dept. of Labor imposes a "prevailing wage" of \$3.00 per hour on private industry for construction workers. It also does not allow any type of service type industries to import aliens to fill the labor shortage in Guam. The contention of the U.S. Dept. of Labor is to help alleviate the unemployment of the U.S. mainland, at our expense in Guam.
 10. Military authorities and regulations consider Guam as a foreign base, thereby qualifying for greater salary benefits and more liberal exchanges privileges for military and civil service personnel.
 11. Guam stands second to none in the entire U.S. when it comes to fulfilling its military obligations. We have more men in the services in proportion to our population. The same applies to Federal and Government of Guam owned lands. A full 50 percent of our entire land resources is in the hands of the Government. This is a greater proportion than most communities in the mainland.
- Our situation is this: The admission to Guam of aliens, both as immigrants, and as nonimmigrants is a matter of critical concern to every resident of this island. You have to recognize that Guam is small both in numbers of people and in size of the island. Therefore, the impact of aliens on Guam is much more significant than it is on the U.S. mainland. We in Guam are being penalized by the wholesale adoption of laws meant for the welfare and primary benefit of the

U.S. mainland. Laws and policies which have taken 300 years to evolve and develop, with a corresponding gradual awareness of such laws and policies by the populace, are being implemented "en toto" on the Island, without the safeguards that normally go with such an implementation.

What is good for the U.S. mainland is not necessarily good for Guam. The past policies and practices of a faceless Federal bureaucracy have imposed a tremendous burden on our residents, that have resulted in the highest cost of living found in any part of the United States. The idea that we in Guam should be responsible for our own destiny is gradually but inevitably gaining momentum.

In so far as the Committee is concerned, we need alien workers to assist us in developing our Island, I think that the U.S. Congress and the Administration should look at our needs and fit the Immigration laws applicable here to the situation as it exists in Guam U.S.A.; not how it would affect the people in Texas or California.

One of our greatest need is for alien *construction* and *service workers* to provide low cost housing. None are available locally. It is impossible to find locally available persons who are willing to accept jobs in the construction or service industries. The Immigration and Naturalization Service has cooperated with Guam to the extent that they have interpreted Section 101(a) (15) (H) (ii) of the act as permitting the importation of construction workers for temporary periods. Without this interpretation the Island could not have enjoyed the development it has experienced in the past ten years. But the Department of Labor, both at the local and Federal levels, is not quite so cooperative. We are compelled to pay to alien workers a prevailing wage that was established artificially and at a severely inflationary rate. As a result many unnecessary dollars are exported off to foreign countries and, more painfully yet for the local population, the cost of construction is pushed even higher. The Dept. of Labor can directly be held accountable for a 40% increase in the cost of house construction during the last year.

And now that we have all our new industry and sophisticated machinery that went along with the new construction, where are the technicians to keep this delicate machinery functioning? There are no service industries available. Presently it is being done illegally-sub-Rosa-by construction people under the heading of continuing construction. But this benefits only those construction companies that have an H-2 petition for Construction workers (who are illegally doing maintenance and service work). This very hall is being maintained and serviced illegally.

Guam is strapped for service workers and the H-2 program just cannot be used for this purpose. But under an *Executive policy*, you can override and allow this type of parolee into Guam at the discretion of the Attorney General. But regretably, our central Government in Washington have turned their backs to Guam's needs. Mainly because of our distance, out of sight out of mind. Archaic laws are applied to Guam—not that deserving of a strategic area.

There is another aspect to the Immigration problem here that warrants your concern. That is what I consider to be the abuse of certain other non-immigrant visas. There are at least hundreds of allens here in such categories as Intra-company transferee, treaty trader and treaty investor. A number of these people are here legitimately. But I can show you numerous situations where the criteria of substantial trade or substantial investment is not met for the beneficiary. There are many little stores in Guam, jeweler shops, souvenir centers, retail dry goods and restaurants, where the only employees are the aliens who were admitted as traders, investors or intracompany transferees, acting as sales clerks, waiters, order takers and not as directors or supervisors as they were originally meant. If allens are going to come here under such visas, they should be required to provide a benefit to the community by providing employment for the local population; and not take income away from U.S. citizens.

And even greater abuse comes under the heading of persons admitted as temporary visitors for business or pleasure the so-called B-1 visa holders. You can find people all over the Island who entered with such visas and who are actively employed on Guam. Is that not a direct violation of the law?

Please understand that I am not trying to indict or condemn our local office of the Immigration and Naturalization Service. Considering the pressures under which those people work, I am amazed that we have any control at all over the alien problem. The Agana office for INS is grossly understaffed, to a point that it is virtually impossible for the inspectors to conduct any investigations into illegal alien activities. Almost their whole time is devoted to inspecting newly ar-

rived aliens, interviewing applicants and processing papers. One inspector normally handles 200 arriving passengers. When the normal daily load should be 1 inspector for 50 passengers.

Gentlemen, a realistic solution to Guam's alien problems would be to give the Island a degree of flexibility over immigration matters, and over other Federal laws and statutes. The people who live on this island are competent to deal with the situation and they have a first hand knowledge of the problems that exist.

No more will we accept the blind decisions of some faceless Washington bureaucrat to judge what is good for us. The time for constructive action of our destiny is now at hand. What is good for Guam for its residents, is good for Topeka or Kalamazoo, since we are the pivot for peace in Asia. A healthy dynamic, viable, Guam U.S.A. is vital to peace in Asia. What is good for Guam, U.S.A. is good for all America.

Thank you gentlemen for permitting me to submit my views.

Mr. EILBERG. Thank you, sir. Ladies and gentlemen, there are four witnesses, I understand, who are prepared to speak on the H-2 program. I am going to take the liberty of asking all four to step forward at the same time and have a discussion on their views on H-2. May we have Mr. Bill Norwood of the Guam Contractors Association; Mr. Wilfred Hagen, spokesman for the Hotel and Restaurant Industry; Mr. Frank Iverson of the Hawaii Employers Council; and Mr. Thomas Baty, Labor Council of the Western Pacific.

Gentlemen, unless I've been misinformed, you are all concerned with the present law with regard to temporary alien employees on Guam, and you all feel that something needs to be done about it. Perhaps we could have a few words from each of you, develop a little discourse in this way, and move the program along faster than we have been able to do up to this point.

Mr. BATY. I have a contrary statement.

Mr. EILBERG. We want to hear every point of view, obviously. I don't mean to imply by bringing you up together that your views are identical, but the subject is identical.

Since your point of view is different, Mr. Baty. I think we will call upon you first to state your position and then let the others respond. Is that agreeable?

TESTIMONIES OF WILLIAM R. NORWOOD, PRESIDENT, GUAM CONTRACTORS ASSOCIATION; WILFRED HAGEN, GUAM HOTEL ASSOCIATION; FRANK IVERSON, DIRECTOR, GUAM EMPLOYERS ASSOCIATION; THOMAS BATY, CHAIRMAN, LABOR COUNCIL OF THE WESTERN PACIFIC; AND MR. GUERRERO, CHAIRMAN, MANPOWER PLANNING COMMISSION

Mr. BATY. Did you wish me to present my summary, or did you wish a summary of the summary?

Mr. EILBERG. We assure you that your statement will be read and thoughtfully considered, but would like a summary of the summary. The time is now moving along, and we would like to have a skimming of your statement, if possible.

Mr. BATY. Basically, my feeling has been that although we have seen a tremendous amount of growth and change on the island of Guam in the past, the average wage earner here on the island has not been able to take as big a part of this as he should. My concern is that perhaps the large amount of alien labor that has been brought into the

island of Guam has had an adverse effect upon the wages of the citizen workers who must compete against them.

It would seem that low wages would also continue to be a factor to discourage individuals from entering, particularly, the construction industry; particularly in line with the fact that construction wages on this island vary greatly from construction wages in cities in the States. We hear, for example, of bricklayers and electricians who are making \$5 and \$6 in mainland communities, and we know that this is not the case here.

We are also aware of the fact that the alien program, because of a lack of personnel in the Department of Immigration and the Department of Labor here, has not been able to enforce the program in the past as we feel that it should be. There have been many unfair labor practice charges stemming from illegal payment to alien workers—in some cases coming from nonpayment, in some cases running all the way to nonpayment of overtime. We have known of instances where wages have been actually withheld from the workers until they leave the island; we have seen certain scandals involving the living conditions of these workers here on the island. I think this is a reflection on us, and a reflection on, perhaps, our ability to enforce our own American laws.

A 1973 unemployment survey done by the Guam Department of Labor, although admittedly not a conclusive or totally reliable study, does suggest, contrary to the popular belief that is held here, that there may in fact be an unemployment problem on Guam. If this is so, and if this figure is 5.3 percent as they have initially suggested in this survey, I think that it would be very risky, or at least we should take a very cautious position regarding the unlimited importation of alien labor. We have heard testimony today from various groups who have said that more industries need to be covered, more areas need to have an importation of alien labor; but, if there is an unemployment problem among our American citizenry here on Guam, I think that these people should definitely be considered first.

Mr. EILBERG. Mr. Baty, do you have any studies or surveys to back up the statement that you just made? You are the only one so far who has made that point. It is a little surprising to me in view of what I felt was unanimous opinion. I have no reason to doubt your integrity or your veracity, but has there been a study made?

Mr. BATY. There has been a study.

Mr. EILBERG. Do you have it?

Mr. BATY. I could give the committee copies of this study, yes. I understand that it was done by the Guam Department of Labor, and it is a public record.

Mr. EILBERG. We would like to have it.

[The study referred to follows:]

UNEMPLOYMENT SURVEY, FISCAL YEAR 1973

The unprecedented Unemployment Survey was implemented on Guam by the Bureau of Labor Statistics, Department of Labor, during fiscal year 1973. The objectives of the survey were: to determine whether unemployment does exist on Guam, to what extent, and to arrive at an estimated rate for total island unemployment, and a rate for male and female, respectively.

DESCRIPTION OF SURVEY

The recent Unemployment Survey, based on the national Current Population Survey (CPS), provides statistics on the civilian non-institutional population 16 years of age and over. Persons under 16 years of age are excluded from coverage in the survey because child labor laws, compulsory school attendance, and general social custom prevent most of these children in the United States and its territories from working. The institutional population which is excluded from coverage consists of inmates of penal and mental institutions.

Unlike the CPS, which is collected each month; the Unemployment Survey can only be done every quarter due to lack of trained survey enumerators, time, and money. Participation in the survey is on a purely voluntary basis. Respondents are assured that all information obtained is completely confidential and is used only for the purpose of estimating the unemployment rate for the territory of Guam.

The time periods covered in order to complete the survey was so protracted due to lack of budget appropriation and trained personnels; that questions are raised concerning the validity and reliability of the derived estimates. In a regular CPS, "a calendar week containing the 12th day of the month is selected as the survey reference period because the period used must be short enough so that the data obtained is 'current' and the time reference not so short that the occurrence of holidays or other accidental events causes extremely erratic fluctuations in the information obtained." (Page 8, BLS Handbook of Methods)

Unfortunately, the initial part of the survey was a 60% total household enumeration of eight (8) villages, but with no single reference week. Lack of time, money, and top-heavy workload for the Bureau of Labor Statistics prompted the division to discontinue the survey temporarily. With the availability of funds and time to conduct a 4-week training course for survey enumerators, as well as the urgent need by Department of Labor for the unemployment figures; the Bureau of Labor Statistics continued the second portion of the survey till its completion on March 24, 1973.

The second part of the survey did meet the reference period and time criteria, relatively speaking; since the week of January 28-February 3, 1973 was chosen as the reference period. The survey got underway from February 5 to March 24, 1973.

CONCEPTS

The criteria used in classifying persons on the basis of their labor force activity are as follows:

Employment

Employed persons comprise (1) all those who, during the survey week, did any work at all as paid employees, or in their own business, profession, or farm, or who worked at least 15 hours as unpaid workers in a family-operated enterprise and (2) all those who were not working but who had jobs or businesses from which they were temporarily absent because of illness, bad weather, vacation, labor-management dispute, or various personal reasons. Each employed person is counted only once. Those who held more than one job are counted in the job at which they worked the greatest number of hours during the survey week. Excluded from the employed group are persons whose only activity consisted of work around their own home (such as housework, painting, repairing, etc.) or volunteer work for religious, charitable, and similar organizations.

Unemployment

Unemployed persons include those who did not work at all during the survey week, were looking for work, and were available for work in the reference period. Those who had made efforts to find work within the preceding 4-week period—such as by registering at a public or private employment agency, writing letters of application, canvassing for work, etc.—and who, during the survey week, were awaiting the results of these efforts, are considered to be looking for work. Also included as unemployed are those who did not work at all during the survey week and (a) were waiting to be called back to a job from which they had been laid off, (b) were waiting to report to a new wage or salary job scheduled to start within the following 30 days (and were not in school during the

survey week), or (c) would have been looking for work except that they were temporarily ill.

Duration of unemployment represents the length of time (through the current survey week) during which persons classified as unemployed had been continuously looking for work. For persons on layoff, duration of unemployment represents the number of full weeks since the termination of their most recent employment. A period of 2 weeks or more during which a person was employed or ceased looking for work is considered to break the continuity of the present period of seeking work. Average duration is an arithmetic mean computed from a distribution by single weeks of unemployment.

Labor force

The civilian labor force comprises the total of all civilians classified as employed and unemployed. The total labor force includes members of the Armed Forces stationed either in the United States or abroad.

Not in labor force

All civilians who are not classified as employed, unemployed, or in the Armed Forces are defined as "not in the labor force." These persons are further classified as "engaged in own housework," "in school," "unable to work" because of long-term physical or mental illness, and "other." The "other" group includes retired persons, individuals reported as too old or temporarily unable to work and the voluntarily idle.

It also includes seasonal workers for whom the survey week fell in an "off" season and who were not reported as looking for work and persons who did not look for work because they believed either that no jobs were available in the area or that no jobs were available for which they could qualify. Persons doing only incidental unpaid family work (less than 15 hours in the specified week) also are classified as not in the labor force.

The category "not in labor force—in school" includes persons attending school during the survey week who had new jobs to which they were scheduled to report within 30 days. All persons—whether or not attending school—who had new jobs not scheduled to begin until after 30 days (and who were not working or looking for work) are classified as not in the labor force.

For persons not in the labor force, questions are asked about previous work experience, intentions to seek work, desire for a job at the time of interview, and reasons for not looking for work.

SAMPLING

The Unemployment Survey sample consisted of the 19 districts on Guam. The first sampling group consisted of the following districts: Barrigada, Mangilao, Yona, Talofofo, Inarajan, Merizo, Umatac and Piti. An enumeration of approximately 60% of the total household for each of the eight (8) districts was conducted between August 1–October 1, 1972. The survey, then, was temporarily discontinued and was started again on January 29, 1973 through completion on March 24, 1973. The 11 remaining districts of Dededo, Ylgo, Tamuning, Mongmong-Toto-Malto, Agaña, Asan-Malna, Ordot-Chalan Pago, Agaña Heights, Agat, Santa Rita, and Sinajana were covered. Samples for each of the 11 remaining districts were selected on a 10% random sampling basis.

COLLECTION METHODS

The survey interviewers contacted some responsible person in each of the sample households. Since this is the first enumeration of every household, the interviewer prepares a roster of the household members, including their personal characteristics (date of birth, sex, race, marital status, educational attainment, veteran status, etc.) and their relationship to the household head. This roster is brought up to date at each subsequent interview to take account of new or departed residents, changes in marital status, and similar items. The information on personal characteristics thus is available subsequently for identification purposes and for cross-classification with economic characteristics of the sample population.

During the visit, a questionnaire is completed for each household member 16 years of age and over. The interviewer asks a series of standard questions on economic activity during the reference period or "survey week." The primary purpose of these questions is to classify the sample population into the three (3)

basic economic groups—the employed, the unemployed, and those not in the labor force. Additional questions are asked to help clarify the information on employment status. For the employed, information is obtained on hours worked during the survey week, together with a description of the current job. For those *temporarily* away from their jobs, the enumerator records their reason for not working during the survey week, whether or not they were paid for their time off, and whether they usually work full or part-time. For the unemployed, he records (1) methods used to find work, (2) the reason the unemployed persons had started to look for work, (3) the length of time they had been looking for work, (4) whether they were seeking full- or part-time work, and (5) a description of their last full-time civilian job. For those outside the labor force, their principal activity during the survey week—whether keeping house, going to school, or doing something else—is recorded. In addition, for all households, questions on the work history, reasons for nonparticipations, and job seeking intentions of individuals not in the labor force are asked.

The questionnaires containing the information obtained for each person in the sample are subjected to an editing and screening process at Bureau of Labor Statistics. The purpose of the scrutiny was to catch omissions, inconsistencies, illegible entries, and errors that should be corrected immediately.

RESULTS

Adjustments were made on the data derived from both the eight (8) districts that had approximately 60% enumeration each and the 11 districts which were covered on a 10% random sampling basis to arrive at the following estimates:

		Male	Female
Total population (civilian population only).....	80,322	44,739	35,583
Total labor force (16 years of age and over).....	45,422	25,895	19,527
Labor force participation rate.....	70.8	86.8	49.5
Civilian labor force.....	32,143	22,479	9,664
Employed.....	30,143	21,707	8,727
Unemployed.....	1,709	772	937
Unemployment rate.....	5.3	3.4	9.7
Not in labor force.....	13,279	3,416	9,863

Of the estimated 32,000 participants in the civilian labor force, an estimate of 1,709 were unemployed. This gives an Unemployment Rate for Guam at 5.3%. Of the 1,709 estimated unemployed, 772 were men and 937 were women. The male labor force had 3.4% unemployed, while the female labor force had 9.7% unemployed. Reasons for such a high unemployment rate for women could be any of the following. The children of young mothers, who used to work, have now reached school age and are now ready to return to the labor force. The spirit of the Women's Liberation Movement seems to appeal to women who traditionally had to stay home; women of today are more educated and aggressive, and want to enjoy equal opportunity with their men counterpart. With the 3.4% of male unemployed, totaling 772, the survey revealed that a little over 15% of the unemployed are skilled or semi-skilled. The rest are either unskilled, lacking sufficient education, or proper motivation to look for a job. For example, retirees from the Armed Forces that are 55 years and over, even if skilled, feel no more need for gainful employment.

The estimated figures as presented by the Bureau of Labor Statistics, appears reasonable. However, the irregularity of the time and survey reference periods, as previously stated, can render the data unreliable. Only future surveys can verify the validity and reliability of the unemployment estimates for this unprecedented Unemployment Survey.

Bureau of Labor Statistics, June 8, 1973.

MR. BATY. Public Law 316 which was recently passed by the Guam legislature provided a situation where alien workers now on the island would not be paid at the prevailing wage rate, but would be paid at the minimum wage. My concern here is that this will set up an unequal situation, first of all, which I think, perhaps, may be illegal

under civil rights legislation that prohibits this type of discrimination based on race or national origin. But I think it would also have an adverse effect upon the total wage picture in the community of Guam. If the minimum wage is adhered to for some individuals at \$2.05, the tendency, I think, in many cases will be that the contractors or the individuals doing the hiring will come to prefer these people, and will probably discourage more expensive American citizens from entering into these areas. Right now, of course, there is a shortage in these areas. I would suggest that perhaps a large reason for this shortage is the wages that are presently being paid in these industries. Skilled American citizens will not likely work for \$2.05 per hour, and contractors on Guam will not likely hire them for higher wages as long as this cheaper labor is available.

It is this type of legislation such as Public Law 316 which I think brings out the real reason behind the demand for large scale importation of alien labor. And I think that simply is that there is a desire for cheap labor. And I think that this is going to have a very detrimental effect upon the American citizens within this community.

Mr. HOGAN. May I ask a question, Mr. Chairman?

Mr. EILBERG. Yes, Mr. Hogan.

Mr. HOGAN. You have indicated that the skilled laborers in the United States are making \$5 to \$10 an hour, and you seem to imply that for the same skills the workers should be receiving the same wages here. Is that a misinterpretation of what you are saying?

Mr. BATY. No; I would say that this is quite reasonable. I think that you would probably find that the living costs here are as high, if not higher, than in any stateside community. Therefore, I can see no reason why wages should not be in keeping with this.

Mr. HOGAN. If that be your position, and if as the previous witnesses have testified, the cost of housing has now become so excessive, what result would those wage rates have on the cost of housing?

Mr. BATY. Someone here on the committee did point out that the housing construction rates were going up long before the prevailing wage was introduced. I would also suggest that if you look around, you will see that land prices alone on this island have more than doubled in the last year. As Mr. Ysrael said, the Jones Act is one factor; devaluation of the dollar is another factor; a twice evaluation of the Japanese yen is another factor. Many of these building materials do come from Asian countries; and since we are going to buy them there, the power of the dollar is going to have a great influence on their cost.

Mr. HOGAN. Would you have a comment on the previous witness who indicated that many of the local U.S. residents who are trained in the particular skills do not want to work out in the hot sun and prefer to work under shelters?

Mr. BATY. Well, certainly not at \$2.05 an hour; and probably not at the prevailing wage—I don't think it's even that generous.

Mr. HOGAN. So do they get higher than the prevailing wage by working for the Government?

Mr. BATY. Yes; in many instances they do.

Mr. HOGAN. Then that is part of the problem too?

Mr. BATY. Right.

Mr. HOGAN. Thank you.

Mr. EILBERG. I would like to call upon Mr. Norwood now, if I may. Feel free to give us your thoughts.

Mr. NORWOOD. Thank you, Mr. Chairman.

The purpose of my testimony, as indicated in my prepared statement, is to focus upon the understaffing of the INS agency here, and to point out what we regard as the urgency of providing some relief. As noted in my statement, the staff here is approximately seven men, including the officer in charge and his assistant.

In 1959 there were about two flights a week; now there are 75 to 80. The volume of work has increased many times. We feel that not only in the interest of the tourist industry, but speaking from my point of view in the construction industry, it is very important to have relief by additions to this staff. A very few bodies would secure the problem temporarily. As noted in my prepared statement, I have shown statistics indicating that the present staff is working around the clock, 7 days a week. The overtime costs, alone, would more than pay for the additional people that would provide the relief.

Mr. EILBERG. Mr. Norwood, do you believe that there are many people here working illegally, in an illegal status?

Mr. NORWOOD. I wouldn't have any idea of the number; but the requirement of INS to provide surveillance of some 9,000 aliens is a formidable task in itself. And they just can't cover it—especially the H-2's who, as you probably know, are brought in here and assigned and certified for specific jobs in specific projects. There is a temptation on the part of employers to move them around. Some of them want to transfer to other jobs. This is done, but it is not legal and it is not proper. Immigration people just do not have the time nor the staff to police this sort of activity.

Mr. EILBERG. Do you believe that we are in need of more temporary workers on the island of Guam?

Mr. NORWOOD. Yes; I do. Of course, speaking from the point of view of construction, we now have from 5,000 to 7,000—5,000 in construction alone—and as our work volume builds up, as it has every indication of doing, we are going to need additional people with the skills required to carry on the work not only for government construction requirements, but also for the expanding projects in the private economy.

Mr. EILBERG. Mr. Hagen, would you like to speak, please?

Mr. HAGEN. Mr. Chairman, at the moment there are seven major hotels here on the island, and we serve approximately 175,000 tourists annually. Furthermore, seven more hotels are going to be built within the next few years; and apart from those seven, a further seven are in the planning stages. The hotel and restaurant industry will need an extra 5,000 employees in the very near future.

Mr. Baty said that we do have unemployment; there is no unemployment here.

Mr. EILBERG. He said that there was a 5.3 percent unemployment rate on the island.

Mr. HAGEN. The hotel association does not agree with this. Last year the hotel association, with the Department of Labor, advertised in the newspapers, and for 5 or 6 weeks running we were waiting faithfully for employees to turn up. The first week, 14 people arrived; the

second week, 11; then eight; then six; and the last week, we had five hippies. We were quite prepared to send buses into the various villages, and nobody turned up. I'm sorry; we have tried, but there are not enough people on the island to serve our tourists here.

Mr. EILBERG. Have you had an opportunity to study or read our proposed bill H.R. 981 which would broaden the definition of "temporary employees?" Do you have a reaction to it?

Mr. HAGEN. We would like to have temporary, nonimmigrant aliens come to the island, first of all, to help train our local people. Furthermore, we have another problem. In the past, local Guamanians were not at all interested in working in the hotel industry; but lately, more and more Guamanians are working in this most important industry here on the island.

Mr. EILBERG. In the event that we were to allow more temporaries to come to Guam, with the cooperation of the Labor Department and with the change of legislation, would you undertake to train the local people. Is that what you are saying?

Mr. HAGEN. Yes.

Mr. EILBERG. Do you have any other special comment at this time?

Mr. HAGEN. Time is running out.

Mr. COHEN. Mr. Chairman, I have one question.

What is the ratio you have now of workers or employees per hotel room in your current status?

Mr. HAGEN. The hotel association consists of seven Japanese hotels and three American hotels. It is very difficult for me to guess.

Mr. COHEN. Let me just get your own, then.

Mr. HAGEN. I have a hotel where I have 0.8 per room. This hotel has a 100-percent local labor work force. Other hotels here on the island go as high as 1.2, 1.3 per room.

Mr. COHEN. I inquire because your projection for 1975 is to have an additional 4,000 to 5,000 employees which would bring you between 1 and 1.3 employees per room. Is that competitive in this particular market?

Mr. HAGEN. Approximately 1.1—depending upon catering facilities. The more catering facilities you have on the property, the more employees you need; if you have less catering and more rooms, your ratio drops below 1; you go as low as 0.8.

Mr. COHEN. Do you feel that by dropping the ratio to between 1 and 1.3 you will be more competitive with Taiwan and other areas that are trying to attract more of the tourism to their areas?

Mr. HAGEN. Yes.

Mr. EILBERG. Mr. Hogan?

Mr. HOGAN. One of the other witnesses indicated that the unemployment rate is 5.3 percent. I'm wondering if any of the witnesses can give an indication of what the percentage of people on welfare is? Does anyone know that figure?

Mr. HAGEN. I don't know, but I presume that this figure of 5.3 does include children and people over 65.

Mr. HOGAN. Generally, 5.3 unemployment would not include those categories of people.

Mr. HAGEN. I think these people were included. Also, on the island we do have aliens who are not allowed by law to work; and I am quite certain that those people were included in this unemployment figure.

Mr. HOGAN. So you are saying that it is not possible for you to solve your labor shortage by employing these people who represent this 5.3 percent unemployment factor?

Mr. HAOEN. I wish we could get more local people to work in the hotel industry.

Mr. HOGAN. Then it's an unwillingness to work rather than unavailability of labor?

Mr. HAOEN. Yes; I would say that is true of some people. But one mustn't forget that the hotel industry, in the past, anybody who would work in that industry was looked down on. It was the wrong industry to work in.

Mr. HOGAN. It doesn't seem to me that we ought to be solving that problem by bringing in aliens, but by finding some way to motivate the local citizens to take the jobs that are available since they are unemployed anyway.

Mr. HAOEN. Yes; if they are unemployed. However, one cannot change the attitudes of a nation or an island population. If one has been told that it is wrong to work in the hotel industry or the service industry—one should train the population at school or through the parents. The hotel industry is trying by going to the schools and telling people how good it is to work in the hotel industry; and where it is possible, we are telling parents to send their children into the hotel industry.

Mr. HOGAN. It would seem to me that if an individual is unemployed, he ought not be that choosy about where he goes to work.

Mr. HAGEN. It is not up to me to tell individuals here on the island that they have to work. But we still doubt that there is unemployment; we say that we cannot find enough people. We would rather use local people. We don't want to bring them in and pay for transportation and housing et cetera.

Mr. EILBERO. I think Mr. Iverson has a contribution.

Mr. IVERSON. Your question was: How many are on welfare? This has nothing to do with my formal presentation, but I am also a member of the Manpower Planning Commission. If I recall correctly, and our chairman is back there, but I seem to recall a figure of 1,300 people on welfare on Guam. But these are people who are hardcore unemployables, the disabled and so forth, those not capable of working.

Mr. EILBERO. Is there an element, as Mr. Hogan suggested, that are employable, but simply have made up their minds that they will not work in the hotel industry—such as I have found in some of the Caribbean Islands, for example?

Mr. IVERSON. We have requested names of the unemployed so we can go and seek them out. We haven't been able to secure a dozen names; we haven't been able to secure any names of people who are unemployed and willing to work.

Mr. EILBERO. Now you mentioned the Manpower Planning Commission—

Mr. IVERSON. I am just a member of it.

Mr. EILBERO. Do you have, or could you help supply us with a copy of any relevant reports?

Mr. IVERSON. Mr. Guerrero, the chairman, is here; I'm sure he could help you.

Mr. EILBERO. Would you furnish us with that report, Mr. Guerrero?

Congressman Hogan raises the very interesting question of: If there are unemployables and they are not willing to work, shouldn't we try to motivate them to work before we start bringing in aliens? Mr. Iverson says that this, largely, isn't so. There are some 1,300 on relief, but there is really a hardcore that you couldn't get to work. Do you have some reaction or some study on that?

Mr. GUERRERO. We have a Manpower Planning report which we submitted to the Federal Government. We have figures showing what people are available for work, or rather, available for training. Some of them that have been trained could be placed in some of the hotels. The report that Mr. Iverson was talking about refers to the WIN program for which the Federal Government is providing some funds. The WIN program is a welfare program in conjunction with public health and social service. It provides some employment to some of the hotels, but this is a very small area. The hotels needing manpower need large numbers of people; however, the welfare rolls are not sufficient to provide the hotels.

Mr. EILBERG. Would you provide us with a copy of that report?

Mr. GUERRERO. I would like to go to my records and provide it. I have it with me, sir, but my office will have copies.

[The report referred to is in app. 4, at p. 161.]

Mr. EILBERG. Mr. Cohen.

Mr. COHEN. Could I inquire as to whether or not the Manpower Development program is included in Mr. McClure's statement that he furnished to us? Aren't those figures contained on pages 12 and 13? Is that the same study?

Mr. GUERRERO. No. Mr. McClure's presentation is a special labor program, a proposal for an islandwide manpower industry. My Manpower Planning Council is a program for Federal funding, for requesting funding every year through the Department of Labor. From the manpower planning report, we get Federal funding for people on the MDTA, WIN program, NYC, Operation Mainstream, and so forth.

Mr. EILBERG. We would like to take a look at that. If your office could arrange to send it to us, we would like to have it. Mr. Steiger?

Mr. STEIGER. What is the budget now for your Department of Labor funded programs? How much are you getting now?

Mr. GUERRERO. For Manpower, about half a million.

Mr. STEIGER. And that includes WIN, NYC, Mainstream, MDT?

Mr. GUERRERO. WIN is a separate funding; but we include WIN in our program as part of the planning. But WIN is separate—just as is PED.

Mr. STEIGER. Again, though, I want to make sure that the figure we are getting fully describes the amount that Guam now receives. You say half a million—but that does not include WIN?

Mr. GUERRERO. No, sir. It includes MDTA, NYC, I think Operation Mainstream, and other Manpower programs.

Mr. STEIGER. Go further. How much is the WIN budget?

Mr. GUERRERO. I don't have the figures with me, but it is available in our manpower planning report.

Mr. STEIGER. Will you supply all of that?

Mr. GUERRERO. It is in the report.

Mr. EILBERG. Mr. Iverson, we will conclude with you.

Mr. IVERSON. Thank you. I didn't mean to cut myself short, but I guess I did. I have reduced my formal presentation to a series of marginal notes. However, before mentioning the notes, I would like to call your attention to my table 2 which is the third page of my material. All the rest of this is merely documentation, but this provides a lot of the information you were asking for, Mr. Chairman. It tells the number of people employed on Gnam, and it tells where they are employed. It tells those that are employed in the hotels, which are the service industries; those employed by the government; private sectors; those which are residents, nonresidents, aliens, and so forth. I believe you were looking for this information awhile ago. And for your further information, our population is 104,000 people—30,000 of which are military. This leaves us a work population of 20,000, half of which are aliens.

Mr. EILBERG. Mr. Iverson, do you agree with the statements that these other gentlemen have made? Do you foresee such a growth of hotels and other industries that the island simply must have additional labor force in the years to come?

Mr. IVERSON. That's right. Five years ago we were instrumental in bringing the H-2 program to Guam by appealing straight through to Washington. Some of you may remember when I was there. And I just look around and see what would happen if we did not have the H-2's in construction. The same thing applies to the service industry if we are stifled. Now that we have the right to build, we don't have the right to staff. That is what we hope you gentlemen will provide us with.

I'd like to cover my marginal notes, which will take about 2 minutes. I hope you will bear with me. It took about 2 days to prepare it, and I'll give it to you in 2 minutes.

I agree with all that has been said, including the stand against prevailing wages. It would make sense to establish a prevailing wage, to make it more expensive to hire aliens, if local labor were available. Local labor is not available. Therefore, all it does is increase the dollar drain, send more money back to the Philippines, to pay the same people more money for the same production they were doing before. It just doesn't make sense.

Also, we have had levied upon us severe restrictions in the alien labor program. There is a complete, three-page document, which I wish you would look up, which tells the employer what he is restricted to, what he must do, and how he must handle the importation of alien labor. I think you should make it your business to see this requirement.

Third, the Davis-Bacon Act does not apply to Guam at all. If Gnam is excluded from the Davis-Bacon Act completely, neither government nor private contracts are required to pay Davis-Bacon rates. You might have your legal force look that up; we have already checked that out.

Mr. EILBERG. How do you react to this question which has arisen here today about the payment of the prevailing wage to the alien, but payment of the minimum wage to citizens?

Mr. IVERSON. I think it gives us a dual wage system which is very difficult. I think that the employers have to adjust among themselves; they have to establish what is fair and reasonable and pay it. But it

doesn't make sense to pay the local people the minimum wage, and then pay foreign people coming in here a wage which is higher.

Mr. EILBERG. Except that you can't get local people to fill your jobs.

Mr. IVERSON. It would make sense to make it more expensive to hire aliens if you could get locals; but you can't get locals. There is no reason to pay the aliens more. If we could get locals, it would be a different situation. We hope to train locals, and we are working on that.

I agree wholeheartedly with the fact that your INS office here is understaffed. They have many problems which you probably already know about.

I would like to point out one other thing and then I'll close. I have a survey attached to this documented information which shows increases up to 31.5 percent from 1968 to 1971 in increased salary wages. That was before we were stuck with the prevailing wage. The law of supply and demand has a way of taking care of itself. You don't need a prevailing wage to force this upon you. Gentlemen, thank you for your patience.

Mr. EILBERG. Are there any questions from the panel? If not, gentlemen, thank you very much.

[The prepared statements of Mr. Norwood, Mr. Hagen, Mr. Iverson, and Mr. Baty follow:]

STATEMENT OF WILLIAM R. NORWOOD, PRESIDENT, GUAM CONTRACTORS ASSOCIATION

Mr. Chairman and Members of the Committee: My name is W. R. Norwood, and I am here to represent the Guam Contractors Association of which I am President. I am also Senior Vice President of Black Construction Corporation, one of the largest employers of alien contract workers on Guam.

My purpose in appearing here is respectfully to call your attention to the extremely critical manpower shortage in the Guam office of the U.S. Immigration and Naturalization Service and to emphasize the urgency of any help your committee can provide to relieve that shortage.

In 1959 when there were two or three scheduled commercial airline arrivals and departures on Guam per week and an occasional passenger vessel, the local USINS office consisted of seven officers. Today there are from 75 to 80 scheduled airline arrivals and departures per week, plus frequent military flights requiring USINS inspection, and there recently has been a significant increase in cruise ship arrivals. The commercial air carriers now, of course, carry substantially more passengers per flight than was the case in 1959. The workload has been increased further by the presence on this island of approximately 9,000 alien contract workers requiring USINS processing of entry and departure documents in addition to constant surveillance to assure that the aliens are legally and properly employed.

Yet today the Guam staff of the USINS is no larger than it was in 1959. The staff consists of the Officer in Charge, the Assistant Officer in Charge, one Examiner, three Inspectors and one trainee, plus some clerks and secretaries. These dedicated individuals are working seven days a week, 365 days per year. They cannot possibly process airport traffic in such a way to avoid long delays in handling foreign arrivals, the number of whom have increased substantially as the result of the influx of Japanese tourists and business travelers.

Because of the shortage of help the Officer in Charge and his chief assistant regularly help process airport and commercial port traffic with the result the office is not infrequently but necessarily left without fully qualified and responsible personnel to answer telephone inquiries or personal calls by persons requesting information regarding Immigration or Naturalization policies and procedures.

Just a few days ago the Officer in Charge and one staff member spent two hours at the airport processing one planeload of 350 passengers. On this same day there were two cruise ships in port with 1,250 passengers requiring USINS clearance. The inconvenience to visitors and the damaging effect on Guam's developing tourist industry from congestion of this kind is obvious.

Not only has the processing of commercial air traffic fallen far behind reasonable service standards, but the effect has been to enlarge the backlog of alien labor petitions awaiting USINS clearance. The latter problem makes it very difficult for the construction industry on this island to program efficient use of alien manpower which is so essential at present to the continued growth of this island's economy. The delays in processing petitions can and have resulted in costly penalties imposed on contractors who have not been able, through no fault of theirs, to complete projects within the specified contract period because of delay in labor recruitment processing.

The Guam Contractors Association has appealed to the Director of USINS and to members of the U.S. Congress, but we have been advised that budget restraints and other current administrative problems preclude immediate, effective relief.

We have been informed that a modest addition of three inspectors and two investigators would provide at least a temporary remedy so that the present staff would not have to remain on such a grueling overtime schedule.

It should be noted and emphasized that the recommended additional staffing would actually cost the government less than maintaining the present overtime schedule. For example, the basic annual salary for the Officer in Charge is \$20,000; Assistant Officer in Charge, \$16,000; Immigration Examiner, \$16,000; and an Inspector, \$14,000. At these regular salary rates without overtime the existing staff of the Officer in Charge, Assistant Officer in Charge, one Examiner and three Inspectors would have earned a total of \$94,000. Because of the overtime required to handle the workload this same staff grossed \$232,000, representing \$138,000 in overtime pay in addition to regular salaries of \$94,000.

It can be seen from these figures that in terms of salary costs alone the USINS would save money by adding the recommended staff additions and effecting corresponding overtime costs. The present annual overtime costs are more than enough to cover the regular salaries of the recommended staff additions. An additional, but equally important savings would result in more efficient service, if overtime requirements were eliminated or substantially reduced.

I cannot overemphasize how critical this matter is, not only to the construction industry, but to the entire community of Guam. Your sympathetic attention to this urgent problem will be of great service to this Territory.

STATEMENT OF WILFRED HAGEN

Members of the Subcommittee: My name is Wilfred Hagen and I would like to welcome you to Guam.

On behalf of the Guam Hotel Association I would like to thank all of you for your presence here on Guam, as well as the opportunity of testifying before you this afternoon.

At present there are seven major tourist hotels here on Guam; they serve approximately 175,000 tourists annually. In addition they employ approximately 2,000 employees.

Seven more hotels are planned for construction during the next two years and an additional seven are in the design stages. Approximately 5,000 employees will be needed.

As you may already know, there is a lack of skilled and unskilled workers here on Guam. In addition, there is a disinclination on the part of many Guamanians to enter the hotel service industry. However, more and more Guamanians are beginning to consider hotel service as a viable alternative in serving the community as well as the island's honored guests.

We would like to go on record as being strongly in favor of the expansion of the H-2 Program to include all of the service industries on the island.

None of the hotels, to my knowledge, have any defense contracts with the military; accordingly, they are unable to import "Parolee" workers to augment their manpower needs. No hotel, of course, can presently petition for skilled or unskilled workers under H-2, since the H-2 program applies primarily to the construction industry. While it is true that many of the hotels that are part of an international corporate complex are able to transfer some of their workers here to Guam under existing visa regulations, there are some restrictions. For instance, many hotels operate under a GEDA certificate which permits 25% of their workforce to be aliens. However, by law this 25% alien workforce, is to

be phased out under a training program having a specific target date. One or more have no affiliation or are part of an international corporate complex (they are local U.S. corporations) and must depend upon local U.S. citizens for their manpower needs. Consequently because of restrictive U.S. immigration regulations, because of restrictive local laws, because of increased tourists, because of planned future hotel growth, additional skilled and unskilled workers are and will be needed.

The Guam Hotel Association urgently requests your assistance in the expansion or re-interpretation of existing immigration laws or regulations for the interim period, as well as new legislation opening the doors to non-immigrants aliens on a temporary basis in all industries, whether the jobs therein are temporary in terms of months or years, dependent upon the circumstances.

Furthermore, I would like to comment on our local Immigration Naturalization Service. This Immigration office is well and truly trying to serve, but in all honesty they are more a detriment to our tourist industry than a good impression. They are badly undermanned. We must have more personnel in this office as soon as possible. If it is within the scope of your jurisdiction, I ask for your assistance in eliminating this serious problem to our hotel industry.

Thank you.

STATEMENT OF FRANK IVERSON, GUAM SERVICE PROGRAM—HAWAII EMPLOYERS COUNCIL

My name is Frank Iverson, Director of the Guam Employers Council.

We are a non-profit organization, affiliated with the Hawaii Employers Council, that has been serving Guam for more than seven years. We have been deeply involved in the H-2 Allen Labor Program since 1968 and I will endeavor to pass on to this august body my five years of experience in the 15 minutes allotted to us, and rely upon attachments hereto to provide further information.

In mid-1968 there were two construction companies on Guam engaged to build one hotel each. In our petition to INS to allow the use of alien labor on these projects we said in part... we have been building the Tumon Beach Hotel at Tumon Bay, Guam, since March of 1968. We have been working with nine journeymen only, from that time through September 30th, and we are as a result far behind schedule...."

Our request to use alien labor under 101(a) (15) (H) (ii) of the Immigration Act was denied and we appealed all the way to Washington. (Some of you may remember my visit there). To make a long story short we lost our appeal under a strict interpretation of the Act; but a few weeks after, we were notified to resubmit our requests and they were approved under an administrative redetermination.

Gentlemen, I don't know how many of you were here five or more years ago, but I hope that you have all had the opportunity to view our island as it is now.

Without the Government's permission to utilize alien labor for construction our progress would have been nil and our economy stagnated. Guam's almost total dependency on the military and Federal Government would have been sure to continue and we would have probably been viewed as the "poor relatives". Today we are reaching for economic liberation, through expanding business operations and a booming tourist industry. But gentlemen we need further assistance to continue our economy and growth. We need to have a program for Guam which will enable us to supply labor to our service industries.

Presently on Guam our population is a little over 104,000 with about 30,000 of this being military. This leaves a balance of approximately 74,000 people. Excluding children and others incapable of functioning as wage earners, (the average local family consists of 6.2 people) we have a probable local work force of 38,000 people, almost half of which work for the local or Federal governments. This leaves approximately 20,000 people available to work in the private sector. Of this 20,000 seven thousand are non-resident aliens and 3,500 are permanent resident aliens. Hence one-half of our 20,000 private enterprise work force is alien labor. (See Table 2, attached).

My organization made a survey in 1972 from a sampling of 34 of our member companies. We asked them to give us a forecast of what their additional manpower requirements would be through 1977. The companies surveyed said they would require 11,215 additional workers over the next five years. Please remem-

ber that this is only a segment of private enterprise and did not include the many new business organizations which have come into being since then.

It has been suggested that we rely upon the importation of permanent resident aliens to meet our manpower needs. This is not desirable for several reasons:

1. The time lag from requesting such labor to the actual date of arrival is four to six months.

2. These aliens use employment on Guam as a stepping stone to go to Hawaii or other parts of the U.S.A.

3. We fear that after we reach the peak of our "boom" we, at that time, will have a segment of our population without work if we load our island with permanent residents who do stay. What we desire is the use of temporary labor and to be used until our local labor supply is available in sufficient quantity and skill levels.

4. It should also be pointed out that bringing in 6th Preference, or permanent residents, causes a language barrier problem. Most of our permanent residents presently on Guam come from the Philippines. They speak and understand English; but for the past few years the quota has been filled and we have been unable to bring in any Philippino permanent residents.

Many local businessmen have been required to lease their companies to foreign interests. They can bring in labor; we can't. The result Gentlemen tends toward reverse discrimination.

Please Gentlemen—help us help ourselves. Give us the right to use the temporary labor that we so urgently require. A special program was granted to Guam from 1952 through 1962. It worked very well and that time and there is no reason why it would not work again in this hour of need.

I'm sure listening to all of this testimony, after your long trip here, must be quite demanding on you, so I will close now with brief reference to only two more matters.

One is that wages showed increases up to 31.5% between 1968 and 1971 (data attached) and that was before prevailing wage rates were put into effect for H-2 hires.

The final item is that we respectfully request additional manpower for our local Immigration and Naturalization Service Office. Gentlemen, they are over their heads. We fully concur with the editorial in our local newspaper, a copy of which you will find attached.

My sincerest appreciation for your visit and for allowing us the opportunity to speak to you.

Thank you.

TABLE 2.—TOTAL PAID EMPLOYMENT OF ALL LICENSED BUSINESS ESTABLISHMENTS AND GOVERNMENT AGENCIES BY INDUSTRY DIVISION, SEX, AND CITIZENSHIP, GUAM, 3D QUARTER, FISCAL YEAR 1973

Industry division	Total employment	Male	Female	U.S. citizens		Aliens	
				Local hire	Contract hire ¹	Resident	Non-resident ²
Total—private sectors.....	20,684	15,381	5,303	9,816	390	3,535	6,943
Total—all industries.....	37,779	26,084	11,695	24,129	1,966	4,000	7,684
Agriculture.....	51	41	10	9	1	41
Construction.....	7,700	7,506	194	1,398	62	499	5,741
Manufacturing.....	1,080	872	208	516	13	273	278
Transportation, communication, electric, gas, and sanitary services.....	1,712	1,277	435	1,337	106	155	114
Wholesale and retail trade.....	5,740	3,164	2,576	3,782	74	1,558	326
Finance, insurance, and real estate.....	797	254	543	638	16	130	13
Service.....	3,604	2,267	1,337	2,136	119	919	430
Total—Government.....	17,095	10,703	6,392	14,313	1,576	465	741
Federal ³	7,480	5,897	1,583	5,600	840	344	696
Local ⁴	9,615	4,806	4,809	8,713	736	121	45

¹ U.S. citizens from off-island who are contract hire.

² Nonresident alien includes H-2, parolee, intra-company transfers, and others.

³ Includes only civilian employees hired directly by Federal agencies. Does not include the employees of private employers who are working under Federal contracts.

⁴ Does not include manpower trainees.

PAY RATE GAINS SHOW WIDE VARIATION

Private industry pay rate gains in white collar, blue collar and service jobs ranged up to 31.5% during the last year, the Council's annual Pay Rate Survey indicates. The following three charts show percentage changes on Guam since 1968 and during the past four years. White collar pay raises averaged 9.7%, blue collar pay raises averaged 2.8% and service job pay raises averaged 7.2% over 1970.

AVERAGE PRIVATE INDUSTRY PAY RATES IN SELECTED JOBS (1968-71)

	1968 Sept.-Oct.	1969 Nov.-Dec.	1970 Sept.-Oct.	1971 Sept.-Oct.	Percent change over last year	Percent change over 4 years
White collar:						
Junior clerk.....	\$1.70	\$2.03	\$1.94	\$2.05	5.7	20.6
Clerk.....	1.89	2.16	2.17	2.25	3.7	19.0
Senior clerk.....	2.34	2.58	2.59	2.93	13.1	25.2
Switchboard operator.....	1.81	1.96	1.81	2.38	31.5	31.5
Secretary.....	2.43	2.44	2.62	2.85	8.8	17.3
Cashier.....	1.80	1.86	1.83	2.07	13.1	15.0
Bookkeeping machine operator.....	1.94	2.17	2.29	2.17	-5.2	11.9
Account clerk.....	2.09	2.24	2.26	2.41	6.6	15.3
Combined average.....					9.7	19.5
Blue collar:						
Laborer (light).....	1.76	1.66	1.86	1.93	3.8	9.7
Laborer (heavy).....	1.63	2.14	2.20	2.34	6.4	43.6
Appliance repairman.....	2.39	2.33	2.13	2.34	9.9	-2.1
Building maintenance men.....	1.74	2.27	2.19	2.31	5.5	32.8
Carpenter (maintenance).....	1.64	2.10	2.25	2.31	2.7	40.9
Welder (maintenance).....	1.83	2.31	2.62	2.81	7.3	53.6
Automotive mechanic.....	2.36	2.55	2.75	2.94	6.9	24.6
Machinist (maintenance).....	2.00	2.23	2.78	2.32	-16.5	16.0
High lift operator.....	1.66	2.11	2.16	2.14	-0.9	28.9
Truck driver—capacity— $1\frac{1}{2}$ to 5 tons.....	1.84	1.81	2.14	2.12	-0.9	15.2
Warehouseman.....	1.68	1.82	1.96	2.10	7.1	25.0
Combined average.....					2.8	26.2
Service:						
Dishwasher.....	1.47	1.71	1.83	1.91	4.4	29.9
Kitchen helper.....	1.69	1.64	1.81	1.94	7.2	14.8
Fry cook.....	1.60	1.79	1.97	2.07	5.1	29.4
Bartender/bartendress.....	1.78	2.01	2.09	2.23	6.7	25.3
Bus boy/bus girl.....	1.53	1.60	1.75	1.92	9.7	25.5
Waiter/waitress.....	1.43	1.62	1.77	1.91	7.9	33.6
Sales clerk (noncommission).....	1.63	1.74	1.83	1.95	6.6	19.6
Janitor (mean rates for light and heavy).....	1.62	1.72	1.88	2.06	9.6	27.2
Combined average.....					7.2	25.7

MARCH 17, 1969.

Mr. CHARLES TOVES,
Director, Department of Labor, Government of Guam, Agaña, Guam.

DEAR MR. TOVES: Attached is a copy of an H-2 petition accompanied by Form 575B filed by Inland Builders Company.

We certify that wages paid will not adversely affect other local craft employees.

We would appreciate your issuing a Certification of Non-availability of labor at your earliest possible convenience.

Thank you.

Sincerely yours,

FRANK IVEYSON, Hawaii Employers Council.

OCTOBER 21, 1968.

Attention: Mr. JOSEPH BOGNAR,
Officer in Charge, Immigration and Naturalization Service, U.S. Department of
Justice, Agaña, Guam

DEAR SIR: We are filing herewith a petition to bring onto Guam, on a temporary basis, certain skilled individuals, described in the petition by job description, who are urgently needed to train a work force of local citizens for employment with Inland Builders.

Inland Builders has been building the Tumon Beach Hotel at Tumon Bay, Guam, since March of 1968. We have been working with nine journeymen only, from that time through September 30th, and we are as a result far behind schedule. At one time we received nine inexperienced young men from the Guam Employment Service to serve as apprentices. After a few days most of these men left, and at this time there are none remaining. If we had skilled journeymen present to instruct these individuals, we probably could have utilized their services and groomed them to be skilled journeymen at some future date. However, as the matter stood, we could not take any of our few journeymen off production to enable us to train these young men. Had we attempted this we would have fallen irreparably behind schedule.

Therefore: We pray for approval of this petition which will enable us to bring in skilled people to train inexperienced young citizens of Guam for this most important and critical service.

If we are permitted to bring the requested non-alien in on a temporary basis, they can relieve our present journeymen who can in turn have time available for training purposes and in many cases the people we receive can work side by side with the apprentices and instruct them in the trades.

We have heard that there is a policy interpretation to the effect that Construction by its very nature is a permanent type business and that therefore anyone coming in to work in the construction field could not be construed as a temporary employee. This is a fiction that has no basis in fact.

Construction projects begin and end, which is not the case with some business, such as retail, which go on and on perpetually and yet have received H-2 relief.

The individuals we bring into Guam under H-2 will be temporary—either for the length of particular projects, or for apprentice training purposes, not to exceed six months. Admittedly one particular non-alien will not be able, under this program, to stay long enough to completely train any particular apprentices, but by rotating the instructors on a six month basis, one may pick up where the other leaves off.

We are applying for relief under the H-2 program because:

1. We cannot receive the manpower we need under the Rehabilitation Program due to an unrealistic man-power ceiling.

We have fulfilled all requirements in order to secure our requested manpower, but we still remain short of manpower and behind schedule on our projects, some of which are critical to the progress of Guam.

2. The projects involved are not defense projects, and so we cannot bring alien labor in under the defense program.

The type of work we are engaged in is just as temporary in nature as any of the programs under the Rehabilitation Program. The Rehabilitation Program was an offshoot of the H-2 program which worked very well on Guam for many years in the past and was considerably fairer and less arbitrary and discriminatory to private business interests. For instance, the Government of Guam—just because it is the Government of Guam—can bring in all the people it wants by invoking a legal fiction of defense effort. The people brought in may be gardeners, cooks, pick up trash or run lawn mowers on government properties. How can these people be called defense workers? On the other hand we are trying to do genuine rehabilitation work by constructing housing, hotels and other essential projects, and we cannot secure sufficient manpower.

It is an accepted and well known fact that Guam is suffering from a shortage of manpower and has been for several years. The situation is such that no one who wants to work suffers unemployment on Guam, hence no local public suffers from the importation of alien labor.

Please help us. Thank you.

Very truly yours,

EULOGIO DEL CARMEN, *Inland Builders Co.*

U.S. DEPARTMENT OF JUSTICE
 IMMIGRATION AND NATURALIZATION SERVICE
 Form 1-1218 (Rev. 3-15-67)

**PETITION
 TO CLASSIFY
 NONIMMIGRANT
 AS TEMPORARY
 WORKER
 OR TRAINEE**

Date Filed

Form No. 1-1218
 Budget Project No. 44-3

Pre Stamp

File No.

(To be submitted in duplicate, with supplementary documents described in instructions, to the District Director having administrative jurisdiction over the place in the United States in which it is intended the alien(s) be employed or trained)

(THIS BLOCK NOT TO BE FILLED OUT BY PETITIONER)

The Secretary of State is hereby notified that the alien(s) for whom this petition was filed is (are) entitled to the non-immigrant status checked below:

- H-1
 H-2
 H-3

The validity of this petition will expire on

The admission of the alien(s) may be authorized to the above date.

REMARKS:

DISTRICT DIRECTOR

DISTRICT

DATE

(PETITIONER NOT TO WRITE ABOVE THIS LINE)

(PLEASE FILL IN WITH TYPEWRITER OR PRINT IN BLOCK LETTERS IN INK)

I hereby petition, pursuant to the provisions of sections 214 (c) and 101 (a) (15) (H) of the Immigration and Nationality Act, for the following: (Check one.)

- H-1 Alien(s) of distinguished merit and ability to perform services of an exceptional nature. (One who possesses high education, technical training, specialized experience or exceptional ability and who is to perform duties which are themselves temporary in nature.)
- H-2 Alien(s) to perform other temporary service or labor for which a bona fide need exists. (One who is to perform duties which are themselves temporary in nature.)
- H-3 Alien industrial trainee(s). (One who seeks to enter at the invitation of an individual, organization, firm, or other trainer for the purpose of receiving training in any field of endeavor. Incidental production necessary to the training is permitted provided a United States worker is not thereby displaced.)

1. NAME OF PETITIONER INLAND BUILDERS COMPANY		2. DATE BUSINESS ESTABLISHED January 1968	
3. ADDRESS (NUMBER, STREET, CITY, STATE, ZIP CODE) P.O. BOX 2767, Agaña, Guam			
4. BRIEF DESCRIPTION OF NATURE OF BUSINESS CONDUCTED BY PETITIONER Construction of Hotels, Motels & Residences			
5. LOCATION OF AMERICAN CONSULATE AT WHICH ALIEN(S) WILL APPLY FOR VISA(S)		(City in Foreign Country) Manila	(Foreign Country) Philippines
(If petition is to be made for more than one alien and application for visas will be made at more than one American Consulate, a separate petition must be submitted for each consulate at which visa applications will be made.)			
6. THE ALIEN(S) WILL PERFORM SERVICES OR LABOR FOR OR RECEIVE TRAINING FROM THE FOLLOWING ESTABLISHMENT. (Name of Establishment)			
Agaña		Guam	96910
(Street and Number)		(State)	(ZIP Code)
7. PERIOD REQUIRED TO COMPLETE SERVICES OR TRAINING		8. WAGES PER WEEK	9. OVERTIME RATE
From (date) 3/30/69	To (date) 6/30/70 No. of days or months 15 months	\$ 64.00	40
10. OTHER COMPENSATION (Explain)		10A. VALUED AT	11. BY WHOM PAID?
		\$	WEEKLY

All petitioners complete items 12A through 20. If petition is for more than one alien, give required information for each additional alien in space provided on page 3. If the identity of the aliens is not known at present, you must furnish information concerning them as soon as that information becomes known to you.			
12A. NAME (Family name in capital letters)		(First name)	(Middle name)
12B. OTHER NAMES (Show all other past and present names, including maiden name if married woman.)		12C. NUMBER OF ALIENS INCLUDED IN THIS PETITION	
13. ADDRESS TO WHICH ALIEN WILL RETURN (Street and Number)		(City)	(Province) (Country)
14. PRESENT ADDRESS		15. PROPOSED PORT OF ENTRY	
16. DATE OF BIRTH	17. PLACE OF BIRTH	18. PRESENT NATIONALITY OR CITIZENSHIP	19. OCCUPATION
20. TO YOUR KNOWLEDGE, HAS ANY VISA PETITION FILED BY YOU OR ANY OTHER PERSON OR ORGANIZATION FOR THE NAMED ALIEN(S) BEEN DENIED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If you answered "yes", complete the following: Date of filing of each denied petition <u>10/8/68</u> Place of filing of each denied petition (city) <u>Agana, Guam</u>			
FILL IN ITEMS 21 AND 22 ONLY IF PETITION IS FOR ALIEN(S) OF DISTINGUISHED MERIT AND ABILITY OR INDUSTRIAL TRAINEE(S)			
21. NONTECHNICAL DESCRIPTION OF SERVICES TO BE PERFORMED BY OR TRAINING TO BE RECEIVED BY ALIEN(S)			
22. (If you are petitioning for an industrial trainee complete this block) IS SIMILAR TRAINING AVAILABLE IN ALIEN'S COUNTRY? <input type="checkbox"/> YES <input type="checkbox"/> NO			
FILL IN ITEMS 23 THROUGH 27 INCLUSIVE ONLY IF PETITION IS NOT FOR ALIEN(S) OF DISTINGUISHED MERIT AND ABILITY OR INDUSTRIAL TRAINEE(S)			
23. DESCRIPTIVE JOB TITLE OF WORK TO BE PERFORMED BY ALIEN(S). (Use title which corresponds to that used in job order placed with State Employment Service or Agency by petitioner for some type of labor. Where work in more than one job classification is to be performed by aliens, state number to be employed in each job classification.) <u>10 Masons, 8 Carpenters, 2 Painters, 2 Steelmen, 2 Electricians, 2 Plumbers, 1 Civil Engineer, 2 Supervisors</u>			
24. IS (ARE) ALIEN(S) SKILLED IN WORK TO BE PERFORMED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN			
25. IS ANY LABOR ORGANIZATION ACTIVE IN THE LABOR FIELD(S) SPECIFIED IN ITEM 22 <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (If "Yes", specify organization(s) and labor field(s).)			
26. IS THE PETITIONER INVOLVED IN, OR ARE THERE THREATENED, ANY LABOR RELATIONS DIFFICULTIES, INCLUDING STRIKES OR LOCKOUTS? (Specify). <u>NO</u>			
27. I HAVE NOT BEEN ABLE TO FIND IN THE UNITED STATES ANY UNEMPLOYED PERSON(S) CAPABLE OF PERFORMING THE DUTIES OF THE POSITION(S) TO BE FILLED. THE FOLLOWING EFFORTS HAVE BEEN MADE TO FIND SUCH PERSON(S); (Complete only if labor certification not attached.)			
ALL PETITIONERS FILL IN ITEMS 28 THROUGH 29B.			
28. U.S. DOCUMENTS SUBMITTED IN SUPPORT OF THIS PETITION <u>Contract</u>			
29. THE DOCUMENTS SUBMITTED HERewith ARE HEREBY MADE A PART OF THIS PETITION. I am willing (or willing) to post any bond required as a condition to the approval of this petition. I agree that as soon as known I shall furnish the District Director to whom this petition is being submitted with the names of those alien(s) not named herein. If the petition is for temporary worker(s), I certify that I have a bona fide need of such worker(s). If the petition is for trainee(s), I certify he is coming to the United States to participate in a bona fide training program. I certify that the statements and representations made in this petition are true and correct to the best of my knowledge and belief.			
29A. SIGNATURE OF PETITIONER		29B. TITLE (Must be petitioner or authorized agent of petitioner) <u>Proprietor</u>	
30. SIGNATURE OF PERSON PREPARING FORM, IF OTHER THAN PETITIONER I declare that this document was prepared by me at the request of the petitioner and is based on all information of which I have any knowledge.			
(Signature)		(Address)	
		(Date)	

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Honolulu, Hawaii, December 11, 1968.

INLAND BUILDERS Co.
Agana, Guam.

NOTICE OF DENIAL

Your petition to classify nonimmigrant as temporary worker or trainee has been denied for the following reasons:

You have failed to establish that the services to be performed by the beneficiaries are temporary in nature as required by the statute.

If you desire to appeal this decision, you may do so. Your notice of appeal must be filed *within 15 days* from the date of this notice. If no appeal is filed within the time allowed, this decision is final. Appeal in your case may be made to:

Board of Immigration Appeals in Washington, D.C., on the enclosed Forms I-290 A.

Regional Commissioner on the enclosed Form I-290 B.

If an appeal is desired, the Notice of Appeal shall be executed and filed with *this* office, together with a fee of \$10. A brief or other written statement in support of your appeal may be submitted with the Notice of Appeal.

Any question which you may have will be answered by the local immigration office nearest your residence, or at the address shown in the heading to this letter.

Sincerely yours,

JOHN F. O'SHEA,
District Director.

Enclosure(s).

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
SOUTHWEST REGIONAL OFFICE,
TERMINAL ISLAND,
San Pedro, Calif., Jan. 31, 1969.

Mr. EULOGIO DEL CARMEN,
*Proprietor, Inland Builders Co.,
Agana, Guam*

In Re Inland Builders Co., petitioner in behalf of 21 alien construction workers.
File: AGA-N-315.

DEAR MR. DEL CARMEN: For your information, there is enclosed herewith a copy of the decision and order of the Regional commissioner.

Very truly yours,

J. P. SHARON,
*Assistant Regional Commissioner,
Travel Control.*

Enclosure.

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
SOUTHWEST REGION,
San Pedro, Calif., Jan. 31, 1969.

File: AGA-N-315.

In Re: Inland Builders Co., petitioner in behalf of 21 alien construction workers.

PETITION TO CLASSIFY ALIENS AS NONIMMIGRANT TEMPORARY WORKERS IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS 214(O) AND 101(A) (15) (H) (II) OF THE IMMIGRATION AND NATIONALITY ACT

In behalf of petitioner: Eulogio Del Carmen, Proprietor, Inland Builders Co.,
Agana, Guam 96910.

This is an appeal from the District Director's decision denying the petition on the basis the petitioner had failed to establish that the services to be performed by the beneficiaries are temporary in nature as required by the statute.

The petitioner is a firm, established in January 1968, engaged in the construction of hotels, motels, and residences. They desire to employ the beneficiaries as skilled construction workers for a period of six months and offer wages of \$64.00 for a 40-hour week plus food and lodging valued at \$60.00 per week. The petitioner con-

tends a portion of the beneficiaries time will be devoted to training local workers. The beneficiaries are all natives and citizens of the Philippines presently residing in that country.

The petitioner has submitted on acceptable labor certification and has established a local shortage of the skilled workers required.

Section 101(a) (15) (H) (ii) of the Immigration and Nationality Act, the statute involved here, requires that the beneficiaries are coming temporarily to the United States to perform temporary services. It is evident that the positions for which the services are sought are an integral and continuing part of the petitioner's business and, consequently must be considered permanent in nature.

The petitioner upon appeal, contends the District Director's denial of the petition is discriminatory, prejudicial, arbitrary, and unreasonable because:

(1) Temporary workers are allowed to enter Guam for employment with the Department of Defense or in the Government of Guam reconstruction and rehabilitation program.

(2) Foreign corporations, doing business on Guam, are able to bring in needed workers.

(3) During the years 1952 to 1962 all employers on Guam were allowed employees under the "H-2" program.

(4) The employment of the proposed beneficiaries should be considered temporary as they will be used "for training purposes and for short term construction projects".

In response to allegation number (1) the defense workers and reconstruction and rehabilitation workers are paroled under the authority contained in Section 212(d) (5) of the Immigration and Nationality Act at the request of government agencies as being in the public interest. They are not admitted under the section of law involved here.

The employees referred to in allegation number (2) are key employees of treaty traders or are treaty investors admitted under the provisions of Section 101(a) (15) (E) (i) or (ii) of the Immigration and Nationality Act as a result of a treaty between the United States and the foreign government concerned. Their admission is in accordance with the law and consequently discrimination cannot be attributed to this Service.

Allegation number (3) is rejected in its entirety. When this Service started operations in Guam in 1952 post war construction was at its peak. In the interest of the Department of Defense and other Government agencies this Service continued a program of alien labor that had been placed in effect years before. This was phased out over a three-year period commencing in 1959. The phase out had the full support of the Government of Guam and other interested agencies. The petitioner assumes an untenable position when he holds that the Service is stopped from enforcing the law merely because we phased out a difficult situation over a period of years rather than abruptly terminating it with the resulting injury to the economy of Guam.

Petitioner has presented no evidence in support of allegation number (4) that there are workers on Guam willing and able to undertake the proposed training. In fact he has stated that he once had nine trainees who left after a few days.

No evidence has been submitted that the proposed beneficiaries are either capable of or willing to act as instructors. It is obvious the proposed beneficiaries are to be used in productive positions to operate the petitioner's business and that any training given to resident workers will be purely incidental to the productive labor performed. Limiting the proposed beneficiaries employment to specific periods does not alter the permanent nature of the positions to be filled.

The entire record, including representations made on appeal, has been carefully reviewed, and it is concluded that the petitioner has not established that the positions for which the beneficiaries' services are sought are temporary. The intent of Congress in enacting the section of law involved is clear. It is not intended to alleviate local labor shortages or to staff United States firms. However, solutions for such problems are provided for in other sections of the Act, particularly by use of sections 203(a) (3) and 203(a) (6). The appeal will be dismissed.

ORDER: IT IS ORDERED that the appeal be and the same is hereby dismissed.

REGIONAL COMMISSIONER,
Southwest Region.

DTHERS (SPECIFIC SAMPLING NOT COMPLETE LISTING)

Classification	1972	1973	1974	1975	1976	1977	Total
Sushi helper.....	1						1
Front men.....	2						2
Engineering aide.....	10	17	9	1	2	2	41
General manager.....	1	2	3	1	1	1	9
Operations manager.....		1	1				2
Sales manager.....	3	4	4	3	3	3	20
Service manager.....		1	1				2
Floor salesmen.....	5	8	8	6	6	6	39
Collector (payments).....		1	1				2
Controller.....	1	1	1	1	1	1	6
Store boys.....	6	6	6	6	6	6	36
Office clerk.....	15	16	19	19	22	22	113
Butchers.....	3	3	3	3	3	3	18
Warehouse supervisor.....	2	2	2	2	2	2	12
Night manager.....	2	2	2	2	2	2	12
Typists.....		1	1	1			6
Real estate salesman.....		1	1	1			3
Merchandise bookkeeper.....	1	1	1	1	1	1	3
Insurance clerk.....	2	2	2	2	2	2	12
Carpet layer.....	34	34	34	35	35	35	207
TV repairman.....	1	1	1	1	1	1	6
Security guard.....	2	2	2	3	3	3	15
Department manager.....	5	5	5	5	5	5	30
Messenger.....	1	1	1	1	1	1	6
Advertising manager.....	1	1	1	1	1	1	6
Advertising layoutmen.....	3	3	3	3	3	3	18
Merchandise meneger.....	1	1	1	1	1	1	6
Assistant manager.....	2	2	2	2	2	2	12
Personnel manager.....	1	1	1	1	1	1	6
Equipment superintendent.....		1	1	1	1	1	5
Administrator.....		1	1	1	1	1	5
Construction worker.....	20	15	35	15	15	35	135
Block layer.....		3	3	3	3	3	15
Meson.....	16	15	15	15	15	15	91
Lab tester.....		1					1
Pesteurizer.....		2					2
Milk cooler man.....		2					2
Ice cream packager.....		3					3
Icebox men.....		3					3
Ceserroom man.....		2					2
Plant maintenance man.....		12					12
Insurance agents.....	2						2
Foreman.....	2	2	2	2	2	2	12
Photo lab technician.....		4					4

GUAM PROJECTED MANPDWER REQUIREMENTS SURVEY CONDUCTED FEBRUARY/MARCH 1972 BY THE HAWAII EMPLOYERS COUNCIL (34 COMPANIES SAMPLING)

Classification	1972	1973	1974	1975	1976	1977	Total
Accountant.....	10	11	11	8	7	8	55
Accounting clerk.....	17	21	17	14	13	14	96
Administrative essistant.....				1			1
Alteration tailor.....							0
Appliance repairmen.....	1	3	3	1	1	1	10
Architect.....	3	3	1	3	1	2	13
Assembler (laundry cleaning).....							0
Auto mechanic.....				1			1
Automotive/industrial salesman.....							0
Auto mechanic helper.....	6	6	7		1		20
Baker.....							0
Bartender/bartendress.....	4	37	37	37	37	37	189
Bar boy/ber girl.....							0
Bus boy/bus girl.....	9	4					13
Bookkeeper.....	3	7	7	4	3	4	28
Bookkeeping machine operator.....						1	1
Bottle washer.....							0
Building maintenance man.....	1	2	2			1	6
Bulldozer operator.....	24	24	24			1	73
Cafeteria worker.....							0
Card punch operator.....						1	1
Cargo checker.....							0
Carpenter.....	80	74	72	76	79	84	465
Cashier.....	24	128	21	17	17	17	224
Civil engineer.....	8	22	12	4	4	5	55
Cleims adjuster.....							0
Clerk.....	6	7	7	8	8	9	45
Clerk, customer service.....	3	4	4	4	5	5	25

GUAM PROJECTED MANPOWER REQUIREMENTS SURVEY CONDUCTED FEBRUARY/MARCH 1972 BY THE HAWAII
EMPLOYERS COUNCIL (34 COMPANIES SAMPLING)—Continued

Classification	1972	1973	1974	1975	1976	1977	Total
Clark general.....	41	141	41	42	41	42	347
Clerk-stenographer.....							0
Clerk-typist.....	17	16	15	16	17	19	100
Clinic nurse.....							0
Cocktail waitress.....	4	2					6
Construction carpenter.....	266	270	260	8	10	20	834
Construction carpenter helper.....	2	8	6	6	8	10	40
Construction carpenter apprentice.....							0
Construction cement mason.....	100	100	110	30	30	35	405
Construction cement mason helper.....	3	3	5	2	2	3	18
Construction cement mason apprentice.....							3
Construction electrician.....	42	44	50	10	10	10	166
Construction electrician helper.....	2	2	2	2	1	1	10
Construction electrician apprentice.....	2	2	3				7
Construction painter.....	4	6	8	4	5	6	33
Construction painter helper.....	2	2	2	1	1	2	10
Construction painter apprentice.....							0
Construction plumber.....	4	4	6	6	4	4	28
Construction plumber helper.....	2	2	1	1	1	1	8
Construction plumber apprentice.....							0
Construction roofer.....							0
Construction roofer helper.....							0
Construction roofer apprentice.....							0
Construction tilesetter.....	10	12	15	9	8	8	62
Construction tilesetter helper.....	1	1	2	2	1	1	8
Construction tilesetter apprentice.....							0
Container washer.....							0
Cook.....	271	258	258	250	254	250	1,541
Cook helper.....	6	6	6	2	2	2	24
Crane operator.....	11	12	12			1	36
Credit clerk.....	3	4	4	4	6	6	27
Custodian.....		5	1		1		7
Data program.....						1	1
Diesel mechanic.....	12	12	12		1	1	38
Dishwasher.....	16	2	2				20
Dispatcher.....	1	2	2		1	1	7
Display broilerman.....							0
Draftsman.....	1	1	1	1	2	2	8
Drassmaker.....							0
Driver.....		38	21	15	16	16	106
Drycleaner.....							0
Electrical engineer.....	6	7	7	1	1	2	24
Electrician.....	20	31	27	20	20	21	139
Electrician helper.....					1	1	2
Electrician mechanic.....							0
Electronic technician.....		3	3				6
Engineering draftsman.....	2	2	3			1	8
Expeditor.....	2	4	5	3	4	4	22
File clerk.....	2	2	3	3	2	2	14
Finisher, flatwork machine.....							0
Firaman.....							0
Fisherman.....							0
Fittar.....							0
Food service work.....							0
Gardener.....							0
General halper.....	30	30	30	30	31	31	182
General offica clerk.....	1	2	2		1	1	7
Groundskeaper.....							0
Group tour coordinator.....							0
Heavy aqipment operator.....	31	38	38	7	7	7	128
Heavy aqipment mechanic.....	18	18	20			1	57
High lift operator.....	2	2	2		1	1	8
Hospital attendant.....							0
Host/hostess.....							0
Hotal manager.....							0
Houseman.....		2					2
Industrial nurse.....						1	1
Instrumentman.....						1	1
Inventory clerk.....				1	1	1	3
Janitor.....	7	7	7	5	5	6	37
Junior claims clark.....							0
Junior clerk.....	4	5	5	6	6	8	34
Junior typist.....							0
Kaypunch operator.....	2	5	5	3	3	3	21
Kitchen helper.....							0
Laborar.....	15	10				5	30
Labor, concrata.....					5	10	15
Machinist.....	2	2	3			1	8
Mail clerk.....	2	2	2	2	2	3	13
Maintananca man.....	11	17	17	7	7	7	66

GUAM PROJECTED MANPOWER REQUIREMENTS SURVEY CONDUCTED FEBRUARY/MARCH 1972 BY THE HAWAII
EMPLOYERS COUNCIL (34 COMPANIES SAMPLING)—Continued

Classification	1972	1973	1974	1975	1976	1977	Total
Mechanic.....	31	39	32	32	33	33	200
Maintenance helper.....						1	1
Mechanical engineer.....						1	1
Mechanical helper.....						1	1
Medical clerk.....							
Medical doctor.....						1	1
Medical lab technologist.....							0
Mess attendant.....						1	1
Metal fabrication worker.....				1	1	1	3
Meter repairman.....							0
Numbers clerk.....							0
Nutritionist.....							0
Office manager.....	2	4	4	4	4	4	22
Office machine repairman.....							0
Order clerk.....						1	1
Painter.....	2	2	2				6
Painter helper.....							0
Pantryworker.....							0
Patrolman.....					1	1	2
Payroll clerk.....	1	1	1	2	2	2	9
Pharmacist.....	1	1	1	1	1	1	6
Photographer.....		2					2
Plumber.....	4	7	7	3	3	3	27
Policy and endorsement typist.....							0
Postal clerk.....							0
Posting/billing machine operator.....						1	1
Poultryman.....							0
Powerhouse repairman.....							0
Powerplant operator.....							0
Practical nurse.....							0
Presser.....							0
Private secretary.....				1	1	1	3
Project engineer.....	1	1	1	3	3	3	12
Quality control inspector.....						1	1
Radio repairman.....	1	1	1	1	1	1	6
Rating clerk insurance.....							0
Refrigeration and A/C mechanic.....	2	4	4	3	3	3	19
Repairman.....							0
Retail store manager.....							0
Rodman and chainman.....	4	4	4				12
Room maid/room boy.....	23	45	30	30	30	30	188
Route salesman.....	5	15	18	6	7	7	58
Sales clerk.....	122	128	136	138	147	152	823
Sanblaster.....					1	1	2
Saamstress.....							0
Secretary.....	3	7	7	5	5	7	34
Security/timekeeper.....	3	3	3	2	2	2	15
Senior claims clerk.....							0
Senior clerk.....	15	16	17	18	19	21	106
Senior typist.....	1					1	2
Service station attendant.....							0
Service worker.....							0
Shop foreman.....	2	2	2		2	2	10
Short order cook.....	2	2	3				7
Singer.....							0
Social worker.....							0
Staff nurse.....							0
Steel worker.....	48	50	48	2	1	1	150
Stenographer.....						1	1
Stevadora.....							0
Stock clerk.....				1	1	1	3
Stock control clerk.....	3	5	5	4	5	5	27
Stockman.....				1	1	1	3
Storekeeper.....							0
Supervisor assistant.....	8	9	9	7	7	7	47
Survayor.....	2	4	3			1	10
Swimming pool attendant.....							0
Switchboard operator receptionist.....	2	1	1	1	1	2	8
Teacher.....							0
Teacher, elementary.....							0
Teacher, secondary.....							0
Teacher's aide.....							0
Teacher substitute.....							0
Telephone operator.....							0
Teletype instructor.....							0
Teller.....	56	59	59	60	60	60	354
Ticketeer-reservationist.....							0
Tile setter.....		1	1	3	3	3	11
Time keeper.....				1	1	1	3
Travel agent.....							0

GUAM PROJECTED MANPOWER REQUIREMENTS SURVEY CONDUCTED FEBRUARY/MARCH 1972 BY THE HAWAII
EMPLOYERS COUNCIL (34 COMPANIES SAMPLING)—Continued

Classification	1972	1973	1974	1975	1976	1977	Total
Truck driver	31	31	32	32	32	32	190
Truckdriver/trailor	21	21	21	13	13	14	103
Waiter/waitress	100	54	50	44	35	42	329
Warehouseman	38	43	43	39	41	41	245
Washer, machine							0
Watch assembler							0
Watchmaker							0
Watchman (night)	2	2	2				6
Welder	9	9	11	5	4	4	42
Welder helper				1	1	1	3
Welder maintenance	2	2	2			1	7
Others	166	234	214	184	199	99	1,096
Total	1,892	2,306	2,023	1,325	1,370	1,354	10,270
Miscellaneous specific	145	186	173	140	141	160	945
Grand total	2,037	2,492	2,196	1,465	1,511	1,514	11,215

Note: Although there is little or nothing listed under such categories as cocktail waitresses; hosts/hostesses and other hotel classifications there has been a heavy demand in such areas.

SURVEY PARTICIPANTS

1. A & C Refrigeration Sales & Service Inc.
2. Allied Construction Co.
3. Asiatic Trans-Pacific Co.
4. Bank of America
5. Bank of Hawaii
6. Black Construction Co.
7. Chase Manhattan Bank
8. Dai-ichi Hotel
9. Thomas J. Davis, Inc.
10. Esco International
11. Esso Eastern, Inc.
12. Flaherty Electric Co.
13. Foremost Dairies, Inc.
14. Fujita Guam Tumon Beach Hotel
15. General Transfer & Warehouse Co.
16. Guam Tokyo Hotel
17. Ilocandia Construction Co.
18. Integral Construction Co., Inc.
19. Jones & Guerrero Co., Inc.
20. Kirby Co. of Guam
21. Marianas Pacific Inc.
22. Mar Pac
23. McDonalds of Guam
24. Merchants Wholesale
25. Mobil Petroleum Co., Inc.
26. Overseas Enterprises, Ltd.
27. Pacific Thrift & Loan
28. Pacific Transfer & Storage Co., Inc.
29. M. V. Pangellinan Enterprises, Inc.
30. Peat, Marwick, Mitchell & Co.
31. Jack Peters & Co.
32. Saehan Corp., USA
33. Smyth Van of Guam
34. Socio Construction Co., Inc.

[From the Pacific Daily News, Aug. 7, 1973]

EDITORIAL—ON PROCESSING VISITORS . . .

Let us hope, that with the arrival of the House Sub-committee on Immigration and Naturalization on Guam, that somebody has a chance to convey to them some of our very real problems on processing visitors—both at the Guam International Airport, and at the Commercial Port.

We are well aware that the Federal government is in a period of tight budgeting. We are also well aware that the rapid growth of tourism on Guam means that the Federal Government just hasn't caught up, because of their inability to plan ahead for potential growth. Their budgets are prepared far in advance, and don't consider such things as rapid expansions.

Still, Guam is an increasingly large factor in the trade balance problem as it relates to Japan. Many thousands of Japanese—and some Australians—are coming into Guam, and spending their money here. We've got to do everything possible to make it easy for them to find their accommodations. In short the easier it is for these visitors to Guam to arrive, the more opportunity they will have to spend money, and the greater will be what the tourism experts call "visitor satisfaction."

When tourists coming off a plane or ship are forced to wait in long lines they retain a first impression of inefficiency that is liable to stay with them their entire

visit. The first impression that they now have of Guam must leave many with a bitter taste in their mouth.

According to a story in the Sunday News, Guam only has seven immigration officers. These seven are busy this week, processing an estimated 2,300 ship board arrivals from six passenger ships coming to Guam this week, besides their regular work at Guam International Airport.

Besides the trouble with immigration, ship visitors have other, equally serious problems. There are no toilet facilities at the port for the tourists, no water fountains, and not even a bench to sit on while they wait for buses.

Bert Uplingco, director of the Guam Visitor's Bureau, said: "The lack of proper facilities at our port is an embarrassment to Guam and the United States. When these passengers compare our port with just about any other in Asia, we look terrible. For many of these people, this is the first American port they enter, and for them to find that once they get off the ship they can't even find a place at the port to go to the bathroom is a disgrace to the United States."

There was a time, in the not too distant past, when the Immigration Department used to send a couple of their men to Australia, put them aboard the ship, to process all of the debarking passengers on Guam even before the ship arrived. This, of course, was excellent service.

Now there are times when only two Immigration officials are called upon to process as many as 800 passengers, and obviously this takes time. The news story said that most of the passenger ships calling on Guam are here only for a 24 hour period, and sometimes it takes half of that time just to clear all the passengers with the Immigration officials and get off the ship. Even though the word about Guam's inadequate port facilities has spread around the Far East, it appears more and more passenger ships have been making calls here. This year alone, there will be more than 27 passenger liners stopping in Guam.

Uplingco, who is in a position to know, says "these people still don't receive the kind of welcome they do at other ports where they stop, which makes it look like the people of Guam don't care." He added that it is amazing that we have a tourist oriented economy and yet treat our tourists with such inefficient indifference at both Guam International and the Commercial port, causing delay and frustration among the people whom we want to leave with a good impression of Guam.

"Five years ago," Uplingco said, "there were five Immigration officers to handle some 15,000 visitors. Now we have seven to process up to a quarter of a million visitors." We agree with him. It just doesn't make any sense at all, and has to be hurting our tourism potential—and the U.S. trade balance in the process. All for a little imagination on the part of our port and airport people, and a few more Immigration officers.

We have been told often by our tourism experts that few of Guam's tourists ever want to come back. We're sure that the difficulties of getting in are one of the reasons for this.

In Hawaii, Representative Spark Matsunaga said that he is introducing legislation to speed customs processing of airline passengers arriving at Honolulu International Airport. Perhaps somebody could consider legislation of a similar nature for Guam.

The question of toilet facilities, water fountains, and benches at the Commercial Port is one of incredibility. We have been receiving passenger ships on Guam for six years now, a period at which time the Commercial Port has been in a period of expansion. Don't they have any architectural planners out there? Doesn't the Director of Commerce ever sit down with the Commercial Port Director? It just seems so illogical to us that in the building of a Commercial Port that nobody ever considered proper facilities for incoming passengers.

It wouldn't hurt to discuss one other aspect of Guam's tourism program. That is the spirit of "aloha" which has provided Hawaii with such a big plus in their program over the years. We don't believe in imitation, especially, but we on Guam too, should have that island spirit of welcome, that little extra bit of friendliness and warmth.

Instead of treating our visitors with aloofness and disdain, it would be so much better to walk up to them, and greet them with a lei, or a kiss, or a hand-shake, to let them know that we do care, that we are truly interested, and that we want their business. Attitudes are vital in the tourism business, and it is very evident that our attitudes very definitely need some upgrading. JCM.

[From the Pacific Daily News, Aug. 9, 1973]

EDITORIAL—IMPORTATION IS A NECESSITY—LABOR ONE OF GUAM'S PROBLEMS

Guam has serious labor problems.

And yet, considering that there are large sources of inexpensive labor in the nearby Philippines and Korea eager to work in Guam, we wonder why this is true.

It's quite possible that this strange dilemma will be solved in one fell swoop by the House of Representatives Subcommittee on Immigration and Nationality today. But we doubt it, because no answer is all quite that simple.

The labor problem on Guam is complicated by many things. We're sure that the subcommittee, and its staff members can sift through this chaff, and eventually come up with some solutions.

Part of the problem is that Guam is currently treated like all of the other places in the United States, where underemployment, and unemployment is still a problem. There is no way, nor has there been for years, that you could bring in thousands of skilled and semi-skilled laborers or technicians, or even professional people into the mainland U.S. without raising screams of anguish by unions, and professional organizations. For every "foreigner" brought into the U.S., the argument goes, an "American" loses their job. So, naturally, there have been hard and firm limits on immigration, and more especially, on the importation of foreign labor.

But in the main those same conditions don't apply on Guam. We have now as close to full employment as you can get, and we still are short handed in many fields.

Even this fact, though, is complicated by a strong local pressure group, who believes in keeping the possibility of any labor surplus remote, so that the local people can always be assured of a job at any given moment. A scarcity of labor, to them, means that anybody, no matter how qualified, or how unenthusiastic about working can still find a job on Guam on any given day. Moreover, a shortage in labor tends to force up wages as employers are forced to pay through the nose to get any competent person to fill the positions open.

A second factor also complicating the problem on Guam is the fact that as long as there is a labor surplus on the mainland, with people out of work, it can somehow mean that Americans will come to Guam to find those available jobs to the exclusion of foreigners. Unfortunately, it doesn't always work that way. In most categories in which workers are needed, the work doesn't justify the tremendous expense of paying an American's transportation cost out this far, nor paying for his family's travel costs, nor paying housing and other expenses of staying on this remote tropical island. It is true that at the higher skilled, and at the professional level, most businesses and both the federal government and the local level do find the importation of U.S. labor feasible. This is being done, often. But it is simply not practical for hotel help, military club help, household help, and even in many of the constructional trades.

Ideally, U.S. Congress might consider a program which would pay the costs of sending to Guam the unemployed people of the mainland. This sort of program would have the effect of putting U.S. citizens to work on U.S. soil, eliminating the balance of trade payments. It would help the tax situation here, provide a better class of workers, who could be paid a decent wage. It would also provide a burden on the U.S. taxpayers. But, just a different sort of burden, because logically it wouldn't matter if the money was being used for unemployment compensation, or welfare, or would be used to relocate the people in labor short Guam.

A second solution would be to spin Guam off of regular federal laws governing the importation of labor, and let the island work out a realistic program with several neighboring countries, say the Philippines, Korea, and perhaps Micronesia. Such a program would have to be tied in very closely with immigration. We don't necessarily want all of these people to migrate to Guam. We would want them to stay for a very definite period of time, and at the end of that period of time they would be shipped back to their own countries.

Other extenuating circumstances further complicate the situation. How can our very important military obligations be handled without the importation of labor? Can we tie the military's hands when they decide that there is simply not enough labor locally to do the job they need to have done? Or shall we insist that they too shall import U.S. labor to Guam, feed them and house them here?

Take the matter of household help, for instance. There are thousands of women in the Philippines that would be interested in coming to Guam to work in somebody's home, and there are thousands of families here, especially those with both parents working—that could really use the help, if it were made available. But under current immigration and labor laws, and under present minimum wage laws none of this is possible. Just about the same situation exists in our vital tourism industry, an industry which may go down the tube unless we can offer better services than we have in the past.

We don't want the committee to change any laws affecting the U.S. proper. We would insist that any legislation affecting Guam on the importation of labor include restrictions about allowing such labor to somehow find their way to the mainland. We would also insist that such legislation include a specific time period for staying on Guam, after which they would be repatriated to their home country. Such legislation would also have to include provisions, as it does now, that every effort would be made first at the local level to find needed and competent help, but in failing that the firm, government or individual would be allowed to bring in off-island help. Finally, such importation of labor would set stern rules and regulations, including bonding, to protect the laborer from exploitation. This would include such items as adequate housing, adequate pay, the quality of food, vacation time, and hours of employment and overtime pay. It would also, as we said, spell out specifically how and when such workers would be sent home.

Without such legislation, or without changes in the present law, we frankly don't know how Guam will ever manage to grow and prosper as have our brothers on the mainland. There just aren't enough people on Guam to do the work that needs to be done. During the period of U.S. growth and industrialization it was relatively easy. You just opened the gates of immigration, importing millions to the United States. No, we can't do that anymore. But we can open Guam up—as a very special case—to outside labor sources, on a limited time only. Without such help, we're going to be in deep trouble. JCM.

STATEMENT OF THOMAS N. BATY, CHAIRMAN, LABOR COUNCIL OF THE WESTERN PACIFIC

GENTLEMEN: The large scale use of alien labor within the Territory of Guam first began in 1946 when large numbers of workers were brought into Guam to assist in the construction of military facilities. From time to time the number of such workers has fluctuated depending on local needs. The official explanation for this practice has been the "so called" shortage of workers on Guam—particularly those with certain skills, usually needed in the construction trades.

Starting in about 1958 or 1959 alien workers began appearing as a work force within the civilian community and performing work not directly associated with defense contracts. In the early years of this program most were brought in from the Republic of the Philippines. Today we find alien workers representing almost all areas of Asia. Their diligence and industry has been largely responsible for much of the development of the large military establishment that Guam has become. After Typhoon Karen devastated Guam in 1962, this work force increased in number and has been a contributing factor in the "construction boom" and relative prosperity of Guam as Guam changed from a purely military economy to one including tourism and trade.

Many of these workers have been allowed to stay within the community following the process of from alien to resident, and eventually to citizens. As a result we have been able to keep with us their skills and abilities and they have settled in as valued members of Guam's community.

In spite of Guam's tremendous development since World War II, to a large measure, the average wage earner has not always been able to profit from this development. We say today that we on Guam are Americans, and that by enlarge we wish to achieve closer association with the United States. If this association is to continue, the wage earner and his family will want a share of the prosperity that we, as Americans, feel we have a right to enjoy. This has not been the case in the past and it is not the case now. The "Economic Base Study" for the Territory of Guam by the U.S. Army Engineer Division, Pacific Ocean of May 1973 indicates that Guam's 1969 median income is only 68% of the median income for Hawaii, and 84% of the median income for the entire United States. As to

present wage comparisons the study goes on to say that "a comparison of hourly wages for selected occupations on Guam with the same occupations in other areas indicates that Guam's wage rates are low." "The difference between Guam and the West Coast, as represented by an average of Los Angeles and San Francisco rates, indicates that Guam wages are about 69% of those on the West Coast. A comparison with Hawaii indicates that Guam wages are about 85% of those in Hawaii." A drive around the island will show any visitor that although we have built numerous permanent concrete buildings, the tin and wood shack that serves as a home for too many of our people is in predominance. When looking at income figures for Guam we must also take into account Guam's average large family size and the high cost of all imported necessities needed to realize what we call the "American good life."

The Guam Legislature has been much aware of this problem. Numerous programs and policies have been formulated to deal with the income problems of families on Guam. The Guam minimum wage has been raised from \$1.25 per hour in 1960 to \$2.05 per hour in 1972. Our past experience however, has been that this wage, although probably one of the highest in the United States, has not so much served as a minimum for a small percentage of our workers, but in large instances has become a maximum.

The Labor Council of the Western Pacific has become concerned that this problem is the result of the easy availability of cheaper alien labor. Construction wages particularly have remained low on Guam in spite of rapid rises elsewhere in the U.S. It is not unusual to hear of bricklayers and electricians receiving wages of \$5.00 to \$6.00 per hour in the United States. For the U.S. citizen to enter these trades on Guam has traditionally meant the minimum wage and little more. Since the construction industry on Guam is large I can not help but believe that these wages have influenced wages in other industries. We constantly hear that there is a shortage of U.S. resident workers available for the construction industry. Low wages would certainly seem to be a factor and will continue to discourage individuals from entering this industry as long as the gap exists between wages on Guam and in the U.S.

Our fear is also that local businesses and contractors may prefer aliens because of their relative unsophistication as to their rights and privileges under American Labor Laws. If labor unrest were to develop, i.e. agitation for higher wages and better working conditions, the argument goes that it would be easy to find some excuse to simply send such agitators back to their point of origin.

It would seem then that the real desire here is for "cheap labor" and a labor force that is relatively docile and more easily managed than the more demanding, and individualistic American Citizen counterpart.

Over the years we have also been made aware of other related problems. There have been cases of unfair labor practice charges stemming from illegal payment to alien workers running from non-payment of overtime, to the payment of wages below that which is required by law. There have been instances where alien worker wages have been withheld, except for pocket money, until the worker returns to his homeland. In the meantime the company has been able to use this money, interest free to finance their own operations and the workers' family in his homeland has been put in great need. There has also been instances where alien labor has been used illegally on non-contract projects outside of official purposes for which they were brought into Guam. From time to time there have been scandals resulting from the questionable living conditions in the camps provided for the workers to eat and live. The Immigration Service and Department of Labor on Guam apparently does not have sufficient manpower to police the laws and regulations required of those participating in the various alien importation programs.

A 1973 unemployment survey for Guam done by Guam Department of Labor, although admittedly not a conclusive or totally reliable study, does suggest, contrary to popular belief, there may be in fact an "unemployment problem" on Guam. These figures suggest that this "unemployment rate" may be as much as 5.3 per cent, a figure larger than that of the nation at whole. I would hope that Department of Labor will be given the funds necessary to make further, perhaps more accurate, studies in the future, for I feel that this is a problem that we have failed to realize, or even admit exists. If such an unemployment rate does exist it would seem that we should use extreme caution in the importation of alien labor that undoubtedly will deprive our American citizens of a chance to find work. Of course much of this unemployment may be due to lack

of skills. Our first duty then is to see that the people of Guam are trained, and made available to fill these trades and vocations. Continuing low pay however, in those industries now filled with alien workers, will not induce many to enter such training.

Recently the Guam Legislature passed Public Law 316 which requires that alien workers on Guam not be paid more than the minimum wage of \$2.05 per hour. In addition it provides that living costs for the worker be subtracted from that amount. The official explanation was the raising cost of construction on the Island.

The "prevailing wage system" set up by the Guam Department of Labor, although not perfect, seemed to be a step in the right direction. The prevailing wage rate we felt, would in time make alien labor a more costly alternative, raise wages in the construction industry, and thus encourage our own American Citizen to go into the construction trades.

Public Law 316 besides lowering alien labor wages would also I fear, raise the spector of unequal treatment and protection under the law. We would certainly expect that if alien workers are truly needed on Guam they would perform "equal work"—and for this, for as long as they are needed, we feel they should receive equal pay. It would also seem that such a dual wage scale would be clearly illegal by the provisions of the Civil Rights Act of 1964 which forbids discrimination in compensation, based on race or national origin.

We further feel that such a law will have the ultimate effect of actually reducing wages for "all" in the construction industry, and will possibly have an adverse effect on wages in other Guam industries. Skilled American citizens will not likely work for \$2.05 per hour, and contractors on Guam will not likely hire them for higher wages as long as cheaper alien labor is available.

There are of course many factors that would cause a rising cost of construction on Guam. Land prices have more than doubled in the last few years. Building materials, largely imported from Asian countries have been raised due to devaluations of our currency and re-evaluations of Asian currencies. To believe that building costs will come down on Guam in the future is at best naive. It is this type of legislation that perhaps indicates publicly the true reason and desire for even larger numbers of alien workers.

If alien worker importation is to continue on Guam it must be regulated in such a way that it truly benefits the community and average American Citizen wage earner. If it is to remain, the laws regulating the pay due and the living conditions to be provided for such workers, must be strictly enforced. If such a policy is to remain we must be sure that all residents of Guam have a first chance at jobs, skills, and wages that will give them a chance for a better life. It is not fair to the people of Guam to forever be forced to compete with a situation that we would not allow to exist in any mainland community. It is also not fair to allow alien workers while on American soil to be treated in a manner which we would not allow for our own people.

I fear that all future alien policies should be entered into only after we have thoroughly researched the effects of such labor on our community. We must further determine if Guam does indeed have a class of unemployed and we must determine accurately its rate. We must all encourage training programs to increase the skills of our own residents. We should not let the powerful influences of few, pressure us into programs with benefits that may be only immediate and in long run detrimental to our own American citizen residents of Guam.

NOTE.—The Labor Council of the Western Pacific is a non-profit organization established in 1969 to serve as a forum for problems and ideas of the AFL-CIO Labor Unions working on Guam.

Mr. EILBERG. It is now a quarter of 6 and, obviously, we have a very limited time in Guam. May we just have a statement from one more witness, Mr. Barcinas from the Department of Agriculture, who is accompanied by Roy Duenas. We will ask the other speakers to please excuse us and submit their written statements for the examination of the committee.

We would like to hear something about the agricultural situation because, obviously, you need an agriculture industry if you are going to move in the right direction.

TESTIMONY OF JOSE T. BARCINAS, DIRECTOR, GUAM DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY ROY DUENAS, POULTRY PRODUCERS OF GUAM

Mr. BARCINAS. Thank you, Mr. Chairman. My name is Jose T. Barcinas. I am currently the Director of the Guam Department of Agriculture.

I have a prepared statement with me; however, I would like, instead of reading this, to make just a few brief remarks concerning our situation.

First of all, agriculture has been one of the Governor's top priorities in the last few years. We have been making several attempts to bring in foreign workers simply because of the nature of the work in agriculture. We cannot compete for the same manpower. Agricultural work is very unattractive whether it is in Guam, the United States, or any place. And as has been mentioned, people hate to work out in the field. This is why we want to have people come in and work for our local farmers.

At the moment, we are producing about 25 percent of our fruits and vegetables. In our local egg production we are, this year, self-sustaining. We are trying to develop the fishing industry of fresh-water ponds; but this was cut short by a rejection of our appeal for pond workers. We were denied the bringing in of 200 pound workers from Taiwan, Korea, or Japan.

At this time I am open for questions.

Mr. STEIGER. What kind of work does the U.S. Department of Agriculture do here? Do you have an extension service program available to you?

Mr. BARCINAS. We have the Guam Department of Agriculture which is funded strictly by the local government. We have Federal funds and Federal programs in our Department of Agriculture such as the extension service, quarantine, and other forestry service. But it is handled strictly by the Department of Agriculture. In the mainland you have the regulatory work done by the State Department of Agriculture, and the education handled by land grant. In Guam, it is all deposited in one area, and that is our Department of Agriculture.

Mr. EILBERG. In your opinion, how are we going to get temporary people to come here and work in agriculture? Will they come?

Mr. BARCINAS. We have several corporate farms now established in Guam and they cannot expand simply because they can't find local people to work on the farms. Just as the hotels, they couldn't find local people to work in these areas. Every month we are losing farmers because there is more attractive work in the military, in the hotels, and other related industry.

Mr. EILBERG. From what countries do you think you could get temporary workers?

Mr. BARCINAS. I think from Taiwan, the Philippines, and Okinawa.

Mr. EILBERG. Have you inquired in these places to see whether there are people who would come if they could come legally?

Mr. BARCINAS. We have a stack of people who are just waiting for a green light so that they can come and develop this industry. We are now processing a lot of applications for this, but we have no

assurance since we were denied this petition to bring them in. We have at the moment a request for 500 farm workers.

Mr. ESCH. Mr. Chairman, will you yield?

Mr. EILBERG. Mr. Esch?

Mr. ESCH. Has there been any analysis made as to what degree the agricultural economy and production could be developed? Have you looked at any long-range period? Given a solution to the labor problem, to what degree could you become self-sufficient. You indicated that you were at about 25 percent now.

Mr. BARCINAS. I have an attachment here showing that about 50 percent of the items currently being imported can be produced locally, simply if we have the manpower to do the work.

Mr. ESCH. So with the labor, it could be almost doubled in terms of amount.

Mr. DUENAS. May I comment on that?

Mr. ESCH. Yes; I wish you would.

Mr. DUENAS. I represent the poultry farmers. We are fortunate to have military contracts, and we, therefore, qualify for the defense parolee program. As a result of this, we were able to expand to the point where we are self-sufficient. But now that the parolee program is going to be phased out by this December, this is going to hurt the present farms that are already operating and dependent upon alien labor. We hope that this body here—or anyone who is responsible for this—would do something to extend the parolee program and also open another program whereby farmers would be included to be able to import alien help.

Mr. ESCH. Your indication is that it would be in 1974, not this year. But your point is that as you move into a period of time in which there is less dependence upon U.S. military presence, and more dependence and development of the tourism industry, that policies are going to have to be changed. Is that correct?

Mr. DUENAS. The gentleman here, Mr. Flores, manages a very big poultry farm locally. Last year we were importing up to the tune of over 780,000 dozen eggs annually. And this is one program where we have proved that with the defense contracts, they were able to get farm workers into the poultry industry. This year we have cut this number down to 100,000 and, hopefully, by the end of the year, we will be self-sustaining on this. We are almost to that; we are having a surplus now.

Mr. EILBERG. Are there any other questions?

Gentlemen, thank you.

[The prepared statements of Mr. Barcinas and Mr. Duenas follow:]

STATEMENT OF JOSE T. BARCINAS, DIRECTOR OF AGRICULTURE

MR. CHAIRMAN: The shortage of labor has been a continuing problem during all these postwar-development years. Precisely because of the rapidly expanding economy, Guam's need for manpower has become even more critical than ever before. This is especially true of the farming sector.

One major factor that persistently worked against the development of commercially-oriented agricultural operations is the dearth of farm labor. As in the past, the present labor market is so highly competitive that very few workers, if any, are available or willing to accept farm work as long as there is the alternative of higher-paying and less-strenuous job opportunities in the government, private industries and the military.

What aggravates the situation is the fact that, while the H-2 program allows the entry of aliens to work in construction, service, and other tourist-oriented industries, the program as implemented locally, is silent and apparently restrictive on the matter of importing alien farm workers.

Due to this perennial shortage of local labor, and in view of the new direction the Government of Guam has taken to develop agriculture and fishing on Guam, it is only imperative that outside help should be solicited. At the present time, an initial importation of 200 alien farm workers is being requested by various farm groups representing the crop, poultry and livestock sectors. The immediate goal of this labor importation is to step up activities in the production of more fruits and vegetables, poultry and eggs, and swine.

At the current rate, for instance, local production of fruits and vegetables amounts only to an average of 2 million pounds annually compared to the yearly imports of 10 million pounds or over. What appears significant is the fact that nearly 50 percent of these fruit and vegetable imports could be produced on Guam. Beef, pork, and chicken meat are also being imported to the tune of 92, 76, and 93 percent, respectively, of the estimated consumption demands. Although importation of eggs has declined considerably, local production still has to cope with increasing requirements.

A parallel condition is also obtaining in the fishing industry. Since 1966, the island has been importing close to 700,000 pounds of fresh fish annually as against 200,000 pounds of local fish catch. The Government of Guam, thru the Department of Agriculture, is presently in the process of developing freshwater fish farming in an effort to augment the local supply of fresh fish. But just like the crop, poultry and livestock industries, this new venture has to depend, among other things, on outside help in order to succeed.

In the light of the foregoing, therefore, and until the local labor force can adequately meet the increasing demand of the fast-expanding economy, it would seem that the only remedial course to take, at least for the time being, is to avail of alien labor.

In this connection, it is proposed that similar arrangements as those obtaining in California, Nevada and Puerto Rico be worked out for the local farm employers. Any positive action taken in this regard would be most heartily welcomed especially in view of the pending phase out of the Defense Program. As a matter of record, the program had been instrumental in supplying part of the labor needs of the local poultry industry.

The phasing out of this program, however, would deal a death blow to the already tight farm labor situation. Hence, the need to stave off this labor crisis.

Needless to emphasize, the future of the economy, of which agriculture is a vital part, hinges in large measure on whether or not there are enough men to turn and keep the wheels of industry going.

SELECTED COMMODITIES: PRODUCTION AND IMPORTS, FISCAL YEARS 1966-72

Item and year	Production		Imports	
	Pounds	Dollars	Pounds	Dollars
Fruits and vegetables:				
1966	1,809,355	357,537	8,302,180	828,110
1967	1,435,319	257,642	10,558,109	1,260,813
1968	1,877,872	309,670	14,290,691	1,471,806
1969	2,230,493	404,919	9,429,495	1,166,960
1970	2,410,562	430,556	16,524,720	1,235,686
1971	1,819,924	354,973	17,035,599	1,529,444
1972	2,504,308	478,264		
Beef:				
1966	256,044	166,429	4,911,793	NA
1967	271,208	174,115	1,792,069	NA
1968	291,622	184,305	NA	NA
1969	289,539	187,042	1,145,273	796,542
1970	241,629	157,784	3,070,597	1,651,520
1971	185,388	124,581	3,391,099	2,458,594
1972	157,267	106,155		
Pork:				
1966	390,500	292,875	430,546	NA
1967	497,000	372,750	295,193	NA
1968	536,600	402,450	NA	NA
1969	560,900	420,675	1,005,909	466,023
1970	411,800	308,850	1,640,852	912,304
1971	436,909	327,682	1,754,176	898,072
1972	449,464	336,649		

See footnotes at end of table.

SELECTED COMMODITIES: PRODUCTION AND IMPORTS, FISCAL YEARS 1966-72—Continued

Item and year	Production		Imports	
	Pounds	Dollars	Pounds	Dollars
Poultry:				
1966.....	81,225	29,241	1,854,790	NA
1967.....	90,480	32,573	1,729,487	NA
1968.....	108,000	38,880	NA	NA
1969.....	130,560	47,002	1,099,327	374,686
1970.....	195,000	70,200	2,249,238	968,316
1971.....	160,725	60,272	2,298,120	876,936
1972.....	194,780	72,848		
Eggs:¹				
1966.....	720,000	504,000	408,330	NA
1967.....	960,000	672,000	341,130	NA
1968.....	1,056,000	739,200	NA	NA
1969.....	1,305,000	913,500	723,400	253,194
1970.....	2,150,000	1,505,000	328,043	154,577
1971.....	1,858,912	1,319,828	179,701	81,702
1972.....	2,065,270	1,445,688		
Fish (fresh):				
1966.....	279,000	126,000	999,698	NA
1967.....	248,000	124,000	883,337	NA
1968.....	343,500	172,000	NA	NA
1969.....	326,498	163,250	303,683	92,213
1970.....	151,000	98,150	708,855	321,502
1971.....	170,577	110,875	472,737	210,709
1972.....	143,629	93,359		

¹ Does not include imports for military use.² In dozen.

NA—Not available.

FRUITS AND VEGETABLES—IMPORTS AND PRODUCTION, GUAM, FISCAL YEARS 1965-71

Year	Total imports	Amount of imported items producible locally	Production
1965:			
Pounds.....	6,177,218	3,278,108	712,254
Dollars.....	647,427	351,509	112,492
1966:			
Pounds.....	8,302,180	4,225,024	1,809,355
Dollars.....	828,110	452,033	357,537
1967:			
Pounds.....	10,558,109	5,221,050	1,435,319
Dollars.....	1,260,813	752,940	257,642
1968:			
Pounds.....	8,290,432	3,043,956	1,877,872
Dollars.....	984,798	387,242	300,460
1969:			
Pounds.....	9,992,741	3,820,023	2,230,493
Dollars.....	1,282,332	587,157	404,919
1970:			
Pounds.....	16,524,720	3,982,800	2,410,562
Dollars.....	1,235,686	843,903	430,556
1971:			
Pounds.....	17,035,599	3,765,344	1,819,924
Dollars.....	1,529,444	798,253	354,973

¹ Does not include imports for military use.

SELECTED FRUITS AND VEGETABLES: AREA/NUMBER OF TREES HARVESTED AND PRODUCTION, FISCAL YEARS 1967-71

Crops	1967		1968		1969		1970		1971	
	Acres/trees	Pounds								
Avocados.....	1 92.0	9,126	1 86.0	8,513	1 116.0	11,531	1 107.0	10,623	1 121.0	8,637
Bananas, eating and cooking.....	62.3	311,472	28.2	131,832	72.6	339,909	80.3	385,509	90.2	312,873
Beans, green (all types).....	16.4	73,810	14.9	67,090	24.0	109,208	22.5	101,625	26.8	85,197
Bittermelon.....	5.2	16,694	0.5	2,100	4.5	14,699	6.8	22,254	7.4	16,842
Breadfruit.....	1 44.0	6,694	1 42.0	6,326	151.0	7,784	1 47.0	7,106	1 63.0	6,761
Cabbage, Chinese and head.....	21.4	53,434	27.3	69,716	13.3	34,519	24.9	63,228	26.2	47,160
Corn, sweet and local variety.....	4.7	11,025	10.2	25,000	12.1	30,646	27.1	67,589	27.9	49,619
Cucumbers.....	37.9	246,445	78.7	278,765	54.0	191,234	38.8	160,116	41.7	126,386
Eggplant, long and round.....	10.3	46,395	12.4	70,133	4.5	25,482	24.3	97,060	17.9	66,612
Ginger, root.....	25.7	13,884	9	500	2.7	1,407	9	493	1.3	457
Lemons.....	1 138.0	18,049	1 63.0	8,277	1 103.0	13,534	1 312.0	40,907	1 289.0	27,055
Limes.....	1 30.0	2,449	1 43.0	3,578	1 114.0	9,474	1 485.0	40,232	1 453.0	27,685
Mangoes, carabao and saipan.....	1 14.0	8,633	1 22.0	7,609	1 37.0	21,824	1 26.0	13,940	1 44.0	9,786
Melons: cantaloupe, etc.....	26.6	93,157	121.1	223,532	111.0	205,190	50.5	100,771	56.1	80,918
Okra.....	17.6	14,087	9.4	6,933	31.4	23,135	72.1	54,491	73.6	39,866
Onions.....	10.1	25,259	3.8	8,540	10.9	24,387	18.4	43,204	19.2	31,642
Oranges, green (bunch).....	1 65.0	18,803	(?)	1,175	159.0	16,961	1 221.0	64,040	1 221.0	46,151
Oranges.....	1 141.0	14,005	(?)	1,175	1 183.0	18,083	1 575.0	56,887	1 553.0	39,769
Papaya.....	6.3	24,379	1 72.0	7,236	12.7	54,819	27.5	54,886	34.1	39,724
Peppers, hot and sweet.....	8.3	22,798	14.3	61,932	11.2	34,033	23.3	68,939	22.6	48,931
Potatoes, sweet.....	3.6	15,672	11.6	35,282	11.2	19,288	17.0	34,007	17.6	25,471
Pumpkins, including tips.....	4.5	8,966	5.2	7,919	7.2	10,928	14.4	23,093	14.6	16,794
Radish.....	4.3	20,199	3.7	15,525	4.8	20,312	15.8	31,660	16.4	23,810
Squash, yellow and white.....	1 212.0	24,618	1 13.0	1,500	1 209.0	24,290	1 170.0	220,432	1 1,457.0	157,386
Tangerines.....	10.9	23,877	10.3	25,525	11.4	28,186	31.6	74,197	30.5	110,684
Taro, including tips.....	11.1	46,480	158.7	363,693	179.8	504,581	63.9	191,628	31.9	152,983
Watermelons.....	32.5	162,711	203.8	354,779	220.2	313,015	63.9	191,628	43.6	57,089
Yams.....	4.9	61,787	1.6	24,202	4.1	61,742	28.2	141,160	29.7	107,037
All other crops.....	10.1	40,373	18.1	44,911	23.5	60,292	30.1	75,338	11.3	56,599
Total.....	334.7	1,435,319	738.6	1,877,872	820.8	2,230,493	690.2	2,410,562	640.6	1,819,924

* Except for bananas, acreage of fruit trees not included.

† Number of bearing trees harvested.

‡ Nil.

STATEMENT OF ROY P. DUENAS, MANAGER, FLORES POULTRY FARM, INC.

Mr. Chairman: My name is Roy P. Duenas, and I represent the poultry producers of Guam in regards to alien labor and its impact on egg production.

Before World War II, Guam's economy was based on agriculture. However, with the establishment of the Naval Government on the Island after the war, the farms were gradually left behind as people started to fill in jobs in the Naval Government, both in the white and blue collar categories. The establishment of the civil government in 1950 further increased the number of jobs in the non-agricultural sector. Then came big businesses to cater to both the Government of Guam and Uncle Sam. As developments in the non-agricultural sector increased, the agricultural sector continued to decline because of the shortage of labor.

As far as commercial egg production is concerned, it is a relatively new industry on the island. From 1960 to 1965 the number of layers increased from 45,000 to 60,000 but because of the lack of labor, the farms were limited to family size operations. The most rapid expansion occurred from 1966 to 1972 when two farms became military contractors and were therefore eligible to import alien laborers under the Defense Program. As a result, these two farms were able to expand to bring up the total layer population to 120,000. Production of eggs was increased to a level which met the island's need for fresh eggs by the civilian sector and the greatly curtailed local military purchases. We are also exporting approximately 24,000 dozens monthly to the Trust Territory Islands.

It is therefore evident that without alien labor, the poultry farmers of Guam will not be able to operate as commercial units.

During the early part of this year, the poultry producers and other farmers submitted a job order for 188 farm laborers (Document "A") to the Department of Labor. As a result of this mass effort, only 25 applicants came, 14 were interviewed and only two were accepted. Hence, certification of the non-availability of these laborers was granted by the Department of Labor on April 24, 1973.

It was forwarded with a petition to classify non-immigrant as temporary workers under H-2 Program to the Immigration and Naturalization Service, Guam. It was rejected on the basis that farming is not a temporary business. We appealed the request but all indication points to the fact that it will be rejected again. Further, the Immigration and Naturalization Service officially announced that it will terminate all importation of Defense Parolees by December 31, 1973, and phase out all Defense Parolees by December 31, 1974.

It is apparent that the Immigration and Naturalization Service is closing all avenues whereby local farmers could be authorized to import alien farm laborers. This is totally inconsistent with the policy of the Government of Guam which is to stimulate the agricultural development. It has become more urgent now than ever because of tremendous increase of the cost of imported food from the mainland.

In summary, the establishment of the Naval Government after World War II and then the Government of Guam and big businesses changed the case of the island's economy from agriculture to non-agriculture. It therefore created labor shortage particularly in the agricultural sector. Though commercial egg production is a relatively new industry on the island, it is the only agricultural industry that developed rapidly because some farms were able to import alien laborers. A joint effort by the majority of the Guam farmers to recruit laborers locally was a complete failure. And though the Department of Labor validated the non-availability of resident workers, the Immigration and Naturalization Service denied our petition to import alien laborers. Further, the Immigration and Naturalization Service officially announced that all importation of Defense Parolees will be phased out in three months.

In conclusion, it is therefore evident that unless more alien farm laborers are imported, Guam's agricultural development will be stymied. And the revocation of the Parolee Program without a substitute program will greatly hamper the operation of the large poultry farms and possibly force them to revert to family-size operations. Consequently, egg production will fall back to the 1965 level. This will result in substantial economic loss to the farmers and create a shortage of eggs.

We, the poultry producers of Guam, therefore urge this Committee to consider the following proposals:

1. Continuation of the importation of the Defense Parolees and authorize farmers to import alien laborers under the H-2 Program.

2. Create an entirely new program which will authorize farmers, defense contractors or not, to import non-immigrant temporary farm workers upon certification by the Department of Labor as to the non-availability of resident workers.

DOCUMENT A

GUAM DEPARTMENT OF AGRICULTURE—FISHERY AND FARM WORKERS RECRUITMENT DATA, FEB. 23, 1973

Positions	Number of openings	Number of applicants	Number interviewed	Number selected
Crop fieldworkers.....	68	4	1	1
Livestock workers.....	6	2	1	0
Fishermen.....	50	11	8	0
Hydroponic workers.....	18	2	2	0
Poultrymen.....	46	6	2	1
Total.....	188	25	14	2

Mr. EILBERG. Members of the subcommittee, there is another witness in the room who was one of the first to request an audience of this subcommittee, so I am going to ask him to appear for a few moments. Mr. Irving Walsh of the Guam bakery industry.

TESTIMONY OF IRVING WALSH, BAKING INDUSTRY OF GUAM

Mr. WALSH. Thank you Mr. Chairman and members of the committee. I am Irving Walsh, general manager of Tommy's Bakery, Inc. I represent also Mr. Uy and Mr. Gloriani of the American Bakery. I have more than 40 years experience in the bakery field in the United States as well as Guam and I'd like to alert you to the critical situation in the baking industry in Guam.

We service military installations such as the commissaries, the stores, the clubs, the mess halls, the hospitals, ships, and submarines in port. We both service the entire civilian population on Guam through service to supermarkets, stores, hotels, restaurants, schools, institutions, clubs, and civilian ships in port. We produce 95 percent of the commercially baked goods on the island between the two bakeries.

These bakeries have been in operation since 1948, and have been mainly staffed with alien contract workers. These workers are brought into Guam under what is known as Defense Contract Petition which permits the importation of alien workers by virtue of a military contract to provide bakery products to the military establishments on Guam.

Mr. EILBERG. Mr. Walsh, are you referring to the employees who have been brought in by the old parolee system?

Mr. WALSH. Yes.

Our bakeries for the past 20 years have availed themselves of every available labor source on the island, and has worked closely with the local Department of Labor in establishing work. However, because of the critical shortage of labor on the island, these bakery jobs have no attraction to the island population.

You have heard or will hear today that there are not enough local workers to fill the needs of Guam. The rapid commercial development of Guam has opened many new lucrative job opportunities, thus making it more difficult now for the bakery industry to recruit local skilled or trained workers.

You will agree that Guam residents, as well as military personnel stationed on Guam, are entitled to the same fresh quality bread as is available in my home State of Illinois, or any of your home States, be it Texas, California, or Pennsylvania, and made under the same sanitary standards as in these States.

To do this, it requires skilled and trained personnel. We are requesting you to honor us with a favorable decision, to allow us to continue recruiting alien workers, so as to enable us to supply the population of Guam and the military personnel stationed here with their "daily bread."

Mr. EILBERG. Mr. Walsh, some of us who have been working on House Bill 981 are hopeful that we can take care of you through that bill, which would allow temporaries to be brought in for up to 2 years. Now, one problem that we will have, even if 981 passes, will be trying to make certain that the Labor Department certifies that local help is not available and that you are paying prevailing wages. I wonder if you would care to comment on that.

Mr. WALSH. We work as close as possible with the Department of Labor. We try to put everybody to work who comes in. We go through the process every time. We hire these people and they don't come in. We are a 7-day operation, 24 hours a day, and we have a perishable product. These people don't come in; they don't perform; they don't show up on the job. We must continue to replace them or let them go.

Mr. EILBERG. Are you having difficulties with the Labor Department here in getting certifications in other cases?

Mr. WALSH. To us, it looks like a big problem, but we realize that they are doing their job too. In general, they are working along with us on this program.

Mr. EILBERG. Mr. Railsback?

Mr. RAILSBACK. What part of Illinois are you from?

Mr. WALSH. Chicago.

Mr. COHEN. Mr. Chairman, may I ask a question of Mr. Walsh? Where do you get the laborers now?

Mr. WALSH. From the Philippines.

Mr. COHEN. I say that from a vested interest. My dad is a baker and he owns a small bakery in Bangor, Maine. He has been looking for help for the past 20 years because he can't find anybody who wants to work in it either.

Mr. WALSH. It is a problem. I might add that I just made an extensive study in the States. I was in the States for 1 month, looking at conditions to automate. Although we are a big bakery in Guam—both the American Bakery and ourselves—we are a small bakery in the States. It is very difficult to find enough equipment with the volume we have to automate. So we still must rely upon personnel. And at this point, both our people and the American Bakery has spent in excess of \$300,000 in the past 2 years on equipment. We are willing to automate or do something to try to alleviate this. But this was quite a blow to us to see that they were going to cut off the employees. It is very hard for my principals to invest in this, or for my competitor to make an additional investment in the business to operate if we can't get personnel.

Mr. EILBERG. Mr. Walsh, we understand your position and we thank you very much.

Mr. WALSH. I thank you very much for your giving me an audience. [The prepared statement of Mr. Walsh follows:]

I am Irving Walsh, General Manager of Tommy's Bakery Inc. of Guam. I have more than forty (40) years experience in the Bakery field in the United States as well as Guam and want to alert you to the critical situation in the Baking Industry in Guam.

This is Mr. Iluminado Uy and Mr. Gloriant of American Bakery. I speak for Tommy's Bakery and American Bakery who commercially produce 95% of bread and baked goods on the Island of Guam.

We service military installations such as commissaries, stores, clubs, mess halls, hospitals, ships and submarines in port.

We both service the entire civilian population on Guam through service to supermarkets, stores, hotels, restaurants, schools, institutions, clubs and civilian ships in port.

These bakeries have been in operation since 1948 and have mainly staffs with alien contract workers.

These workers are brought into Guam under what is known as Defense Contract Petition which permits importation of alien workers by virtue of a military contract to provide bakery products to the military establishments on Guam.

We were recently notified by the U.S. Immigration Service that by December 1973 we would not be able to bring in any more so-called defense contract workers and by December 1974 they would be phased out entirely. The present U.S. Immigration H-2 Program does not provide for importation of bakery personnel and unless relief is provided it will mean serious curtailment of production and possibly closure of existing bakeries in Guam.

Our bakeries for the past 20 years has availed itself of every available labor source on the Island and has worked closely with the local Department of Labor in establishing an apprentice program. However, because of critical shortage of Labor on the Island these bakery jobs have no attraction to the Island population.

Every possible means to recruit local labor including training programs has been explored and exhausted.

You have heard today or will hear today, there are not enough local workers to fill the needs of Guam.

The rapid commercial development of Guam has opened many new lucrative job opportunities thus making it more difficult now for the Baking Industry to recruit local skilled or trained workers.

You will agree that Guam residents as well as military personnel stationed on Guam are entitled to the same fresh quality bread as is available in my home state of Illinois or any of your home states, be it Texas, California or Pennsylvania, and made under the same sanitary standards as in these States.

To do this, it requires skilled and trained personnel. We are requesting you to honor us with a favorable decision to allow us to continue recruiting alien workers so as to enable us to supply the population of Guam and the military personnel stationed here with their "DAILY BREAD".

IRVING WALSH,
General Manager, Tommy's Bakery, Inc.
ILUMINADO UY,
Controller, American Bakery.

TOMMY'S BAKERY, INC.,
Agana, Guam.

To: The Committee on Immigration and Naturalization hearing

On behalf of the Baking Industry on Guam, Tommy's Bakery and American Bakery who commercially produce and distribute 95% of the Baked Products on Guam wish to call to your immediate attention for continuation of the importation of alien labor under the defense program for workers in our industry.

These Bakeries have since 1948 been in operation with alien labor representing 75% of our skilled and trained work force. This represents at the present time 150 Alien Contract Workers.

By letter of August 2, 1973 received by us on Monday August 6 of this week, we were notified of termination of the program of importation of Defense Parolees effective December 31, 1973 and phasing out completely by December 31, 1974. (Copy of letter attached.)

We service military installations such as commissaries, stores, clubs, mess halls, hospitals, ships and submarines in port.

We both service the entire civilian population on Guam through service to supermarkets, stores, hotels, restaurants, schools, institutions, clubs and civilian ships in port.

These workers are brought into Guam under what is known as Defense Contract Petition which permits importation of alien workers by virtue of a military contract to provide bakery products to the military establishments on Guam.

We were recently notified by the U.S. Immigration Service that by December 1973 we would not be able to bring in any more so-called Defense Contract workers and by December 1974 they would be phased out entirely. The present U.S. Immigration H-2 Program does not provide for importation of bakery personnel and unless relief is provided it will mean serious curtailment of production and possibly closure of existing bakeries on Guam.

Our bakeries for the past 20 years has availed itself of every available labor source on the Island and has worked closely with the local Department of Labor. However, because of the critical shortage of labor on the Island, these bakery jobs have no attraction to the Island population.

Every possible means to recruit local labor including training programs has been explored and exhausted.

The rapid commercial development of Guam has opened many new lucrative job opportunities thus making it more difficult now for the Baking Industry to recruit local skilled or trained workers.

You will agree that Guam residents as well as military personnel stationed on Guam are entitled to the same fresh quality bread as is available in my home state of Illinois or any of your home states, be it Texas, California or Pennsylvania, and made under the same sanitary standards as in these States.

To do this, it requires skilled and trained personnel. We are requesting you to honor us with a favorable decision to allow us to continue recruiting Alien workers so as to enable us to supply the population of Guam and the military personnel stationed here with their "Daily Bread".

IRVING WALSH,
General Manager, Tommy's Bakery, Inc.
ILUMINADO UX,
Controller, American Bakery.

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Agana, Guam, August 2, 1973.

TOMMY'S BAKERY, INC.,
Agana, Guam.

DEAR SIR: The United States Immigration and Naturalization Service, Agana, Guam, advises that the termination of importation of Defense Parolees will be December 31, 1973, and phasing out of all Defense Parolees will be accomplished by December 31, 1974.

For clarification, this announcement is made at this time in order that employers of Defense Parolees may, on a timely basis, plan means of replacement of personnel now employed as Defense Parolees.

Sincerely,

JOSEPH BOGNAR,
Officer in Charge.

LABOR SITUATION SERIOUS

Figures released the other day by the Department of Labor, GovGuam, are startling on the surface, and reflect the tremendous economic surge of the island.

The total work force on Guam was reported at 30,365, up nearly 4,000 jobs over the 26,753 reported just a year ago. Construction work, up to new peaks, is one of the prime employers, with 7,149 employed in that sector, or 23.5 percent of employment on the island.

GovGuam sources say that a wage rate increase for construction and maintenance trades is now in effect, and that along with an imposition of 10 percent

quota of U.S. citizens or permanent residents for construction, may change the ratio of local workers in that field. In the 1972 report 24.5 percent of construction workers were U.S. citizens. In a single year that ratio dropped to a scant 16.7 percent.

Frankly, we think we're worrying about the wrong thing. Ideally, of course, it would be nice if all of the construction positions were filled by trained local technicians. But it seems to us that the trend is in the other direction, and we're not at all sure that's completely bad.

Our entire country was built, not necessarily by the residents, but by succeeding waves of immigrants, the Irish, the Poles, the Italians, the Chinese. Most all of these have been assimilated into the country to varying degrees. Certainly we should pursue a policy of a good training program for the trades, with the Trade and Technical School, and a program of internship, for those local people who want to go into that field. But we can't artificially force anybody into wanting to be a skilled craftsman in the building trades—even by a 10 percent imposition of U.S. residents, or by an artificial wage rate increase. All we seem to be doing there is hoisting up the price of the finished building—and they are already out of sight as far as costs go. Judging by the dip, from 24.5 percent local labor, to 16.7 percent in a single year, we can see the handwriting on the wall.

Naturally, contractors would prefer to hire local people. They don't have to worry about housing them, they don't have to worry about feeding them. They don't have to worry about expensive trips back to their native lands, and the red-tape of immigration. They wouldn't have to worry about a language barrier.

But in truth, even if the Trade and Technical school turned out 500 graduates a year—which they don't—it would take 10 or 15 years to train enough employees to fill the needs of the construction industry right now. That is obviously an impossibility.

We only have to look in the help wanted section of today's newspaper to see the crying need that the island has for labor. We only have to look around at the service industry to see how inadequate our work force is today. Dozens of businessmen, from hotels, to manufacturing people, to shops, to restaurants, complain about the lack of help.

Unfortunately, their pleas for a better, more realistic immigration policy for alien workers falls on deaf ears at the governmental level. New and tighter restrictions are placed on the import of labor, when the situation seems to cry for the opening of the immigration doors. If Guam does, in fact, have a work force of 30,000, and a school and pre-school population of 35,000, and a military establishment of 20,000, including dependents, it should be pretty obvious that there is hardly anybody left, especially when you consider the housewives, the elderly, those on welfare, or those who are ill.

Instead of handcuffing the hands of the local businessman, who is hurting for help, the government should go to the aid of these people. We would expect that first any and all business or industry should try to secure local help. We believe they would want to on their own initiative, because of the obvious benefits. But failing to find this help, the employer is forced to go off island. This is where the government, both the federal government and the local government should then go to bat for the business community, and make it easier, instead of harder, to bring people in.

Take the single example of household help, for instance. Hundreds of residents of Guam need, and could use household help. On the other hand thousands of women, especially in the Philippines, could use a job or face abject poverty. It seems strange that somehow we couldn't come up with a political solution that would allow both sides to benefit.

We think that GovGuam, the Labor Department, along with the Administration, and the U.S. Department of Immigration would do worse than to sit down with a select group of Guam's business community, perhaps through the auspices of the Chamber of Commerce, to review the critical situation on Guam today concerning labor. There is no unemployment on Guam, at least for anybody that wants to work. We believe that there is a serious labor shortage, and somehow we must overcome that if we are ever going to move ahead. JCM.

Mr. EILBERG. Our next scheduled witness was Mr. L. T. Shook of the Department of Navy, but since our time has run out we will be unable to hear him. We will, however, insert his prepared statement in the record at this point in its entirety.

[The prepared statement of Mr. L. T. Shook follows:]

STATEMENT OF L. T. SHOOK, CIVILIAN INDUSTRIAL RELATIONS OFFICER

Since the end of World War II, Naval activities on Guam have used non-immigrant alien labor to fill manpower requirements not available in the local labor market. From 1947 to 1971 they were employed indirectly for the most part, through a contractor, the Marianas Stevedoring and Development Company (MASDELCO). Since then they have been employed directly, in either appropriated or non-appropriated fund positions.

In spite of the continuous use of alien labor during this period, however, Navy policy has always been to develop local labor sources and to reduce the use of off-shore labor. In 1957, the Secretary of the Navy established a ten year goal to totally reduce the use of non-U.S. citizen labor. Considerable progress was made in achieving this goal until Vietnam War requirements necessitated increases and the goal was not reached. New goals were set, however, and by mid-1971, the MASDELCO contract was phased out. At the conclusion of this phase out and the conversion of many of the workers to direct hire status, 770 non-immigrant alien workers remained in employment. During the two year period since then, reductions in this labor force have been steady and significant. Today only 178 of that group remain in employment and positive plans are in force, anticipating the termination of most of the remainder by December 1974.

It may be of interest to the Committee that the increased use of local labor and the reduction in Navy's reliance on off-shore labor was only possible by sizeable investments in training and development. The backbone of the appropriated fund effort has been a formal 4-year Apprentice Program at both the Ship Repair Facility and the Public Works Center. Through the aegis of this program, 527 local citizens, originally without skills, have completed the program and become journeymen in 33 different skilled trades. The Navy and the local community have jointly enjoyed the results of this program and the Navy takes pride that its program is listed along with other major community educational institutions in the Guam Statistical Abstract. 381 of its graduates are still in employment with Naval activities, and of those who have left, many have taken key positions in the island's private sector. These graduates, along with the 166 who are now in apprenticeship, it is hoped, will be the backbone of the island's managerial and technical resources, both public and private, in the years to come.

In addition to the Apprentice Program, Navy has also assisted itself and the island at large to become less reliant on off-shore labor through other smaller programs, such as the Constructor Inspector Program and the Shop Learner Program. Naval activities have also made their resources available to assist in training programs sponsored by others. Examples are Youth and Manpower Development Training programs. These efforts are mentioned today, with the thought that they have a direct bearing on the past, present, and future need for the use of non-immigrant alien labor. Such labor has been required in the past because of the shortage of trained, skilled workers. The future need for non-U.S. citizen labor will depend greatly on the continued effectiveness of efforts of this type, both for the Navy and the economy of Guam in general.

To return to our present situation, of the remaining 178 non-immigrant aliens, 51 are employed in direct hire appropriated fund positions. 16 of these are machinists in the Ship Repair Facility and 26 are in power plant work in our Public Works Center. The remainder are scattered among 7 Naval activities. While plans are in effect to terminate these employees over the next 18 months, it should be noted in passing that the only source of replacement is the Internal Apprentice Program. The most recent labor market studies suggest that there are still no non-government sources of this type of skill on Guam.

With respect to the 127 remaining non-appropriated fund alien employees, a small core of this group gives the Navy great concern. These employees have held

key positions in those activities concerned with the morale and welfare of our military forces for many years. Positions involved are service positions characteristic of clubs, messes and special service operations. Plans exist also to terminate this group, but unlike the skilled trades in our Public Works Center there is no apprentice program to draw from. Further the rapidly expanding tourist, hotel and restaurant business on Guam competes with Navy for an almost non-existent labor supply. Recent intensive recruitment efforts designed to accelerate the displacement of non-U.S. citizens have been generally unsuccessful for certain of these positions. It is feared that without access to skilled alien labor in these occupations, this support to our military forces could deteriorate. Projections for the immediate future are not promising. There is no foreseeable expansion in the supply of these skills and there is on the contrary a definite expansion in the demand.

The recent decision of the Immigration and Naturalization Service to require the phasing out by December 1974 of all non-immigrant aliens brought into Guam as Defense Parolees will effectively terminate the Navy's use of alien labor within 18 months, notwithstanding the availability of replacements. While it has always been the policy, goal and practice of the Navy to avoid the use of non-U.S. citizen labor, the finality of this recent decision is of concern to activities on Guam. Until this week, it was possible to assume that should maximum efforts fail to provide qualified replacements for this small corps that relief would be possible in order to avoid degrading our military welfare programs. This assumption is no longer possible.

It is hoped that the Committee will note the continued severe shortages of certain kinds of support labor and take under consideration methods by which alien labor could continue to be used until efforts, such as those which have characterized our skilled trades development could, on an island wide basis, begin to provide a long-range solution to our problem. In this connection I would wish to state that the Navy has no particular desire to continue the Defense Parolee program. Any method of relief, such as an expanded useability of the so-called "H-2" program (8 U.S.C. 1101a15Hii) would appear to meet our needs.

On behalf of the Navy I would like to express my appreciation for the opportunity to make these comments, this afternoon.

NON IMMIGRANT ALIEN DIRECT HIRE EMPLOYEES
OF APPROPRIATED FUND ACTIVITIES
NAVAL ACTIVITIES, GUAM, M.I.
SEPT. 1971 - JUNE 1973
BY QUARTER

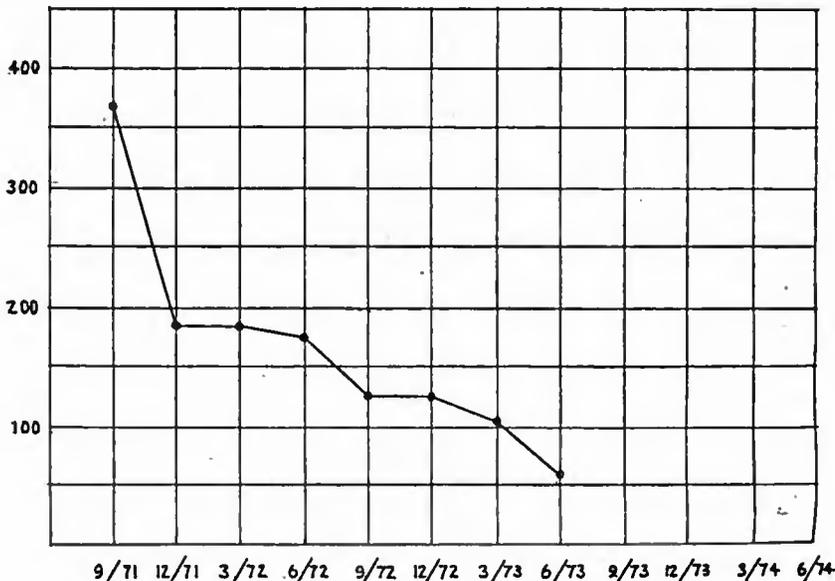


TABLE 13.—ORIGIN OF STUDENTS, FALL ENROLLMENT, UNIVERSITY OF GUAM: 1961 TO 1970¹

Fell	Guam	United States	Philippines	Trust territory	Air Force	Navy	Other	Total
1961 to 1962.....	527	229	16	94	347	170	5	1,388
1962 to 1963.....	358	282	66	117	306	96	22	1,247
1963 to 1964.....	319	307	0	101	179	58	43	1,007
1964 to 1965.....	413	368	0	129	0	0	92	1,002
1965 to 1966.....	699	281	34	156	240	0	16	1,426
1966 to 1967.....	656	359	44	164	162	81	5	1,471
1967 to 1968.....	773	511	34	171	183	74	12	1,758
1968 to 1969.....	625	513	70	242	392	63	28	1,933
1969 to 1970.....	749	697	115	296	196	49	104	2,206
1970 to 1971.....	826	936	163	325	192	74	61	2,577

¹ Data not available for 1971 to 1972; 1972 to 1973.

Source: University of Guam.

NO. 14.—UNIVERSITY OF GUAM EXPENDITURE ON SCHOLARSHIPS AND STUDENT LOANS: FISCAL YEARS 1962-71¹

Fiscal year	Scholarships	Student loans	Total	Fiscal year	Scholarships	Student loans	Total
1961 to 1962.....	\$6,439	\$5,995	\$12,434	1966 to 1967.....	54,595	43,321	97,916
1962 to 1963.....	17,544	13,040	30,584	1967 to 1968.....	81,271	17,065	98,336
1963 to 1964.....	28,801	29,765	58,566	1968 to 1969.....	53,452	40,452	93,094
1964 to 1965.....	38,823	26,274	65,097	1969 to 1970.....	144,294	49,593	193,888
1965 to 1966.....	38,029	52,865	90,894	1970 to 1971.....	129,297	46,010	175,307

¹ Data not available for 1971-72; 1972-73.

Source: University of Guam.

NO. 15.—NUMBER OF ENTERING STUDENTS, U.S. NAVAL APPRENTICE PROGRAM: 1963-72

Year	Public works center	Ship repair facility	Total	Year	Public works center	Ship repair facility	Total
1963.....	13	1	14	1968.....	38	171	209
1964.....	13	12	25	1969.....	34	98	132
1965.....	7	19	26	1970.....	25	60 (R)	85 (R)
1966.....	42	48	90	1971.....	45	58	103
1967.....	29	37	66	1972.....	15	40	55

Source: Consolidated Industrial Relations Office (CIRO), U.S. Navy.

NO. 16.—NUMBER OF GRADUATES, U.S. NAVAL APPRENTICE PROGRAM: 1963-72

Year	Public works center	Ship repair facility	Other	Total	Year	Public works center	Ship repair facility	Other	Total
1963.....	19	3	6	28	1968.....	8	14	0	22
1964.....	25	4	6	35	1969.....	28	29	0	57
1965.....	21	4	1	26	1970.....	16	21	0	37
1966.....	27	13	0	40	1971.....	33	104	0	137
1967.....	4	6	0	10	1972.....	2	5	0	7

Source: Consolidated Industrial Relations Office (CIRO), U.S. Navy.

TABLE 17.—NUMBER OF GRADUATES, BY TYPE, U.S. NAVAL APPRENTICE PROGRAM: 1963 TO 1972

Skill	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Air-conditioning/refrigeration, mechanic.....	6	2	2	1	0	0	1	3	1	1
Auto mechanic.....	0	0	0	2	0	3	1	0	3	0
Blacksmith.....	0	0	0	0	0	0	1	0	0	0
Boatbuilder.....	0	0	0	0	0	0	0	0	0	0
Body and fender.....	1	3	2	3	1	0	2	1	0	0
Boiler maker.....	2	1	0	0	0	0	1	0	5	0
Carpenter.....	0	0	0	2	0	0	1	2	0	0
Diesel mechanic.....	0	0	0	0	0	0	3	0	2	0
Electrician.....	9	15	10	16	2	5	15	9	25	0
Electronics mechanic.....	2	0	4	2	1	6	1	3	6	0
Heavy equipment mechanic.....	0	4	2	0	0	1	0	1	1	0
Joiner.....	0	1	0	1	0	0	1	1	2	0
Machinist.....	3	3	0	2	3	3	14	9	30	1
Office repair.....	0	0	0	1	2	2	2	1	4	0
Painter.....	2	0	3	3	0	0	0	1	4	0
Pipefitter.....	0	0	0	3	0	1	2	1	7	2
Plumber.....	0	2	2	0	0	0	2	2	0	0
Rigger.....	0	0	0	0	0	0	1	0	6	1
Sheetmetal.....	3	4	1	4	1	1	4	1	7	0
Shipfitter.....	0	0	0	0	0	0	2	1	13	0
Welder.....	0	0	0	0	0	0	3	1	11	0
Patternmaker ¹	0	0	0	0	0	0	0	0	1	0
Power plant controlman.....	0	0	0	0	0	0	0	0	8	0
Shipwright.....	0	0	0	0	0	0	0	0	1	0
Instrument mechanic.....	0	0	0	0	0	0	0	0	0	1
Molder.....	0	0	0	0	0	0	0	0	0	1
Total.....	28	35	26	40	10	22	57	37	137	7

¹ Last 5 items are new series.

Source: U.S. Navy, Guam.

Mr. EILBERG. Ladies and gentlemen, these meetings are adjourned. We will consider all the matters that have been brought to our attention here today. Thank you very much.

[Whereupon at 5:45 p.m. the hearing was concluded.]

APPENDIXES

APPENDIX 1

ISLAND INDUSTRY MANPOWER DEVELOPMENT PROGRAM REQUEST, JUNE 1973

(Prepared by Guam Industrial Relations Council, Chairman Michael D. McClure, Tamuning, Guam)

LETTER OF INTRODUCTION

The material contained in the attached proposal outlines the manpower problems of the United States Territory of Guam. It is pointed out that there are many unique and unusual conditions which make this island community's relationship to the Federal Immigration Laws far different from those of any mainland geographical area. The proposal requests that because of Guam's distant location from the continental limits of the United States and because of the unique and unusual conditions on the island, the Congress of the United States grant relief to the Government of Guam through the re-evaluation of the meaning of Section 101(a) (15) (H) (ii) of The Immigration and Nationality Act of 1952, as amended. It is requested that for Guam, all labor performed by nationals of another country be considered temporary in nature, as one of the main reasons for their non-immigrant status residence on the island is to train local manpower to eventually fill the jobs held by aliens.

Although Guam's problems are unique, precedence has been established in the importation of aliens under the "H-2" category to perform temporary labor in continuing industries due to the lack of available, trained manpower. These specific incidences include the Sheep Industry in the Western United States and the Fishing Industry in California.

The attached proposal has been prepared by the Guam Industrial Relations Council. This organization is ad hoc in nature and the members were appointed to their position by the Governor of the Territory. The council is made up of seven executives from industry and government whose sole purpose is to advise the Office of the Governor on matters of Labor and Industrial Relations.

Further questions relating to the Proposed Island Industry Manpower Development Program may be directed to the Council Chairman.

I. OPENING STATEMENT

The Territory of Guam has experienced a level of economic growth which has surpassed the island's capability to meet the manpower requirements of her industries. The orderly continuation of economic expansion is only possible if a source for skilled and capable manpower to enter the labor force can be developed. The current sources for manpower in the territory are: (1) Residents; (2) Contract personnel from the Continental United States and Hawaii; and (3) Aliens imported from Asian countries.

As will be shown in part II of this proposal, the island is faced with the unique problem that there are no additional skilled craftsman available within the resident populous and only limited numbers available for entry level positions. The retention of 50% of the island's current student population will provide future trainees who will progress to skilled levels over the next decade, but only with the help of qualified trainers.

Guam's distant location from the Continental United States, some 6,300 miles west of San Francisco, limits the possibility of large scale importation of skilled craftsman and laborers from the Mainland. In addition to the distances involved, U.S. residents who consider moving to Guam must forego family ties on the Mainland; accept rates of compensation which are low by Mainland standards, as Guam competes in the Asian market place; accept a cost of living much higher

than that of the Continental United States; decide to either sell or move their possessions; accept the cost of transportation for themselves, their families and possibly their possessions; accept a tropical climate and a general reduction in housing standards (real estate prices on Guam are generally 40% higher than on the Mainland). All in all, it appears that only small numbers of United States residents are now and will be willing to make the change to Guam from the Mainland.

At this time the importation of skilled alien labor appears to be the only solution to the manpower problem. Skilled labor will give the basis to provide direct affirmative action in the training and development of island residents. Artisans from all industries with years of specialized experience can provide the basis upon which industry can build its future manpower skill requirements.

Currently aliens are imported to Guam through an H-2 program, however, current policy limits the organizations who may utilize alien labor under this classification to the construction and entertainment industries. In order to provide for the manpower needs of the territory, the Government of Guam requests a special administrative arrangement whereby the Department of Labor and the United States Immigration and Naturalization Service permit the expansion of the H-2 program to all legally recognized and approved employers in all industries. Under current law it would then be possible to import temporary alien workers from any country from which immigration is permissible under present United States policy to *fill positions on a temporary basis* until such time as these temporary workers are replaced by local residents or U.S. citizens. Under this temporary program the employer will provide approved craft and business systems training for local residents to prepare them to replace the temporary alien workers. It is proposed that the expanded program would be under the direct supervision of the Government of Guam through its Department of Labor and the United States Immigration and Naturalization Service. The suggested administrative controls for the program are outlined in section IV of the proposal.

II. HISTORICAL DATA

For many years following the Second World War the Island of Guam and its people existed quietly as a seldom noticed tropical backwater of the Far Western Pacific. In other areas of the world under the American flag people found it a simple matter to keep pace with the changes of the modern world. On Guam, those who made up the business community were mainly concerned with providing for the immediate low volume needs of the residents and supplying whatever services were requested by the military commands and their personnel.

A single international air carrier supplied infrequent transportation service and the 1950 census showed a total population of 59,000 including members of the Armed forces. By 1960, the population had increased to 67,000 or an average increase of just over 1.1% per year. From 1960 to 1970 the population rose approximately 2.4% per year to a total of 84,996.

During the second half of 1962, Guam was struck by a devastating typhoon which leveled major portions of the island and destroyed many of its private and public structures. In the same year, the Commercial Port recorded 437 civilian and military ship arrivals and the Naval Air Facility logged 886 civilian aircraft landings. At the completion of the 1972 operating year 829 civilian and military ship arrivals had been recorded along with 5,439 civilian aircraft landings at Guam International Airport.

During the 1967 calendar year 4,500 visitors reached Guam with nearly 4,300 of these classed as tourist. One year later there was a dramatic increase in tourist traffic. In 1968, 18,000 people arrived on the island, a growth of 300% in twelve months. Each year since then there have continued to be major increases in tourist traffic.

In 1972, the island recorded 185,300 visitors with 139,800 of these classed as tourist and another 21,500 who reported the reason for their visit to be business. The 1972 figures, when compared with those of 1971, show a substantial increase of 55.6% in visitor traffic over the previous year.

Other statistical information compiled by either the Government of the United States or that of the Government of Guam graphically displays the dramatic and highly unusual growth rate of this territorial possession of the United States. The following material is excerpted from the "U.S. Census Report of 1970" prepared by the Federal Department of Commerce, Bureau of Census and the Government of Guam publication "Guam 1972 Challenging the Seventies."

The economic growth of Guam can best be illustrated by the following:

Between 1967 and 1971 the residents' personal income has increased from 91.1 million to 166.2 million dollars. Between 1962 and 1972, gross business income in all sectors increased more than 500%, from approximately \$70 million to more than \$423 million. The total gross receipts figure increased by 31% in 1972 over the previous year, or about \$100 million. Within the past five-year period, gross receipts have averaged an increase of 23.8% annually. The Retail, Construction and Service Industries have experienced the greatest expansion.

From 1962 to 1972, eighteen (18) financial institutions opened their doors for business. During that period, loan activity expanded by some 800% and deposits increased by approximately 450%.

The volume of building permits increased from 2.1 million in 1962 to 45.3 million in 1971. Permits for construction during 1972 have been recorded at 92.4 million dollars. As late as June 1973 over 250 contractors were licensed on Guam and the gross income for this group had risen from 10.6 million in 1962 to 86.3 million dollars in 1972.

Guam residents financed the importation of commodities valued in excess of 166 million dollars during FY 1972 which reflects a gain of nearly 45% over that which was recorded in 1971.

The island's future growth is expected to be equally as dramatic as the figures over the past few years attest. The tourist industry is projected to grow from the 139,800 people in 1972 to 240,000 in 1973 and 350,000 in 1975. In addition, the island expects to receive 25,000 other visitors during 1975.

In preparation for growth in the tourist industry local hotels will be expanded. To date, 2,100 rooms are available for occupancy and an additional 882 are under construction. It is projected that by the end of 1975 an additional 1,500 rooms will be constructed providing a total of 3,600 available guest rooms. It is conservatively estimated that over \$100,000,000.00 will be invested in the hotel industry on Guam by 1975. In order to provide the service that will be required by visitors, the hotels generally plan to staff their facilities with from 1.0 to 1.3 employees per room. In this case, it is expected that approximately 4,000 people will be employed directly by the hotel industry.

Over the same period of time support industries and service organizations are expected to mushroom. The Guam Department of Labor source information indicates that there were some 4,160 organizations operating businesses on Guam in March of this year. It is expected that major increases in agriculture, food productions, manufacturing, wholesale and retail as well as the service industries will see at least a 30% increase in business establishments by the end of 1975.

With regard to the military facilities, a number of indicators give evidence of the strong potential for expansion of the Department of Defense on the island. Such an expansion would require a broadening of the civilian support industries.

With the reversion of Okinawa, the international political changes affecting Taiwan, the pull back of military forces in South Vietnam and the internal problems within the government of the Philippines, there appears to be a limited area for expansion of military activities except in the islands of the Western Pacific. Although the Department of Defense has indicated an interest in some of the other islands of the Marianas Group, political problems may limit or delay the establishment of facilities and bases. However, the military agencies have plans for new defense facilities on Guam, and to expand those already in existence, including additional housing for military families.

In order to prepare for a balanced economy within the territory, it is the policy of the current administration to encourage business expansion within all phases of industry. Special emphasis has been placed on agriculture and food production. The Government of Guam is encouraging experimental farming and has joined with the other island of the Pacific to develop a fishing industry. Companies with light manufacturing organizations have been encouraged to establish Guam as a site for their activities. Textile and jewelry business are currently attempting to establish a base on the island. The retail and wholesale industries will require expansion.

While the economy of Guam's 209 square miles has increased in major proportions, the expansion of the population has not maintained the same growth rate. In 1962 the island supported 48,000 civilians and 27,000 military personnel. By 1972 these figures had adjusted to 70,000 civilians and 29,000 in the military.

providing an expansion of about 24,000 over the decade. A growth of 2,400 people per year or 32% overall. The 1970 census figures showed the following:

Guamanian population (60.3 percent)-----	52, 400
Military population (21.9 percent)-----	19, 087
Statesiders (7.2 percent)-----	6, 248
Filipinos (6.6 percent)-----	5, 740
Others (4 percent)-----	3, 504

Sexual division of this group and the median age of the population is shown as follows:

Males with the median age of 21.6 years—55.7 percent.

Females with the median age of 18.2 years—44.3 percent.

The overall median age of the population is 20.4 years.

In addition to information regarding the numbers of people on the island and their median ages, statistics on human resources in 1973 show the following:

Total island population (estimate by Department of Commerce (100 percent) -----	104, 000
Total student population (reported by Department of Education (33.1 percent) -----	34, 500
Total military population (reported by COMNAVIMAR) (38.5 percent) --	¹ 40, 000
Total employment (reported by Department of Labor) (24.5 percent) --	25, 500
Unclassified remainder (3.9 percent)-----	4, 000

¹ This figure includes military dependents, a portion of whom may be shown in the student population figure.

The 4,000 individuals shown above as the 3.9% "unclassified remainder" include:

1. Nonworking married women
2. Children under 6 years of age
3. Retired residents over aged 65
4. Dependent aliens unable to work by law
5. Medically handicapped individuals
6. Unemployed persons

The above population figures are inclusive of 1972. The growth in population since January of 1973 has been such in both the civilian and military communities that unofficial estimates indicate the population to be in excess of 110,000 at the present time.

III. CURRENT MANPOWER PROBLEMS

The basic problem of lack of island generated manpower to fill existing and estimated future job openings has been detailed. In addition, situations exist under current federal and local governmental controls which create gross inequities for U.S. based and Guamanian firms, placing them at a severe disadvantage in competition with foreign based organizations from countries such as Japan, Taiwan, Korea, Hong Kong, etc.

With the current H-2 program limited to the construction and entertainment industries, a U.S. company in any other type of business has no vehicle by which skilled or unskilled manpower can be recruited to provide the required personnel base. On the other hand, foreign based or international corporations can obtain the needed workers under USINS E-1 provisions (treaty trader), or through the L-1 section (intracompany transferee). The capability of the foreign corporation to obtain the vital qualified manpower, and the restrictions which do not allow U.S. firms to do the same is clearly discriminatory.

In the area of agriculture and food production, lack of qualified manpower is a deterrent to economic growth and the ability of the island community to supply its own needs.

Presently the cost of all food products are excessive in that virtually all items must be imported from the U.S. Mainland, 6,000 miles away, or neighboring countries in Asia, the nearest of which is Japan, some 1600 miles distant.

To enable Guam to be more self-sufficient the administration has repeatedly requested through federal agencies the opportunity to import farm workers and agricultural experts to aid in the development of food production programs. All of these efforts have been to no avail and food can not be produced without the required manpower and trained personnel.

In the area of food production must also be considered the island's poultry and egg producers, dairies and bakeries, all of which have been partially manned by alien workers under the defense parolee classification. It has been announced by the USINS that over the next twelve to eighteen months the current parolee programs will be phased out. Under this program companies with contracts to supply the military have been allowed to import alien workers. With the discontinuation of the defense parolee classification the above mentioned food producers will no longer be capable of producing their goods and services due to the inability to obtain manpower. The re-evaluation of current H-2 restrictions to allow agricultural workers non-immigrant entrance would eliminate this danger.

The small manpower resources available on Guam, some 1,500 high school and college graduates annually all require additional training. The development of these young people is a prime concern to the government and a massive training job that cannot be done by standard U.S. mainland systems that have been developed primarily for application in large urban areas. Industrial, on-the-job training systems more aptly fit the needs of Guam's rural-oriented populace. Training systems whereby one or two trainees can be assigned to a skilled worker-teacher will supply the much needed knowledge and job learned skill more effectively and in a more compressed time period than any other technique. If all industries are allowed to bring in skilled aliens, and part of their employment contract requires the training of local manpower, the way to the development of a local source for skilled workers will have begun. Controls to insure training are a basic part of Section IV of this proposal.

Current limitations on the processing of manpower importations are another source of excessive costs to employers and of vital consideration if there is to be an easing of the H-2 interpretations.

At the present time, the local office of the U.S. Immigration and Naturalization Service requires ninety (90) days or more to approve importations that have taken the Guam Department of Labor some fifteen (15) days to process. A close examination of this problem shows that these extended delays are experienced due to the restrictive manning policies of the Regional, Area and Central Offices of the USINS. It can be shown that the manning in the local offices is the same as it was more than twenty (20) years ago and yet alien arrivals on Guam have increased by mammoth proportions. It is a documented fact that more federal funds are expended in overtime payments to local personnel than they receive in straight time hourly earnings. Although approached on this subject, the supervising offices in Hawaii and California find it preferable to pay overtime than to supply the additional manpower to allow this office to properly service the island's needs.

IV. CONTROLS ON MANPOWER IMPORTATIONS

It is mandatory that strong administrative controls be part of any alien labor importation program. The Government of Guam is well versed in the problems involved with the lack of control of alien workers in the Territory of the Virgin Islands.

In proposing an expansion of the interpretation of Section 101 (a) (15) (H) (ii) of the Immigration and Nationality Act of 1952, as amended to include all industrial groups it is envisioned that the rigid controls currently exercised by the Department of Labor will, with minor modification, be incorporated into the new program. These basic control systems are as follows:

Purpose

To set up policy and procedure for the importation and extension of temporary stay in Guam of non-immigrant workers in accordance with The Immigration and Nationality Act of 1952, as amended. This will include all industries, as well as military direct hires and defense contractors.

Scope

The provisions of this policy outline in part the responsibilities and procedures for fulfilling the Guam Department of Labor's responsibilities under the Immigration and Nationality Act, as amended, and in accordance with applicable Federal regulations. It is the intent of this policy to assure maximum recruitment, utilization, and training of U.S. resident workers who are available for employment. Each employer will continue to recruit U.S. resident workers, and when referrals are made by Guam Employment Service, to replace non-immi-

grant alien temporary workers in all job categories in which such persons are employed.

Basic provisions

Employers seeking to utilize non-immigrant alien temporary workers in Guam for temporary employment are required to obtain a labor certification from the Guam Employment Service, (acting as designee of the Secretary of Labor), stating: (1) that there are no U.S. resident workers available for the requested employment; (2) that the employment of the non-immigrant alien *will not* adversely affect the wages or working conditions of the U.S. resident worker similarly employed.

*Definitions*¹

For the purpose of this administrative policy, the following terms are defined:

(a) *Nonimmigrant alien temporary worker.*—This is often referred to as an "alien contract worker." The non-immigrant alien temporary worker is defined in Section 101(a) (15) (H) (ii) of the Immigration and Nationality Act of 1952, as amended, as an alien having a residence in a foreign country which he has no intention of abandoning, who is coming temporarily to the United States to perform temporary services of labor in a skilled position *if unemployed person capable of performing such services or labor cannot be found in this country.* As applied in those procedures, pursuant to 29 CFR Part 621, such person shall be determined eligible for employment *only* where qualified persons in the United States are (1) not available *and* (2) the employment of a non-immigrant alien temporary worker will not adversely affect the wages and working conditions of a worker in the United States similarly employed. See 29 CFR Section 60.6 and Paragraph XIV, *infra*, for matters to be considered in determining "adverse effect."

(b) *United States.*—The term "United States" as used herein is that defined in the Immigration and Nationality Act of 1952, as amended, Section 101 (a), Public Law 414, as follows: "The term United States . . . when used in a geographical sense, means the continental United States, Alaska, Hawaii, Puerto Rico, Guam and the Virgin Islands of the United States."

(c) *United States resident worker.*—The term United States resident worker refers to a citizen of the United States, or a national of the United States or a permanent resident alien.

(d) *Part-time employment.*—Part-time employment does not qualify for a temporary labor certification. Part-time employment refers to hours or days of work less than those normal or prevailing for the occupation in the employment area (i.e., less than 8 hours a day or 40 hours a week).

(e) *Temporary employment.*—This term refers to the job and job duties to be performed in a position which is to be filled for a period of one (1) year or less.

(f) *Job order.*—This term is used to describe Form ES 514 which is required by the Guam Employment Service. The Job Order must be filled by a prospective importer or EXTENDER of alien temporary workers before a determination can be made (1) whether qualified workers are available in the United States and (2) whether the employment of such alien workers will have an adverse effect on the wages and working conditions of workers in the United States similarly employed.

Reporting

Not later than the 26th day of each month, each employer employing non-immigrant alien temporary workers will report to the Guam Employment Service the following:

- A. The name, address, and occupation of each non-immigrant alien temporary workers who is presently on Guam.
- B. The number of non-immigrant alien temporary workers terminated during the 30 day period.
- C. The name and address of each United States resident worker currently employed or terminated during the 30 day period.

Restriction of alien to one occupation

Non-Immigrant alien temporary workers *cannot* be employed in any position other than the specific position for which they have been certified by the Guam Employment Service.

¹ Revision of this section will be required under an expanded H-2 program.

Temporary labor certification

Definition.—A temporary labor certification is a certification issued by the Guam Employment Service to an employer for non-immigrant alien temporary workers for a period of one (1) year or less, for a specific temporary position, for which U.S. resident workers are not available and whose issuance will not adversely affect the wages and working conditions of U.S. resident workers who are similarly employed.

Validity.—A temporary labor certification issued pursuant to this policy shall be issued for a specific period of time setting forth the starting and ending dates of the temporary employment. As a policy matter no temporary certification will be issued for a period longer than one (1) year. Extensions of labor certifications will be treated the same as a new application by the Guam Department of Labor.

Form MA 7-50B (job offer for alien employment)¹

The MA 7-50B provides for a description of the job duties to be performed and the *minimum* requirements necessary to adequately perform the job. It is to be completed by the employer when requesting certification for non-immigrant alien temporary workers. This form may be used for all occupations. The Guam Employment Service will determine and enter thereon the validity period of the certification. An employer may request that the certification period begin up to 30 days after submission of his petition.

Filing procedure¹

A. An original and three (3) copies, plus attachment, must be filed listing the total number of aliens requested in all of the occupational categories with a breakdown of the required information per occupation on the attachment.

B. A signed copy of an employer's original project contract (if a construction company) or contract furnishing work or services **MUST** be filed with the Guam Employment Service. The copy of the original project contract must be certified by an officer or responsible person of the firm that it is a true and accurate copy of the original project contract.

C. The Guam Employment Service, a division of the Department of Labor, will process certification requests in an expeditious manner. Incomplete forms, insufficient information, etc., may lead to substantial delays in processing time. All persons having questions concerning the filing out of forms, and processing requirements are encouraged to seek the advice of the Guam Employment Service, at least at the time of filing their petition.

D. All employers are to submit with the petition, the name, address, occupation, and wage rate being paid to each U.S. resident worker.

E. All employers will indicate on the MA 7-50B form the prevailing wage rate(s) to be paid to the non-immigrant alien worker during the entire validity period.

F. All employers must clear their zoning requirements with Land Management prior to receiving a housing inspection by the Occupational Safety and Health Division.

G. All employers must realize that the prevailing wage rates published by the Guam Employment Service are to be paid to each non-immigrant alien worker as well as each U.S. resident worker, and that changes in the prevailing wage rates, when published supersede previously published prevailing wage rate(s).

Transfer of workers to other projects

A firm may transfer a worker to another project(s) of his own to which he has not been previously certified only after receiving a new Guam Department of Labor certification and after receiving written authorization of the Immigration and Naturalization Service subsequent to the filing of a new visa application.

Other laws and regulations

For the purpose of this policy, all employers, (including the U.S. Navy, U.S. Air Force, and Defense Contractors) are subject to the rules and regulations now in effect with all Government of Guam agencies. Of special significance to employers of nonimmigrant alien workers are the following agencies:

1. Apprenticeship and Training
2. Wage and Hour Section

¹ Revision of this section will be required under an expanded H-2 program.

3. Occupational Safety and Health Section
4. Workmen's Compensation Section
5. Research and Statistics
6. Employment Service

All employers must agree to comply with all federal and local laws and regulations relating to rates of pay, hours of work, safety and health conditions, and all other conditions affecting the work place and their employees. Employers charging workers for room and board must be prepared to demonstrate that the workers are receiving goods and services of a value equal to the board and room charged. Charges in excess of actual cost may be viewed as a violation of these procedures.

Employer statement

Prior to the issuance of a Labor Certification, a statement by the employer as set forth infra, must be executed by an authorized officer or responsible person of the firm and submitted to the Guam Employment Service.

Prevailing rate effective dates

The published "prevailing wage rates" (i.e. minimum non-adverse effect wage rates) apply to all requests for certifications, and will apply to all contracts signed subsequent to July 1, 1972. Construction contracts signed prior to July 1, 1972 will not be subject to the new "prevailing wage rates" but will be subject to those prevailing wage rates in effect prior to July 1, 1972. However, subsequent monetary amendments of construction contracts signed prior to July 1, 1972 will make the additional work under such contracts subject to the new "prevailing wage rate" with respect to requests for certification processed subsequent to the contract amendment.

Adverse effect

All requests for employment of non-immigrant alien temporary workers must provide for payment of the applicable prevailing wage rate to each alien. Any requests for certification that does not provide for payment of the applicable prevailing wage rates will be rejected on the grounds of adverse effect. See 29 CFR, Section 60.6 and Paragraph IV (A), supra.

Availability

The procedures now followed concerning availability of resident workers will continue in effect. Where U.S. resident workers are available at the prevailing wage, certification requests will be denied on the basis of *availability*.

Ten percent requirement

As previously announced, beginning August 4, 1972, no certification request will be processed unless the applicant firm can show that at least 10% of its employees on Guam are U.S. resident workers. This requirement is based on the adverse effect that employment of aliens have on job opportunities for U.S. resident workers. The 10% requirement will be based upon the applicant employer's total workforce on Guam including non-immigrant alien temporary workers certified and currently present on Guam.

*Certifications only for journeyman level positions*¹

Effective immediately only journeyman level non-immigrant alien temporary workers will be considered for certification except that firms engaged in construction will be permitted to request temporary alien workers for helper or laborer positions in an amount not to exceed twelve and one-half percent of the employer's workforce, including those petitioned for.

*Invalidity of certifications*¹

(a) A temporary labor certification will become invalid if there are material changes in the circumstances stated on the application for alien employment certification (including supportive attachments or documents requested), or if the representation upon which the certification is based is materially incorrect. Materially incorrect means that if the correct facts had been known a certification would not have been issued.

¹ Revision of this section will be required under an expanded H-2 program.

(h) Certification requests will be deemed to adversely affect the wages or working conditions of U.S. resident workers where it appears that employment is with an employer who has within two (2) years prior to the offer obtained a certification on the basis of material misrepresentations of Form MA 7-50B or any supplement thereto or employers statement required by the Guam Department of Labor as part of the certification process. Examples of material misrepresentations would be situations where an alien is required by one means or another not authorized by the Department of Labor to return any portions of his wages to the employer, or where an employee is not paid any portion of wages earned according to existing Federal or territorial laws.

*Sanctions*¹

Where a pattern of violations occurs; i.e., repetitious violations of a certain section or sections of Guam's labor law, administrative policy or other regulations, the employer will be denied future alien labor certification as follows:

1st offense.—No alien labor certification for a subsequent twelve month period.

2nd offense.—No alien labor certification for a subsequent two year period.

In both cases the Guam Department of Labor will first hold an informal hearing giving the employer an opportunity to refute charges against him.

Certainty of wage payment

In any instance where the Guam Employment Service has any uncertainty regarding the employer's financial ability to pay their workers their wages when legally due, the labor certification will not be issued unless an employer produces a wage bond from a reputable company guaranteeing one month's wages for each employee.

Interviews

(a) Upon request, employers employing non-immigrant alien temporary workers, will promptly make their employees available for private interviews with representatives of the Guam Department of Labor. To the extent practicable, the Department of Labor will not interfere with employer's work in progress.

(b) Where a non-immigrant alien temporary worker is terminated by an employer prior to the termination of his contract or expiration of his visa, the Guam Employment Service *must* be advised in writing by the employer a minimum of ten calendar days prior to the employee's departure from Guam. The written notice should state the name and address of the employee, dates of employment, hourly and weekly earnings and reason(s) for termination stated in detail. The employer's right to terminate for cause is recognized, and after a review of the reasons for termination and agreement therewith, the Guam Department of Labor will agree to prompt deportation.

In the event there is a pending Wage and Hour investigation, no alien employee will be permitted to be repatriated until the conclusion of the investigation.

*Parolees subject to these policies*¹

Certification requests for non-immigrant alien workers paroled into Guam to work for Department of Defense contractors will be processed and reviewed in accordance with the policies and procedures set forth in this announcement.

*Appeals*¹

There is hereby created a Board of Appeals within the Department of Labor consisting of a representative from each of the following departments:

1. Office of the Attorney General
2. Department of Commerce
3. Community Action Agency

Jurisdiction.—The board shall have the power to re-examine the facts leading to any adverse decision rendered by the Guam Employment Service or the Director of the Department of Labor relative to alien labor certification and then shall render a final decision on the matter. The appeal to the Board shall constitute the final administrative remedy available on Guam.

¹ Revision of this section will be required under an expanded H-2 program.

Repeal of policy

This amended policy supersedes previous issuance.

Signed this _____ day of _____ 197—.

V. CONTROL AT POINT OF EXPERIENCE

Incumbent in the expansion of the H-2 program is the need for administrative control of the program at the point of exercise or experience. At times in the past Guam has not been permitted to govern its own programs, and as a result out-moded systems and other situations which needed action have taken, in some instances, years to modify or improve. In addition to this timeliness of action problem local control is needed due to geographical market and ethnic considerations.

1. Geographical

Guam is located in Asia. Although the culture is a strong mixture, the American way predominates, and yet problems of logistics, communication and reaction to the U.S. systems are impaired or delayed by the distances involved. Guam is 2,000 miles from the Asian mainland, well over 6,000 miles from the continental United States and more than 9,000 miles from the seat of federal government.

A primary example of the distance problem is shown in the planning of economic controls affecting the U.S. dollar in the world market. It took weeks to determine if Guam was covered under Phase I, and these delays created hardships for island companies. Additionally prices for U.S. products sold to Guam were not restrained, just as they were not for foreign countries.

2. Marketing

The island's prime industry is tourism, and although Guam is an American possession, she must compete primarily in the Asian market place. As such, her hotels and service industries must have realistic policies and practices to maintain a competitive position. Two primary examples of this situation concern employee salaries and airline schedules.

It was at one time proposed by a federal agency that local salaries be raised to give more incentive for people from the U.S. mainland to move to Guam, and pressure was applied to local companies quite effectively. Forgotten was the fact that the increases in salaries to mainland standards would mean an increase in hotel, restaurant and retail service charges. Yet these charges and the service offered must compare favorably with competitors in Hong Kong, Taiwan and Manila.

Recent landing rights squabbles between Pan American Airlines, Philippine Airlines and the respective governments create additional tourist industry problems. These problems are not aided or eased when Guam visitors in one plane-load of 348 are required to wait two (2) hours to be processed by the local USINS office due to lack of manpower. The same situation in Hong Kong is handled in 35 to 40 minutes.

3. Ethnic

This consideration is of course obvious. Guam visitors are mainly from oriental countries and much of the labor force must be obtained from Asia. Familiarity with language, custom and operational systems are something that a North American can handle and understand only after a period of time and familiarity.

In stipulating local control of the immigration problem, one other major consideration must be voiced, and this is the ethnic makeup of the island population. In speaking on this subject, it is vital that consideration be given to the fact that Guam is a small island (209 square miles) that is noncontiguous with other land masses and whose native inhabitants number no more than half the overall population.

In order to prevent a situation similar to that which occurred in the Virgin Islands there must be some system which can legally be applied to prevent a take-over of the island by a third country nationality, regardless of origin. It is contended that no more than 10% of any national group should be allowed to become permanent residents of the island. As an example, there are currently in the area of 9,000 people of Philippine national origin living on Guam as residents.

At the same time there are an equal number of non-immigrant Philippine nationals temporarily residing on Guam. If this or any group were allowed to grow unchecked, and non-immigrants were allowed to change their status, a political and economic problem is quickly recognized. In the case of the Philippine nationals, the problem is remote as this nation's national quota is over-subscribed. However, this national quota over-subscription might not be true with other national groups such as Taiwan, Korea or Japan. If anyone of these groups should begin to settle on Guam in any numbers, what would the answer be? It is at best a sensitive and difficult problem unusual to an island community and one that deserves considerable attention.

It is clear that administrative controls must be at the point of experience to be effective, however, it is also clear that these controls must be in tune with the applicable federal legislation on the subject, and that the controls involved must be in concert with the affected federal departments.

VI. SUMMARY

The exceptional economic growth of the Island Territory of Guam and the exhaustion of locally generated manpower has reached a point where the future growth of the island is being seriously hampered. Although nearly 1,500 young people graduate annually from the island's high schools and university, only limited numbers of these residents enter the work force, and few of these do not require further training.

Currently due to restrictions imposed by the Immigration and Nationality Act of 1952 under Section 101(a)(15)(H)(ii), United States and Guamanian business enterprises are inadvertently discriminated against and limited in their ability to acquire and import on a temporary basis, the skilled and unskilled manpower required to conduct their businesses. At the same time foreign and internationally based organizations can freely import the alien work force required to allow them to operate competitively.

Under the title "Island Industry Manpower Development Program Request" the Government of Guam has developed a program designed to provide the skilled and unskilled manpower required by the economy that will provide an opportunity for both U.S. and foreign based companies to compete equally. The proposed program develops strong local administrative controls to assure that problems similar to those experienced by the Virgin Islands do not occur on Guam.

The program calls for the training and development of local manpower and a flexible alien repatriation schedule dependent on the individual skill needs of the island. The program has received the approval of the Regional Manpower Administrator of the U.S. Department of Labor.

In actual operation, the Government of Guam requests a re-evaluation of and the expansion of the current "H-2 program" for alien importation, and proposes to extend this program to all industries rather than a select group. The government proposes to continue and strengthen proven controls and requests the assistance of the Congress of the United States in making such a program possible. Assistance is also requested in the matter of the manning of the local Immigration and Naturalization Office so as to provide adequate service to the business community and the island government.

APPENDIX

A. Data sources

- (1) United States Department of Commerce, Bureau of Census
- (2) Guam Department of Commerce, Economic Research Center
- (3) Guam Economic Development Authority
- (4) Guam Department of Labor
- (5) American Hotel and Motel Association
- (6) Guam Chamber of Commerce
- (7) Guam Contractors Association
- (8) Hawaii Employers Council
- (9) United States Naval Forces Marianas
- (10) United States Immigration & Naturalization Service
- (11) United States Department of Labor

B. Resource publications

- (1) U.S. Census Report—1970 (U.S. Department of Commerce)
- (2) Guam 1972 "Challenging the Seventies" (Guam Department of Commerce)
- (3) Mid-Manpower Survey for the Territory of Guam—Fiscal Year 1971 (Occupational Training Advisory Committee)
- (4) A Study of Guam's Post High School Manpower Program (Dr. A. De Bernardis—Feb. 22, 1971)
- (5) Washington Report (American Hotel and Motel Association—July 25, 1972 Ed.)

C. Publications attached (Produced by the GovGuam Department of Commerce)

- (1) Guam 1972 "Challenging the Seventies"
- (2) Facts About Doing Business on Guam, U.S.A.
- (3) Statistical Abstracts, Guam 1972
- (4) The Consumer Price Index
- (5) Quarterly Report on the Consumer Price Index, Vol. I, No. 1
- (6) Quarterly Report on the Consumer Price Index, Vol. I, No. 2
- (7) Quarterly Review of Business Conditions—Guam, U.S.A., Vol. 9, No. 3

The Guam Consumer Price Index

A BRIEF DESCRIPTION



THE GUAM CDNSUMER PRICE INDEX

A Brief Description



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March 1973



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MESSAGE OF THE GOVERNOR OF GUAM

It gives me great pleasure to present this publication introducing the Guam Consumer Price Index, entitled The Guam Consumer Price Index: A Brief Description, Designed by the Department of Commerce Economic Research Center, Government of Guam, this index represents a milestone in the history of local Government economic research. The Guam Consumer Price Index, now operating successfully, is the largest original economic research project ever undertaken by the Government of Guam. All residents of Guam may be justifiably proud of this achievement.

The Guam Consumer Price Index, in its present form, is modeled after the United States Consumer Price Index but uniquely designed to reflect the character and scale of our island economy. The U.S. Consumer Price Index itself was initiated at the time of World War I for use in wage negotiations and was formally called the "Cost of Living Index." However, the U.S. Consumer Price Index, like the Guam Consumer Price Index, does not actually measure the cost of living, as the term implies; rather, it measures changes in prices for goods and services purchased for family living. Since the time of its inception in 1913, the U.S. Consumer Price Index has gone through a series of minor and major revisions necessitated by the rapidly changing economic conditions taking place in the United States. Over the decades, the U.S. Consumer Price Index has become perhaps the single most widely used statistical measure that exists in the United States today.

The Guam Consumer Price Index has profited from the American experience, and is currently based on the most modern techniques now in use. The uses of the Consumer Price Index are many, some of which are: wage adjustments, annuity and pension plan adjustments, as a basis for designing government price policy, administering price and wage controls (as is presently the case in the U.S.), as a measure for consideration in monetary and fiscal policy, establishing income and excise tax rates, estimation of real income as in a Gross National Product accounting series, and, particularly, for long and short range planning in both the public and private sectors.

In recent years, Guam has undergone rapid and dramatic change. Because of our high dependence on external sources, it is essential that we monitor all prevailing economic conditions both at home and abroad. By so doing, we contribute to the advancement of the interests and welfare of our residents.

The cost of living affects us all, and is of general concern. In this spirit, the Guam Legislature appropriated \$60,000, which I requested, to fund this research. Once appropriated, the Department of Commerce Economic Research Center created a special section, now titled the Guam Cost of Living Office, as the office responsible for the design, implementation, and maintenance of an appropriate Consumer Price Index for the economy of Guam. This index is now a reality, having been converted from research project to recurring research program.

To all involved, and particularly to the Department of Commerce staff, I extend my most sincere congratulations and commendation for a job well done.



DEPARTMENT OF COMMERCE
GOVERNMENT OF GUAM
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ACKNOWLEDGEMENTS

As administrators in a department privileged to be staffed by highly skilled and highly motivated public servants, it is our personal good fortune to be acknowledged for work well done by the staff of the department as a whole. In our turn, it is with much personal satisfaction that we acknowledge the good work of those directly involved. Here we commend those members of the Department of Commerce staff who have contributed to the design of the Guam Consumer Price Index and who, by so doing, were associated with the largest original economic research effort ever successfully undertaken as an in-house project of the Government of Guam.

We begin by acknowledging Carlos G. Camacho, Governor of Guam, who first directed that this index be designed. At the time, Frank F. Blas was Director of the Department of Commerce, and it was under his administration that the budget submission was first prepared and subsequently seen through the Legislature. In this project, Mr. Blas deserves considerable credit, for it was through his efforts that adequate funding was achieved. Mr. Blas also had the wisdom to designate the Economic Research Center as the implementing agency for this research. It was tempting to think that outside consultants should be awarded this research, and it was a risk to entrust the relatively young local agency with such a substantial assignment. In retrospect, however, we see today the value of Mr. Blas's judgement, for the index is tailor-made to Guam.

To administer the index, a section, which has come to be known as the Guam Cost of Living Office, was organized in the spring of 1972, and was assigned the task of designing, implementing, and maintaining the local Consumer Price Index and all preliminary research which was undertaken in the developmental stages. John Quan, then an economist with the Department of Commerce, served as this Section's first Head, and was responsible for designing the research budget. After Mr. Quan's resignation from the Department of Commerce, Joseph T. Flores, Survey Statistician and permanent head of the World Trade and Demographic Section of the Economic Research Center, was asked to serve as Acting Section Head until permanent staffing arrangements could be made. During Mr. Flores's tenure as Acting Section Head, the field work associated with the Guam Expenditure Survey of 1972 was completed. The Guam Consumer Expenditure Survey was designed and coordinated by Dr. Donald C. Jones, who was responsible for the preparation of the survey approach questionnaire and field control program. In this regard invaluable public information assistance was provided by the Pacific Daily News and KUAM radio and T.V. staff.

Also during Mr. Flores's administration, the office began to grow in terms of staff, as Oscar C. Pablo and Margarita C. Macario signed on as Economists; Lilian M. Williams as Administrative Secretary; and Vivian K. Hamilton as Research and Administrative Assistant. Dr. Anthony Kallingal, a statistician with the University of Guam, assisted with the data processing aspects of the Expenditure Survey. A statistical and field staff was organized to implement the Expenditure Survey, and included as public interviewers Herminia T. Aflague, Rosa S. Anderson, Yvonne R. Branch, Maria M. Cepeda, Antonia B. Duenas, Rosie N. Elliott, Caroline R. Gerhold, Christine M. Grey, Rose Marie C. Guerrero, Vesta R. Limuaco, Agnes D. Perez, Fred A. Robinson, Teresita B. Rosario, Catalina B. Santiago, Jonnie B. Sullivan, Emilia U. Torre, and Geronima B. Ventura.

The Data Processing Division of the Department of Administration contributed programming and computer time, for which we are very grateful. Special recognition of the key punch operators Dolores M. Pangelinan, Cecilia J. Untalan, and Margarita M. Pangelinan, and programmers Tommy Okada and Carmelita Luce is in order.

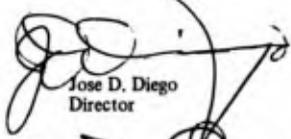
In September of 1972, Dr. Shinkyung Kim arrived in Guam to assume the Head of the Section position while on sabbatical leave as an Associate Professor from the University of Hawaii College of Business Administration. Dr. Kim came into the project at the point where findings of the Expenditure and Income Survey required interpretation for the design of the final Index and weighting structure. Using what had been done before his arrival, and improving substantially on it, Dr. Kim, with Mr. Pablo and Miss Macario and a team of price investigators, saw the Index through to final form, which became operational with the first quarter of Fiscal 1973. The base price field staff included Patricia C. Duenas, Teresita B. Rosario, Rosie N. Elliott, Herminia T. Aflague, and William Huihui. Fred F. Camacho, currently a student at the University of Guam, also assisted in the initial index computation.

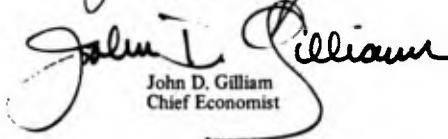
Throughout this work, we enjoyed substantial cooperation from outside agencies and, indeed, even some foreign governments. The Bureau of Budget, Planning, and Management, under the direction of Gregorio C. Sanchez, and the Accounting Office of the Department of Administration, under the Chief Controller John Balajadia, were most accommodating in allotting budgetary resources such that research could be facilitated. The Department of Revenue and Taxation, under Joaquin Blaz, assisted in the weighting structure derivation. The South Pacific Commission, the Government of Fiji, and the Government of Australia were most helpful in providing Mr. Flores the opportunity to observe calculation procedures and operational price indices in other jurisdictions. The United States Federal Government, particularly Charles Roumasset, Tom Parsons, and Mary Munk of the Bureau of Labor Statistics, U.S. Department of Labor, offered us technical assistance, as well as information and training opportunities for members of our staff. Our special thanks extend to Mary Munk, one of the U.S. Federal Government's most devoted and enthusiastic price collectors, for working with us in Guam prior to our price survey field work. Mary's help and encouragement were particularly timely and greatly appreciated. While grateful for assistance in all forms the Government of Guam nevertheless accepts full responsibility for the quality and reliability of the final Index.

To the business community of Guam, we offer our special thanks. Respondents have been fully cooperative and have contributed their time to assist us as we seek to maintain the quality of our quotations. For this we are very grateful.

Today, the Consumer Price Index is operational with a regular publication entitled Quarterly Report on the Guam Consumer Price Index for price information for the general public. To the extent that the project benefits the residents of Guam, we will have accomplished our goal.

Dangkulo Na
Si Yuus Maase


Jose D. Diego
Director


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Chief Economist

March 1973

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Chapter 1

INTRODUCTION TO THE GUAM CONSUMER PRICE INDEX

Every effort is made by the Government of Guam to construct a Consumer Price Index (CPI) and related indices which are comparable to the U.S. CPI in concept and structure.^{1/} Inasmuch as the economy of Guam is part of the U.S. economy, it was felt that the Guam CPI should parallel that of the United States. Because of the socio-economic features unique to Guam, however, specific methods employed differ in some respects from those of the U.S. CPI.

As can be expected, the scope of the U.S. CPI is extensive. The Index is expected to measure not only price changes for the selected items but, ideally, prices of everything people buy. Thousands upon thousands of items of all descriptions make up the "market baskets" of different consumers. Quite clearly, it is not practical, if not impossible, to price all commodities and services that people buy. Hence, the CPI is based on the concept of a representative "market basket" which essentially is an item sample. The "market basket" for the U.S. CPI (1967=100) includes approximately 400 items, priced at different time intervals and in different localities. Prices are quoted from approximately 18,000 retail stores and service establishments, and rental rates from 40,000 tenants.^{2/}

Insofar as the Guam CPI is concerned, being a small economy has certain advantages as well as drawbacks. From a statistical point of view, it is neither necessary nor desirable to price a large number of items. In other words, a large sample is not necessarily better than a smaller one; the real concern is how representative the sample is of the universe. In order that one may make statistically valid inferences concerning the unknown universe, the population has to be sufficiently large, containing enough variation (a rich source of information) so that, statistically (in terms of probability) meaningful samples can be generated. Strict adherence to probability sampling is not possible even for the U.S. CPI, but since the 1964 revision, the U.S. Bureau of Labor Statistics has increased the use of probability sampling whenever feasible.

In the initial design of the Guam CPI, the item sample was selected in large part on the basis of the judgement of the CPI staff, including price investigators, expert advice from businessmen, and careful review of findings generated by the Guam Consumer Expenditure Survey of 1972. Relatively small outlet and item samples facilitated close coordination between the CPI field and office activities and a close check on possible errors in reporting. Field workers' familiarity with local business establishments and customs promoted the generally excellent cooperation from the field.

It should be noted that cooperation of reporters is completely voluntary. The CPI model is so designed that neither individual outlets nor prices will ever be identified. All items and outlets are coded in such a way that no disclosure which could identify any individual's or firm's activities can be made. A carefully selected group of field workers is trained by the Department of Commerce and is under contractual obligation as well as under oath to maintain confidentiality with respect to all price information collected.

The major activities undertaken in the initial stage of the Guam CPI have been:

1. Research budget preparation, submission, and approval by the Guam Legislature;
2. Designation of the Guam Department of Commerce as the implementing agency and the Economic Research Center, a Commerce Department Division, as research coordinator;

3. Research program planning;
4. Conducting of the Guam Personal Income Survey;
5. Conducting of the Guam Consumer Expenditure Survey;
6. Determination of item and outlet samples;
7. Conducting of the base price survey;
8. Derivation of statistical weights--outlet and item weights;
9. Revision of the "market basket" for the Guam CPI;
10. Establishment of index maintenance technique and schedule.

What follows in this report is a non-technical description of these activities.

Chapter II

SAMPLING ASPECTS OF THE GUAM CONSUMER PRICE INDEX

As was stated earlier, it is essential that the items selected for a representative "market basket" be priced at given time intervals with fixed weights as determined on the basis of a consumer expenditure study. Ideally, this means that the same items are priced and are given the same weights from one pricing period to another. The items that are found in two adjacent pricing periods are referred to as "binary" commodities. In other words, the "market basket" consists of binary commodities and services which are held constant between two adjacent pricing periods.

Strict adherence to a fixed "market basket" of binary commodities and services and the corresponding fixed weights, however, is neither possible nor necessarily desirable in a dynamic society where consumers' tastes, preferences, and incomes rapidly change. Furthermore, the introduction of new products, product differentiation, quality change, etc., adds to the problem of keeping a fixed basket of goods and services. Basically, however, the objective is to price the same basket of goods over time so that the price movements for the goods and services consumers buy can be detected with a minimum of bias. More will be said on this and other conceptual problems in constructing a CPI later, but for the moment the discussion is focused on the general framework in which an item sample has been selected for the Guam CPI.

In order to construct an appropriate "market basket" for Guam but to keep the proposed Guam CPI as compatible as possible with the U.S. CPI system, the classification system developed for the national Index was adopted as a basic frame of reference.^{3/} In this classification system, all commodities and services were grouped in such a way that they were as homogeneous as possible with respect to their physical characteristics, and these groups were termed as "expenditure classes." Essentially, the expenditure classes are groupings of items which serve similar human needs.

In the statistical procedure for the Guam Index, commodity and service groups have been coded in a way similar to the statistical system operational for the U.S. industrial classification. Thus, at the highest level of aggregation, two-digit codes were assigned to commodity and service groups, three-digit codes to the next level of disaggregation, and so on until the level which defined the finest stratification for the item sampling had been reached. At the bottom of the classification system are the strata to which allocations of items are made and within which samples of items are selected. The lowest level of aggregation is represented by four, five, or more digits. In other words, the larger the number of digits, the lower is the level of aggregation. At the highest level of aggregation, items are classified into five major groups--Food (01), Housing (02), Apparel and Upkeep (03), Transportation (04), and Health and Recreation (05). As an example of the classification system, a partial listing of the Food section (01) is presented below. (For a complete item list, see Appendix A.)

- 01 - FOOD
 - 011 Food at Home
 - 0111 Cereals and Bakery Products
 - 01111 Cereals and Grain Products
 - 011111 Rice
 - 011112 Cornflakes
 - ⋮
 - ⋮

	:	:
01112	Bakery Products	:
	011121	White Bread
	011122	Doughnuts
	:	:
0112	Meats, Poultry, and Fish	:
	01121	Meats
		011211
		Other Steak
		011212
		Loin Roast
	:	:
012	Food Away From Home	:
	:	:

For the national CPI, approximately 400 items are priced periodically. However, in view of the small island economy, it was felt that the initial basket for the Guam CPI should contain approximately 200 items to be priced quarterly, with one or more specifications for every item selected, and, where possible, with three or more price quotations collected per specification.

The first step in the selection of the item sample was to make a rough "optimum allocation" of the number of items to be priced at each level of aggregation. In the process, relative importance of different commodity and service groups was considered. Since it appeared that the Guam expenditure pattern differed from that of the nation in several significant ways, it was necessary to allocate the items according to their relative importance to consumers residing in the economy of Guam. This was achieved by referring to the Guam Consumer Expenditure Survey (CES) conducted in June of 1972.

Once this was completed, the next step was to select items from the CES. Because of the limited number of items to be priced, a considerable amount of judgement had to be used in order that each commodity and service group be adequately represented. For example, if a particular group was represented by a sample of too few items, it was felt that the number of items should be at least one-half of the sample size for the U.S. CPI for a reasonably good representation of price movements within the group.

The weights derived from the CES and used in allocating 203 items for the initial sampling frame were:

Code	Group	Group Weights	No. of Items Allocated
01	Food	30.34	86
02	Housing	30.10	47
03	Apparel & Upkeep	5.88	18
04	Transportation	17.96	13
05	Health & Recreation	15.72	39
TOTAL		100.00%	203

Within each group the allocated items were again divided among different sub-groups until the finest strata were reached.

Again, on the basis of the CES, item samples at the lowest level of aggregation were selected as follows:

- 1) Items in each group were ranked according to their relative importance in terms of expenditure;
- 2) If the sample size was four or more, one-half of the sample items were drawn from the top of the ranked list and the rest of the remaining items were drawn at random; and
- 3) If the sample size was three or less, the top three items from the ranked list were selected, *i.e.*, selecting the three most important items within a given expenditure class.

Thus, some commodity and service groups were represented by two or more certainty items, the rest consisting of random items, while some groups consisted of only certainty items.

For several expenditure classes, however, it was not possible to adhere to the above rules for item sampling because of the way the consumer items were classified in the CES, differing somewhat from the classification being used for the CPI. Also, the item listings in the CES were on a higher level of aggregation than the CPI scheme in certain categories. In such cases, the staff relied partly on the U.S. CPI item sample and in part on their own judgement for selection. In all cases, however, items were carefully selected so as (1) to avoid unnecessary listing of items which were similar in price movement, and (2) to include items with sufficient price variation.

Once the sampling for all commodity and service groups was completed, the next step was the selection of one or more specifications or "specified-in-detail" items to represent the items selected from the sampling frame. Factors taken into consideration included the importance and representativeness of particular qualities as revealed by the CES and the feasibility of describing a selected item enough to permit repetitive price collection.

With the initial "shopping list" completed, it was immediately apparent that some revisions on the list would have to be made as more information was made available from the field. Invariably, some of the outlets reported in the CES were no longer in business and some of the items, particularly the ones from the U.S. sample, were not available in Guam. In order that the field information be used in the revision, price investigators were directed to consult establishment management wherever feasible and obtain whatever information they could. More specifically, the price investigator was instructed to obtain the following information:

1. For each item being priced, which specification(s) was(were) the volume seller;
2. If the assigned item was not found in a given outlet, was it temporarily or permanently out of stock; if the latter, what its replacement was;
3. If the assigned item was not specified in sufficient detail, the management was asked to supplement the specification list prepared by the Cost of Living Office, obtaining stock number whenever possible.

The results of the first price survey conducted during the last week of September, 1972, were quite encouraging. On the basis of these results, the item and specification lists have been revised and kept in a master file at the Cost of Living Office.

In view of the relatively small number of establishments in Guam, the outlet sampling appears to be fairly simple for all expenditure classes except for food items. There are 188 such establishments listed in the Business Directory, 1971, compiled by the Economic Research Center, Department of Commerce, Government of Guam. Several of these outlets are branch stores of grocery chains but are treated as elementary units for sampling purposes, *i.e.*, treated as if they were different establishments. In order to expedite the sampling process, a two-stage sampling procedure was followed.

In the first stage, a simple random sample of twenty-five stores was generated from the list of 188 grocery stores by use of a random digit table. The purpose of the first stage sampling was to provide a broad sampling frame, thereby facilitating the compilation of a more meaningful sample list on the basis of the expenditure study and at the same time preserving randomness of the sample. There were six districts not represented in the first stage sampling frame. Because of the wide geographical dispersion of food stores and a high degree of income disparity which existed among different districts, it was felt that, at least in the initial sampling frame, all districts should be represented. Therefore, six additional stores, each of which represented one of the six districts not included in the initial list, were included in the sampling frame. The six stores so included were the largest stores in their respective districts.

The number of price quotations was initially set at four per food item. However, the final sample size was set at six for each item on the assumption that some of the six stores do not carry all the food items in the specification list. The thirty-one stores on the initial list were divided into two groups--supermarkets and small grocers. In selecting the sample outlets, the ratio of 5 to 1 was used for supermarkets to independent grocers. In the absence of value weights from the expenditure study, this ratio was determined on the basis of the number of items purchased by consumer units from the two types of outlets.

There were five supermarkets and 26 small grocers included in the initial sampling frame. Therefore, all five supermarkets were selected for the final sample. In addition, it was decided that at least one bakery should be included for pricing bakery products.

In view of the high degree of variation in size, business volume, geographical dispersion, and price, one small grocer could not possibly represent approximately 180 outlets throughout the island. It was decided that the inclusion of one small grocer would only distort the index; therefore, three small grocers were selected and their composite price index entered in the food index as if they formed a single outlet. Selection of the three grocers was based on the CES as the ones most frequently patronized by the consumer units. Thus, altogether, five supermarkets and three small grocers represent the food market in Guam. The districts represented by these stores are Agana, Agat, Dededo, Maite, Tamuning, and Toto.

The selection of outlets for the other items in the "market basket" was based primarily on the judgement of the staff and information from the field. The choice of outlets was quite limited because of the small number of establishments in a given line of business. Also, there were many items which were so standardized and their prices so regulated by manufacturers that there was no need to include more than one outlet. In the initial selection of outlets, the Guam Telephone Directory and the Business Directory, 1971 were used as primary sources; then the list was revised as new information from the field was made available to the office staff.

The factors taken into consideration in selecting outlets were:

- 1) Size of firms;
- 2) Popularity among consumer units;
- 3) Geographic locations.

It should be noted that these factors are not all independent of one another. For example, the size of a firm or volume of business is clearly related to popularity among consumer units. In the absence of detailed information on the volume of business and the amount expended by the consumer unit at the outlet, the staff had to rely heavily on their own judgement. Whenever possible, these factors were carefully evaluated before an outlet was selected. For example, adhesive bandage may have been priced at two drug stores and one grocery store in three different districts. But, as mentioned before, the choice was limited by the few outlets in a given line of business and a high degree of concentration in the Agana-Tamuning districts.

Chapter III

WEIGHTING STRUCTURE OF THE GUAM CONSUMER PRICE INDEX

As stated in the preceding chapters, the construction of a CPI involved a selection of a fixed "market basket" of items, assigning specific weights according to their relative importance in consumer expenditures, and pricing the items at regular time intervals so as to measure the average price change. Before such steps could be taken, it was essential that information on the pattern of consumer spending be known. In June of 1972, the Economic Research Center of the Department of Commerce conducted a Consumer Expenditure Survey. Aside from the many important sociological and economic implications of the findings from the survey, as far as the CPI was concerned, there were three particular aspects of the survey which are relevant here:

- 1) Establishing a fixed "market basket" of goods and services, representing all purchases of the typical consumer unit in Guam;
- 2) Assigning specific expenditure weights to the items included in the basket; and
- 3) Assigning specific weights to the outlets selected for pricing.

Thus, the questionnaire was designed to obtain the following basic information: 4/

What was bought
Where purchased
How much
Total dollar cost

Every effort was made to select a representative sample of a broad cross-section of consumer units in Guam. All localities were represented in proportion to their population size; in addition, all income groups were represented in proportion to the number of consumer units in each income group. Ethnic representation was not controlled in the initial stage of selecting the sample, but the survey results suggested extremely good ethnic representation. 5/

The selection of the consumer unit (CU) sample was based on the 1970 Guam Income Distribution Study conducted by the Economic Research Center, Department of Commerce, and supplementary income data obtained through interagency arrangements with the Community Action Agency, Department of Education and the Commissioners of Guam. A working sample of 150 CU's was selected with the expectation that approximately 135-140 of the completed questionnaires would be usable for the final analysis. However, survey returns yielded a total of 147 CU's usable for the derivation of expenditure weights, accounting for 1.66 percent of the estimated population in CU's in Guam. 6/ In view of the small population from which a representative sample was generated, the proportion of sample to population for Guam was considered justifiable.

The elementary sampling unit was defined as "a person living in his own dwelling or a group of persons sharing the same dwelling who have common arrangements for the provision of at least one principal meal per day and where the members of the group pool and share the majority of their total income and expenses." 7/ The total number of CU's in Guam was expected to be fewer than a similar population center in the U.S. because of the large family size in Guam and the existence of multiple family households. The initial sample size was determined as follows: 8/

Estimated Resident Population, 1970	70,331
Estimated No. of Households or CU's, 1970	13,796
<u>Sample Ratio</u>	<u>.01</u>
Total Sample	138

Additional CU's were added for a total of 150 to compensate for what were believed to be the omissions from the sample model and to pick up peculiarities of population distribution in certain municipalities.

After the specific number of CU's for each income group and within each district had been determined, the District Commissioner of each district was asked to identify specific addresses of CU's who, in his judgement, met the income criteria. Records of the Community Action Agency and the Guam Department of Education were also reviewed. From the addresses taken from these sources, a final survey list was prepared. Care was taken to include the major ethnic groups in proportion to their apparent concentration in the district population.

During the initial interview, the interviewer sought to ascertain the total income and ethnic origin of the CU. If these data revealed that the CU did not meet the sample criteria, the subsequent interviews were terminated and an alternative CU substituted. For this purpose, an alternative sample list was maintained. As was the case with price investigators, all interviewers on the CES were sworn to secrecy and all questionnaires were identified only by a code number.

The questionnaire was designed to estimate total annual expenditures incurred during 1972. Judgement as to what memory span would be reliable for different categories of expenditures was a major factor in phrasing a specific question. For example, for the food and beverages section, detailed data were sought for only the previous two weeks, apparel and housing the previous three months, and so on. The data obtained from the survey were converted into annual totals by appropriate conversion factors for different categories of expenditures and provided the basic data for the weighting system and the selection of the sample of items as well as outlets.

Essentially, then, from the highest level of aggregation (two-digit level) down to the expenditure class level, the basis for weights for major groups, sub-groups, and expenditure classes was the amount or distribution of expenditures incurred by CU's during 1972. At the item and "specified-in-detail" levels, the weighting system became more complex. Since not all items were priced and some items were priced at different outlets, it was necessary to derive appropriate internal weights to combine different quotations. In order to facilitate the derivation of the internal weight system, the principle of imputation was implemented. Following the item list (appended to this report), expenditures for all the items in the CES questionnaire were reclassified, ascribing unpriced items to sample items that were presumed to have generally the same price movement and were relatively homogeneous with respect to meeting general human needs. In this way, imputation provided an estimate of a group's price change which was not measured directly. For example, if a refrigerator was priced, but not a freezer, the price of the refrigerator and the freezer were presumed to move together as they serve similar human needs from a functional point of view. Therefore, total expenditures on both refrigerator and freezer were assigned to that particular item--namely, the weight for refrigerator. In a similar manner, all items in the CES were allocated to the sample items and specifications so as to facilitate the construction of a meaningful CPI.

When needed information was not available in sufficient detail from the CES, independent estimates were made on the basis of available data from other sources and the appropriate weights assigned to the items in question. For example, expenditures on home repair, purchase of a house, mortgage interest, and automobile purchases were estimated independently of the CES and the appropriate weights imputed to these items. It was highly desirable that adjustments necessary to insure that the index reflect price changes on current market transactions were made on a continuing basis as more information became available. It is also noteworthy "that ordinarily the weights in an index have less effect than the price relatives, and that approximate weight distributions will not seriously distort the index measurement, except in periods of widely divergent price movements among various goods and services."⁹ A complete list of weights for all expenditure classes is appended to this report. As will be shown later, the system for the Guam CPI was designed in such a way that revisions--minor as well as major--could be easily made at any point in time.

Chapter IV

CALCULATION PROCEDURES OF THE GUAM CONSUMER PRICE INDEX

We have attempted to explain the calculation procedures in the simplest manner possible by means of an example. All index number formulas are based on the two basic formulas—Laspeyres' and Paasche's formulas. 10/ The Guam CPI is computed by Laspeyres' formula. Symbolically, the formula can be stated as follows:

$$I_{on} = \frac{\sum P_n q_0}{\sum P_0 q_0} \times 100$$

where the subscript "n" is a time index which takes on positive integers 1, 2, 3, . . . and

I_{on} = Index for time period "n" on the base period
 P_n = unit price at time "n", or current unit price
 P_0 = base unit price
 q_0 = quantity purchased in the base period

Σ = summation over all items

The basic idea is to separate price and quantity effects between two pricing periods. Suppose there are "k" number of items in the "market basket"; then we have the base quantity q_0 for each and every item in the basket. Likewise, P_0 is the base price for each and every item selected for pricing and P_n is the current price. Hence, $P_0 q_0$ is the expenditure for a particular item in the base period; and when it is summed over all "k" items, $\sum P_0 q_0$ is the total expenditure in the base period. When the current price P_n is multiplied by q_0 , $P_n q_0$ is the current expenditure for a particular item if the quantity purchased is held constant at q_0 . Summing $P_n q_0$ over all "k" items, $\sum P_n q_0$, represents total current expenditures necessary to buy the same base period "market basket." Thus, by holding the base quantities constant, a change in the two expenditure levels, $\sum P_n q_0$ and $\sum P_0 q_0$, is attributable only to price changes.

The following example will clarify the computational procedures:

Sample Items	Base Quantity, q_0	Base Price, P_0	Current Price, P_n	$P_0 q_0$	$P_n q_0$
Apples	5 lbs.	\$1.00	\$1.10	\$5.00	\$5.50
Bacon	2 lbs.	1.00	1.20	2.00	2.40
Beef	3 lbs.	1.50	1.40	4.50	4.20
Sum of Expenditures				<u>\$11.50</u>	<u>\$12.10</u>

Substituting expenditure totals into the above formula, I_{on} can be computed as:

$$I_{on} = \frac{\sum P_n q_0}{\sum P_0 q_0} \times 100 = \frac{\$12.10}{\$11.50} \times 100 = 105.2$$

Suppose the "market basket" consists of the items in the first column and their respective quantities. Then it cost \$11.50 in the base period as compared to \$12.10 in the current period. An increase of 60¢ is due to price changes, since the quantity weights are fixed for both pricing periods. The index of 105.2 suggests that the average price level has increased by 5.2% from the base period.

The computational procedures followed for the Guam CPI were slightly different from the above method but mathematically equivalent. The procedures used for the Guam CPI facilitate revisions on weights and item and outlet substitutions. Symbolically stated, the formula is:

$$I_{on} = \frac{\sum w p_n/p_o}{\sum w} \times 100$$

where p_n/p_o = price relatives for individual items

w = item weights either in dollars or in percentages

This formula is referred to as the weighted average of price relatives.

For example:

Sample Items	Base Quantity q_o	Base Price p_o	Current Price p_n	Price Relative p_n/p_o	Value	Percent
					Weights $p_o q_o$	Weights $p_o q_o / \sum p_o q_o$
Apples	5 lbs.	\$1.00	\$1.10	1.100	\$5.00	.43478
Bacon	2 lbs.	1.00	1.20	1.200	2.00	.17391
Beef	3 lbs.	1.50	1.40	.933	<u>4.50</u>	<u>.39130</u>
					\$ 11.50	.99999

Substituting percentage weights into the formula, the index number I_{on} is computed as:

$$I_{on} = \frac{\sum w p_n/p_o}{\sum w} \times 100 = \left[(.43478)(1.100) + (.17391)(1.200) + (.39130)(.933) \right] \times 100 = 105.2$$

Note the fact that $\sum w = .9999$ is due to rounding, otherwise $\sum w = 1$.

In the above example, all three prices have changed as shown by p_n/p_o (col. 5). The price of apples increased by 10%, bacon by 20%, and beef decreased by .67%. But, when appropriate value weights in percentages ($p_o q_o / \sum p_o q_o$) are used in aggregation, a weighted average increase of 5.2% is obtained. This increase can be interpreted as follows: it now costs \$1.052 to buy the same basket of goods which cost \$1.00 in the base period, or today's dollar is worth only 95¢ compared to the base period.

In addition to item weights, it is necessary to derive outlet weights when a given item is priced at more than one outlet. For the food group, population weights were used in averaging two or more quotations from different outlets. Because of a wide geographic dispersion of food outlets from which price quotations were obtained, population weights appeared to be a reasonable alternative to other possible weighting systems. For the other four major commodity and service groups, two or more outlets for a given item were ranked for their relative importance in the community on the basis of the valuable information obtained from the CES and from the Guam Department of Revenue and Taxation. As mentioned previously, in a dynamic economy changes in consumer spending pattern as well as the introduction of new products should be closely monitored at all times so that a meaningful CPI can be maintained on a continuing basis.

Chapter V

LIMITATIONS OF THE GUAM CONSUMER PRICE INDEX

The CPI is not meant to be an exact measure of price changes but, rather, a statistical estimate of average price changes of all consumer purchases from time to time. All statistical estimates are based on a sample or samples of the unknown universe. In all probability, it differs from the results which would be obtained if all prices (universe) were used in averaging. This kind of discrepancy is referred to as a sampling error and is inevitable. The magnitude of sampling errors could be reduced by using larger samples, but one must consider the cost aspects of large samples. The Cost of Living Office believes that the Guam CPI presently operational is sufficiently accurate for most conventional uses.

Another important source of bias is the determination of a representative "market basket" of goods and services. Consumers' tastes, preferences, and incomes differ widely and change over time; consequently, it is very difficult to construct a "basket" for a "typical family." By using a non-representative "basket," a significant source of bias can be built into the CPI system. It should be noted that the CPI represents the average price movements and not the change in prices paid by any one or small group of households. It should also be pointed out that the "market basket" for the Guam CPI represents a broad spectrum of all families; whereas the U.S. CPI is based on the purchases by urban wage earners and clerical workers only.

More difficult conceptual problems arise from the notion of "binary" commodities mentioned previously. Binary commodities are the items commonly found in both pricing periods, and ideally only these items should be priced on a continuing basis. This principle is often violated for three basic reasons:

- 1) Changes in quoted prices are often due to changes in the qualities of consumer goods and services;
- 2) New products are introduced frequently; and
- 3) Old products are either dropped or replaced by new products which bear little resemblance to items previously priced.

For these reasons, a new consumer expenditure survey is necessary when discernible changes in income, products, or spending pattern take place in the economy. The Government of Guam intends to make every effort to adjust for these changes and to revise the item list whenever feasible and warranted by changing conditions. The U.S. Bureau of Labor Statistics has developed special procedures for quality adjustments, and these procedures will be closely followed to refine the Guam CPI.

Another limitation of the Guam CPI stems from the wide use of military commissary and exchange facilities by local residents. At present there is no reliable estimate of the extent to which these facilities are used. However, it is generally believed that it is a significant supply source for the local economy. An expansion of the current Guam CPI model to include the military facilities appears to be highly desirable and should be undertaken in the near future.

The Guam CPI model, as is currently operational, shows quarterly price changes in the economy of Guam but does not provide a basis for a place-to-place price comparison. Because of the geographical isolation of Guam, it would be useful to make interregional comparisons of the cost of living and price changes. The Economic Research Center is keenly aware of this problem and plans to undertake this important task. In the meantime, the Center plans to publish average prices of selected items so that individual residents or firms may make their own place-to-place comparisons.

Beginning with the Second Quarter of Fiscal Year 1973, the Center proposes to publish the quarterly CPI and its related sub-indices on a continuing basis. It also plans to publish detailed analyses and narrative reports on price changes whenever warranted by significant price movements in the economy of Guam. In addition, the Center hopes to establish close working relations with the U.S. Bureau of Labor Statistics in order that mutual benefits may be fully exploited from this important undertaking. Plans are already underway to expand the current price series so that at least a few of the critical items can be priced at more frequent time intervals. As time passes every effort will be made to meet the needs of the community.

FOOTNOTES

1/For a brief history of the U.S. CPI, see Bureau of Labor Statistics, U.S. Department of Labor, The Consumer Price Index: History and Techniques, BLS Bulletin 1517, Chapter 1, pp. 1-12.

2/For a concise description of the U.S. CPI, see Bureau of Labor Statistics, U.S. Department of Labor, The Consumer Price Index, 1971.

3/For a complete classification for the U.S. CPI, see Bureau of Labor Statistics, U.S. Department of Labor, Handbook of Methods for Surveys and Studies, BLS Bulletin 1458, pp. 79-82.

4/The CES questionnaire is the interviewer-interviewee type and was based in large part on the Consumer Survey interview schedule designed for use by the U.S. Department of Commerce for its 1972 survey (U.S. Document Form Number: Form C E E-1 9/15/72).

5/The survey shows almost identical percentage distribution of different ethnic groups to that of the Chief Commissioner's Census Report of 1968.

6/The U.S. CES sample was one percent of all consumer units. See Bureau of Labor Statistics, U.S. Department of Labor, Consumer Expenditure and Income: Survey Guidelines, Bulletin 1684, p. 197.

7/Ibid., pp. 15-16.

8/The number of consumer units was arrived at by dividing 5,098, an estimated average number of persons per household, into the estimated total resident population of 70,331. Population and household estimates were taken from the Guam Personal Income Study as U.S. Federal Census data were then unavailable for the period in question.

9/Bureau of Labor Statistics, U.S. Department of Labor, Preparation of Consumer Price Indexes for Cities Not Included in the National CPI System, February, 1963.

10/The reader is referred to any standard textbook in statistics for a more detailed and technical discussion of the two formulas.

APPENDIX A
ITEM SAMPLES

01 - FOOD**011 Food At Home****0111 Cereals & Bakery Products****01111 Cereals & Grain Products**

- 1) Rice
- 2) Cornflakes
- 3) White Flour, All Purpose
- 4) Cake Mix
- 5) Biscuit & Roll Mix
- 6) Rolled Oats

01112 Bakery Products

- 1) White Bread
- 2) Doughnuts
- 3) Cookies
- 4) Cake, Pies, & Pastry
- 5) Plain Rolls, Biscuits, & Muffins
- 6) Rice Cake (Poto)

0112 Meats, Poultry, & Fish**01121 Meats**

- 01) Other Steak
- 02) Loin Roast
- 03) Round Steak
- 04) Ground Beef, Hamburger
- 05) Sirloin Steak
- 06) Frankfurters
- 07) Cold Cuts (Bologna, Salami, Ham)
- 08) Other Fresh Pork (Liver, Sparerib)
- 09) Roast (Chuck)
- 10) Bacon
- 11) Ham: Fresh, Whole & Half
- 12) Roast (Rib)
- 13) Salt Pork (Bellies, Jowls, Fatbacks)
- 14) Smoked Sausage
- 15) Other Roast
- 16) Chops, Center Cut
- 17) Beef Liver
- 18) Chops, End Cut
- 19) Other Roast
- 20) Lamb Chops

01122 Poultry

- 1) Whole Chicken (Frozen)
- 2) Chicken, Cut-Up (Frozen)
- 3) Chicken Parts (Breast, Thighs, Etc.) (Frozen)
- 4) Other Poultry (Duck), Whole (Frozen)

01123 Fish

- 1) Fish, Whole (Fresh or Frozen)
- 2) Shell Fish (Shrimp, Crab, Etc.)
- 3) Fillets
- 4) Salmon, Canned

- 0113 Dairy Products
 - 1) Fresh Milk bought in stores
 - 2) Evaporated & Condensed Milk
 - 3) Ice Creams, Sherbets, Ice Milk, Popsicles
 - 4) Canned Fresh Sweet Milk
 - 5) Powdered Milk
 - 6) Malted Milk, Other Prepared Milk Powder
 - 7) Chocolate Milk Drink
 - 8) American Cheese
- 0114 Fruits & Vegetables
 - 01141 Fresh Fruits
 - 1) Apples
 - 2) Other Fresh Fruits
 - 01142 Fresh Vegetables
 - 1) Cabbage
 - 2) Onions, Dry
 - 3) Potatoes, White
 - 4) Tomatoes
 - 01143 Processed Fruits & Vegetables
 - 1) Orange Juice, Including Tang
 - 2) Corn, Cream Style or Whole Kernel
 - 3) Tomatoes
 - 4) Other Canned Fruits or Fruit Cocktail
 - 5) Grape Juice
 - 6) Grapefruit Juice
- 0115 Other Food At Home
 - 01151 Eggs
 - 1) Eggs, U.S.
 - 2) Eggs, Local
 - 01152 Fats, Oils, & Spices
 - 1) Salad & Cooking Oils
 - 2) Butter
 - 3) Margarine
 - 4) Tomato Catsup
 - 01153 Sugar & Sweets
 - 1) Sugar, White, Granulated or Cube
 - 2) Candy
 - 3) Jams, Jellies
 - 01154 Non-Alcoholic Beverages
 - 1) Cola Drinks
 - 2) Coffee in Cans
 - 3) Tea, in Bags or Leaves
 - 4) Cereal Beverages (Coffee Substitute)
 - 01155 Prepared & Partly Prepared Food
 - 1) Chicken Soup, Canned
 - 2) Potato Chips
 - 3) French Fried Potatoes, Puffs, Pattles (Frozen)
 - 4) Fish Sticks (Frozen)
 - 5) Spaghetti with Meatballs
- 012 Food Away From Home
 - 0121 Restaurant Meals
 - 1) Breakfast
 - 2) Lunch
 - 3) Dinner
 - 0122 Snacks
 - 1) Coffee, Cup
 - 2) Carbonated Beverage
 - 3) Hamburger
 - 4) Fishwich
 - 5) Fried Chicken

02 - HOUSING

- 021 Shelter
 - 0211 Rent
 - 02111 3 BR. 1 bath House
 - 02112 2 BR. 1 bath Apt.
 - 02113 1 BR. 1 bath Apt.
 - 0213 Home Ownership
 - 02131 Purchase & Financing
 - 1) Purchase
 - 2) Mortgage Interest - Bank
 - 02132 Taxes & Insurance
 - 1) Property Tax
 - 2) Fire Insurance & Extended Coverage
 - 02133 Maintenance & Repairs
 - 021331 Commodities
 - 01) Exterior House Paint
 - 02) Interior House Paint
 - 03) Enamel for Woodwork
 - 04) Packages Dry Cement Mix
 - 05) Plants
 - 06) Lumber: 2x4, 1x6
 - 07) Light Fixtures
 - 08) Electric Wires
 - 09) Toilet Tank - Parts
 - 10) Roofing Materials
 - 11) Pest Control - Termite
 - 021332 Service
 - 1) Carpenter - Labor Charge
 - 2) Plumber - Labor Charge
 - 3) Electrician - Labor Charge
- 022 Fuel & Utilities
 - 0221 Fuel Oil, Kerosene
 - 0222 Gas & Electricity
 - 1) Electricity Rate
 - 2) Gas Rate per Cubic Foot
 - 0223 Other Utilities
 - 1) Residential Telephone
 - 2) Residential Water
 - 3) Cable Television
 - 4) Residential Sewer
- 023 Household Furniture & Operations
 - 0231 Textile Housefurnishings
 - 1) Bedroom Linen & Pillow Cases
 - 2) Ready-made Drapes
 - 0232 Furniture
 - 1) Bedroom Suites - good & inexpensive quality
 - 2) Living Room Suites - good & inexpensive quality
 - 0233 Floor Coverings - Soft Surface Rugs, Nylon
 - 0234 Appliance
 - 1) Refrigerator
 - 2) House Freezer
 - 3) Air Conditioner
 - 4) Electric Fans
 - 0235 Other House Furniture
 - 1) Dishes, Dinnerware
 - 2) Table Lamps
 - 3) Lawn Mower

- 0236 Housekeeping Supplies
 - 1) Paper Napkin
 - 2) Toilet Tissue
 - 3) Laundry Soap
 - 4) Aluminum Foil
 - 5) Plastic Trash Bag
- 0237 Housekeeping Services
 - 1) Babysitting
 - 2) Washing Machine Repairs

03 - APPAREL & UPKEEP

- 031 Men's & Boys' Apparel
 - 0311 Men's Apparel
 - 1) Trousers
 - 2) Shirts
 - 3) Undershorts, Briefs
 - 0312 Boys' Apparel - Pants
- 032 Women's & Girls' Apparel
 - 0321 Women's Apparel
 - 1) Dresses, Street
 - 2) Slacks
 - 3) Brassieres
 - 0322 Girls' Apparel
 - 1) Dresses, Street
 - 2) Socks
 - 3) Panties
- 033 Footwear
 - 1) Men's Shoes
 - 2) Women's Shoes
 - 3) Boys' Shoes
- 034 Other Apparel
 - 0341 Commodities
 - 1) Jewelry
 - 2) Clothing & Jewelry for Infants
 - 3) Sewing Materials (Yardage)
 - 0342 Services
 - 1) Drycleaning
 - 2) Laundromat

04 - TRANSPORTATION

- 041 Private
 - 0411 Autos & Related Goods
 - 04111 Auto Purchase
 - 041111 New
 - 1) Nova
 - 2) Toyota
 - 3) Datsun
 - 041112 Used
 - 1) Chevy, 2-4 years old
 - 2) Ford, 2-4 years old
 - 041113 Auto Finance
 - 04112 Gasoline & Motor Oil
 - 1) Gasoline
 - 2) Lubrication
 - 04113 Auto Parts
 - 1) Tires & Tubes
 - 2) Batteries

- 0412 Auto Services
 - 1) Auto Insurance
 - 2) Services & Repairs
 - 3) Registration, License, Inspection Fees
- 042 Public Airplane Fares
- 05 - HEALTH & RECREATION
- 051 Medical Care
 - 0511 Drugs & Prescriptions
 - 05111 Counter Items
 - 1) Multiple Vitamin Concentrate
 - 2) Adhesive Bandage
 - 3) Cold Tablets
 - 4) Cough Syrup
 - 05112 Prescriptions
 - 1) Anti-infectives, Penicillin
 - 2) Sedatives & Hypnotics
 - 3) Cardiovascular
 - 0512 Professional Services
 - 1) Family Doctor, Office Visit
 - 2) Eye Examination, Prescriptions & Dispensing of Glasses
 - 3) Fillings, Extractions - Adult
 - 0513 Hospital Services - Semi-Private Room, Daily Service Charge
 - 0514 Health Insurance - Comprehensive Coverage Rates, Group Family Plan
- 052 Personal Care
 - 0521 Toilet Goods
 - 1) Toothpaste
 - 2) Bath Soap
 - 3) Cleansing Tissues
 - 4) Sanitary Napkins
 - 5) Cologne
 - 0522 Services
 - 1) Men's Haircuts
 - 2) Women's Haircuts
 - 3) Shampoo & Set
- 053 Reading & Recreation
 - 0531 Recreation
 - 05311 Recreational Goods
 - 1) Stereo Components
 - 2) Tape Recorders
 - 3) Phonograph Recorders
 - 4) Other (Camera)
 - 05312 Recreational Services
 - 1) Movie Admissions - Adult & Child
 - 2) Television Repairs
 - 3) Bowling Fees
 - 4) Golf Fees
 - 5) Boxing
 - 0532 Reading & Education
 - 1) Tuition Fees
 - 2) Newspaper Subscription
 - 3) Books, Magazines, & Other Reading Materials
- 054 Other Goods & Services
 - 0541 Tobacco Products
 - 1) Cigarettes
 - 2) Betel Nut
 - 0542 Alcoholic Beverages
 - 1) Beer
 - 2) Whiskey
 - 3) Wine

- 0543 Personal Expenses
 - 1) Catering Services
 - 2) Life Insurance
 - 3) Funeral Services
 - 4) Legal Services or Accounting Fees

APPENDIX B

GROUPS OF GOODS AND SERVICES PRICED FOR THE CPI
THEIR JUNE 1972 RELATIVE IMPORTANCE

Groups	GUAM CPI			U.S. CPI*	
	2-digit	3-digit	4-digit	2-digit	3-digit
All items	100.00%				
01 Food	30.34%			22.19	
011 Food at home		28.51			17.23
0111 Cereals and bakery products			4.16		
0112 Meats, poultry, and fish			12.07		
0113 Dairy products			2.55		
0114 Fruits and vegetables			3.60		
0115 Other food at home			6.13		
012 Food away from home		1.83			4.96
02 Housing	30.10			33.84	
021 Shelter		19.79			20.72
0211 Rent			1.61		
0213 Home ownership			18.19		
022 Fuel and utilities		5.15			4.71
0221 Fuel Oil			.13		
0222 Gas and electricity			3.27		
0223 Other Utilities			1.76		
023 Household furnishings and operations		5.15			7.41
03 Apparel and Upkeep	5.88			10.45	
031 Men's and boys' apparel		1.38			2.82
0311 Men's apparel			1.02		
0312 Boys' apparel			.35		
032 Women's and girls' apparel		2.62			4.02
0321 Women's apparel			1.65		
0322 Girls' apparel			.97		
033 Footwear		.77			1.57
034 Other apparel		1.12			2.04

* December 1971 weights.

(Continued)

APPENDIX B - continued

Groups	GUAM CPI			U.S. CPI	
	2-digit	3-digit	4-digit	2-digit	3-digit
04 Transportation	17.96			13.27	
041 Private		17.65		11.80	
0411 Autos and related goods			15.81		
0412 Automobile services			1.84		
042 Public		.30		1.47	
05 Health and Recreation	15.72			19.87	
051 Medical Care		5.03		6.46	
0511 Drugs and prescriptions			.75		
0512 Professional services			1.43		
0513 Hospital Services			.77		
0514 Health Insurance			2.07		
052 Personal Care		1.83		2.58	
0521 Toilet goods			.69		
0522 Services			1.14		
053 Reading and recreation		2.57		5.71	
0531 Recreation			1.92		
0532 Reading and education			.65		
054 Other goods and services		6.29		5.12	
0541 Tobacco products			1.02		
0542 Alcoholic beverages			.79		
0543 Personal expenses			4.48		

Source: The Guam Consumer Expenditure Survey, June 1972. Bureau of Labor Statistics, U.S. Department of Labor, Relative Importance of Components in the Consumer Price Index, 1970-71; Table 2, U.S. Government Printing Office: 1972 O-484-792 (100).

APPENDIX 3

EMPLOYER'S STATEMENT—APPLICATION FOR NONIMMIGRANT ALIEN TEMPORARY WORKERS OR PAROLEES

In connection with my Immigration and Naturalization Service petition:

(1) I confirm the fact that an actual bona fide job opening exists and that no U.S. resident workers will be displaced as a result of alien workers utilization;

(2) I have placed an appropriate job order reflecting minimum requirements with the local office of the Guam Employment Service;

(3) I will employ qualified U.S. resident workers referred to me by the Guam Employment Service;

(4) I, in the absence of qualified workers referred to me by Guam Employment Service, will participate in and carry out all the obligations of the employer in the approved apprenticeship program. Additional occupations for training may also be included in the apprenticeship program. For more detailed information about the apprenticeship program, I will obtain a copy of the apprenticeship standards at the Apprenticeship Division, Department of Labor.

(5) I will provide a brief outline of my firm's occupational training program to the Guam Employment Service.

(6) I will comply with Guam Employment Service requirements concerning advertising in connection with recruitment of qualified skilled and semi-skilled workers;

(7) I will provide for my employees adequate housing which shall meet with all Federal and local laws and regulations. In respect to the foregoing, I hereby agree to allow the Department of Labor to inspect my housing facility(s) and to accommodate any such inspections as may be necessary to assure compliance therewith.

(8) I will pay my nonimmigrant alien temporary workers and parolees not less than the Guam Prevailing Wage as established by the Guam Department of Labor;

(9) I will not utilize an alien to work in an occupation other than the one for which he has been certified and I will not transfer him to another employer unless authorized to do so by the Immigration and Naturalization Service and the Guam Department of Labor;

(10) I will charge my workers no more than my actual costs of room and board, not to exceed a maximum charge of \$24 per week. I understand that the maximum amount is subject to periodic revision by the Department of Labor. I will maintain and produce upon request of the Guam Department of Labor adequate records to document my expenses.

(11) I will employ a minimum of 10 percent U.S. resident workers as a percentage of my total work force on Guam, which includes nonimmigrant alien temporary workers and parolees certified and currently present on Guam;

(12) I will submit reports on my labor force composition by the 26th day of each month as required by the Guam Department of Labor in its administrative policy.

(13) I shall provide the Guam Employment Service a signed copy of the employer-employee contract, including renewals, upon request by the Department of Labor;

(14) I will not knowingly employ aliens illegally residing on Guam in violation of the Immigration and Naturalization Act.

(15) I will permit Guam Department of Labor officials and my employees to have private interviews upon the request of either party;

(16) I will give the Guam Employment Service a minimum of 10 days written notice when terminating an employee prior to the termination date of his contract. However, in emergency cases, I will notify the Guam Employment Service and written notice will follow within 10 days; I agree that I will not deport any alien worker involved in a pending wage-hour investigation without written ap-

approval of the Director of Labor, or his authorized representative and the Immigration Department.

(17) I will permit an employee being terminated for any reason, after working on Guam for 20 working days, the opportunity to transfer to another employer if the Guam Employment Service and the U.S. Immigration and Naturalization Service concur in such transfer;

(18) My employees' hours of work and working conditions will be governed by existing contracts and applicable local labor laws.

(19) I will pay all the costs of transportation from point of hire to Guam and return, all costs of travel documents, all costs of necessary injections and inoculations and all costs of pre-engagement, physical examinations for my employees and I will not deduct the costs of same from the wages of my employees nor will I in any other way, recover such costs from my employees;

(20) I will pay all necessary costs of hospitalization and medical expenses resulting from illness or injury of my non-immigrant alien workers on Guam not covered by insurance on employment contracts.

(21) To my knowledge, my employees are not required to pay a brokerage fee in exchange for the opportunity to work on Guam.

False or misleading statements are punishable by law. (P.L. 9-238 is also applicable.)

Name of company.

Date.

Signature of authorizing representatives.

APPENDIX 4

GUAM COMPREHENSIVE MANPOWER PLAN, FISCAL YEAR 1974

(Prepared by Office of Manpower Development Resources, Office of the Governor, Government of Guam, Agana, Guam)

TERRITORY OF GUAM,
OFFICE OF THE GOVERNOR,
Agana, Guam, U.S.A., May 11, 1973.

Mr. FLOYD, W. EDWARDS,
Regional Manpower Administrator, U.S. Department of Labor, Manpower Administration, Region IX, San Francisco, Calif.

DEAR MR. EDWARDS: The Territory of Guam continues to experience shortage of skilled, technical and professional manpower in our work force in spite of the implementation of our administrative labor policy and new approach in the direction of local educational system to cope with the immediate needs of the community.

Guam's economic growth has generated the development and expansion of major industries; however, the Territory's labor work force supply cannot meet these demands. Consequently, a special program has been established through the importation of temporary alien workers in order to alleviate the manpower shortage. Currently there are 8,734 temporary alien workers which is 17 percent increase over last year. This shows an increase of 1,289 temporary alien workers into our current employment total work force of 30,365.

The anticipation of a cut in funding of some of the manpower programs and the phasing out of the PEP programs by June 30, 1974 have created a very serious situation towards the building up of a local labor work force to meet the demands of government and private industries.

Because of the Territory's critical labor shortage of qualified local U.S. resident workers, I am urgently recommending that an increase in Federal funds be considered for Guam so that acceleration of manpower training efforts at all levels of occupations can be continued in response to the emergency needs of the Territory.

I have approved the 1974 CAMPS plan together with all its recommendations in concurrence with the Manpower Planning Council for Guam.

Sincerely yours,

KURT S. MOYLAN, Acting.

SECTION I

INTRODUCTION

Summary of Planning Area's Demographic Characteristics

Guam's land area is 209 square miles with a population of 84,996 according to the U.S. Census report in 1970. The island is composed of 19 district subdivisions as shown on the map of Guam together with the population of each district and land area. There are 65,959 civilian and 19,037 military which comprise the total population as shown in the U.S. Census of 1970. The Economic Research Center, Department of Commerce, Government of Guam in its *Guam 1971 Pacific Growth Leader* issue has projected Guam's civilian population to reach 106,194 by 1980.¹ It appears that the Territory can provide the manpower resources to fill the current shortage now occupied with temporary nonimmigrant workers and in the meantime keep up with the newly created jobs resulting by economic development and expansion. This objective can be achieved through a dynamic training program supported by legislation and well defined policies.

¹ Refer to table VII.

For the past decade the emphasis on manpower training programs have been in the training of low income families. This is still true at the Federal level of funding. The present trend is to shift more of the training programs at the State or local policymaking decision level in order that the State or local government can best utilize the funds on training programs which are designed to meet the need of the people and the community. Last year the Government of Guam issued the 10 percent U.S. resident requirement policy and the prevailing wage rates in the skilled trade and service industries with the intent to motivate local resident workers to gain employment in the private sector. Training programs have been implemented to meet the individual needs in the craft and service industries; however, the demands resulting from present labor shortages and jobs newly created have imposed more problems in our limited resources in manpower and training facilities. The requirement of employers who are presently employing nonimmigrant workers to set up a training program in their organization is gradually receiving acceptance, but retaining the trainees has been difficult because of the labor market which is becoming more competitive in other industries particularly in government service where the pay and fringe benefits are more attractive.

Economic Analysis

The economy of Guam is changing and growing at a dynamic pace. In the past the economy has been one dimensional. Activities were centered largely around the military establishment making the most of Guam's strategic location. Now a new dimension has been added. A burgeoning tourist industry is fast becoming a major market for labor, material goods and services. The tourist industry shows an increase in arrival of 40,300 tourist and 45,400 visitor arrivals over the previous year.¹

The civilian population has expanded 61 percent between 1960 and 1970. Resident personal income indicates a substantial improvement from \$43 million in 1962 to the level of \$142 million in 1970.²

The enrollment in 1971 for the public schools, private schools and the University of Guam totaled 34,358, an increase of 10 percent.³ The combined total of all school graduates is 1391 who would be absorbed in the labor market with the exception of 744 who would be leaving for the mainland, military service, university, vocational, technical schools and business college.⁴

In the area of finance, the economic outlook for Guam shows a combined total of \$87.4 million bank deposits and bank loans of 96.8 million for the 18 financial institutions in the Territory. The percentage of increase in bank deposits and bank loans is 33.2 and 52 percent respectively over the previous year. Foreign trade shows an increase of \$2.2 million on export and \$28.6 million on import over last year. It also shows an increase in tonnage of 233,700 and 3,390 pounds by surface and air cargo respectively over last year.⁵

Contractors' gross receipts has increased in the millions, 28.7 percent over last year and the value of building permits in the millions also has increased 55.3 percent over last year.

Gross business income has a total increase of 27 percent in the millions of dollars from retail, wholesale, manufacturing, amusements and service industries over last year. The highest percentage from the above business is from the wholesale outlet which has an increase of 75.9 percent in the millions over the previous year.⁶

The Government of Guam revenues and expenditures have increased in the millions. The revenue collected shows an increase of 18.9 percent while the expenditure shows an increase of 33.3 percent over last year.

Utilities has shown considerable increase due to numerous development and construction of residential homes, hotels, apartment houses, public buildings as well as commercial. The consumption of electricity in million KW shows an increase of 14 percent, water consumption in millions of gallons, up 12.7 percent and telephone units installed up 13.3 percent over last year.

The Guam Statistical Indicators prepared by the Economic Research Center, Department of Commerce, Government of Guam, clearly indicated a continuous economic growth and expansion in every facet of the economy of Guam.

¹ Refer to table VII.

² Refer to table IX.

Occupational Surplus and Shortages

This situation has long existed here on Guam since the inception of the Organic Act of Guam in the middle part of 1950. The problem has been magnified by the rapid growth of population and economic expansion during the early part of 1963 when the Territory was engaged in a reconstruction and rehabilitation program resulting from the devastation of Typhoon Karen in November 1962, which generated, the island's economy into 1970. The implementation of the reconstruction and rehabilitation program established a special alien labor program and restored facilities that created a local occupational surplus because of the contractors' preference for cheap alien labor rather than local resident workers. This situation went unnoticed for over a decade when local residents were forced to seek other employment opportunities.

The present trend of local worker attitudes for seeking private employment came a long way but only after numerous laws and policies have been implemented to remove some of the inequities of employment practices both in government and private industries.

The steady increase of the importation and extension of temporary nonimmigrant workers has indicated shortages of workers as shown on the tabular presentation released by the Labor Statistical Division, Department of Labor. (Refer to table V.) This report shows a continuous high turnover in the masons, plumbers, carpenters, cooks, waiter and et cetera, occupations. As building projects become completed and the enforcement of the 3-year limit for alien workers stay on Guam by the U.S. Immigration and Naturalization Law, evidence will show that every 3 years there would be shortages of workers in the construction industry. Refer to tabular summary table VI.

SECTION II—MANPOWER POLICY AND PRIORITIES

DEVELOPING A MANPOWER POLICY

The Territory of Guam is committed toward the development of a comprehensive manpower plan which is designed to coordinate all manpower training programs at all levels of occupations in the territory with the intent and purpose of consolidating all manpower resources to the end of building and maintaining a skilled, technical and professional work force supply to meet the needs of the people and demands of government and industries. The ultimate goal is reducing unemployment, phasing out nonimmigrant workers, attaining full employment and increasing personal income to upgrade living standards.

Top priorities shall be given due consideration to the less fortunates, returning Vietnam-era veterans, and the development of Territory's citizens potentials irrespective of economic status.

List of recommended priorities is the following:

1. Target Population Group

(a) Rehabilitate returning Vietnam-era veterans, the unemployed or underemployed through training or retraining to improve their competitive position in the labor market.

(b) Maximize unsubsidized employment through displacement of nonimmigrant temporary workers in the service and construction industries.

(c) Reduce unemployment by developing the Territory's agriculture and fishing industries.

(d) Maximize the development of every citizen's potential. The Territory of Guam is experiencing a great transition on her economy from governmental oriented to the private sector. At this transitory period, the citizens of the Territory must be afforded all the opportunities to develop their potentials and get their fair share from Guam's economic abundance. The citizens shall not be neglected and allowed to tread the streets in quest for employment because they lack the formal or practical preparations, requirements and qualifications for gainful employment at a time of economic prosperity.

The administration has directed those responsible in the Territory's educational system to place major emphasis in their course of studies towards meeting the immediate needs of the students and community. Recently a super board of education has been created to review, study, evaluate the Territory's educational system and submit their findings and recommendations to the Governor.

2. Industrial/Occupational Areas⁴

The construction and service industries continue to expand at a greater rate than local labor supply. In accordance with Guam division of Labor Statistic's report,⁴ there are 5727 and 333 jobs of various occupations in construction and service industries that are filled by temporary nonimmigrant workers because of local non-U.S. resident workers to meet the demands of the government and the private sector inspite of the various manpower training programs input during the fiscal year.

3. Types of Manpower and Related Services

The local apprenticeship program, seminars, and in-service training within the government of Guam are some programs which are implemented to service the needs of individuals in meeting job requirements and upgrading technical and professional standards.

The local apprenticeship program is sponsored by local contractors in the service and construction industries who signed the apprenticeship training program with the government of Guam. There are 133 in the apprenticeship training program for fiscal year 1973 and an increase of 300 for fiscal year 1974.

The in-service and seminar which are conducted by the government of Guam with its employees are designed to improve their skills and professional standards with the objectives of receiving additional income through promotions or reclassifications. In-service, seminars and off-island conference a total of 1,500 for 1973 with anticipated same level for fiscal year 1974.

The demands for manpower services by government and private industries of 7,274,⁴ the anticipated job openings in the various occupational categories far exceeds the available local manpower resources as indicated in the total individuals needs the sum of 5,484⁵ to meet the total job demands by government and private industries of 20,092⁶ the greatest number are being filled by temporary nonimmigrant workers.⁶

SECTION III—SUMMARY OF FISCAL YEAR 1974 RECOMMENDATIONS

SUMMARY OF FISCAL YEAR 1974 NON-DOL RECOMMENDATIONS

The last column on recommendations includes various increases as a result of funding limits, new proposals and new programs. You will note that 10 percent increases are used in the Federal agencies in order to continue and maintain all program operations. Increases in State and local agencies have been included in fiscal year 1974 budgets pending approval from the Guam Legislature.

BREAKDOWN OF CHART—SUMMARY OF FISCAL YEAR 1974 NON-DOL RECOMMENDATIONS

I. Federal

A. *HEW* (Discretionary only).—Ten percent increase of the amount of \$10,330,160 in order to continue and maintain existing programs.

B. *CSC*.—Over 1,500 employees will receive training and upgrading as a result of I.P.A.

C. *Department of Agriculture*.—U.S.D.A. commodities are still in demand for school lunches and for welfare recipients. Farming and fishing researches will be further developed in fiscal year 1974.

D. *EPA*.—More funds are needed to continue the work against pollution. The 10 percent increase of \$162,065 may not suffice.

E. *HUD*.—Due to the freeze in funds, the Neighborhood Facilities Program will not be funded in fiscal year 1974.

II. State

A. *DPW*.—Five major programs encompass the major portions of \$4,050,171—Public Assistance, Child Welfare, Older Americans, Food Commodities, and Medicaid.—The increase of \$935,931 is the result of increases in services and clientele.

B. *ABE*.—The total amount of \$126,359 shows an increase of \$15,639 for a continuance and maintenance of programs in adult education.

⁴ Refer to table V.

⁵ Refer to table IV.

⁶ Refer to table III.

C. *VOC-ED*.—Vocational education in fiscal year 1974 will be centered in career education. \$1,208,869 shows an increase of \$186,915.

D. *ES*.—None available in the private sector.

E. *Voc-Rehab*.—Many disabled citizens have taken advantage of the programs and services of the Division of Vocational Rehabilitation. \$1,092,725 is being requested to continue and maintain these activities—an increase of \$93,021.

III. Local

B. *CAA*.—One of the major programs of this agency for fiscal year 1974 is Head Start, which is reflected by the increase of \$33,211.

SUMMARY OF FISCAL YEAR 1974 NON-OOL RECOMMENDATIONS—GUAM

Contracting agency	Program name and current sponsor	Agencies effected by change	Current contract period (fiscal year)	Budget for current period	Recommended new program funding, fiscal year 1974	Description of recommendation
I. FEDERAL AGENCIES						
A. HEW (discretionary only)	See attachments		1973	\$9,391,055	\$10,330,160	¹ 10
B. CSC	do		1973	60,000	60,000	(²)
C. Department of Agriculture	do		1973	157,626	173,388	¹ 10
D. EPA	do		1973	147,332	162,065	¹ 10
E. HUC	do		1973	442,000	NA	NA
Subtotal				10,198,013	10,725,613	² 969,000
II. STATE AGENCIES						
A. DPW	Various—HEW		(³)	3,120,240	4,056,171	² 935,931
B. ABE	Adult Education—HEW		1973	110,720	126,359	² 15,639
C. Vocational education	Vocational Education—HEW		1973	1,021,914	1,208,869	² 186,955
O. ES						
E. Vocational rehabilitation	DVR—HEW-SRS		1973	999,704	1,092,725	² 93,021
Subtotal				5,252,578	6,484,124	² 1,231,546
III. LOCAL AGENCIES						
A. City of						
B. CAA	Head Start—HEW		1973	482,121	515,332	² 33,211
C. Community College						
Total, all programs				15,932,712	17,725,069	² 1,792,357

¹ Percent increase.

² Same level.

³ Dollar increase.

⁴ Continuous.

CAMPS/74 OPERATING PLAN

1. Summary of Manpower Administration fiscal year 1974 recommendation by categorical program and funding source.

(a) Fiscal year 1974. Manpower Revenue Sharing. New resources level for total MRS activity program. The funding level is \$508,400 which includes CAMPS for \$25,000, \$481,000 for EOA and MDTA shares of 60 percent and 40 percent respectively. For the first half of fiscal year 1974, program categorization shall continue to be the procedure to follow with the anticipation of a remodification, but the funding level shall be controlled at fiscal year 1974 level in spite of any anticipated categorical adjustments.

Based on the fiscal year 1974 MRS allocation to Guam for the continuation of its manpower training programs, increased slots have been provided to the following programs:

Program	Present level	New level
NYC (Out-of-school)	50	70
NYC (In-school)	19	32
OM	20	40

The NYC Out-of-School program slots were reduced from 65 to 50 effective on March 15, 1973, as a result of a nationwide 15 percent cut to the program. On the other hand, the number of eligible applicants on the pending list has risen to well over 100. Since the program has obviously made a significant impact in moving high school dropout youth to undersubsidized jobs, it is felt that the increase is justifiable.

The NYC In-School component has been in need of more slots since its inception to Guam, in 1967. However, because of limited funding allocation to the program, Guam's share is maintained at 19 slots. This is much too low to meet the needs of the low-income students which is estimated at approximately 700 (based on the number of enrollees who participated in the 1972 summer program).

OM is the only program we have on Guam that provides services to the older people, especially those housewives whose husbands do not have sufficient income to meet the needs of their families. This group of people do not usually fit into the programs being undertaken by MDTA.

The recycling of the PSC program is also included at the cost of \$84,560 for plan A and \$25,000 for plan B or C. Presently, the program is being implemented at GPA to upgrade 39 of their entry-level employees. Because of the future expansion of that agency, and the mere fact that they have to contract the operation of its power barge to an alien company manned by alien employees, it is conceivable that the training of local residents in the operation of the powerplant is needed. The percentage breakout of 56 percent EOA and 44 percent MDTA have not been compiled with because of the categorical funding source and the need being on programs funding by EOA. This is allowable at the local level pursuant to Table III.

(b) *WIN Program*.—is designed to move able-bodied aid to families with dependent children (AFDC) recipients who are receiving public assistance payments of welfare rolls into meaningful employment. This program is jointly administered by the Guam Department of Labor and the Department of Public Health and Social Services. WIN provides the necessary supportive services until the clients are placed permanently on the job.

The projected number of clients for fiscal year 1974 is 400 with the funding level of 273,918 which is a combined resource of prior years and fiscal year 1974. The total anticipated AFDC is 650 for fiscal year 1974 and approximately 500 will be appraised with the objective of placing 200 on permanent jobs in addition to those on board at the end of fiscal year 1973. The balance of 300 will be carried on next fiscal year 1975. Refer to Camps Format II.

(c) *EEA*.—This program is to provide employment to unemployed individuals in the low income group and Vietnam era returning veterans. The authorized number of slots is 100 and the funding level at 293,004 to carry the program objectives and phasing out deadline by June 30, 1974. Plans and schedules for the phasing out have been formulated for the placement of participants and a staff by the target date without any lay-offs. It is recommended that portion of the PEP funds will be utilized in the Summer Youth Program.

(d) *Employment Security*.—This division in the Department of Labor has the primary responsibility of servicing the needs of individuals with the aims and objectives in placing them into government services or private industries. The volume of work has increased tremendously because of the population explosion and rapid growth and expansion of the territory's economy which demand qualified labor work force. The division anticipated to receive 14,690 individuals needing service for fiscal year 1974 to meet the demand for labor by the government and private industries which is estimated at 26,092. The division's workload has been greatly increased because of the influx of nonimmigrant temporary labor to meet the shortages in the technical, professional and skilled trades. The average composition of nonimmigrant work force during the year is over 7,000 which needs proper screening for labor certifications. Enforcement is rather very weak in the division's area of operation resulting from the continuous nonimmigrant labor demands and shortage of staff and qualified personnel.

The order of priorities in servicing the needs of individuals is enumerated in Section II (1) Manpower Policy and Priorities. It recommends the division's funding for fiscal year 1974 to cover additional staff and increased operational cost to improve and maintain the division's operational efficiency. Refer to table III.

2. *Manpower Planning Assumptions*. The Territory of Guam through the years has not compiled any data and must resort to its current statistical compilation

from the Division of Labor Statistics, Guam Department of Labor, Guam Employment Service, Guam Economic Research Center and the U.S. Census of 1970. The total composition of employment is 30,365 and the greatest segment is the construction and service industries. The current needs that will be served are 632 and the anticipated needs are 5,484 of the target population.

CAMPS FORMAT NO. 3, CAMPS PLANNING WORKSHEET FOR FISCAL YEAR 1974

Inventory and assessment of current manpower programming effort. The total number of participants in five categories is 1,999 with a funding level of \$1,911,242. The assessment of these programs in terms of effectiveness and achievement is within the State and national performance ratio. The success of the program in fiscal year 1973 can be measured in the number of individuals served and the number placed in unsubsidized employment. The continuous increase of individual needing services and labor shortages in the construction and service industries and the anticipated development of the garment, fishing and farming industries poses additional problems in the territory in meeting the demands of services by its population and of labor supply for government and private industries. In order to provide these individuals with their service needs and to supply labor to the demand of industries, it is strongly recommended that further acceleration in manpower development, training and placement be aggressively implemented to reduce unemployment, nonimmigrant alien workers, subsidized employment, to attain full employment, to increase income, improve living standards and in the meantime build up qualified labor work force for supply immediate utilization by government and industries.

HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORAT #3

(Definitions can be found in the Glossary attached to IC1 74-7)

PROJECT: AA1-0490-002	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM
NAME, LOCATION OF PROJECT: APPLIC SHIP REPAIR FACILITY & NAVAL TROOP MARKS CENTER AGUANA GUAM			PROJECT START & END DATES: 7/13/71 - 7/7/72
1. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Funds			8,944
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			8,944
4. Authorized Enrollment Level (Current Capacity)			0
5. Actual Costs			100
6. No. of Individuals Served (17+19)			14
7. No. of Individuals Placed in Unsubsidized Employment			14
8. Total Terminations (9+10)			14
9. Total Completions			14
10. Total Early Terminations			0
11. Participation Rate (18+4)			0
12. Early Termination Rate (10+6)			0
13. Holding Rate (CEP & WIN) (20+18)			100
14. Placement Rate 4/ (CEP & WIN; 7+6) (MDTA; 7:9) (7+8)			100
15. Completion Rate (9+8)			100
16. Cost per Placement 3/ (5+7)			\$ 100
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			14
18. Current Enrollment			0
19. New Enrollees			0
20. Holding (CEP & WIN)			0

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*					
2. FY 1974 New Resources					
3. Total Resources Available (contract) (1+2)					WILL NOT BE RECYCLED
4. A. 6/30/73 Enrollment*					DURING FY74
B. FY 1974 New Enrollees					
C. Estimated On-board 6/30/74					
5. Est. FY 1974 Costs**					
6. Total Indiv. to be Served FY 1974 (4A+4B)					
7. Total Indiv. to be Placed in Unsub. Empl.					
8. Planned Terminations (6-W)					
9. Planned Completions					
10. Planned Early Terminations (8-9)					
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate		X 90	X 90	X	X
12. Planned Early Termination Rate (10+6)		X	X	X	X
13. Planned Holding Rate (CEP & WIN)		X 35	X 100	X	X
14. Planned Placement Rate 4/		X 90	X 90	X	X
15. Planned Completion Rate (9+8)		X 90	X 90	X	X
16. Cost per Placement (5+7)		X	X	X	X

*To be filled in by Regional Office.

**To be developed in conjunction with SO staff.

^{1/} Determined by OMC in consultation with sponsors and SO staff.

^{2/} Determined by PAC or AWP in consultation with sponsors and SO staff.

^{3/} Because this is a simple division of costs by placements for a six-month period, the entry may be a gross distortion

of the actual cost per placement over the entire length of the project.

^{4/} Calculation of the placement rate for Win & CEP in Area 7 & Area 9; for MDTA 3 & 9; all other programs, 7 & 9.

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HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 24-2)

PROJECT: A-0400-000	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM
NAME, LOCATION OF PROJECT: OFFICE IN CHARGE OF CONSTRUCTION GUAM IMPROVEMENTS			PROJECT START & END DATES: 6/21/71-12/21/72
I. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Funds			77,684
2. FY 1973 Actual Obligations			0
3. Actual Total Availability	(1+2)		77,689
4. Authorized Enrollment Level (Current Capacity)			7
5. Actual Costs			14,105
6. No. of Individuals Served	(17+18)		12
7. No. of Individuals Placed in Unsubsidized Employment			5
8. Total Terminations	(9+10)		5
9. Total Completions			5
10. Total Early Terminations			0
11. Participation Rate	(18+4)		100 %
12. Early Termination Rate	(10+6)		0 %
13. Holding Rate (CEP & WIN)	(20+18)		N/A %
14. Placement Rate 4/ (CEP & WIN; 7+6) (NOTA; 7+9) (7+8)			100 %
15. Completion Rate	(9+8)		100 %
16. Cost per Placement 3/	(5+7)		\$ 2,931
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			12
18. Current Enrollment			7
19. New Enrollees			0
20. Holding (CEP & WIN)			N/A

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*					
2. FY 1974 New Resources					
3. Total Resources Available (contract) (1+2)					WILL NOT BE RECYCLED DURING FY74
4. A. 6/30/73 Enrollment*					
B. FY 1974 New Enrollees					
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs**					
6. Total Indiv. to be Served FY 1974 (4A+4B)					
7. Total Indiv. to be Placed in Unsub. Empl.					
8. Planned Terminations (6-4C)					
9. Planned Completions					
10. Planned Early Terminations (8-9)					
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal 1/	Area Goal 2/
11. Planned Participation Rate		90 %	90 %	X	X
12. Planned Early Termination Rate (10+6)		X	-	X	X
13. Planned Holding Rate (CEP & WIN)		X	N/A	X	X
14. Planned Placement Rate 4/		X	50 %	50 %	X
15. Planned Completion Rate (9+8)		X	50 %	50 %	X
16. Cost per Placement (5+7)		\$	\$	\$	\$

*To be filled in by Regional Office.

**To be developed in conjunction with SO staff.

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1/ Determined by SMC in consultation with sponsors and SO staff.
 2/ Determined by SMC or SPO in consultation with sponsors and SO staff.
 3/ Because this is a single division of costs by placement for a six-month period, the entry may be a gross distortion of the actual cost per placement if over the entire length of the project.
 4/ Calculation of the placement rate for WIN & CEP is Item 7 + Item 8; for NOTA 7 + 8; all other programs, 7 + 9.

11A CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: X-2-03-000	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM
NAME, LOCATION OF PROJECT: DEPT. OF EDUC. VOCATIONAL EDUCATION, GOVT. OF GUAM			PROJECT START & END DATES: 6/28/72 - 7/30/73
1. FY 1973 PERFORMANCE*			11/1/72 to 12/31/72
1. Actual Previous Years Funds			40,000
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			40,000
4. Authorized Enrollment Level (Current Capacity)			11
5. Actual Costs			0
6. No. of Individuals Served (17+19)			11
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations (9+10)			0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate (18+4)			100 X
12. Early Termination Rate (10+6)			0 X
13. Holding Rate (CEP & WIN) (20+18)			N/A X
14. Placement Rate * 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			0 X
15. Completion Rate (9+8)			0 X
16. Cost per Placement 3/ (5+7)			0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			0
18. Current Enrollment			4
19. New Intakes			7
20. Holdins (CEP & WIN)			N/A

11. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN	
1. Est. Previous Years Funds as of 6/30/73*		
2. FY 1974 New Resources		
3. Total Resources Available (contract) (1+2)		
4. A. 6/30/73 Enrollment*		
B. FY 1974 New Enrollees		
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**		
6. Total Ind. to be Served FY 1974 (4+4+9)		
7. Total Ind. to be Placed in Unsub. Empl.		
8. Planned Terminations (6-4C)		
9. Planned Completions		
10. Planned Early Terminations (8-9)		

NOT TO BE REPRODUCED

11. FY 1974 PLANNING STANDARDS	National Standard	Regional Standard	State Goal!	Area Goal!
11. Planned Participation Rate	X 90 X	50 X	X	X
12. Planned Early Termination Rate (10+6)	X	0 X	X	X
13. Planned Holding Rate (CEP & WIN)	X 15 X	N/A X	X	X
14. Planned Placement Rate 4/	X 50 X	50 X	X	X
15. Planned Completion Rate (9+8)	X	50 X	X	X
16. Cost per Placement (5+7) \$		5 - \$		

*To be filled in by regional office. **To be developed in conjunction with RD staff.

1/ Determined by DDFC in consultation with sponsors and RD staff.
 2/ Determined by RHC or DDFC in consultation with sponsors and RD staff.
 3/ Because this is a simple division of costs by placements for a site over a period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.
 4/ Calculation of the placement rate for JIA & CEP is done in line 14. For JIA & CEP for all other programs, 2 is done in line 14.

HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMP'S FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: AMM-0480-021	REGION: IX	STATE: GUAM	CAMP'S AREA: GUAM
NAME, LOCATION OF PROJECT: NAVAL PUBLIC WORKS CENTER AGANA, GUAM			PROJECT START & END DATES: 6/28/71 - VARIOUS
1. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Funds			14,510
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			14,510
4. Authorized Enrollment Level (Current Capacity)			5
5. Actual Costs			NA
6. No. of Individuals Served (17+19)			19
7. No. of Individuals Placed in Unsubsidized Employment			19
8. Total Terminations (9+10)			19
9. Total Completions			19
10. Total Early Terminations			0
11. Participation Rate (18+4)			0
12. Early Termination Rate (10+6)			0
13. Holding Rate (CEP & WIN) (20+18)			NA
14. Placement Rate 4/ (CCP & WIN: 7+6) (MDTA: 7+9) (7+8)			0
15. Completion Rate (9+8)			100
16. Cost per Placement 3/ (5+7)			1014
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			19
18. Current Enrollment			0
19. Enrollees			0
20. Holding (CEP & WIN)			NA

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*					
2. FY 1974 New Resources					
3. Total Resources Available (contract) (1+2)					
4. A. 6/30/73 Enrollment*					
B. FY 1974 New Enrollees					
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs**					
6. Total indlv. to be Served FY 1974 (5A+4B)					
7. Total ind. to be Placed in Unsub. Expl.					
8. Planned Terminations (6-4C)					
9. Planned Completions					
10. Planned Early Terminations (8-5)					
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal!	Area Goal!?
11. Planned Participation Rate		X 90	X 90	X	X
12. Planned Early Termination Rate (10+6)		X	X	X	X
13. Planned Holding Rate (CCP & WIN)		X	X 15	X	X
14. Planned Placement Rate 4/		X	X 80	X	X
15. Planned Completion Rate (9+8)		X	X 80	X	X
16. Cost per Placement (5+7)		X	X 5	X	X

ACT. D. RE. RECORDS

- 14c -

*To be filled in by Regional Office. **To be developed in conjunction with HQ staff.

1/ Determined by SMC in consultation with sponsors and HQ staff.

2/ Determined by NAF or AFM in consultation with sponsors and HQ staff.

3/ Because this is a static division of costs by placements for a six month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for WIN & CCP in item 7 + line 8 is: $\frac{1014}{5} = 202.8$; all other programs: $\frac{1014}{5} = 202.8$.

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: **R-3002-000** REGION: **IX** STATE: **GUAM** CAMPS AREA: **GUAM**
 NAME, LOCATION OF PROJECT: **GEN ZIER'S 4 GARSSONVILLE L.V.** PROJECT START & END DATES: **8/21/72 - 12/31/72**
1889, H&C-CIO, 1501 DILLINGER BLVD. ROOM 317
H&C-CIO, 1501 DILLINGER BLVD. ROOM 317

1. FY 1973 PERFORMANCE*		7/1/72 to 12/31/72	
1. Actual Previous Years Funds			0
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			0
4. Authorized Enrollment Level (Current Capacity)			15
5. Actual Costs			0
6. No. of Individuals Served (17+19)			0
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations (9+10)			0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate (18+4)			0
12. Early Termination Rate (10+4)			0
13. Holding Rate (CEP & W/M) (70+18)			NA
14. Placement Rate 4/ (CEP & W/M: 7+6) (MDTA: 7+9) (7+8)			0
15. Completion Rate (9+8)			0
16. Cost per Placement 3/ (5+7)			\$ 0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			0
18. Current Enrollment			0
19. New Enrollees			0
20. Holdings of CEP & W/M			NA

11. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN	
1. Est. Previous Years Funds as of 6/30/73*			
2. FY 1974 New Resources		1,200	
3. Total Resources Available (contract) (1+2)		1,200	
4. A. 6/30/73 Enrollment*		0	
B. FY 1974 New Enrollees		17	
C. Estimated On-Board 6/30/74		0	
5. Est. FY 1974 Costs**		1,200	
6. Total Indiv. to be Served FY 1974 (4A+4B)		17	
7. Total Ind. to be Placed in Unsub. Empl.		15	
8. Planned Terminations (6-4C)		17	
9. Planned Completions		15	
10. Planned Early Terminations (8-9)		1	

11. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	115	90	90	X	X
12. Planned Early Termination Rate (10+6)	5			X	X
13. Planned Holding Rate (CEP & W/M)	0	15	NA	X	X
14. Planned Placement Rate 4/	100	80	80	X	X
15. Planned Completion Rate (9+8)	88	80	80	X	X
16. Cost per Placement (5+7)	\$ 800	\$ -	\$ -	\$	\$

*To be filled in by Regional Office.

**To be developed in conjunction with MD staff.

^{1/} Determined by ANPC in consultation with sponsors and MD staff.

^{2/} Determined by H&C or ANPC in consultation with sponsors and MD staff.

^{3/} Because this is a single decision of costs by placement for a six-month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

^{4/} Calculation of the placement rate for W/M & CEP is line 7 + line 8; for MDTA 7 + 9; all other programs, 7 + 8.

HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT:	REGION:	STATE:	CAMPS AREA:
AM-3403-000	IX	GUAM	
NAME, LOCATION OF PROJECT:			PROJECT START & END DATES:
I. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Yards			335,000
2. FY 1973 Actual Obligations			0
3. Actual Total Availability	(1+2)		335,000
4. Authorized Enrollment Level (Current Capacity)			0
5. Actual Costs			N/A
6. No. of Individuals Served	(17+19)		0
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations	(9+10)		0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate	(18+4)		0 X
12. Early Termination Rate	(10+6)		0 X
13. Holding Rate (CEP & WIN)	(70+18)		N/A X
14. Placement Rate A/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			0 X
15. Completion Rate	(9+8)		0 X
16. Cost per Placement B/ (5+7)			0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			R
18. Current Enrollment			R
19. New Enrollees			R
20. ...			N/A

11. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		17,500
2. FY 1974 New Resources		22,500
3. Total Resources Available (contract) (1+2)		40,000
4. A. 6/30/73 Enrollment*		19
B. FY 1974 New Enrollees		1
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**		40,000
6. Total Indiv. to be Served FY 1974 (3+4B)		20
7. Total Ind. to be Placed in Unsub. Emp.		16
8. Planned Terminations (6-4C)		20
9. Planned Completions		16
10. Planned Early Terminations (8-9)		4

11. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal	Area Goal
11. Planned Participation Rate	110 X	90 X	90 X	X	X
12. Planned Early Termination Rate (10+6)	20 X		- X	X	1
13. Planned Holding Rate (CEP & WIN)	X	15 X	N/A X	X	X
14. Planned Placement Rate A/	100 X	80 X	80 X	X	X
15. Planned Completion Rate (9+8)	80 X	80 X	80 X	X	X
16. Cost per Placement (5+7)	\$ 2,500	\$ -	\$ -	\$	\$

*To be filled in by Regional Office.

**To be developed in conjunction with HQ staff.

1/ Determined by DMC in consultation with sponsors and HQ staff.

2/ Income this is a simple division of costs by placements for a six-month period, the entry may be a gross distortion

of the actual cost per placement over the entire length of the project.

3/ Calculation of the placement rate for WIN & CEP to line 7 + line 6; for MDTA 2 + 9; all other programs, 7 + 8.

MA CANFS PLANNING WORKSHEET FOR FY 1974 CANFS FORMAT #3

(Definitions can be found in the Glossary attached to TCI 74-2)

PROJECT: AM-2402-001	REGION: IX	STATE: GUAM	CANFS AREA: GUAM
NAME, LOCATION OF PROJECT: MDTA VOCATIONAL EDUCATION MARIKILBO, GUAM			PROJECT START & END DATES: 12/16/72 - 6/1/73
I. FY 1973 PERFORMANCE:			7/1/72 to 12/31/72
1. Actual Previous Years Funds			47,010
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			47,010
4. Authorized Enrollment Level (Current Capacity)			15
5. Actual Costs			1,021
6. No. of Individuals Served (17+19)			10
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations (9+10)			0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate (18+4)			67 %
12. Early Termination Rate (10:6)			0 %
13. Holding Rate (CEP & WIN) (20:18)			N/A %
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7-8)			0 %
15. Completion Rate (9+8)			0 %
16. Cost per Placement 3/ (5+7)			\$ 0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollments on Board 6/30/72			8
18. Current Enrollment			10
19. New Enrollments			10
20. Holding (CEP & WIN)			N/A

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		10,725
2. FY 1974 New Resources		36,285
3. Total Resources Available (contract) (1+2)		47,010
4. A. 6/30/73 Enrollment*		15
B. FY 1974 New Enrollments		15
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**		47,010
6. Total indiv. to be Served FY 1974 (6A+6B)		30
7. Total indiv. to be Placed in Unsub. Empl.		24
8. Planned Terminations (6-6C)		30
9. Planned Completions		24
10. Planned Early Terminations (8-9)		6

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	120 %	60 %	90 %	X	X
12. Planned Early Termination Rate (10:6)	20 %	X	X	X	X
13. Planned Holding Rate (CEP & WIN)		35 %	N/A	X	X
14. Planned Placement Rate 4/	100 %	50 %	80 %	X	X
15. Planned Completion Rate (9+8)	80 %	70 %	80 %	X	X
16. Cost per Placement (5+7)	\$1,958		\$ -	\$	\$

*To be filled in by Regional office.

**To be developed in conjunction with MD staff.

^{1/} Determined by SHDC in consultation with sponsors and MD staff.

^{2/} Determined by FARC or ANS in consultation with sponsors and MD staff.

^{3/} Income rate to a simple division of costs by placements for a six mo. period, the entry may be a gross distribution

^{4/} of the total cost per placement over the entire length of the project

^{5/} Calculation of the placement rate for MDTA and other programs, 74-2

MA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICL 74-2)

PROJECT: AM 2401-001	REGION: IX	STATE: GUAM	CAMPS AREA: GU/III		
NAME, LOCATION OF PROJECT: TECHNICAL SCHOOL, DEPT. OF EDUC HAGAN SUDOM			PROJECT START & END DATES: 4/3/73-7/30/74		
I. FY 1973 PERFORMANCE: ^a			7/1/72 to 12/31/72		
1. Actual Previous Years Funds				27,885	
2. FY 1973 Actual Obligations				0	
3. Actual Total Availability	(1+2)			27,885	
4. Authorized Enrollment Level (Current Capacity)				0	
5. Actual Costs				6,453	
6. No. of Individuals Served	(17+19)			17	
7. No. of Individuals Placed in Unsubsidized Employment				16	
8. Total Terminations	(9+10)			17	
9. Total Completions				16	
10. Total Early Terminations				1	
11. Participation Rate	(18+4)			0 X	
12. Early Termination Rate	(10+6)			6 X	
13. Holding Rate (CEP & WIN)	(20+18)			14 X	
14. Placement Rate $\frac{4}{(CEP \& WIN: 7+6)}$ (NMTA: 7+9) (7+8)				100 X	
15. Completion Rate	(9+8)			94 X	
16. Cost per Placement $\frac{3}{(5+7)}$				\$ 403	
ADDITIONAL ITEMS (OPTIONAL):					
17. Enrollees on Board 6/30/72				17	
18. Current Enrollment				0	
19. New Enrollees				0	
20. Holding (CEP & WIN)				N/A	
II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73 ^a					
2. FY 1974 New Resources					
3. Total Resources Available (contract) (1+2)			RECYCLED ON PROJECT		
4. A. 6/30/73 Enrollment ^a			NO. GU(AM) 2402-005		
B. FY 1974 New Enrollees					
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs ^a					
6. Total Indiv. to be Served FY 1974 (4A+4B)					
7. Total Ind. to be Placed in Unsub. Empl. ^b					
8. Planned Terminations (8+9)					
9. Planned Completions					
10. Planned Early Terminations (8-9)					
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate		X 90	X 90	X	X
12. Planned Early Termination Rate (10+6)		X	X	X	X
13. Planned Holding Rate (CEP & WIN)		X 15	X N/A	X	X
14. Planned Placement Rate $\frac{4}{(CEP \& WIN)}$		X 80	X 80	X	X
15. Planned Completion Rate (9+8)		X 90	X 80	X	X
16. Cost per Placement (5+7)		X	X	X	X

^aTo be filled in by Regional Office.

^bTo be developed in conjunction with SO staff.

^{1/}Determined by SWS in consultation with sponsor and SO staff.

^{2/}Determined by NRC or AWP in consultation with sponsor and SO staff.

^{3/} Become this in a single division of costs by placement for a set time period, the entry may be a gross distribution of the actual cost per placement over the entire length of the project.

^{4/} Representative of the placement rate for N/A & L&P by line 7 & line 8; NMTA 2 & 3; all other programs; 7+8; 20+21.

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICL 74-2)

PROJECT: AM-2402-002 REGION: IX STATE: GUAM CAMPS AREA: GUAM
 NAME, LOCATION OF PROJECT: MANGILAO VENTURE EDUCATION PROJECT START & END DATES: 10/15/72-6/1/73

I. FY 1973 PERFORMANCE*		7/1/72 to 12/31/72
1. Actual Previous Years Funds		47,010
2. FY 1973 Actual Obligations		0
3. Actual Total Availability (1+2)		47,010
4. Authorized Enrollment Level (Current Capacity)		15
5. Actual Costs		746
6. No. of Individuals Served (17+19)		7
7. No. of Individuals Placed in Unsubsidized Employment		0
8. Total Terminations (9+10)		0
9. Total Completions		0
10. Total Early Terminations		0
11. Participation Rate (18+4)		57 X
12. Early Termination Rate (10+6)		0 X
13. Holding Rate (CEP & WIN) (20+18)		100 X
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)		0 X
15. Completion Rate (9+8)		0 X
16. Cost per Placement 3/ (5+7)		\$ 0
ADDITIONAL ITEMS (OPTIONAL):		
17. Enrollees on Board 6/30/72		0
18. Current Enrollment		7
19. New Enrollees		7
20. Holding (CEP & WIN)		100

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		17,611
2. FY 1974 New Resources		29,399
3. Total Resources Available (contract) (1+2)		47,010
4. A. 6/30/73 Enrollment*		14
B. FY 1974 New Enrollees		16
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**		47,010
6. Total Indiv. to be Served FY 1974 (4+4+8)		30
7. Total Ind. to be Placed in Unsub. Placm.		24
8. Planned Terminations (6+4+2)		30
9. Planned Completions		24
10. Planned Early Terminations (8+9)		6

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	120 X	90 X	90 X	X	X
12. Planned Early Termination Rate (10+6)	20 X		X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	NA X	X	X
14. Planned Placement Rate 4/	100 X	50 X	50 X	X	X
15. Planned Completion Rate (9+8)	80 X	50 X	50 X	X	X
16. Cost per Placement (5+7)	\$ 1,958	\$ -	\$ -	\$ -	\$ -

*To be filled in by Regional Office. **To be derived in conjunction with NO staff.

^{1/} Determined by DHPIC in consultation with sponsors and NO staff.
^{2/} Derived by DHPIC or DHPIC in consultation with sponsors and NO staff.
^{3/} Income able to a simple division of costs by placements for a six month period, the carry over is a gross distortion of the actual cost per placement since the entire length of the project is included in the placement cost for WIN & CEP is 1/10 of the time for WIN & CEP 2, 4 of all other programs, 7 & 8.

HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: AM-2401-002	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM		
NAME, LOCATION OF PROJECT: GUAM VOCATIONAL TRADES TECHNICAL SCHOOL, DEPT. OF EDUC MIGUEL, GUAM			PROJECT START & END DATES: 4/5/72 - 9/30/72		
I. FY 1973 PERFORMANCE**			7/1/72 to 12/31/72		
1. Actual Previous Years Funds			2,516		
2. FY 1973 Actual Obligations			2,516		
3. Actual Total Availability (1+2)			2,516		
4. Authorized Enrollment Level (Current Capacity)			2,516		
5. Actual Costs			9,333		
6. No. of Individuals Served (17+19)			23		
7. No. of Individuals Placed in Unsubsidized Employment			22		
8. Total Terminations (9+10)			23		
9. Total Completions			23		
10. Total Early Terminations			0		
11. Participation Rate (18+4)			0 X		
12. Early Termination Rate (10+6)			0 X		
13. Holding Rate (CEP & WIN) (70+18)			N/A X		
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			93 X		
15. Completion Rate (9+8)			100 X		
16. Cost per Placement 3/ (5+7)			\$ 2.07		
ADDITIONAL ITEMS (OPTIONAL):					
17. Enrollments on Board 6/30/72			23		
18. Current Enrollment			23		
19. New Enrollments			0		
20. Holding (CEP & WIN)			N/A		
II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*					
2. FY 1974 New Resources					
3. Total Resources Available (contract) (1+2)			RECYCLED UNDER PROJECT NO. GU (AM) 2402-007		
4. A. 6/30/73 Enrollment*					
B. FY 1974 New Enrollments					
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs**					
6. Total Indiv. to be Served FY 1974 (4A+4B)					
7. Total Ind. to be Placed in Unsub. Empl.					
8. Planned Terminations (6-4C)					
9. Planned Completions					
10. Planned Early Terminations (8-9)					
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal	Area Goal
11. Planned Participation Rate		X 90	X 90	X	X
12. Planned Early Termination Rate (10+6)		X	X	X	X
13. Planned Holding Rate (CEP & WIN)		X 15	X NA	X	X
14. Planned Placement Rate 4/		X 50	X 80	X	X
15. Planned Completion Rate (9+8)		X 80	X 80	X	X
16. Cost per Placement (5+7)		X	X	X	X

**To be filled in by Regional Office.

**To be developed in conjunction with MO staff.

1/ Determined by DMC in consultation with sponsors and MO staff.

2/ Determined by DMC in consultation with sponsors and MO staff.

3/ Because this is a single division of costs by placement for a six-month period, the entry may be a gross distortion

of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for CEP & WIN is based on the 91 (75, 101A, 1, 9) -01 other programs. I.O.R. 7/73, 1/74

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: AM-2402-002	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM
NAME, LOCATION OF PROJECT: MINDA VOCATIONAL EDUCATION MANGILAO, GUAM			PROJECT START & END DATES: 10/16/73 - 6/1/73
1. FY 1973 PERFORMANCE: ^a			11/1/72 to 12/31/73
2. Actual Previous Years Funds			47,010
3. FY 1973 Actual Obligations			0
4. Actual Total Availability	(1+2)		47,010
5. Authorized Enrollment Level (Current Capacity)			15
6. Actual Costs			2,320
7. No. of Individuals Served	(17+18)		13
8. No. of Individuals Placed in Unsubsidized Employment			0
9. Total Terminations	(9+10)		0
10. Total Completions			0
11. Total Early Terminations			0
12. Participation Rate	(18+4)		90 X
13. Early Termination Rate	(10+6)		0 X
14. Holding Rate (CEP & WIN)	(20+18)		N/A X
15. Placement Rate	6/ (CEP & WIN: 7+6) (MVA: 7+9) (7+8)		0 X
16. Completion Rate	(9+8)		0 X
17. Cost per Placement	(5+7)		0
ADDITIONAL ITEMS (OPTIONAL):			
18. Enrollees on Board 6/30/72			0
19. Current Enrollment			13
20. New Enrollments			13
21. Holding (CEP & WIN)			N/A

11. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN	National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
1. Est. Previous Years Funds as of 6/30/73 ^a	17,768				
2. FY 1974 New Resources	29,242				
3. Total Resources Available (contract) (1+2)	47,010				
4. A. 6/30/73 Enrollment ^a	15				
B. FY 1974 New Enrollments	15				
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs ^a	47,010				
6. Total Indiv. to be Served FY 1974 (4A+4B)	30				
7. Total Indiv. to be Placed in Unsub. Empl.	24				
8. Planned Terminations (6+4C)	30				
9. Planned Completions	24				
10. Planned Early Terminations (8-9)	6				
11. FY 1974 PLANNING STANDARDS					
11. Planned Participation Rate	120 X	90 X	90 X	X	X
12. Planned Early Termination Rate (10+6)	20 X	1 X	1 X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	N/A X	X	X
14. Planned Placement Rate 4/	100 X	80 X	80 X	X	X
15. Planned Completion Rate (9+8)	80 X	80 X	80 X	X	X
16. Cost per Placement (5+7)	\$1,958				

^aTo be filled in by Regional Office.

^bTo be done up in conjunction with BS staff.

^{1/} Determined by SDC in consultation with sponsors and BS staff.

^{2/} Determined by SDC or AOS in consultation with sponsors and BS staff.

^{3/} Because this is a single district of costs by placement for a six-month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

^{4/} Calculation of the placement rate for CEP & WIN is line 7 + line 8 in this 2 + 3; all other programs, 2 + 4.

HA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: <i>AM-222-004</i>	REGION: <i>IX</i>	STATE: <i>GUAM</i>	CAMPS AREA: <i>GUAM</i>
NAME, LOCATION OF PROJECT: <i>MDTA VOCATIONAL EDUCATION</i>			PROJECT START & END DATES: <i>12/16/72-6/1/73</i>
NAME: <i>MANGIAD GUAM</i>			
1. FY 1973 PERFORMANCE: ^a			7/1/72 to 12/31/72
1. Actual Previous Years Funds			<i>5,935</i>
2. FY 1973 Actual Obligations			<i>0</i>
3. Actual Total Availability (1+2)			<i>5,935</i>
4. Authorized Enrollment Level (Current Capacity)			<i>12</i>
5. Actual Costs			<i>4,209</i>
6. No. of Individuals Served (17+19)			<i>14</i>
7. No. of Individuals Placed in Unsubsidized Employment			<i>2</i>
8. Total Terminations (9+10)			<i>2</i>
9. Total Completions			<i>2</i>
10. Total Early Terminations			<i>0</i>
11. Participation Rate (18+4)			<i>100</i> %
12. Early Termination Rate (10+6)			<i>0</i> %
13. Holding Rate (CEP & WIN) (20+18)			<i>NH</i> %
14. Placement Rate ^{a/} (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			<i>100</i> %
15. Completion Rate (9+8)			<i>100</i> %
16. Cost per Placement ^{3/} (5+7)			<i>\$ 2,105</i>
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollies on Board 6/30/72			<i>0</i>
18. Current Enrollment			<i>12</i>
19. New Enrollies			<i>14</i>
20. Holding (CEP & WIN)			<i>100</i>

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73 ^a		<i>5,566</i>
2. FY 1974 New Resources		<i>369</i>
3. Total Resources Available (contract) (1+2)		<i>5,935</i>
4. A. 6/30/73 Enrollment ^b		<i>14</i>
5. FY 1974 New Enrollies		<i>0</i>
6. Estimated On-Board 6/30/74		<i>0</i>
7. Est. FY 1974 Costs ^c		<i>5,935</i>
8. Total Indiv. to be Served FY 1974 (4A+5E)		<i>14</i>
9. Total Indiv. to be Placed in Unsub. Empl.		<i>11</i>
10. Planned Terminations (6-3C)		<i>14</i>
11. Planned Completions		<i>11</i>
12. Planned Early Terminations (6-9)		<i>3</i>

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate		110 %	<i>90</i> %	<i>90</i> %	X
12. Planned Early Termination Rate (10+6)		21 %	<i>0</i> %	<i>0</i> %	X
13. Planned Holding Rate (CEP & WIN)		X	<i>15</i> %	<i>15</i> %	X
14. Planned Placement Rate ^{a/}		100 %	<i>80</i> %	<i>80</i> %	X
15. Planned Completion Rate (9+8)		79 %	<i>100</i> %	<i>80</i> %	X
16. Cost per Placement (5+7)		\$ 539	<i>0</i>	<i>0</i>	\$

^aTo be filled in by Regional Office.

^bTo be developed in conjunction with SO staff.

^{1/} Determined by SMC in consultation with sponsors and SO staff.
^{2/} Determined by SMC or SO in consultation with sponsors and SO staff.
^{3/} Because this is a single division of costs by placement for a one year period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.
^{4/} Calculation of the placement rate for WIN & CEP is done by the SO & PI on all other programs. To be filled in by the Regional Office.

MA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to IC1 74-2)

PROJECT: AM-2402-005	REGION: IX	STATE: GUAM	CAMPS AREA: GUAM
NAME, LOCATION OF PROJECT: MDTA VOCATIONAL EDUCATION MANGILAD, GUAM			PROJECT START & END DATES: 10/16/73-6/1/78
I. FY 1973 PERFORMANCE:			7/1/72 to 12/31/72
1. Actual Previous Years Funds			0
2. FY 1973 Actual Obligations			0
3. Actual Total Availability (1+2)			0
4. Authorized Enrollment Level (Current Capacity)			15
5. Actual Costs			0
6. No. of Individuals Served (17+19)			0
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations (9+10)			0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate (18+4)			0 X
12. Early Termination Rate (10+6)			0 X
13. Holding Rate (CEP & WIN) (70+18)			NH X
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			0 X
15. Completion Rate (9+8)			0 X
16. Cost per Placement 3/ (5+7)			\$ 0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			0
18. Current Enrollment			0
19. New Enrollees			0
20. Enrollment of CEP & WIN			0

II. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN	
1. Est. Previous Years Funds as of 6/30/73*	8,771	
2. FY 1974 New Resources	85,244	
3. Total Resources Available (contract) (1+2)	94,015	
4. A. 6/30/73 Enrollment*	13	
B. FY 1974 New Enrollees	47	
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**	94,015	
6. Total indiv. to be Served FY 1974 (4A+4B)	60	
7. Total Ind. to be Placed in Unsub. Empl.	48	
8. Planned Terminations (6-4C)	60	
9. Planned Completions	48	
10. Planned Early Terminations (8-9)	12	

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	120 X	90 X	90 X	X	X
12. Planned Early Termination Rate (10+6)	20 X		X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	NH X	X	X
14. Planned Placement Rate 4/	100 X	80 X	80 X	X	X
15. Planned Completion Rate (9+8)	80 X	80 X	80 X	X	X
16. Cost per Placement (5+7)	\$1,958		\$ -	\$	\$

*To be filled in by Regional Office.

**To be developed in conjunction with DD staff.

^{1/} Determined by DMC in consultation with sponsors and DD staff.

^{2/} Determined by MAC or ANA in consultation with sponsors and DD staff.

^{3/} Because this is a simple division of costs by placements for a six month period, the entry NH is a gross distortion of the actual cost per placement over the entire length of the project.

^{4/} Calculation of the placement rate for WIN & CEP is line 7 + line 6; for MDTA 7 + 9; all other programs, 7 + 8.

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: AM-2402-006	REGION: IX	STATE: GUAM	CAMPF AREA: GDM
NAME, LOCATION OF PROJECT: MDTA VOCATIONAL EDUCATION			PROJECT START & END DATES: 10/16/73 - 6/1/75
MANGILAC, GUAM			
I. FY 1973 PERFORMANCE:			7/1/73 to 12/31/73
1. Actual Previous Years Funds			0
2. FY 1973 Actual Obligations			0
3. Actual Total Availability	(1+2)		0
4. Authorized Enrollment Level (Current Capacity)			15
5. Actual Costs			0
6. No. of Individuals Served	(17+19)		0
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations	(9+10)		0
9. Total Completions			0
10. Total Early Terminations			0
11. Participation Rate	(18+4)		0
12. Early Termination Rate	(10+6)		0
13. Holding Rate (CEP & WIN)	(20+18)		100%
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7-8)			0
15. Completion Rate (9+8)			0
16. Cost per Placement 3/ (5+7)			0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/73			0
18. Current Enrollment			0
19. New Enrollees			0
20. Holding Rate (CEP & WIN)			0

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		14,628
2. FY 1974 New Resources		32,382
3. Total Resources Available (contract) (1+2)		41,010
4. A. 6/30/73 Enrollment*		16
B. FY 1974 New Enrollees		14
C. Estimated On-Board 6/30/74		
5. Est. FY 1974 Costs**		47,010
6. Total Indiv. to be Served FY 1974 (4A+5B)		30
7. Total Indiv. to be Placed in Unsub. Empl.		24
8. Planned Terminations (6-4C)		30
9. Planned Completions		24
10. Planned Early Terminations (8-9)		6

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal	Area Goal
11. Planned Participation Rate	120 %	90 %	90 %	X	X
12. Planned Early Termination Rate (10-6)	20 %		X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 %	NA	X	X
14. Planned Placement Rate 4/	100 %	80 %	80 %	X	X
15. Planned Completion Rate (9+8)	80 %	70 %	50 %	X	X
16. Cost per Placement (5+7)	\$ 1,958				

*To be filled in by Regional Office.

**To be developed by Regional Office.

1/ Determined by SHPC in consultation with sponsor and SO staff.

2/ Determined by NAFC or ANFA in consultation with sponsor and SO staff.

3/ Because this is a simple division of costs by placements for a six month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for VWS & CEP is Item 7 & Item 6; for MDTA 7 & 9; all other programs, 7 & 8.

MA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT:	REGION:	STATE:	CAMPS AREA:		
AM-242A-007	IX	GUAM	GUAM		
NAME, LOCATION OF PROJECT: MIDTA VOCATIONAL EDUCATION			PROJECT START & END DATES:		
MIA WING ILEO, GUAM			10/18/72 - 6/11/73		
1. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72		
1. Actual Previous Years Funds			0		
2. FY 1973 Actual Obligations			0		
3. Actual Total Availability (1+2)			0		
4. Authorized Enrollment Level (Current Capacity)			15		
5. Actual Costs			0		
6. No. of Individuals Served (17+19)			0		
7. No. of Individuals Placed in Unsubsidized Employment			0		
8. Total Terminations (9+10)			0		
9. Total Completions			0		
10. Total Early Terminations			0		
11. Participation Rate (18+4)			0 X		
12. Early Termination Rate (10+6)			0 X		
13. Holding Rate (CEP & WIN) (20+18)			NH X		
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9)			0 X		
15. Completion Rate (9+8)			0 X		
16. Cost per Placement 3/ (5+7)			0		
ADDITIONAL ITEMS (OPTIONAL):					
17. Enrollees on Board 6/30/72			0		
18. Current Enrollment			0		
19. New Enrollees			0		
20. Holding (CEP & WIN)			N/A		
II. FY 1974 PLANNING INDICATORS					
		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*		2,500			
2. FY 1974 New Resources		44,510			
3. Total Resources Available (contract) (1+2)		47,010			
4. A. 6/30/73 Enrollment*		4			
B. FY 1974 New Enrollees		26			
C. Estimated On-Board 6/30/74					
5. Est. FY 1974 Costs**		47,010			
6. Total Indiv. to be Served FY 1974 (4A+4C)		30			
7. Total Ind. to be Placed in Unsub. Empl.		24			
8. Planned Terminations (6+4C)		30			
9. Planned Completions		24			
10. Planned Early Terminations (8-9)		6			
III. FY 1974 PLANNING STANDARDS					
		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	120 X	90 X	90 X	X	X
12. Planned Early Termination Rate (10+6)	20 X			X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	N/A	X	X
14. Planned Placement Rate 4/	100 X	90 X	80 X	X	X
15. Planned Completion Rate (9+8)	80 X	90 X	80 X	X	X
16. Cost per Placement (5+7)	\$ 1,958				

*To be filled in by Regional Office.

**To be developed in conjunction with MO staff.

^{1/} Determined by MDC in consultation with sponsors and MO staff.

^{2/} Determined by MDC or MDP in consultation with sponsors and MO staff.

^{3/} Because this is a single division of costs by placements for a one month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

^{4/} Calculation of the placement rate for WIN & CEP in Item 7 = line 6; for MDTA 7 + 9; all other programs, 7 + 8.

MA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT:	JOB	REGION:	IX	STATE:	GUM	CAMPS AREA:
NAME, LOCATION OF PROJECT:						PROJECT START & END DATES:
Summary						
1. FY 1973 PERFORMANCE:						7/1/72 to 12/31/72
1. Actual Previous Years Funds						62,000
2. FY 1973 Actual Obligations						23,000
3. Actual Total Availability (1+2)						85,000
4. Authorized Enrollment Level (Current Capacity)						28
5. Actual Costs						22,000
6. No. of Individuals Served (17+19)						64
7. No. of Individuals Placed in Unsubsidized Employment						0
8. Total Terminations (9+10)						25
9. Total Completions						0
10. Total Early Terminations						25
11. Participation Rate (18+4)						53 %
12. Early Termination Rate (10-6)						38 %
13. Holding Rate (CEP & WIN) (20+18)						N/A %
14. Placement Rate 4/ (CEP & WIN) 7+6 (MDTA: 7+9) (7-8)						0 %
15. Completion Rate (9+8)						0 %
16. Cost per Placement 3/ (5+7)						\$ 00
ADDITIONAL ITEMS (OPTIONAL):						
17. Enrollments on Board 6/30/72						8
18. Current Enrollment						41
19. New Enrollees						58
20. Holding (CEP & WIN)						N/A
11. FY 1974 PLANNING INDICATORS						FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*						\$ 40,000
2. FY 1974 New Resources						\$179,400
3. Total Resources Available (contract) (1+2)						\$219,400
4. A. 6/30/73 Enrollment*						30
B. FY 1974 New Enrollees						150
C. Estimated On-Board 6/30/74						30
5. Est. FY 1974 Costs**						\$179,400
6. Total Indiv. to be Served FY 1974 (4A+4B)						180
7. Total Ind. to be Placed in Unsub. Empl.						150
8. Planned Terminations (6-4C)						150
9. Planned Completions						127
10. Planned Early Terminations (8-9)						23
J.I.I. FY 1974 PLANNING STANDARDS						
11. Planned Participation Rate						72 %
12. Planned Early Termination Rate (10-6)						13 %
13. Planned Holding Rate (CEP & WIN)						15 %
14. Planned Placement Rate 4/						100 %
15. Planned Completion Rate (9+8)						85 %
16. Cost per Placement (5+7)						\$ 1,196

*To be filled in by Regional Office.

**To be developed in conjunction with RD staff.

1/ Determined by DDC in consultation with sponsors and RD staff.

2/ Determined by DDC or DDP in consultation with sponsors and RD staff.

3/ Because this is a simple division of costs by placements for a six-month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for CEP & WIN in line 7 + line 8; MDTA 7 + 9; all other programs, 7 + 8.

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-1)

PROJECT:	REGION:	STATE:	CAMPS AREA:
JOP - RAR Sec. 241	IX	Guam	
NAME, LOCATION OF PROJECT:			PROJECT START & END DATES:
I. FY 1973 PERFORMANCE*			7/1/72 to 11/31/72
1. Actual Previous Years Funds			
2. FY 1973 Actual Obligations			
3. Actual Total Availability (1+2)			
4. Authorized Enrollment Level (Current Capacity)			
5. Actual Costs			
6. No. of Individuals Served			
7. No. of Individuals Placed in Unsubsidized Employment			
8. Total Terminations (9+10)			
9. Total Completions			
10. Total Early Terminations			
11. Participation Rate			X
12. Early Termination Rate (10+6)			X
13. Holding Rate (CEP & WIN)			X
14. Placement Rate 4/ (CEP & WIN) 7+6 (MDTA) 7+9 (7+P)			X
15. Completion Rate (9+8)			X
16. Cost per Placement 3/ (5+7)			\$
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/71			
18. Current Enrollment			
19. New Enrollees			
20. Holdings of CEP & WIN			

II. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 4/30/73*	\$10,500
2. FY 1974 New Resources	23,920
3. Total Resources Available (contract) (1+2)	34,420
4. A. 6/30/73 Enrollment*	20
B. FY 1974 New Enrollees	20
C. Estimated On-Board 4/30/74	0
5. Est. FY 1974 Costs**	34,420
6. Total indiv. to be Served FY 1974 (4A+4B)	40
7. Total ind. to be Placed in Unsub. Empl.	31
8. Planned Terminations (6-4C)	40
9. Planned Completions	31
10. Planned Early Terminations (8-9)	9

III. FY 1974 PLANNING STANDARDS	National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	X	X	100%	X
12. Planned Early Termination Rate (10+6)	X	X	22%	X
13. Planned Holding Rate (CEP & WIN)	X	15%	N/A	X
14. Planned Placement Rate 4/	X	X	78%	X
15. Planned Completion Rate (9+8)	X	X	78%	X
16. Cost per Placement (5+7)	\$	\$	\$ 1,110	\$

*To be filled in by Regional Offices.

**To be developed in conjunction with DD staff.

^{1/} Determined by BMC in consultation with sponsors and DD staff.

^{2/} Determined by HARC or ANPS in consultation with sponsors and DD staff.

^{3/} Because this is a simple division of costs by placements for a six month period, the entry may be a gross distortion.

MA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICJ 74-7)

PROJECT:	REGION:	STATE:	CAMPS AREA:
Job Corps	IX	Conn	
NAME, LOCATION OF PROJECT:			PROJECT START & END DATES:
I. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Funds			
7. FY 1973 Actual Obligations			
3. Actual Total Availability	(1+2)		
4. Authorized Enrollment Level (Current Capacity)			
5. Actual Costs			
6. No. of Individuals Served			
7. No. of Individuals Placed in Unsubsidized Employment			
8. Intel Terminations	(9+10)		
9. Total Completions			
10. Total Early Terminations			
11. Participation Rate			X
12. Early Termination Rate	(10+6)		X
13. Holding Rate (CEP & WIN)			X
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			X
15. Completion Rate	(9+8)		X
16. Cost per Placement 3/	(5+7)		\$
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			
18. Current Enrollment			
19. New Enrollees			
20. Holdings, CEP & WIN			

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		-0-
7. FY 1974 New Resources		\$10,000
3. Total Resources Available (contract) (1+2)		10,000
4. A. 6/30/73 Enrollment*		50
B. FY 1974 New Enrollees		75
C. Estimated On-board 6/30/74		45
5. Est. FY 1974 Costs**		\$10,000
6. Total Indiv. to be Served FY 1974 (4A+4B)		125
7. Total Ind. to be Placed in Unsub. Empl.		68
8. Planned Terminations (6-4C)		80
9. Planned Completions		68
10. Planned Early Terminations (8-9)		12

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate		X	X	100X	X
12. Planned Early Termination Rate (10+6)		X	X	10X	X
13. Planned Holding Rate (CEP & WIN)		X	15 X	N/A X	X
14. Planned Placement Rate 4/		X	X	85 X	X
15. Planned Completion Rate (9+8)		X	X	85 X	X
16. Cost per Placement (5+7) \$			\$	\$ 167	\$

*To be filled in by Regional Office. **To be developed in conjunction with SO staff.
^{1/} Determined by SWPC in consultation with sponsors and SO staff.
^{2/} Determined by SAC or AWP in consultation with sponsors and SO staff.
^{3/} Assume this is a single division of costs by placements for a six month period, the entry may be a gross distortion.

-14r-

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT F3

(Definitions can be found in the Glossary attached to ICI 14-1)

PROJECT: NYC-SUMMER REGION: 1136-66 STATE: IX Guam		CAMPS AREA: Governor HAPC
NAME, LOCATION OF PROJECT: Dept. of Labor, Govt. of Guam P.O. Box 2950 Agaña, Guam 96919		PROJECT START & END DATES: 6/1/72-9/1/72
I. FY 1973 PERFORMANCE:		7/1/72 to 12/31/72
1. Actual Previous Tests Funds		176,921
2. FY 1973 Actual Obligations		0
3. Actual Total Availability (1+2)		176,921
4. Authorized Enrollment Level (Current Capacity)		612
5. Actual Costs		174,812
6. No. of Individuals Served (17+19)		727
7. No. of Individuals Placed in Unsubsidized Employment		N/A
8. Total Terminations (9+10)		727
9. Total Completions		N/A
10. Total Early Terminations		N/A
11. Participation Rate (18+4)		118 X
12. Early Termination Rate (10+6)		N/A X
13. Holding Rate (CEP & WIN) (20+18)		N/A X
14. Placement Rate 4/ (CEP & WIN: 7+6) (WTA: 7+9) (7+8)		N/A X
15. Completion Rate (9+8)		N/A X
16. Cost per Placement 3/ (5+7)		\$ N/A
ADDITIONAL ITEMS (OPTIONAL):		
17. Enrollies on Board 6/30/72		727
18. Current Enrollment (Avg. End-of-Mo. Enrollment)		720
19. Holding (CEP & WIN)		0
20. Holding (CEP & WIN)		N/A

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		No Summer program provided for FY74
2. FY 1974 New Resources		
3. Total Resources Available (contract) (1+2)		
4. A. 6/30/73 Enrollment*		
B. FY 1974 New Enrollies		
C. Estimated On-board 6/30/74		
5. Est. FY 1974 Costs**		
6. Total Indiv. to be Served FY 1974 (4A+4B)		
7. Total Indiv. to be Placed in Unsub. Empl.		
8. Planned Terminations (6+6C)		
9. Planned Completions		
10. Planned Early Terminations (8+9)		

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal	Area Goal
11. Planned Participation Rate		X 100 X	X	X	X
12. Planned Early Termination Rate (10+6)		X	X	X	X
13. Planned Holding Rate (CEP & WIN)		X 15.2	X	X	X
14. Planned Placement Rate 4/		X N/A 2	X	X	X
15. Planned Completion Rate (9+8)		X	X N/A X	X	X
16. Cost per Placement (5+7)		\$	\$	\$	\$

*To be filled in by Regional Office. **To be developed in conjunction with MO staff.
 1/ Determined by LWTC in consultation with sponsors and MO staff.
 2/ Determined by HAPC or ANPP in consultation with sponsors and MO staff.
 3/ Assume this to be a simple distribution of costs by placements for a six month period, the carry over is a gross distribution of the actual cost per placement over the entire length of the project.
 4/ Calculation of the placement rate for WIN & CEP in line 7 + line 8 by (WTA) + 9) all other programs, 7 + 8.

NA CAMPS PLANNING WORKSHEET FOR FY 1974

CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: NYC 1/5 REGION: NA		STATE: GUAM		CAMPS AREA: GOVERNOR NAAC	
NAME, LOCATION OF PROJECT: DEPT. OF LABOR GOV'T OF GUAM P.O. Box 2950 AGANA GUAM 96510		PROJECT START & END DATES: 9/7/71 2/14/73			
I. FY 1973 PERFORMANCE**		7/1/72 to 12/31/72			
1. Actual Previous Years Funds					943
2. FY 1973 Actual Obligations					728
3. Actual Total Availability	(1+2)				1671
4. Authorized Enrollment Level (Current Capacity)					19
5. Actual Costs					3490
6. No. of Individuals Served	(17+19)				25
7. No. of Individuals Placed in Unsubsidized Employment					NA
8. Total Terminations	(9+10)				4
9. Total Completions					NA
10. Total Early Terminations					NA
11. Participation Rate	(18+4)				111 X
12. Early Termination Rate	(10+6)				NA X
13. Holding Rate (CEP & WIN)	(20+18)				NA X
14. Placement Rate 4/ (CEP & WIN: 7+9) (DATA: 7+9) (7+8)					NA X
15. Completion Rate	(9+8)				NA X
16. Cost per Placement 1/	(5+7)				NA
ADDITIONAL ITEMS (OPTIONAL):					
17. Enrollees on Board 6/30/72					0
18. Current Enrollment					21
19. New Enrollments					25
20. Holding (CEP & WIN)					NA
II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN			
1. Est. Previous Years Funds as of 6/30/73*					-0-
2. FY 1974 New Resources					22,540
3. Total Resources Available (contract) (1+2)					22,540
4. A. 6/30/74 Enrollment*					-0-
B. FY 1974 New Enrollees					32
C. Estimated On-Board 6/30/74					-0-
5. Est. FY 1974 Costs**					22,540
6. Total indiv. to be Served FY 1974 (4A+4B)					32
7. Total Ind. to be Placed in Unsub. Empl.					8
8. Planned Terminations (6-4C)					32
9. Planned Completions					8
10. Planned Early Terminations (8-9)					N/A
III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal 1/	Area Goal 2/
11. Planned Participation Rate 100		X 100 %	X	X	X
12. Planned Early Termination Rate N/A (10+6)		X	X	X	X
13. Planned Holding Rate (CEP & WIN)		X 15 %	X	X	X
14. Planned Placement Rate 4/ 25		X	X	X	X
15. Planned Completion Rate 8 (9+8)		X	X	X	X
16. Cost per Placement N/A (5+7) 9		X	X	X	X

*To be filled in by Regional Office.

**To be derived in conjunction with BO staff.

1/ Determined by DDC in consultation with sponsor and BO staff.

2/ Determined by DDC or DDB in consultation with sponsor and BO staff.

3/ Because this is a simple division of costs by placements for a six-month period, the entry may be a gross deviation of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for CEP & WIN is item 7 + item 9; in 100% = 9; all other programs, 7 + 8.

- 14c -

MA CAMP'S PLANNING WORKSHEET FOR FY 1974 CAMP'S FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2) N/D

PROJECT: NYC-195 1060-66	REGION: IX	STATE: Guan	CAMP'S AREA: CIAM MAPC
NAME, LOCATION OF PROJECT: Government of Guam M.A. Extension M.A. Extension 9610			PROJECT START & END DATES: 7/16/70 - 2/15/73
1. FY 1973 PERFORMANCE**			7/1/72 to 12/31/72
1. Actual Previous Years Funds			42,667
2. FY 1973 Actual Obligations			73,630
3. Actual Total Availability (1+2)			116,297
4. Authorized Enrollment Level (Current Capacity)			65
5. Actual Costs			86,727
6. No. of Individuals Served (17+19)			160
7. No. of Individuals Placed in Unsubsidized Employment			38
8. Total Terminations (9+10)			88
9. Total Completions			N/A
10. Total Early Terminations			N/A
11. Participation Rate (18+4)			11 X
12. Early Termination Rate (10+6)			N/A X
13. Holding Rate (CEP & WIN) (20+18)			N/A X
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			43 X
15. Completion Rate (9+8)			N/A X
16. Cost per Placement 3/ (5+7)			\$ 2,282
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollments on Board 6/30/72			61
18. Current Enrollment			72
19. New Enrollments			99
20. Holding (CEP & WIN)			N/A

11. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*	9000
2. FY 1974 New Resources	192,600
3. Total Resources Available (contract) (1+2)	201,600
4. A. 6/30/73 Enrollment*	50
B. FY 1974 New Enrollments	90
C. Estimated On-Board 6/30/74	70
5. Est. FY 1974 Costs**	201,600
6. Total Indiv. to be Served FY 1974 (4A+4B)	140
7. Total Indiv. to be Placed in Unsub. Emp.	51
8. Planned Terminations (6-4C)	70
9. Planned Completions	51
10. Planned Early Terminations (8-9)	19

11. FY 1974 PLANNING STANDARDS	National Standard	Regional Standard	State Goal ^{1/}	Area Goal ^{2/}
11. Planned Participation Rate	100%	100%	X	X
12. Planned Early Termination Rate (10+6)	13.6%	X	X	X
13. Planned Holding Rate (CEP & WIN)	51%	15%	X	X
14. Planned Placement Rate 4/	72.1%	N/A	X	X
15. Planned Completion Rate (9+8)	72.8%	N/A	X	X
16. Cost per Placement (5+7)	\$3,952			

*To be filled in by Regional Office. **To be developed in consultation with BO staff.

^{1/} Determined by SHPC in consultation with sponsors and BO staff.
^{2/} Determined by MAPC or ANP in consultation with sponsors and BO staff.
^{3/} Income this is a simple division of costs by placements for a six month period, the entry rate is a gross distortion of the actual cost per placement over the entire length of the project.
^{4/} Calculation of the placement rate for CEP & WIN is line 7 + line 8; for MDTA 7 + 9; for all other programs 7 + 8.

NA CAMP'S PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

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PROJECT: OM (E) M9-0022-12	REGION: IX	STATE: GUAM	CAMP AREA: GUAM MPPC
NAME, LOCATION OF PROJECT: Government of Guam P. O. Box 2950, Agaña, Guam 96910			PROJECT START & END DATES: 7/1/70 - 2/15/73
1. FY 1973 PERFORMANCE:			7/1/72 to 12/31/72
1. Actual Previous Years Funds			40,136
2. FY 1973 Actual Obligations			0
3. Actual Total Availability	(1+2)		40,136
4. Authorized Enrollment Level (Current Capacity)			78
5. Actual Costs			30,243
6. No. of Individuals Served	(17+19)		38
7. No. of Individuals Placed in Unsubsidized Employment			10
8. Total Terminations	(9+10)		14
9. Total Completions			N/A
10. Total Early Terminations			1/2
11. Participation Rate	(18+4)		133%
12. Early Termination Rate	(10+6)		N/A %
13. Holding Rate (CEP & WIN)	(20+18)		N/A %
14. Placement Rate 4/ (CEP & WIN: 7+4) (DMTA: 7+9) (7+6)			71 %
15. Completion Rate	(9+6)		N/A %
16. Cost per Placement 3/	(5+7)		\$ 3,024
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 4/30/72			21
18. Current Enrollment			24
19. ...			17
20. Holding (CEP & WIN)			N/A

II. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73*		36,800
2. FY 1974 New Resources		103,360
3. Total Resources Available (contract) (1+2)		140,160
4. A. 6/30/73 Enrollment*		20
B. FY 1974 New Enrollees		60
C. Estimated On-Board 4/30/74		40
5. Est. FY 1974 Costs**		140,160
6. Total Indiv. to be Served FY 1974 (4A+4B)		80
7. Total Indiv. to be Placed in Unsub. Empl.		30
8. Planned Terminations (6-6C)		40
9. Planned Completions		30
10. Planned Early Terminations (8-9)		10

III. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard	State Goal 1/	Area Goal 2/
11. Planned Participation Rate	100 %	100 %	X	X	X
12. Planned Early Termination Rate (10+6)	1.25 %	X	X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 %	X	X	X
14. Planned Placement Rate 4/	75 %	N/A %	X	X	X
15. Planned Completion Rate 5/ (9+6)	75 %	N/A %	X	X	X
16. Cost per Placement -C/2 (5+7)	\$ 4,672	X	X	X	X

*To be filled in by Regional Office.

**To be developed in conjunction with ND staff.

1/ Determined by SMC in consultation with sponsors and ND staff.

2/ Determined by SMC or ANP in consultation with sponsors and ND staff.

3/ Because this is a simple division of costs by placements for a one month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate for WIN & CEP is line 7 a line 9; for DMTA 7+9; all other programs, 7 & 4.

HA CAMP'S PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: PSC-A PC-0911	REGION: IX	STATE: Guam	CAMP'S AREA: Governor ASAPC
NAME, LOCATION OF PROJECT: Guam Department of Labor P. O. Box 2950, Agaña, Guam 96910			PROJECT START & END DATES: 5-07-71 - 6-30-73
I. FY 1973 PERFORMANCE:			7/3/72 to 12/31/72
1. Actual Previous Years Funds			60,577
2. FY 1973 Actual Obligations			0
3. Actual Total Availability	(1+2)		60,577
4. Authorized Enrollment Level (Current Capacity)			49
5. Actual Costs			20,204
6. No. of Individuals Served	(17+19)		51
7. No. of Individuals Placed in Unsubsidized Employment			0
8. Total Terminations	(9+10)		2
9. Total Completions			0
10. Total Early Terminations			2
11. Participation Rate	(18+4)		100 X
12. Early Termination Rate	(10+6)		4 X
13. Holding Rate (CEP & WIN)	(20+16)		N/A X
14. Placement Rate 4/ (CEP & WIN: 7+6) (MDTA: 7+9)	(7+6)		0 X
15. Completion Rate	(9+8)		0 X
16. Cost per Placement 3/	(5+7)	\$	0
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			34
18. Current Enrollment			49
19. New Enrollees			17
20. Holding (CEP & WIN)			N/A

II. FY 1974 PLANNING INDICATORS	PSC-A FY 1974 ANNUAL PLAN	PSC-C
1. Est. Previous Years Funds as of 6/30/73*	-0-	-0-
2. FY 1974 New Resources	71,000	25,000
3. Total Resources Available (contract) (1+2)	71,000	25,000
4. A. 6/30/73 Enrollment*	-0-	-0-
B. FY 1974 New Enrollees	30	39
C. Estimated On-Board 6/30/74	-0-	-0-
5. Est. FY 1974 Costs**	71,000	25,000
6. Total Indiv. to be Served FY 1974 (4+4+3)	30	39
7. Total Ind. to be Placed in Unsub. Empl.	30	N/A
8. Planned Terminations (8-4C)	30	39
9. Planned Completions	30	39
10. Planned Early Terminations (8-9)	-0-	-0-

III. FY 1974 PLANNING STANDARDS	PSC A	PSC C	National Standard	Regional Standard	State Coalit/	Area Coalit/
11. Planned Participation Rate	100	100 X	X	- X	X	X
12. Planned Early Termination Rate 0 (10+6)	0	0 X	X	- X	X	X
13. Planned Holding Rate (CEP & WIN)	100	100 X	15 X	- X	X	X
14. Planned Placement Rate 4/	100	100 X	75 X	- X	X	X
15. Planned Completion Rate	100 (9+8)	100 X	75 X	75 X	X	X
16. Cost per Placement	2,567 (5+7)	\$ N/A	X	X	X	X

*To be filled in by Regional Office.

**To be developed in conjunction with HR staff.

†Determined by HRC in consultation with sponsors and HR staff.

‡Determined by HRC or HRS in consultation with sponsors and HR staff.

§Because this is a simple division of costs by placement for a six month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the program.

¶Calculation of the placement rate for W & CEP is done 1 + 100 (1 + MDTA 1 + 9) all other programs 1 + 8.

HA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: EEA 66-2-0041	REGION: IX	STATE: Guam	CAMPS AREA: Governor M2PC
NAME, LOCATION OF PROJECT: Government of Guam P. O. Box 884, Agaña, Guam			PROJECT START & END DATES: 8-26-71 - 3-15-73
1. FY 1973 PERFORMANCE*			7/1/72 to 12/31/72
1. Actual Previous Years Funds			160,530
2. FY 1973 Actual Obligations			219,984
3. Actual Total Availability	(1+2)		320,624
4. Authorized Enrollment Level (Current Capacity)			112
5. Actual Costs			254,130
6. No. of Individuals Served	(17+19)		154
7. No. of Individuals Placed in Unsubsidized Employment			48
8. Total Terminations	(9+10)		67
9. Total Completions			50
10. Total Early Terminations			17
11. Participation Rate	(18:4)		124 X
12. Early Termination Rate	(10:6)		9 X
13. Holding Rate (CEP & WIN)	(20+18)		N/A X
14. Placement Rate Δ / (CEP & WIN: 7+6) (NOTA: 7+9)	(7:8)		72 X
15. Completion Rate	(9:8)		75 X
16. Cost per Placement $\$$	(5:7)		\$ 1215
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			124
18. Current Enrollment			117
19. New Enrollees			50
20. Holding (CEP & WIN)			N/A

11. FY 1974 PLANNING INDICATORS		FY 1974 ANNUAL PLAN	
1. Est. Previous Years Funds as of 6/30/73*	343,999	This is the amount of FY73 funds needed for the gradual phase-out on participants on June 30, 1974	
2. FY 1974 New Resources			
3. Total Resources Available (contract) (1+2)			
4. A. 6/30/73 Enrollment*			
B. FY 1974 New Enrollees			
C. Estimated On-Board 6/30/74			
5. Est. FY 1974 Costs**			
6. Total Indiv. to be served FY 1974 (AA+4B)			
7. Total Ind. to be Placed in Unsub. Empl.			
8. Planned Terminations (6-4C)			
9. Planned Completions			
10. Planned Early Terminations (8-9)			
11. FY 1974 PLANNING STANDARDS		National Standard	Regional Standard
11. Planned Participation Rate	X	X	X
12. Planned Early Termination Rate (10:6)	X	X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	X
14. Planned Placement Rate Δ /	X	X	X
15. Planned Completion Rate (9:8)	X	X	X
16. Cost per Placement (5:7) \$		\$	\$

*To be filled in by Regional Office.

**To be developed in conjunction with HQ staff.

1/ Determined by HQ in consultation with sponsors and HQ staff.

2/ Determined by HQ or ARO in consultation with sponsors and HQ staff.

3/ Because this is a single division of costs by placements for a six month period, the entry may be a gross distortion of the actual cost per placement over the entire length of the project.

4/ Calculation of the placement rate per WIN & CEP for ARO & HQ for FY 74 - 75 will reflect programs, 7 & 8.

NA CAMPS PLANNING WORKSHEET FOR FY 1974 CAMPS FORMAT #3

(Definitions can be found in the Glossary attached to ICI 74-2)

PROJECT: <i>WIN</i> 9438 A-12	REGION: IX	STATE: Guam	CAMPS AREA: <i>Governor</i>
NAME, LOCATION OF PROJECT: Guam Employment Service			PROJECT START & END DATES: 7-01-72 - 6-30-73
I. FY 1973 PERFORMANCE: ^a			7/1/72 to 12/31/72
1. Actual Previous Years Funds			<i>INA</i>
2. FY 1973 Actual Obligations			<i>INA</i>
3. Actual Total Availability	(1+2)		<i>INA</i>
4. Authorized Enrollment Level (Current Capacity)			<i>INA</i>
5. Actual Costs			<i>INA</i>
6. No. of Individuals Served	(17+19)		<i>200</i>
7. No. of Individuals Placed in Unsubsidized Employment			<i>72</i>
8. Total Terminations	(9+10)		<i>86</i>
9. Total Completions			<i>45</i>
10. Total Early Terminations			<i>41</i>
11. Participation Rate	(18+4)		<i>N/A</i> X
12. Early Termination Rate	(10+6)		<i>51</i> X
13. Holding Rate (CEP & WIN)	(20+18)		<i>6</i> X
14. Placement Rate <i>6/</i> (CEP & WIN: 7+6) (MDTA: 7+9) (7+8)			<i>36</i> X
15. Completion Rate	(9+8)		<i>52</i> X
16. Cost per Placement <i>3/</i>	(5+7)	\$	<i>118</i>
ADDITIONAL ITEMS (OPTIONAL):			
17. Enrollees on Board 6/30/72			<i>123</i>
18. Current Enrollment			<i>112</i>
19. New Enrollees			<i>11</i>
20. Holders (CEP & WIN)			<i>7</i>

11. FY 1974 PLANNING INDICATORS	FY 1974 ANNUAL PLAN
1. Est. Previous Years Funds as of 6/30/73 ^a	\$166,918
2. FY 1974 New Resources	107,000
3. Total Resources Available (contract) (1+2)	273,918
4. A. 6/30/73 Enrollees ^a	200
B. FY 1974 New Enrollees	200
C. Anticipated On-Board 6/30/74	250
5. Est. FY 1974 Costs ^a	273,918
6. Total indiv. to be Served FY 1974 (4A+4B)	400
7. Total ind. to be Placed in Unsub. Empl.	84
8. Planned Terminations (6-4C)	100
9. Planned Completions	40
10. Planned Early Terminations (8-9)	60

III. FY 1974 PLANNING STANDARDS		National Standard ¹	Regional Standard ²	State Goal ³	Area Goal ⁴
11. Planned Participation Rate	X	<i>95</i> X	X	X	X
12. Planned Early Termination Rate (10+6)	15 X	X	X	21 X	X
13. Planned Holding Rate (CEP & WIN)	X	15 X	X	X	X
14. Planned Placement Rate <i>6/</i>	X	20 X	X	X	X
15. Planned Completion Rate (9+8)	40 X	50 X	X	52 X	X
16. Cost per Placement (5+7)	\$ 3260.92	X	X	X	X

^aTo be filled in by Regional Office. ^bTo be derived in conjunction with DD staff.
¹ Determined by IARC in consultation with sponsors and DD staff.
² Determined by IARC or PWT in consultation with sponsors and DD staff.
³ Expense data is a simple division of costs by placements for a six-month period, the entry *21* is a gross distribution of the actual cost per placement over the entire length of the project.
⁴ Calculation of the placement rate for WIN & CEP to line 7 a line 6; (i.e. MDTA 7 + 9; all other programs, 7 + 6.

Project Number (1)	Project Location (2) Sponsor	EDUC: IX	STATE:	COUN:	CAMPUS AREA:	COVER: HOUR	PAGE 1		OP 1		Riding Rate (9)	Entry Rate (10)	FY 1974 Performance Comparison (11)	Placement (12)
							NOF Code (4)	2/7 (5)	Starting Date (8)	Participation (6)				
		Occupational (3)	Total (4)		Funding (5)		Number of Classes (7)							
1	Mangilio-DOE	8. Equip. Clus.	850,883		48,816	23,156	30		110X	2.30	65X	90X		
2	Harmon-DOE	Plumber	530,210		48,816	30,068	30			2.30				
3	Mangilio-DOE	Carpentry	525,120		48,816	29,168	40			2.30				
4	Harmon-DOE	Refrigeration /AC	637,287		48,816	31,999	30			2.30				
5	Mangilio-DOE	Mechanics	861,381		48,816	29,968	40			2.30				
6	Harmon-DOE	Welding	210,388-001		35,000	20,100	20			2.30	100X	100X	100X	
7	Harmon-DOE	Classroom	865,889-000		12,000	8,350	15			2.30	100X	100X	100X	
8	Harmon-DOE	Electrical	824,281-114		52,000	20,000	30			2.30	100X	100X	100X	
9	Harmon-DOE	Electronic Ass.	726,781-110		6,500	10,000	15			2.30	115X	100X	100X	
10	Harmon-DOE	Automotive (Transmission)	630,281-111		-0-	61,277	60							
11	Military	Refrigeration /AC(Transmission)	637,081-110		-0-	51,768	75							
12	"	Radio/TV Repairs	720,881-118		-0-	65,000	75							
13	"				64,000	60,816	60							

REGION: IX		STATE: GUAM		CAPS AREA GOVERNOR		PAGE 1 OF 1 PAGES						
Project Year (1)	Project Location Est Sponsor (2)	Occupational Title (3)	DOE Code (4)	2/P (5)	Positive Total (6) (a)	Number of Services (7) (b)	Starting Date (8) (c)	Ending Date (9) (d)	Entry Mags (10) (e)	FY 1974 Participation (11) (a)	Participation Completion (12) (b)	Placement Placement (13) (c)
2402-001	Mangilao-DOE	Hvy. Equip. Cluster	850,883		67,000	37,909			2.30	120X	80X	100X
-002	Haron-DOE	Plumber	530,210		67,000	34,613			2.30			
-003	Mangilao-DOE	Carpentry	575,110		67,000	19,467			2.30			
-004	Haron-DOE	Refrigeration	637,281		67,000	18,377			2.30			
-005	Haron-DOE	Masonry	561,381		67,000	13,658			2.30	130X	73X	100X
2403-001	Mangilao-DOE	H. Equip. Clus.	850,883-00		48,816	23,156			2.30	120X	80X	100X
-002	Haron-DOE	Plumber	530,210		48,816	20,000			2.30			
-003	Mangilao-DOE	Carpentry	575,110		48,816	29,868			2.30			
-004	Haron-DOE	Refrigeration /AC	637,287		48,816	31,999			2.30	130X	73X	100X
-005	Mangilao-DOE	Masonry	861,381		48,816	28,988			2.30	106X	80X	100X
3003	Haron-DOE	Bookkeeper	210,388-022		30,000	20,100			2.50			
3004	Haron-DOE	Electronic Ass.	726,781-010		7,000	10,000			2.30	112X	90X	100X
TE-001	Military	Auto Mech.	620,281-014		-0-	61,277						
TE-002	Military	Refrig./AC.	637,281-010		-0-	51,788						
TE-004	Military	Radio/TV Repairs	720,281-018		-0-	65,000						

SECTION IVAPPENDICESI. Population Characteristics

Appendix I is an analysis of the population characteristics from age 10 to all ages and the total labor force from 16 and over. The universe of needs is indicated on Table I where it reflects the areas where the individuals can be determined, extracted, evaluated and placed in the manpower training programs to meet their immediate needs and at the same time render entry level or improve service to the community. It appears from the population profile indicator that there has been a tremendous increase of women population and the present trend demands of industries for their services. Refer to Tables I and IV.

II. Current and Projected Employment Needs by Occupation

Tables II and V are a summary which briefly describes on pages 21 & 24, the high turnover in the service and construction industries for reasons as stated therein. The present trend on the attitudes of employees and employers appears greatly in its greater understanding, relationship and acceptance through improved communication by means of legislation, regulations, policies, conferences, news and radio and television media.

III. Description of Planning Area

This map shows the list of 19 districts subdivision with the population of each district the location of the manpower training programs. The Manpower Planning and training program sponsors are located as shown on the territory of Guam map. This shows a brief description of the area where planning and training are conducted for the various manpower programs. Refer to Table XI.

IV. The Decision-Making Process

The Manpower Planning Council meets occasionally for the purpose of studying, evaluating and making recommendations of the manpower training programs effectiveness. The Council in coordination with the various manpower training sponsors examines, reviews and recommends increase, decrease the number of trainees or funding level in each program categories. Final decisions rest with the Governor and federal funding agencies who are involved in the contract agreement. MDTA and WIN have programs linkages with the Department of Education and Public Health and Social Services. Past differences have been ironed out. Improved relationship between agencies resulted in coordinated efforts towards achieving programs objectives and goals. Refer to Table III.

*This page is compiled by the Guam Department of Labor, Statistical Division, as of March 24, 1973.

POPULATION ANALYSIS *
TABLE I

INDICATOR	TOTAL		WHITE		BLACK		OTHER RACES		SPANISH AM.		
	M	F	M	F	M	F	M	F	M	F	
TOTAL POPULATION (Civilian Only)											
AGE											
TOTAL, ALL AGES 80,322	44,739	35,583									
10-15 12,069	6,270	5,799									
16-19 6,265	3,229	3,036									
20-21 4,779	2,051	2,728									
22-44 28,052	18,259	9,793									
45-54 5,510	3,330	2,180									
55 and over 4,064	1,388	2,676									
TOTAL LABOR FORCE 16 AND OVER 45,422	25,895	19,527									
LABOR FORCE PARTICIPATION RATE 70.8	86.8	49.5									
CIVILIAN LABOR FORCE EMPLOYED 32,143	22,479	9,664									
UNEMPLOYED 1,709	21,707	8,727									
UNEMPLOYMENT RATE - 5.3	772	937									
	3.4	9.7									
DISABLED, 16-64 UNEMPLOYMENT RATE	N/A	N/A									
NOT IN LABOR FORCE 13,279	3,416	9,863									
INMATE OF INSTITUTION											
ENROLLED IN SCHOOL											
OTHER UNDER 65 YEARS											
DISABLED OR HANDED - CAPPEO											
ABLE TO WORK											
OTHER OVER 65 YEARS											

* Based on estimated data compiled from Household & Labor Force Surveys as of March 24, 1973 by BLS, Guam Department of Labor.

* Data are extracted from 1970 U.S. Census Report
 POPULATION ANALYSIS • TABLE I

INDICATOR	TOTAL		WHITE		BLACK		SPANISH AEL	
	H	F	H	F	H	F	H	F
POPULATION 16-21, NOT IN SCHOOL, UNEMPLOYED, AND NOT IN LABOR FORCE	4,150	N/A						
HIGH SCHOOL GRADUATES	3,059	N/A						
PERCENT OF GRADUATES, 16-21	73.7%	N/A						
NON-HIGH SCHOOL GRADUATES	1,091	N/A						
PERCENT NONGRADUATES 16-21	26.3%	N/A						
EDUCATION								
POPULATION 25 YEARS AND OVER WITH LESS THAN 8 YEARS OF EDUCATION	5,220	4,414						
PERCENT	22.2%	32%						
POPULATION 25 YEARS AND OVER WHO ARE NOT HIGH SCHOOL GRADUATES	8,635	5,962						
PERCENT	45%	43.3%						
POPULATION 25 YEARS AND OVER WITH ANY COLLEGE	4,349	2,736						
PERCENT	22.7%	20%						
TOTAL MEN 16-64 WITH LESS THAN 3 YEARS COLLEGE COMPLETED	25,467							
MEN 16-64 WITH VOCATIONAL TRAINING,	9,576							
PERCENT OF MALES 16-64 WITH LESS THAN 3 YEARS OF COLLEGE	37.6%							

* Data are based from the U.S. Census Report of 1970.

TABLE II

COMPOSITION OF EMPLOYMENT *

*Compiled by the Statistical Division, Guam Department of Labor,
as of March 1973.

	1970	1973 *	1974 *	1975 *
Professional, Technical		4363		
Managerial		1999		
Sale Workers		1154		
Clerical		4858		
Craftsmen, Foremen		15,541		
Operative		2883		
Laborers		2697		
Farm Workers		238		
Service Workers		4826		
Private Household		1		
GRAND TOTAL		38,470		

*Date for these years is optional; however, elected officials should make vocational education recommendations which are closely related to realistic employment outlooks in specific occupations (thus, more detailed occupational breakdown should be provided where data is available). Most of the information for 1970 is obtainable from Tables of the Summary Manpower Indicators. Occupational Projection Date for the remaining years is available for some areas. In the absence of these, the data will have to be estimated.

Table III

MANPOWER ADMINISTRATION PROGRAM PERFORMANCE

P E R F O R M A N C E R A T I O S

PROGRAMS	PARTICIPATION RATE	EARLY TERM. RATE	HOLDING RATE	JOB ENTRY PLACEMENT RATE	PLACEMENT RATE
Manpower Training Services (MIS)					
1. Private Sector JOBS/OJT					
a. JOBS Regular	97%	55%	N/A	N/A	100%
b. JOBS Optional					
2. Public Sector OJT	100%	0	N/A	N/A	100%
a. PSC (Plan A)					
b. New Careers					
c. STEP					
3. Institutional Training					
a. Regular (MDTA)	110%	15%	N/A	N/A	100%
b. Job Corps	113%	11%	N/A	N/A	100%
4. In-School Work Support					
a. In-School	100%	0	N/A	N/A	25%
b. Summer					
5. Post-School Work Support					
a. Mainstream	100%	1.25%	N/A	N/A	75%
1) Title I-B					
2) Title I-E					
b. Out-of-School	100%	1.36%	N/A	N/A	72.8%
6. CEP					
7. CAMPS					
BEA (PEP)	100%	N/A	N/A	N/A	N/A
Work Incentive Program	67%	43%	37%	49%	54%

Placements Job Openings	Placements New Applications		Non Ag. Placements New Applications	
17%	93%	92%		
26,092	4705	4705		

Grants to States
ES

\$ 178,028

Compare the Needs Profile (Manpower Target Population) with the total number of persons served in Manpower Programs to determine the estimated minimum number of individuals still in need of manpower services.

TABLE IV
COMPARISON OF SERVICE DELIVERY TO NEEDS PROFILE
(MANPOWER TARGET POPULATION)

	TOTAL	WHITE	BLACK	OTHER	SPANISH AMERICAN
1. Unemployed	1709				
Males	772				
Females	937				
2. Working Poor	4407				
Families					
Unrelated Individuals					
3. TOTAL..(Nos. 1 & 2 above)...	6116				
4. Persons Served Currently (total)	632	22	0	610	
a. Private Sector OJT					
(1) JOBS Regular					
(2) JOBS Optional	76	3	0	73	
b. Public Sector OJT					
(1) PSC Plan A	49	0	0	49	
(2) New Careers					
(3) STEP					
c. Institutional					
(1) Regular (MDTA)	15	0	0	15	
(2) Job Corps	50	0	0	50	
d. In-School Work Support					
(1) In-School	20	1	0	19	
(2) Summer					
e. Post-School Work Support					
(1) Mainstream	20	0	0	20	
(2) Out-of-School	55	4	0	51	
f. CEP					
g. CAMPS					
h. WIN	233	6	0	227	
i. EEA (PEP)					
j. Other	114	8	0	106	
5. Persons Still in Need of Manpower Services.	5484				

To arrive at number 5, subtract the total in number 4 from the total number of people in need in number 3.

TABLE V

Total Employment on All Licensed Businesses Establishments
and Government Agencies by Industry Division, Sex, and
Citizenship, Guam, First Quarter Fiscal Year 1973

	Total Employ- ment	Male	Female	U. S. Citizen		Alien	
				Local Hire	Contract Hire	Immigrant	Non-Immigrant
Total- Private Sector	17,010	13,085	3,925	8,356	209	1,624	6,821
Total-All Industries	30,365	22,113	8,252	19,280	1,848	1,973	7,264
Agriculture	29	26	3	11	-0-	-0-	18
Construction	7,149	6,995	154	1,147*	53	222	5,727
Manufacturing	996	698	298	620	9	90	277
Transportation, Communi- cation, Electric, Gas, & Sanitary Service	777	600	177	639	42	26	70
Wholesale & Retail Trade	4,619	2,753	1,866	3,493	57	725	344
Finance, Insurance & Real Estate	643	279	364	561	6	24	52
Service	2,797	1,734	1,063	1,885	42	537	333
Total - Government	13,355	9,028	4,327	10,924	1,639	349	443
Federal 2/ Local 3/	6,087 7,268	5,061 3,967	1,026 3,301	4,610 6,314	828 811	213 136	436 7

1/ U. S. Citizen hired from the State on a contract basis.

2/ Includes only civilian employees hired directly by federal agencies. Does not include the employees of private employers who are working under federal contracts.

3/ Does not include summer trainees or casual employees of the Commercial Port. Include Department of Education and University of Guam employees hired for the 1972-1973 school year.

4/ Non-Immigrant alien includes H-2, Parolee, Intra-Company transfers, and others.

* 1972 local hire 1276, a decrease of 129 in 1973.

TABLE VII

GUAM STATISTICAL INDICATORS

(In Current Dollars)

	<u>1960</u>	<u>1967</u>	<u>1970</u>	<u>1971</u>
Population	67,044			84,996
Employment	17,208	21,257	25,340	26,753
Personal Income (\$Millions)	43.1	91.1	142.1	NA
Full Time Enrollment				
Public School	13,646	18,953	24,757	26,210
Private School	4,285	4,919	5,079	5,404
University	239	753	1,383	2,744
Total	18,170	24,625	31,219	34,358
Finances (\$Millions)				
Bank Deposits	23.6	42.8	60.9	81.8
Bank Loans	11.4	43.4	56.2	89.2
Deposits All Financial Institutions	25.1	45.8	65.6	87.4
Loans All Financial Institutions	14.0	48.7	63.6	96.8
Total Number of Financial Institutions	4	13	14	18
Foreign Trade (\$Millions)				
Exports	2.7	7.6	1.6	3.8
Imports	25.3	63.6	96.4	115.0
Surface Cargo (Tons Thousands)	236	300	485.5	719.2
Air Cargo (Lbs. Thousands)	640	5,011	8,614	12,004
The Visitor Industry (Thousands)				
Visitor Arrivals	NA	4.5	73.7	119.1
Tourist Arrivals	NA	4.3	44.5	84.8
Construction (\$Millions)				
Gross Receipts of Contractors	NA	33.9	51.5	66.3
Value of Building Permits	NA	9.8	23.7	36.8
Gross Business Income (\$Millions)				
Retail	34.9	58.8	85.9	103.0
Wholesals	7.5	24.6	24.9	43.8
Manufacturing	3.5	4.8	4.8	6.2
Amusements	1.1	1.5	2.2	2.6
Services	42.6	58.2	93.0	112.5
Total All Sectors	89.6	148.2	211.0	268.1
Government				
Revenue (\$Millions)	16.1	28.6	57.6	68.5
Expenditure (\$Millions)	14.1	22.7	48.9	65.2
Utilities				
Electrical Consumption (Million kwh)	60.2	127.5	222.9	255.3
Water Consumption (Million Gallons)	1,166	1,770	2,585	2,914
Telephone Usage (Units In Use)	3,255	5,839	6,785	7,685

TABLE VIII

<u>FEDERAL AGENCIES</u>	
<u>HEW</u> (Department of Health, Education, & Welfare)	
School Operation and Maintenance	2,589,569
Vocational Education	593,105
Vocational Rehabilitation	849,407
Elementary and Secondary Education Act	1,857,014
Audio-Visual and Educational Media	60,000
Research Grant	13,000
University of Guam - ABC	30,000
Upward Bound	92,686
Insular Arts	12,200
Work Study Program	176,000
Educational Personnel Development Act	40,000
Education Objective Commission	20,000
Library Services	58,416
Comprehensive Health Planning	110,000
Public Health Services - 3140 Programs	239,000
Maternal and Child Health Services - A&B	158,700
Family Planning	95,619
Crippled Children's Services	229,900
Mental Health	170,000
Immunization Protection	20,307
Public Assistance	1,060,882
Family Administration	107,208
Child Welfare Services	150,766
Adult Services	101,843
Medicaid	311,433
Older Americans	90,000
Head Start	154,000
	<u>9,391,055</u>
<u>CSC</u> (Civil Service Commission)	
Inter-Governmental Personnel Act	60,000
<u>Department of Agriculture</u>	
Agricultural Action Grant	7,000
Fish and Wildlife	96,000
Commercial Fishery Research and Development	19,000
Forestry	2,500
Commodity Distribution	35,126
	<u>157,626</u>
<u>EPA</u> (Environmental Protection Agency)	
Water Pollution and Air Pollution	147,332
<u>HUD</u> (Department of Housing and Urban Development)	
Neighborhood Facilities	442,000

TABLE IX

STATISTICAL DATA ON 1972 HIGH SCHOOL AND UNIVERSITY GRADUATES

	Total Enrollment	Total Graduates	UOG	Business Colleges	Mainland Colleges	Military Service	Employed	Status Unknown
<u>Public Schools</u>								
	13,366							
G. Washington Sr. High		405	178	0	42	0	0	185
J. F. Kennedy High		468	131	8	33	1	8	287
Guam Voc.-Tech. High		98	18	0	2	28	43	7
University of Guam		<u>249</u> *	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>249</u>	<u>0</u>
	13,366	1,220	327	8	77	29	300	479
<u>Private Schools</u>								
	1,923							
Acad. of Our Lady of Guam		49	23	0	20	1	5	0
Fr. Duenas Memorial School		54	24	1	18	2	9	0
Notre Dame High School		<u>68</u>	<u>45</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>22</u>
	1,923	171	92	1	39	3	14	22
Total	<u>15,289</u>	<u>1,391</u>	<u>419</u>	<u>9</u>	<u>116</u>	<u>32</u>	<u>314</u>	<u>501</u> **

* No record of unemployment of University of Guam graduates.

**

As of March 1, 1973, 235 students were referred and accepted for employment by the Employment Service, Department of Labor. Estimated employment by December 31, 1973 is 731.

TABLE X

SCHOOL STATISTICSPublic Schools (1972-1973)

a. Elementary (K-6)	16,907	
b. Jr. High (7-9)	5,597	
c. Sr. High (10-12)	<u>4,418</u>	26,922

Private Schools (1972-1973)

a. Elementary (K-6)	3,122	
b. Jr. High (7-9)	1,242	
c. Sr. High (10-12)	<u>681</u>	5,045

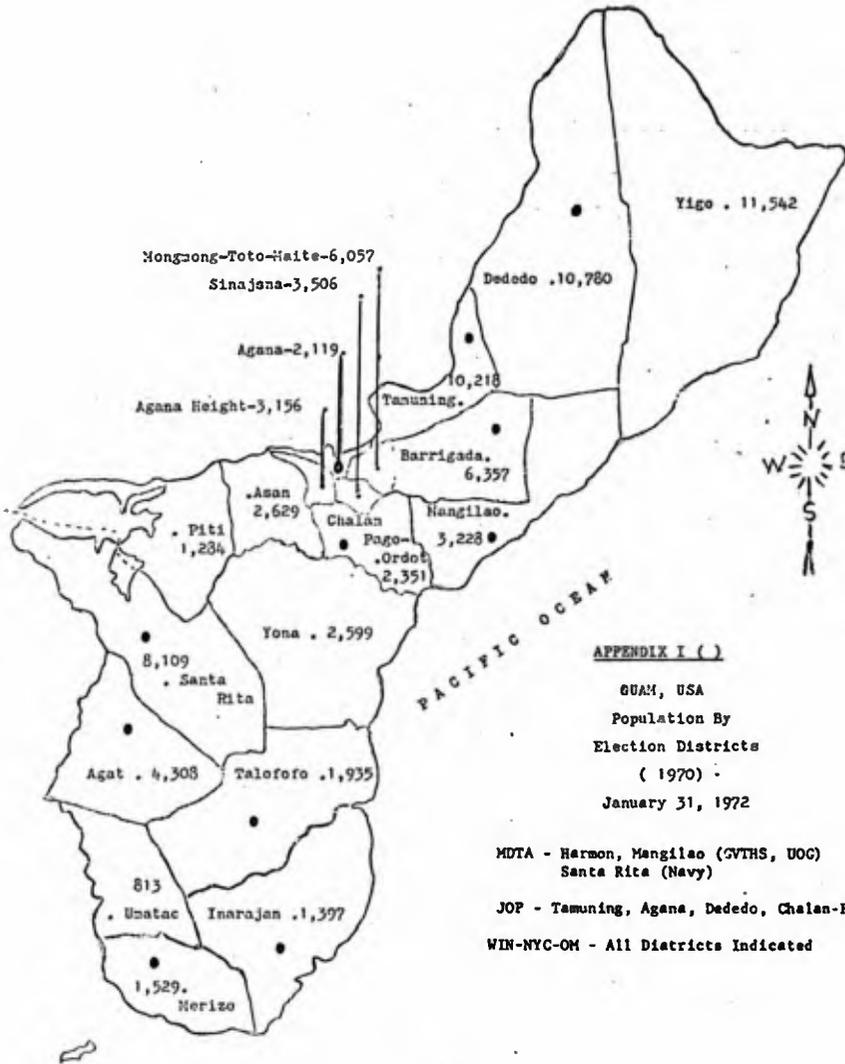
University of Guam (1972-1973)

a. University Campus	2,988	
b. AAPB (Annex)	284	
c. CIRO (Annex)	<u>79</u>	3,351

GRAND TOTAL

35,318

TABLE XI



APPENDIX I ()

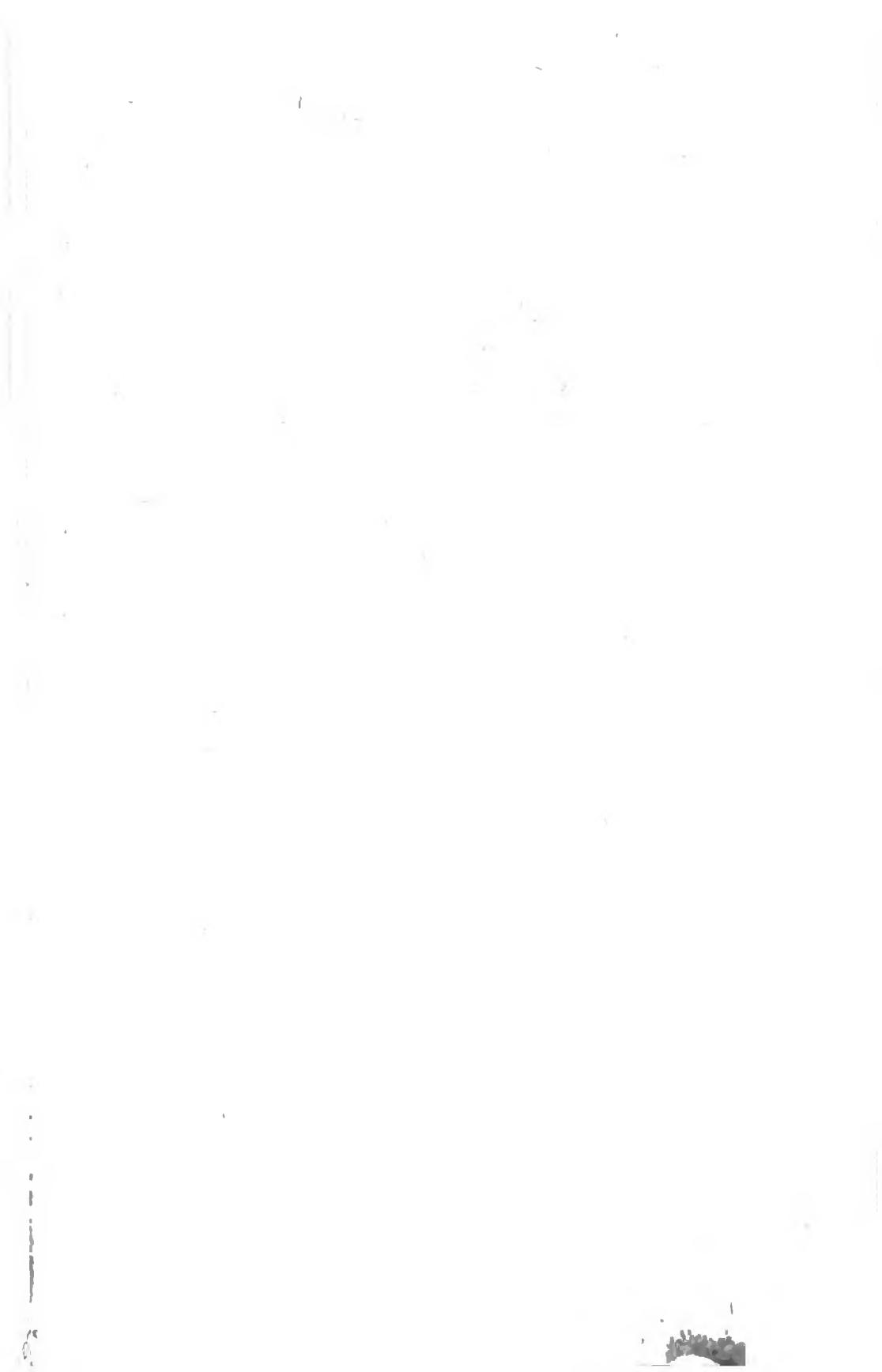
GUAM, USA
 Population By
 Election Districts
 (1970) -
 January 31, 1972

MDA - Hermon, Mangilao (SVTHS, UOC)
 Santa Rita (Navy)

JOP - Tamuning, Agana, Dededo, Chalan-Pago

WIN-NYC-OM - All Districts Indicated

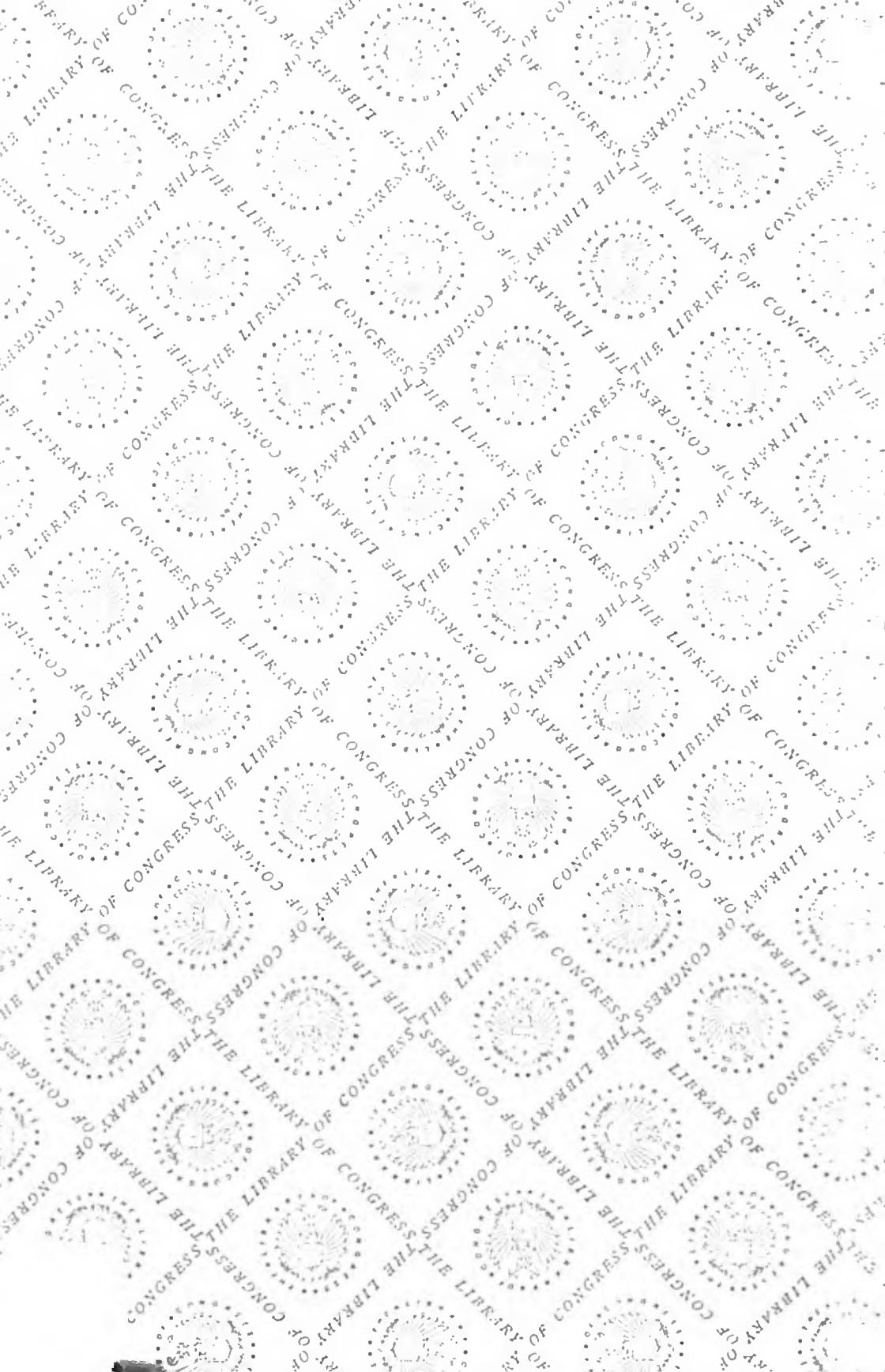


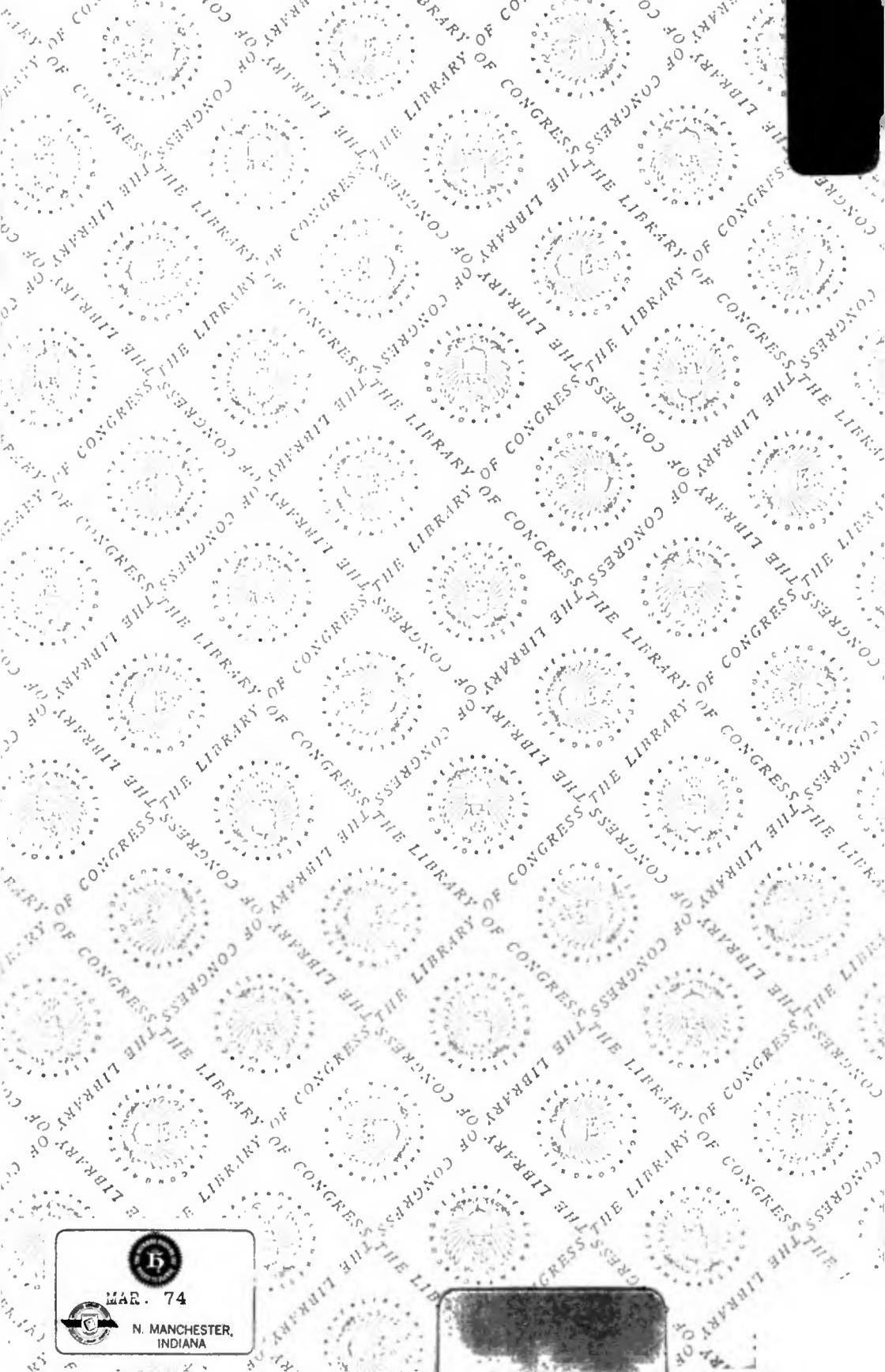


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