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"Dear Mr. Claveland:

Thank you for your latter of September 16, recommenting changes in the proposed order of the Secretary of the Interior by which the Congress of Micronesia would be established. We are glad to have your views, and we have discussed them carefully within the Department. Before turning to your particular suggestions, I would like first to respond to the implication in your letter that the legislative order does not take fully into account the commitments and obligations of the United States. Throughout our consideration of this matter, we have kept those commitments upperment, especially the views and recommendations of the elected representatives of the Sioronesians, who constitute the Council of Vieronesia. We regret that you do not share our view that the order presents a genuine challenge to the new Congress. Apart from fiscal limitations, which are discussed below, the order actually provides a minimum of guidelines to the Congress and grants it a very substantial latitude of legislative responsibility.

I should like to indicate, by considering each of your suggestions in the order in which presented, the action which we have taken and the reasons for it.

- (1) We have not adopted your suggestion for a further recital, concerning the objective of self-government in the Trust Territory, he-cause we believe it would be redundant. Other recitals already recognize this objective, we believe sufficiently.
- (2) We have retitled the section concerning the powers of the High Commissioner, so as to delete the term "legislative". We believe, however, that we cannot require the Congress to provide a statement as to the reasons for its inability to enset legislation designated as urgent. First, we consider that it would be an unprecedented and undesirable infringement on the Congress' legislative authority, which includes authority not to legislate; and, second, circumstances preventing legislative action on "urgent" items would probably as a practical matter prevent the adoption of such a statement.

- (3) We are well aware of the views of the 196k Visiting Mission on the matter of the frust Territory budget, but I know that you, too, are well aware of the problems posed by overwhelming Federal underwriting of territorial programs, particularly when the imbalance between Federal appropriations and local contributions is as great as in the Trust Territory. The language used in the order accurately reflects the role of the Congress of Micronesia and, in fact, is the identical language used by the Council of Micronssia in adopting a resolution on the subject. I believe we can leave to the good judgment of the Micronesians the extent to which they wish to debate the budget; certainly the High Osmissioner and we vill give great weight to their recommendations. We have, further, no doubt that the appropriate committees of the United States Congress vill also turn a sympathetic ear to the budgetary recommendations of the Congress of Mioronesia. The use of the "adoption" and "approval" language which you suggest could imply an operative effect which we believe might be misleading. We have, consequently, retained the language of the druft submitted to you, on the ground that it is a candid statement of power actually conferred.
- (h) We believe, in the light of our experience with respect to other off-shore areas, that a 30-day session is sufficient. If not, the High Commissioner will necessarily resert to the device of the special session.
- (5) We have revised section 14 so as to make clear that the Secretary cannot pocket voto a bill twice vetoed by the High Commissioner, even though such a device has never been used in this Department.
- (6) We have revised section 19 to make provision for compensation, travel, and per diem for legislators while engaged in legislative activity other than during regular and special sessions. The revision also makes clear that legislative activity, such as committee work, may occur during periods when the Congress is not in session.
- (7) The High Commissioner, based upon a recent review of the matter by the conference of District Administrators, has recommended a January 1965 election day for the first elections and the order has been revised accordingly. Subsequent general elections will be held in Movember.
- (3) We have incorporated substantially the language which you suggested concerning the power of the Congress to recommend amendments. In order to make clear, however, that only the Secretary is expowered to amend a Secretarial order, we have preceded your language with a sentence making this fact explicit. Our purpose is to insure that neither the Micronesians nor other readers will be in any way misled.

(9) The twin questions of conflict of interest and compensation have been considered intensely and interminably. The problem of Government employees also serving as manbers of the Congress was recently considered again by the District Administrators and the High Commissioner, who has recommended language which we have substantially adopted. In shart, no government employee will be berred from serving in the Congress for the first four years marely because he is a government employee; at the third general election a limited number of top-ranking district and bradquarter employees, judges and district legislators will be disqualified. Many alternatives with respect to compensation were considered and the \$16 a day payment was settled upon as being the most sound. It has the advantage, among others, of being related to the days actually spent in legislative andeavor. We recognize that this provision, however, will require particularly frequent recomminations, in terms of changing economic condiditions in the Trust Perritory as well as rates of legislative pay elsewhere, we have provided for leave without pay for those employees who seek election to the Congress.

I understand that a press release, drafted for issuance at such time so the order is signed, was made available informally to representatives of your distance of Inited Nations Political Affairs for their comment last week. Soon after the proposed order is signed.

Sincerely yours,

(Sad.) Stewart L. Udell

Secretary of the Interior

Hon. Harlan Cleveland Assistant Secretary of State Department of State Washington, D. C.

cc: Secretary's reading file

VanCleve:fr:emw 9/13/64