

(HOUSE FILES TWO BILLS)

SAIPAN, JAN. 23 (MNS)---THE FIFTH CONGRESS OF MICRONESIA MOVED THROUGH THE TENTH DAY OF ITS SECOND REGULAR SESSION ON SAIPAN WEDNESDAY, WITH FINAL FLOOR ACTION ON LEGISLATION CONTINUING TO BE LIGHT. 11

IN THE HOUSE OF REPRESENTATIVES, TWO BILLS WERE FILED FOLLOWING REPORTS RECOMMENDING THAT ACTION FROM THE COMMITTEE ON WAYS AND MEANS. THEY ARE A BILL WHICH WOULD AUTHORIZE MUNICIPALITIES TO LEVY AND COLLECT SALES TAXES (HB 17), AND A MEASURE RELATING TO AN OCCUPANCY TAX (HB 69). BOTH BILLS WERE HOLDOVERS FROM THE FIRST REGULAR SESSION LAST YEAR. ALTHOUGH BILLS THAT ARE FILED CAN BE RE-CALLED, THE ACTION GENERALLY MEANS THAT THE LEGISLATION IS DEAD.

IN BOTH CESES, THE BILLS WERE FILED BECAUSE THE FEELING OF THE COMMITTEE WAS THAT THE TAXATION POWERS IS QUESTION SHOULD BE IN THE HANDS OF THE DISTRICT LEGISLATURE. IN THE ONCE THE BILL WOULD HAVE GIVEN TO THE MUNICIPALITIES A TAX OPTION NOW AVAILABLE TO THE DISTRICTS. THE OTHER BILL, WHICH WOULD HAVE LEVIED A FIFTY CENT TRANSIENT ACCUPANCY TAX TO GENERATE MORE REVENUE FROM TOURISM, WAS DETERMINED TO COVER AN AREA OF TAXATION BETTER LEFT TO THE DISTRICTS RATHER THAN THE CONGRESS OF MICRONESIA.

IN THE SENATE EDNESDAY, THE PRIMARY CONCERN CONTINUED TO BE TRANSPAC LINES. SENATOR OLYMPIO BORJA (MARIANAS), IN MOVING FOR THE ADOPTION OF THE JOINT HOUSE AND SENATE RESOURCES AND DEVELOPMENT COMMITTEE REPORT HE PRESENTED SARLIER IN THE WEEK, AGAIN VOICED HIS CONCERN ABOUT THE CONDITION OF TRANSPAC, SAYING HE AGREES WITH HIS COLLEAGUE FROM YAP,

SENATOR JOHN MANGEFEL, THAT IT IS TIME TO LET TRANSPAC SINK. THIS PROMPTED SENATOR EDWARD PANGELEINAN (MARIANAS), WHO IS HIMSELF AN ATTORNEY, TO EXPRESS HIS FEELING THAT BEFORE ANY ACTION IS TAKEN REGARDING TRANSPAC, ALL OF THE LEGAL IMPLICATIONS SHOULD BE FULLY UNDERSTOOD.

"WE ARE CAUGHT IN A VERY SERIOUS DILEMMA HERE," THE SENATOR SAID. "I THINK THE ADMINISTRATION SHOULD LET US KNOW JUST HOW SERIOUS THIS PROBLEM IS." HE ADDED THAT HE IS CONCERNED THAT THE GOVERNMENT OF MICRONESIA, WHICH INCLUDES THE CONGRESS OF MICRONESIA, NOT GET INTO A POSITION OF BEING LIABLE FOR COMPENSATION OR DAMAGES IF THE DECISIONS TAKEN WITH REGARD TO TRANSPAC ARE THE WRONG ONES.

SENATE VICE PRESIDENT LAZARUS SALII (PALAU) REPLIED, SAYING, "THE LEGAL PROBLEM IS ONE OF THE REASONS IT IS DIFFICULT TO COME WITH A QUICK SOLUTION..." TO THE TRANSPAC PROBLEM. HE SAID THE LEADERSHIP IS SEEKING A MEETING WITH THE HIGH COMMISSIONER TO DISCUSS THE QUESTION.

SENATE PRESIDENT TOSIWO NAKAYAMA (TRUK) THEN ANNOUNCED THAT SUCH A MEETING IS SCHEDULED TO TAKE PLACE NEXT WEEK. HE ALSO REVEALED THAT OFFICIALS OF TRANSPAC HAVE ASKED FOR TIME TO COME BEFORE THE MEMBERS OF THE CONGRESS OF MICRONESIA TO RESPOND TO THE JOINT COMMITTEE REPORT AND THE CHARGES MADE IN THE PAST FEW DAYS. HE DID NOT SAY WHETHER SUCH A MEETING WILL BE HELD.

CAPPING THE TRANSPAC DISCUSSION WAS SENATOR BAILEY OLTER (PONAPE), WHO REMINDED HIS COLLEAGUES THAT THE CONGRESS OF MICRONESIA NEVER HAD ANY PART IN THE GRANTING OF A FRANCHISE TO MILI/TRANSPAC, AND THAT HE WAS AGAINST THE CONGRESS GIVING ITS APPROVAL TO ANY SUCH ARRANGEMENT FROM THE BEGINNING.

"I WANT IT TO BE CLEAR TO THE PUBLIC THAT THE CONGRESS HAD NO SAY IN THE CREATION OF MILI OR TRANSPAC," SAID SENATOR OLTER, ADDING "...AND NOW IT IS A REAL MESS."

THE JOINT COMMITTEE REPORT, WHICH RECOMMENDS THE IMMEDIATE TERMINATION OF THE TRANSPAC FRANCHISE, WAS ADOPTED WITHOUT OPPOSITION.

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THE REPORT OF THE BOARD OF DIRECTORS OF THE BANK OF MICRONESIA, PRESENTED IN THE HOUSE TUESDAY, WAS PRESENTED TO THE SENATE FOR CONSIDERATION WEDNESDAY BY SENATOR AMATA KABUA (MARSHALLS). NOTING THAT THE RECOMMENDATIONS CONTAINED IN THE REPORT HAVE "FAR-REACHING IMPLICATIONS," THE SENATOR SAID:

"THE REPORT...CONTAINS A PLAN OF ACTION FOR THE ESTABLISHMENT OF A MICRONESIA DEVELOPMENT BANK. THE PROPOSED ENABLING LEGISLATION TO ACCOMPLISH THIS OBJECTIVE WILL BE SUBMITTED AT A LATER DATE.

"A MAJOR CONSTRAINT ON THE DEVELOPMENT OF MICRONESIA'S RESOURCES OF THE LAND AND SEA HAS BEEN AND CONTINUES TO BE THE LACK OF SUFFICIENT CAPITAL," SENATOR KABUA CONTINUED. "THIS COMES ABOUT BECAUSE MICRONESIA HAS A LARGE NON-MONETIZED SECTOR, AND TO A CERTAIN EXTENT IS ONLY NOW EMERGING FROM A SUBSISTENCE TO A MARKET ECONOMY. DOMESTIC FINANCIAL INSTITUTIONS AND CAPITAL FORMATION ARE STILL IN THE EARLY STAGES OF DEVELOPMENT. THE SMALL SIZE AND INSULAR CHARACTER OF MICRONESIA'S ISLANDS, AND THE CONSEQUENT SMALL SCALE OF DEVELOPMENT PROJECTS, MAKE IT ALMOST IMPOSSIBLE FOR MICRONESIA TO HAVE READY ACCESS TO THE LARGE DEVELOPMENT FINANCIAL INSTITUTIONS, SUCH AS THE WORLD BANK GROUP AND THE ASIAN DEVELOPMENT BANK."

FOR THESE REASONS, SAID THE SENATOR, A DEVELOPMENT BANK TO "MEET THE NEEDS OF MICRONESIA IN A SPECIALIZED FINANCIAL INSTITUTION" IS BEING PROPOSED. SUCH A BANK, HE SAID, WILL PROVIDE MEDIUM AND LONG-TERM FINANCE SPECIFICALLY DESIGNED FOR DEVELOPMENT PURPOSES, WITH LIBERAL LOAN TERMS AND FAVORABLE INTEREST RATES. THE PROVIDING OF TECHNICAL ASSISTANCE AND EXTENSION SERVICES WILL ALSO BE PART OF THE ROLE OF SUCH A BANK.

"WITHOUT A DOUBT," HE CONCLUDED, "A DEVELOPMENT BANK FOR MICRONESIA IS THE MOST ESSENTIAL ELEMENT IN THE DEVELOPMENT PROCESS, AND SHOULD HOPEFULLY SET THE IMPETUS AND PLACE US ON THE ROAD TO BUILDING AN ANAN ECONOMY FOR OURSELVES."

NEW LEGISLATION INTRODUCED WEDNESDAY IN THE SENATE INCLUDED THREE JOINT RESOLUTIONS AND TWELVE BILLS. ONE OF THE RESOLUTIONS, WHICH WAS PLACED ON THE CALENDAR AND ADOPTED IMMEDIATELY, EXPRESSES THE CONGRATULATIONS AND BEST WISHES OF THE CONGRESS AND THE PEOPLE OF MICRONESIA TO THE PEOPLE OF PAPUA NEW GUINEA ON THEIR ACHIEVEMENT OF SELF-GOVERNMENT AND THEIR PENDING INDEPENDENCE (SJR 78). THE OTHER JOINT RESOLUTIONS WOULD DIRECT THE JOINT COMMITTEE ON FUTURE STATUS TO STUDY THE POSSIBILITIES OF ECONOMIC AND DEVELOPMENTAL ASSISTANCE FROM NATIONS OF THE PACIFIC REGION (SJR 79), AND RATIFY THE POSITION TAKEN BY THE JOINT COMMITTEE ON LAW OF THE SEA REGARDING MICRONESIAN REPRESENTATION IN THE UPCOMING INTERNATIONAL CONFERENCE ON THE LAW OF THE SEA, IN VENEZUELA THIS SUMMER (SJR 80).

THE BILLS INCLUDE: A MEASURE PROVIDING FOR A BOARD OF UTILITY RATES (SB 208); ESTABLISHMENT OF AN INTER-DISTRICT STUDENT EXCHANGE PROGRAM IN MICRONESIA (SB 209); AN APPROPRIATION OF \$184,000 DOLLARS TO COMPLETE TWO PUBLIC PROJECTS IN THE MARSHALL ISLANDS, THE PAVING OF THE LAURA ROAD AND A 900-FOOT EXTENSION OF THE MAJURO AIRFIELD (SB 210); A BILL TO PROHIBIT FALSE OR MALICIOUS REPORTING OF CRIMES OR FIRES (SB 211); A MEASURE RELATING TO THE APPOINTMENT OF GUARDIANS FOR MINORS OR INCOMPETENTS BY THE LAND COMMISSIONS (SB 212); AN APPROPRIATION OF \$28,000 DOLLARS TO PURCHASE SCHOOL BUSES FOR MOEN AND DUBLON ISLANDS IN TRUK DISTRICT (SB 218); AND SIX NATURALIZATION MEASURES (SB 213 TO 217 AND SB 219).

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SIX NEW BILLS AND THREE JOINT RESOLUTIONS WERE INTRODUCED WEDNESDAY IN THE HOUSE. FOUR OF THE BILLS ARE APPROPRIATION MEASURES, OF: \$60,000 DOLLARS FOR SEAWALLS IN TRUK (HB 232); \$125,000 DOLLARS FOR ROAD CONSTRUCTION, ALSO IN TRUK (HB 230); \$160,000 DOLLARS FOR CERTAIN PUBLIC PROJECTS IN KOLONIA, NET AND UK MUNICIPALITIES IN PONAPE (HB 228); AND \$60,000 DOLLARS TO CONSTRUCT A NEW ICE PLANT TO BE OPERATED BY THE TRUK DISTRICT MARINE RESOURCES DIVISION (HB 231). ANOTHER OF THE BILLS CONCERNS THE SIZE OF TROCHUS WHICH MAY BE TAKEN IN THE TRUST TERRITORY (HB 223); AND A BILL RELATING TO DISTRIBUTION OF REVENUES (HB 229).

THE HOUSE JOINT RESOLUTIONS INCLUDE A MEASURE COMMENDING GUAM HELICOPTERS, INC., THE HONORABLE RICARDO BORDALLO OF GUAM AND THE U.S. NAVY FOR THEIR OUTSTANDING EFFORTS IN RESCUING SIX STRANDED MICRONESIAN CITIZENS AFTER AN AIRPLANE CRASH ON THE ISLAND OF AGUIJAN, NEAR TINIAN, RECENTLY (HJR 82). ANOTHER REQUESTS THE JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING TO INCLUDE IN THE FISCAL YEAR 1975 BUDGET SUFFICIENT AMOUNT TO INSTALL AND CONNECT SEWER LINES TO CERTAIN RESIDENTIAL AREAS ON SAIPAN, IN THE MARIANA ISLANDS (HJR 83). THE THIRD REQUESTS THE HIGH COMMISSIONER TO INITIATE A PLAN OF ROTATING DISTRICT ADMINISTRATORS AMONG THE SIX DISTRICTS OF THE TT (HJR 84).

THE TWO HOUSES ARE IN RECESS UNTIL TEN THURSDAY MORNING. (CONGRESSMEN HEAR SECRETARY MORTON)

SAIPAN, JAN. 23 (MNS)--THE MEMBERS OF THE CONGRESS OF MICRONESIA WERE GIVEN A PREVIEW SHOWING WEDNESDAY (AN. 23) OF A FILM FEATURING A MESSAGE FROM SECRETARY OF THE U.S. INTERIOR DEPARTMENT ROGERS C. B. MORTON. IN THE FILM, THE SECRETARY ANNOUNCED A RELAXATION OF PRESENT U.S. POLICY REGARDING THE SO-CALLED MOST FAVORED NATION CALUSE OF THE TRUSTEESHIP AGREEMENT. THE EFFECT OF THE ANNOUNCEMENT WILL BE TO OPEN THE TT TO INCREASED FOREIGN INVESTMENT, INCLUDING INVESTMENT FROM NATIONS OTHER THAN THE U.S.

MOST MEMBERS OF THE CONGRESS ATTENDED THE SHOWING, ALONG WITH MANY STAFF MEMBERS AND A LARGE NUMBER OF EXECUTIVE BRANCH EMPLOYEES. THE POLICY STATEMENT FROM MORTON WAS TO BE RELEASED LATER WEDNESDAY THROUGHOUT MICRONESIA ON RADIO AND, IN THE CASE OF SAIPAN, TV.

ALTHOUGH FORMAL REACTION TO THE ANNOUNCEMENT IS EXPECTED TO COME FROM THE CONGRESS IN THE NEXT FEW DAYS, A RANDOM SAMPLING OF CONGRESSIONAL OPINION FOLLOWING THE SHOWING INDICATED GENERAL AGREEMENT WITH THE ACTION AND PLEASURE THAT IT HAD BEEN ANNOUNCED.

THE PREVIEW SHOWING FOR THE CONGRESS WAS ARRANGED BY FRD RADEWAGEN, WHO BROUGHT THE FILM TO SAIPAN FROM THE OFFICE OF TERRITORIAL AFFAIRS IN WASHINGTON, D.C. (NOTE: THE MORTON ANNOUNCEMENT IS COVERED MORE FULLY IN THE REGULAR, SEPARATE MNS DISPATCH FOR THIS DATE.)