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(STATUS TALKS CONTINUES)

WASHINGTON, D.C., NOVEMBER 17 (MNS)---THE QUESTION OF FUTURE UNITED STATES FINANCIAL SUPPORT FOR MICRONESIA HAS PRODUCED THE FIRST MAJOR AREA OF DIFFERENCE BETWEEN NEGOTIATORS FOR THE CONGRESS OF MICRONESIA AND THE UNITED STATES AT THE SEVENTH ROUND OF MICRONESIAN STATUS NEGOTIATIONS IN WASHINGTON. THE TALKS BEGAN NOVEMBER 13 WITH BASIC AGREEMENTS BETWEEN THE SIDES ON THE SUBJECT OF THE RETURN OF PUBLIC LAND.

BUT AS THE DRAFTING OF SUB-COMMITTEES WORKED IN SECRET SESSION THIS WEEK ON THE REMAINING TITLES IN THE DRAFT COMPACT OF FREE ASSOCIATION, IT DEVELOPED THAT THERE IS DISAGREEMENT

OVER THE LEVEL OF SUPPORT TO BE PROVIDED THE GOVERNMENT OF MICRONESIA BY THE UNITED STATES UNDER THE NEW STATUS.

THE JOINT COMMITTEE ON FUTURE STATUS HAS PROPOSED THAT THE ANNUAL SUPPORT FIGURE OF \$100 MILLION THAT WAS FIRST MENTIONED INFORMALLY IN KOROR, PALAU, DURING THE FOURTH ROUND OF TALKS. ALTHOUGH A SPECIFIC U.S. FIGURE HAS NOT BEEN MENTIONED PUBLICLY, IT IS APPARENT THAT THE AMOUNT PROPOSED BY THE AMERICAN DELEGATION IS NOWHERE NEAR A HUNDRED MILLION DOLLAR.

SEN. LAZARUS SALII, CHAIRMAN OF THE JOINT COMMITTEE SAID LATE FRIDAY AFTERNOON WASHINGTON TIME, THAT THE TWO DRAFTING SUB-COMMITTEES WILL MEET ALL DAY SATURDAY AND IF NECESSARY SUNDAY AS WELL IN AN EFFORT TO COME TO SOME AGREEMENT ON THE FINANCIAL TITLE IN THE DRAFT COMPACT.

"THERE HAS BEEN VERY LITTLE CHANGE IN THE POSITION OF EITHER SIDE SINCE THE LAST TIME WE TALKED OF THIS QUESTION," THE SENATOR TOLD MNS. "THE MICRONESIAN ARE STILL TALKING IN TERMS OF 100 MILLION DOLLARS. THE AMERICAN DELEGATION STILL CONSIDERS THAT FIGURE TOO HIGH BUT IS NOT REALLY GIVEN ANY FIRM COUNTER PROPOSAL." ASK IF HE FEELS THE TWO SIDES CAN REACHED AGREEMENT ON THIS ISSUE SENATOR SALII REPLIED, "I AM REALLY NOT SURE."

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OTHER MEMBERS OF THE JOINT COMMITTEE HAVE INDICATED THE GAP BETWEEN THE AMERICAN AND MICRONESIAN SUPPORT FIGURE IS A VERY LARGE ONE. MEMBERS OF THE UNITED STATES DELEGATION HEADED BY AMBASSADOR FRANKLIN HAYDN WILLIAMS REMAIN OPTIMISTIC ABOUT THE TALKS. ONE MEMBER SAID, "I'VE BEEN OPTIMISTIC AND HOPEFUL ALL ALONG AND NOTHING HAS HAPPEN YET TO CHANGE THAT FEELING." HE ALSO NOTED THAT THE TALKS HAVE JUST BEGUN IMPLYING THAT IT IS MUCH TOO EARLY TO MAKE ANY PREDICTIONS ABOUT HOW THINGS MIGHT TURN OUT.

FINANCE IS ONE OF THE TWO MAJOR PORTIONS OF THE COMPACT YET TO BE DEVELOPED, THE OTHER DEALS WITH THE AMENDMENT AND TERMINATION OF THE AGREEMENT. SENATOR SALII SAID POSITION PAPERS HAVE BEEN EXCHANGE BETWEEN THE TWO SIDES ON THIS SUBJECT BUT NO DISCUSSIONS HAS YET TAKEN PLACE ON IT.
(NO DECISION ON LMSC GRANT)

WASHINGTON, D.C., NOV. 17 (MNS)---FIRST IT WAS EXPECTED WEDNESDAY NOON. THEN WEDNESDAY EVENING, THEN BY THE CLOSE OF BUSINESS THURSDAY. BUT AS OF FRIDAY AFTERNOON, A DECISION ON THE VETO OF A REFUNDING GRANT FOR THE MICRONESIAN LEGAL SERVICES CORPORATION BY THE HIGH COMMISSIONER EDWARD E. JOHNSTON

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STILL HAS NOT BEEN MADE. THE FUTURE OF THE PROGRAM IS IN THE HANDS OF THE DIRECTOR OF THE OFFICE OF ECONOMIC OPPORTUNITY ALVIN ARNETT WHO AT HIS OFFICE HERE IN WASHINGTON THIS WEEK HAS BEEN HOLDING NUMEROUS MEETINGS WITH MICRONESIAN LEADERS, WITH THE HIGH COMMISSIONER, WITH OTHERS AS HE CONSIDERS THE VETO ACTION.

ARNETT CAN SUSTAIN THE VETO OR HE CAN OVERRIDE IT UNDER TERMS OF THE CONOMIC OPPORTUNITY ACT OF 1964. ASKED BY THE MNS FRIDAY WHEN HE MIGHT REACHED A DECISION ARNETT SAID, "IT WILL PROBABLY BE WELL INTO NEXT WEEK. THIS IS A HIGHLY VISIBLE, HIGHLY EMOTIONAL QUESTION AND IT COMES FOR US AT A MOST INOPPORTUNE TIME."

EXPLAINING THIS STATEMENT THE OEO DIRECTOR SAID THAT LEGISLATION TO BREAK LEGAL SERVICES OUT OF OEO AND CREATE A PRIVATE CORPORATION TO OVERSEE THE PROGRAM, IS PRESENTLY BEFORE THE U.S. CONGRESS.

"ACTION ON THIS BILL IS EMINENT," HE SAID, "MY OWN PERSONAL STEWARDSHIP HAS BEEN TO KEEP THINGS AS QUITE AS POSSIBLE IN LEGAL SERVICES DURING THIS PERIOD AND LO AND BEHOLD WE HAVE A CAUSE CELEBRE THROWN AT US." ARNETT SAYS HE HAS HAD INDICATIONS OF CONSIDERABLE INTEREST IN THE QUESTION FROM MEMBERS OF THE U.S. CONGRESS.

"IF I HAVEN'T HEARD FROM A CONGRESSMAN OR SENATOR I DON'T

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KNOW WHO HE IS," HE STATED. HE ALSO SAID HE RECEIVED A LETTER FROM INTERIOR SECRETARY ROGERS C.B. MORTON FRIDAY, URGING HIM TO SUSTAIN THE HICOM'S VETO. ARNETT ADDED THAT HE EXPECTS TO MEET WITH SECRETARY MORTON SOMETIME NEXT WEEK TO DISCUSS THE SUBJECT.

MLSC DIRECTOR TED MITCHELL WHO CAME TO WASHINGTON FROM SAIPAN SHORTLY AFTER THE HIGH COMMISSIONER'S VETO WAS ANNOUNCED IN LATE OCTOBER, TO URGE THE OEO DIRECTOR TO OVERRIDE THE ACTION, HAD HOPE TO HAVE A DECISION BY NOV. 15, THE DATE ON WHICH FUNDS BORROWED BY THE MICRONESIAN LEGAL SERVICES FOR OPERATING PURPOSES PENDING A RE-FUNDING GRANT WERE TO RUN OUT. THAT DATE HAS NOW PASSED. THERE HAS BEEN NO DECISION, AND MITCHELL IS CLEARLY CONCERNED. HE SAID HE HAS HEARD FROM HIS OFFICE ON SAIPAN THAT THEY ARE "DOWN TO THEIR LAST \$500."

THE MICRONESIAN LEGAL SERVICES PROGRAM IS THREE YEARS OLD, AND WAS TO HAVE BEEN REFUNDED AT THE LEVEL OF \$600,000 THIS YEAR, THE SECOND YEAR OF FUNDING IN THAT AMOUNT. IT IS A FUNDING LEVEL WHICH THE HIGH COMMISSIONER CONSIDERS EXCESSIVE AND THIS HAS FORM THE BASIS OF ONE OF HIS PRINCIPLES OBJECTION TO THE PROGRAM.

HIGH COMMISSIONER JOHNSTON HAS REPEATEDLY INDICATED THAT HE IS NOT AGAINST THE IDEA OF LEGAL ASSISTANCE FOR MICRONESIA. HIS OBJECTIONS ARE SUBSTANTIVE AND RELATE TO THE PRESENT PROGRAM AND THE WAY IT IS BEING CONDUCTED, HE HAS SAID.

MITCHELL HAS TAKEN SPECIFIC ISSUE WITH THE HICOM'S OBJECTION AND IN ADDITION HAS ATTEMPTED TO MUSTER SUPPORT THROUGH LETTERS TO CONGRESSMEN AND SENATORS HERE IN WASHINGTON, WHICH IS UNDOUBTEDLY ONE REASON WHY ALVIN ARNETT HAS RECEIVED SO MANY TELEPHONE CALLS AND LETTERS FROM CAPITOL HILL. THE QUESTION IS AS HE SAID, AN EMOTIONAL ONE IN MICRONESIA AS WELL AS IN WASHINGTON. IT NOW APPEARS THAT IT WILL BE SEVERAL MORE DAYS

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BEFORE IT IS RESOLVED.

(HOUSE APPROVES SUPPLEMENTAL BUDGET)

WASHINGTON, D.C., NOV. 17 (MNS)---A SUPPLEMENTAL APPROPRIATION FOR THE FISCAL YEAR 1974 TRUST TERRITORY BUDGET HAS BEEN APPROVED BY THE HOUSE OF REPRESENTATIVES APPROPRIATION'S SUB-COMMITTEE ON INTERIOR AND RELATED AGENCIES HEADED BY CONGRESSWOMAN JULIA BUTLER HANSEN OF WASHINGTON. THE SUB-COMMITTEE HELD A PUBLIC HEARING ON THE BUDGET REQUEST TUESDAY (NOV. 13). THE FULL SUPPLEMENTAL REQUEST OF JUST OVER \$8.2 MILLION WAS APPROVED BY CONGRESSWOMAN HANSEN'S COMMITTEE.

IN ADDITION SHE AND HER COLLEAGUE AGREED TO FUND ONE OF THE SPECIFIC ITEM REQUESTED OVER AND ABOVE THE OFFICIAL SUPPLEMENTAL REQUEST, NAMELY ON APPROPRIATION OF \$160,000 TO PURCHASE NEW SCHOOL BUSES FOR SAIPAN. THIS REQUEST WAS ONE OF SEVERAL CONTAINED IN A PRESENTATION MADE BY REPRESENTATIVE RAYMOND SETIK OF TRUK, CHAIRMAN OF THE CONGRESS OF MICRONESIA'S JOINT COMMITTEE ON PROGRAM AND BUDGET FLANNING. OTHER ITEMS IN CONGRESSMAN SETIK'S REQUEST, HOWEVER, INCLUDING ADDITIONAL FUNDS FOR THE PALAU BRIDGE PROJECT AND MONEY TO CONSTRUCT TWO MORE INTER-ISLAND FIELD TRIP SHIPS FOR MICRONESIA WERE NOT APPROVED.

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THE ENTIRE SUPPLEMENTAL REQUEST STILL MUST BE CONSIDRED BY THE FULL HOUSE OF REPRESENTATIVES AS WELL AS BY THE SENATE. AN APPROPRIATION'S SUB-COMMITTEE OF THE SENATE HEADED BY SENATOR ALAN BIBLE OF NEVADA, WILL HOLD HEARINGS ON THE REQUEST NEXT WEEK. THE SUPPLEMENTAL REQUEST BASICALLY RESTORES MOST CAPITAL IMPROVEMENT PROJECT MONIES CUT OUT OF THE ORIGINAL APPROPRIATION BILL TO FUND THE TRUST TERRITORY GOVERNMENT FOR THIS FISCAL YEAR. INCLUDED IS MONEY FOR CONSTRUCTION OF THE PONAPE REFERRAL HOSPITAL, CONTINUED WORK ON JALUIT HIGH SCHOOL, BIKINI REHABILITATION AND SEVERAL OTHER ITEMS, ALONG WITH THREE ADDITIONAL REQUEST FOR FUNDS TO SUPPORT A MICRONESIAN CONSTITUTIONAL CONVENTION, A PROGRAM OF EDUCATION FOR SELF-GOVERNMENT AND A SUBSTANTIAL SURVEYING PROGRAM FOR MICRONESIAN PUBLIC LANDS.

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