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TELEGRAM

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ACTION INT-08

INFO OCT-01 IO-14 PM-07 L-03 EA-11 PA-04 1048.W  
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P R (291116Z JAN 74  
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
TO ALDISTADS TERPACIS  
YT LNO GUAM MARIANAS ISLANDS  
YT LNO KWAJALEIN MARSHALL ISLANDS  
COMNAV MARIANAS GUAM MARIANAS ISLANDS  
CINCPACREP GUAM/TIPI GUAM MARIANAS ISLANDS  
CINCPAC HONOLULU HI  
NAVINSERVU GUAM MARIANAS ISLANDS  
COMTWELVE SAN FRANCISCO CA  
RUEHC /SECSTATE WASHINGTON DC  
SECDEF WASHINGTON DC  
JCS WASHINGTON DC  
CNO WASHINGTON DC  
CINCPACFLT MAKALAPA HI  
CINCPACAF HICKAM AFB HI  
RUEHDT /US MISSION TO UN NEW YORK NY  
CGFMFPAC CAMP H M SMITH HI  
COMCBPAC PEARL HARBOR HI  
COMNAV FACENGCOR ALEXANDRIA VA  
PACNAV FACENGCOR PEARL HARBOR HI

1. COM 16th Day
2. Bongelinas (a)  
Foreign Investment  
Challenge
3. Catalig Speech

YT LNO HONOLULU HI  
SAMTEC VANDENBERG AFB CA  
YNFO CDUSARBCO TIPI LNO MACHINATO JA

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SECTION 01 OF 02  
COMTWELVE PASS INFO FOR AMB WILLIAMS  
SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA/OSN  
TIPI NO. 61

✓ (CONGRESS 16TH DAY)  
SAIPAN, JAN. 29 (MNS) --- MOST OF THE WORK OF THE CONGRESS  
OF MICRONESIA CONTINUES TO BE DONE BY THE VARIOUS COMMITTEES

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DURING THIS SECOND REGULAR SESSION, THE HOUSE AND SENATE BOTH MET ONLY BRIEFLY ON THE SIXTEENTH DAY OF THE SESSION, HEARING BRIEF REMARKS FROM SOME OF THEIR COLLEAGUES ON ISSUES OF THE DAY AND RECEIVING MORE BILLS AND RESOLUTIONS FOR CONSIDERATION.

IN THE HOUSE TWO BILLS PASSED SECOND READING AND WENT TO THE SENATE FOR FURTHER CONSIDERATION. THEY ARE: A MEASURE TO AMEND VERTAIN SECTIONS OF THE TRUST TERRITORY CODE TO SPECIFY CERTAIN REQUIREMENTS AND RESTRICTIONS ON THE

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IMPORTATION OF NON-RESIDENT WORKERS (HB 204); AND A BILL TO ESTABLISH A PROCEDURE FOR DISPOSING OF WATERCRAFT ABANDONED WITHIN THE TERRITORIAL WATERS OF MICRONESIA, (HB 197). DURING DISCUSSION ON THIS BILL, THE HOUSE ADOPTED AN AVENDMENT WHICH PROVIDES THAT PROCEEDS FROM THE SALE OF SUCH ABANDONED PROPERTY ARE TO BE PAID TO THE TREASURY OF THE DISTRICT GOVERNMENT IN WHICH THE WATERCRAFT WAS ABANDONED, INSTEAD OF TO THE CONGRESS.

TRUK'S REPRESENTATIVE RAYMOND SETIK DELIVERED A SPEECH ON THE BUDGET REPORT FOR FY 75. (SEE SEPARATE STORY). CONGRESSMAN JOHN HEINE (MARSHALLS) PRESENTED A PETITION SIGNED BY 207 STUDENTS OF MARSHALL ISLANDS HIGH SCHOOL ASKING TO ENACT LEGISLATION FOR MICRO-OLYMPICSTO BE HELD THIS YEAR. AND MARIANAS REPRESENTATIVE FELIPE O. ATALIG DELIVERED A SHORT STATEMENT TO ACCOMPANY HIS PRICE CONTROL BILL. (SEE SEPARATE STORY).

NEW MEASURES OFFERED AT TUESDAY'S HOUSE SESSION INCLUDED SIX BILLS, TWO JOINT RESOLUTIONS AND ONE RESOLUTION. THE BILLS ARE: A BILL PRESCRIBING A MINIMUM WAGE OF ONE DOLLAR FOR LABOR IN MICRONESIA, (HB 242); A MEASURE REGARDING

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GASOLINE AND FUEL ALLOCATIONS SIMILAR TO ONE INTRODUCED ON THE PREVIOUS DAY IN THE SENATE, (HB 243); A BILL TO APPROPRIATE \$22,000 AS A SUPPLEMENTAL APPROPRIATION FOR THE OPERATION AND CONTINGENT EXPENSES OF THE REVENUE DIVISION FOR THE CURRENT FISCAL YEAR (HB 244); A REQUEST FOR \$15,000 AS A

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GRANT-IN-AID FOR RUUL MUNICIPALITY IN YAP DISTRICT TO ASSIST  
IN THE ORGANIZATION AND ESTABLISHMENT OF A MUNICIPAL  
GOVERNMENT, (HR 245); A MEASURE TO ESTABLISH THE MICRONESIA  
DEVELOPMENT BANK AND APPROPRIATE \$100,000 TO CARRY OUT ITS  
FUNCTIONS, (HR 246); AND THE ATALIG BILL TO PROVIDE PRICE  
CONTROLS WITHIN THE TRUST TERRITORY, (HR 247).

THE TWO JOINT RESOLUTIONS IN THE HOUSE REQUEST THE U.S.  
CONGRESS TO ENACT LEGISLATION APPROPRIATING ADDITIONAL FUNDS  
TO COVER CERTAIN DEFICIENCIES AND CAPITAL IMPROVEMENT PROGRAMS  
DURING FISCAL YEAR 1974, (H.J.R. 87), AND DEMAND THAT THE  
U.S. TERMINATE THE IMPOSED MORATORIUM ON HOMESTEADING AND  
LEASING OF PUBLIC LAND ON TINIAN ISLAND IN THE MARIANAS,  
(H.J.R. 88). THE SINGLE RESOLUTION IS REQUESTING THE DIRECTOR  
OF THE HEALTH SERVICES DEPARTMENT AND THE MARIANAS DISTRICT  
ADMINISTRATOR TO EXTEND THE HOURS OF OPERATION AT THE SAN

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ANTONIO AND SAN ROQUE DISPENSARIES TO 40 HOURS A WEEK, (HR 7).

SENATE ACTIVITIES ON TUESDAY (JANUARY 29) WERE BRIEF,  
LIMITED MAINLY TO DELIVERY OF A PREPARED STATEMENT BY MARIANAS  
SENATOR EDWARD DLG. PANGELINAN (SEPARATE STORY) AND THE  
INTRODUCTION OF ONE BILL AND ONE JOINT RESOLUTION.

THE BILL, SENATE BILL NO. 237, ESTABLISHES A MICRONESIA  
DEVELOPMENT BANK AND IS IDENTICAL TO HOUSE BILL 246 ALSO  
INTRODUCED TUESDAY.

THE JOINT RESOLUTION INTRODUCED REQUESTS THE POLITICAL  
EDUCATION COMMISSION CREATED BY LAW BY THE CONGRESS AND THE  
TASK FORCE ON EDUCATION FOR SELF-GOVERNMENT RECENTLY  
INSTITUTED BY THE HIGH COMMISSIONER TO COORDINATE THEIR  
EFFORTS WITH A SELECT COMMITTEE OF THE PALAU LEGISLATURE IN  
CARRYING OUT THEIR PROGRAMS IN THE PALAU DISTRICT.

BOTH HOUSES WILL RECONVENE AT 10:00 A.M. WEDNESDAY  
MORNING, JANUARY 30.

(CALL USERS PLEASE CREDIT CONGRESS OF MICRONESIA)

(PANGELINAN ON FOREIGN INVESTMENT CHALLENGE)

SAIPAN, JAN. 29 (CONGRESS RELEASE)---SENATOR EDWARD  
PANGELINAN URGED THE CONGRESS AND PEOPLE OF MICRONESIA TUESDAY

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TO TAKE UP THE CHALLENGE OF THE RELAXATION OF THE TERRITORY'S FOREIGN INVESTMENT POLICY, ANNOUNCED BY INTERIOR SECRETARY ROGERS C.B. MORTON LAST WEEK.

IN A SPEECH TO THE SENATE, PANGELINAN SAID IN LOOSENING THE SO-CALLED "MOST FAVORED NATION CLAUSE", SCHEDULED TO TAKE EFFECT APRIL 1, THE UNITED STATES IS PRESENTING MICRONESIA WITH A TEST, AND HOW WELL MICRONESIA PERFORMS MAY WELL INFLUENCE ITS GOALS FOR FUTURE POLITICAL STATUS.

"IF WE HANDLE THIS CHALLENGE WELL AND IN A SALUTORY FASHION," SAID PANGELINAN, "THEN I BELIEVE THAT WE WILL HAVE DEMONSTRATED OUR RESPONSIBILITY AND MATURITY AND SIMILAR DECISIONS WILL FOLLOW. IF WE DO NOT ACT WISELY AND IN THE BEST INTERESTS OF OUR PEOPLE, THEN WE MAY FIND THE ROAD TO TERMINATION OF THE TRUSTEESHIP AGREEMENT LONGER THAN WE HAD THOUGHT." PANGELINAN PRAISED MORTON'S ACTION INDICATING THAT FOR YEAR THE CONGRESS HAS ASKED THE U.S. TO RELAX ITS RESTRICTIVE FOREIGN INVESTMENT POLICY, WHICH HAD CLOSED THE INVESTMENT DOOR TO ALL NATIONS EXCEPT TO AMERICAN CITIZENS AND COMPANIES, BUT SAID THE MAJORITY OF THE CONGRESS WOULD HAVE LIKED TO HAVE HAD ADVANCE WORD ON THE POLICY CHANGE IN

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ORDER TO PREPARE LEGISLATION TO ACCOMMODATION SUCH A MOVE.

THE MARIANAS SENATOR BROUGHT INTO FOCUS CERTAIN AREAS WHICH HE SAID MERITED ATTENTION BY THE CONGRESS AND MIGHT REQUIRE SPECIAL LEGISLATION, INCLUDING: GOALS, OBJECTIVES, AND POSSIBLE NEW POLICIES OF THE DISTRICT FOREIGN INVESTMENT BOARDS THAT CAN ENCOURAGE, YET CONTROL INVESTMENT, AND WAYS TO STRENGTHEN THEIR OPERATIONS; A REVIEW OF LAND AND LAND USE POLICIES; A REVIEW OF CORPORATE LAWS; WHETHER OR NOT NEW IMMIGRATIONS AND LABOR QUOTAS ARE NEEDED IN LINE WITH TRAINING PROGRAMS FOR MICRONESIANS; MODIFICATIONS OF EXISTING TAX LAWS; AND THE ESTABLISHMENT OF A COMMERCE OR FOREIGN AFFAIRS DEPARTMENT TO SCREEN FOREIGN INDIVIDUALS AND CORPORATIONS INTERESTED IN DOING BUSINESS IN MICRONESIA.

IN THIS REGARD, PANGELINAN ALSO SUGGESTED THAT THE CONGRESS COMPOSE A LIST OF QUESTIONS AND PROPOSALS TO EXAMINE

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THE EFFECTS OF SUCH INVESTMENT FROM NOT ONLY THE LEGAL  
STANDPOINT, BUT FROM HEALTH, EDUCATION, REVENUE, DEVELOPMENT,  
AND OTHER ASPECTS AS WELL.  
(ALL USERS PLEASE CREDIT CONGRESS OF MICRONESIA)  
(ATALIG SPEECH)

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ACT OF 1974." IN HIS SPEECH, ATALIG CALLED UPON THE CONGRESS TO ACT ON THE BILL WHICH WOULD "ESTABLISH ALLOWABLE PROFITS AT A FIXED RATE ABOVE BASIC COST TO PROTECT MICRONESIAN CONSUMERS FROM THOSE BUSINESSMEN WHO WOULD TAKE ADVANTAGE" OF THEM.

REPRESENTATIVE ATALIG SAID THAT "MICRONESIA'S ECONOMY IS FRAGILE AND DEPENDENT UPON GRANT FUNDS FOR ITS STRENGTH." HE NOTED THAT AVAILABLE JOBS IN THE TT ARE FEW AND THE PRESENT

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LEVEL OF WAGES EARNED BY MICRONESIANS ARE GENERALLY LOW COMPARED TO THOSE OF THE OUTSIDE WORLD.

ATALIG NOTED THAT THE BILL WOULD ALLOW A 25 PERCENT MARKUP ON THE PRICE OF LANDED GOODS AND A 10 PERCENT MARKUP ON THE BASIC COST OF SERVICES. HE INDICATED THAT BUSINESSMEN WOULD BE ASKED TO KEEP RECORDS OF THEIR TRANSACTIONS AND TO POST IN THEIR PLACE OF BUSINESS AN ANNOUNCEMENT THAT A LIST OF PRICES IS AVAILABLE TO THOSE WHO DESIRE THEM.

THE BILL, INTRODUCED BY THE MARIANAS CONGRESSMAN, IF ENACTED, WILL HAVE THE ATTORNEY GENERAL ADMINISTER ITS PROVISIONS WHICH PROVIDE FOR STRONG CIVIL AND CRIMINAL PENALTIES, AMONG OTHERS. HE ENDED BY SAYING, "WE HAVE SEEN DAILY THE PRICES OF GOODS CONTINUE TO CLIMB MUCH TO THE DISTRESS AND DISCOMFORT OF OUR PEOPLE. IF WE DO NOT TAKE ACTION ON THIS MEASURE, THE KIND OF WHICH HAS BEEN UNDER CONSIDERATION OF BY THE CONGRESS FOR TWO YEARS, THEN WE WILL HAVE FAILED OUR TRUST FOR THE PEOPLE OF MICRONESIA."  
(ALL USERS PLEASE CREDIT THE CONGRESS OF MICRONESIA)  
(SETIK ON PROGRAM AND BUDGET REPORT)

SAIPAN, JANUARY 29 (CONGRESS RELEASE)---TRUK

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REPRESENTATIVE RAYMOND SETIK PRESENTED THE REPORT OF THE JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING FOR FISCAL YEAR 1975 TO THE HOUSE OF REPRESENTATIVES TUESDAY, ASKING THE CONGRESS TO HEED SUGGESTIONS OF INTERIOR SECRETARY MORTON TO DEVELOP THE NECESSARY PRIORITIES TO BEGIN

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