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TELEGRAM

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PAGE 01 121810Z

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ACTION INT-08

INFO OCT-01 EA-11 30-14 PA-04 PM-07 L-03 /048 W
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P 121446Z FEB 74 ZNZ1
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
TO ALDISTADS TERPACIO
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALEYN MARSHALL ISLANDS
CUMNAV MARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TPTI GUAM MARIANAS ISLANDS
CINCPAC HONOLULU HI
NAVINSERVO 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 F M SMITH HI
COMCBPAC PEARL HARBOR HI
COMNAVFACENGCOM ALEXANDRIA VA
PACNAVFACENGCOM PEARL HARBOR HI

1. Speeches are only activity
2. Mangafel criticisms pay schedule
3. O'bomas speech

804

TT LNO HONOLULU HI
SAMTEC VANDENBERG AFB CA
CDRUSARBCO TTPT LNO MACHINATO JA

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SECTION 01 OF 02
COMTWELVE PASS INFO FOR AMB WILLIAMS
SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOYA/OSN
TPTI NO. 96

(SPEECHES ARE ONLY ACTIVITY)
SAIPAN, FEB. 12 (MNS)---THE CONGRESS OF MICRONESIA MET ONLY
BRIEFLY IN FORMAL SESSION AGAIN TUESDAY (FEB. 12), THE THIRTIETH

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Department of State

TELEGRAM

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PAGE 02 121810Z

DAY OF THE SUNDAY SESSION OF SAIPAN. NEITHER THE HOUSE OF REPRESENTATIVES NOR THE SENATE HAD ANY LEGISLATION ON THEIR CALENDARS FOR FINAL ACTION, AND THE ONLY ACTIVITY CONSISTED OF SPEECHES DELIVERED BY SENATOR JOHN MANGFEL (YAP) AND CONGRESSMAN MACHIME O'ISONIS (TRUK).

SENATOR MANGFEL CALLED THE ATTENTION OF HIS COLLEAGUES TO THE WIDE DISPARITY THAT EXISTS UNDER THE PRESENT GOVERNMENT EMPLOYEES SALARY PLAN BETWEEN THE LOWEST-PAID MICRONESIAN

PAGE 03 RUHGSAA4935 UNCLAS

GOVERNMENT WORKER, AND THE HIGHEST, THE RANGE IS FROM LESS THAN \$2,000 A YEAR TO MORE THAN \$16,000 A YEAR, AND SENATOR MANGFEL NOTED THAT SOME MICRONESIANS HOLDING EXEMPT POSITIONS EARN AS MUCH AS \$24,000 A YEAR. IT IS INCUMBENT UPON THE CONGRESS OF MICRONESIA TO CLOSE THIS GAP, HE SAID, AND ADDED THAT IN HIS OPINION IT SHOULD BE DONE BY TAKING MONEY FROM THOSE AT THE TOP OF THE PAY SCALE AND INCREASING THE SALARIES OF THOSE AT THE BOTTOM.

CONGRESSMAN O'ISONIS SPOKE CONCERNING THE LIFTING OF THE SO-CALLED "MOST FAVORED NATION CLAUSE" OF THE TRUSTEESHIP AGREEMENT, WHICH INTERIOR SECRETARY ROGERS C.B. MORTON ANNOUNCED LAST MONTH WILL BE INTERPRETED TO PERMIT INVESTMENT IN THE TT FROM ANY COUNTRY BEGINNING APRIL 1. (NOTE: SEE FOLLOWING CONGRESS RELEASE FOR FURTHER COVERAGE OF BOTH SPEECHES.)

OTHER THAN THE SPEECHES, THE ONLY ACTIVITY DURING THE SESSION WAS THE INTRODUCTION OF NEW LEGISLATION. SIX BILLS AND A JOINT RESOLUTION WERE INTRODUCED IN THE SENATE, WHILE TWO NEW BILLS AND TWO JOINT RESOLUTIONS WERE OFFERED IN THE HOUSE.

THE NEW SENATE BILLS ARE: A MEASURE ABOLISHING THE DIVISION OF OPERATIONS AND MAINTENANCE WITHIN THE HEADQUARTERS

PAGE 04 RUHGSAA4935 UNCLAS

DEPARTMENT OF PUBLIC WORKS. ON THE GROUNDS THAT THIS FUNCTION IS MORE PROPERLY PERFORMED BY THE SEVERAL DISTRICT PUBLIC WORKS DEPARTMENTS (SS 294) A BILL TO PROVIDE THAT EMPLOYEES OCCUPYING GOVERNMENT HOUSING SHALL BE REQUIRED TO PAY A FAIR RENTAL FOR THOSE UNITS, AS WELL AS FOR UTILITIES, SUCH AS

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Department of State

TELEGRAM

UNCLASSIFIED

PAGE 03 121810Z

ELECTRICITY, AND WATER, SUPPLIED TO THE HOUSE (SB 295); AN ADMINISTRATION BILL THAT WOULD FACILITATE THE TRANSFER OF PUBLIC LAND TO THE VARIOUS DISTRICTS, AS SPELLED OUT IN THE U.S. POLICY STATEMENT ON PUBLIC LAND ISSUED LAST YEAR (SB 296); ANOTHER BILL RELATED TO GOVERNMENT HOUSING, WHICH WOULD REQUIRE THE GOVERNMENT TO SELL ALL SUCH HOUSING UNITS TO TT CITIZENS NOT LATER THAN JANUARY 1, 1976, WITH LEASE ARRANGEMENTS TO BE WORKED OUT SO THAT GOVERNMENT EMPLOYEES MAY CONTINUE TO OCCUPY THE HOUSES, AND WITH A PROVISION PROVIDING FOR HOUSING ALLOWANCES EQUAL TO THE COST OF RENTING SUCH HOUSES (SB 297); A BILL TO ESTABLISH THE ADMINISTRATIVE DISTRICT OF KUSAIE (SB 298); AND A MEASURE TO ESTABLISH A MICRONESIAN SPORTS COUNCIL AND APPROPRIATE MONEY FOR ITS ACTIVITIES, ONE OF WHICH SHALL BE ORGANIZATION AND SUPERVISION OF THE TRUST TERRITORY'S ENTRY IN THE SOUTH PACIFIC GAMES (SB 299).

PAGE 05 RUHG8AAA4935 UNCLAS

THE JOINT RESOLUTION WOULD ASK THE DEPARTMENT OF INTERIOR TO AMEND SECRETARIAL ORDER 2918 TO SPECIFICALLY AUTHORIZE THE CONGRESS OF MICRONESIA TO BORROW MONEY (SJR 93).

IN THE HOUSE, THE NEW BILLS OFFERED TUESDAY ARE: A BILL APPROPRIATING \$1000,000 FOR THE STUDENT LOAN FUND (HB 301); AND A BILL THAT WOULD PROHIBIT ALL SERVICE CONTRACTS BETWEEN MEMBERS OF THE CONGRESS OF MICRONESIA AND THE TRUST TERRITORY GOVERNMENT (HB 300).

THE JOINT RESOLUTIONS INCLUDE A MEASURE REQUESTING THE U.S. GOVERNMENT TO DISPENSE WITH THE REQUIREMENT OF VISAS FOR TT CITIZENS ENTERING THE UNITED STATES FROM THIRD COUNTRIES (HJR 112); AND A MEASURE EXPRESSING APPRECIATION TO FATHER WILLIAM J. WALTER, S.J. FOR HIS WORK IN THE OUTER ISLANDS OF YAP DISTRICT AND DECLARING HIM AN HONORARY CITIZEN OF MICRONESIA (HJR 113).

BOTH HOUSES OF THE CONGRESS ARE IN RECESS UNTIL TEN WEDNESDAY MORNING.

(ALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)
(MANGEPFEL CRITICIZES PAY SCHEDULE)

SAIPAN, FEB. 12 (CONGRESS RELEASE) --- SENATOR JOHN MANGEPFEL

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Department of State

TELEGRAM

UNCLASSIFIED

PAGE 05 121810Z

DISTRICT LEVEL AND WHICH IS BASED ON AN EQUALLY INEFFICIENT AND UNWORKABLE MODEL OF THE UNITED STATES GOVERNMENT."

THE YAP SENATOR FURTHER POINTED OUT THAT MICRONESIA HAS A GOVERNMENT SIMILAR TO A WELL-KNOWN ANALOGY OF A COCONUT--"IT IS BROWN OUTSIDE, BUT WHITE INSIDE--IT MAY BE MANNED MOSTLY BY

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Department of State

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TELEGRAM

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ACTION INT-08

INFO OCT-01 EA-11 IO-14 PA-04 PM-07 L-03 /048 W
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P 121446Z FEB 74 ZNZ1
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
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NAVINYSERVO 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
COMNAVFACENGCOR ALEXANDRIA VA
PACNAVFACENGCOR PEARL HARBOR HI

TT LNO HONOLULU HI
SAMTEC VANDENBERG AFB CA
CDRUSARBCO TTPI LNO MACHINATO JA

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FINAL SECTION OF 02

MICRONESIANS, BUT THE DIRECTION AND DECISIONS ARE BEING MADE BY AMERICANS FROM THE SECRETARY OF THE INTERIOR DOWN TO THE DIVISION LEVEL, AND LOWER." HE SAID MICRONESIA HAS A GOVERNMENT "WHICH IS TOO BIG, AND UNRESPONSIVE, FILLED BY PEOPLE WHOSE LOYALTY IS NOT TO THE PEOPLE OF MICRONESIA, BUT RATHER TO THEIR PAYCHECKS WHICH COME FROM THE UNITED STATES

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Department of State **TELEGRAM**

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PAG 02 121810Z

TREASURY, W

(ALL USERS PLEASE CREDIT THE CONGRESS OF MICRONESIA)

✓ (O'ISONIS SPEECH)

SAIPAN, FEBRUARY 12 (CONGRESS RELEASE)--TRUK
REPRESENTATIVE MACHIME O'ISONIS TOLD THE HOUSE OF REPRESENTATIVES
TUESDAY (FEB. 12) THAT THE CONGRESS OF MICRONESIA SHOULD
CONSIDER ASKING INTERIOR SECRETARY ROGERS MORTON TO POSTPONE
LIFTING RESTRICTIONS AGAINST FOREIGN INVESTMENT "UNTIL A

PAGE 03 RUHGSAA4936 UNCLAS

JOINT COMMITTEE OF THIS CONGRESS AND DISTRICT LEGISLATURES
CAN HAVE MORE TIME TO FORM NEW POLICIES ON A DISTRICT-BY-
DISTRICT BASIS."R

"OUR ISLANDS NEED DEVELOPMENT," HE SAID IN A PREPARED
STATEMENT, "BUT CONTROLLED DEVELOPMENT."

CONCERNING MORTON'S DECISION TO LIFT THE BAN ON FOREIGN
INVESTMENT APRIL 1, AND OTHER POLICIES CURRENTLY BEING
INITIATED IN MICRONESIA, O'ISONIS SAID THAT MICRONESIAN
PARTICIPATION IN THE DECISION-MAKING PROCESS WAS STILL
LACKING, ALTHOUGH THE DECISIONS ARE BEING MADE "...PRESUMABLY
FOR THE BENEFIT OF MICRONESIANS."

"WE SHOULD BE THE ONES TO DECIDE WHAT CHANGES SHOULD BE
MADE, AND WHEN THEY SHOULD GO INTO EFFECT," HE SAID.

O'ISONIS EXPLAINED TO HIS COLLEAGUES THAT WHILE SECRETARY
MORTON'S RECENT DECISION TO LIFT THE BAN WAS IN AGREEMENT WITH
PAST REQUESTS FROM THE CONGRESS OF MICRONESIA, THE SUDDEN
ANNOUNCEMENT, MADE WITHOUT ANY ADVANCE NOTICE, HAS CAUSED
SOME PROBLEMS.

O'ISONIS EXPLAINED: "NOW THAT THE BAN HAS BEEN LIFTED,
WITHOUT ANY ADVANCE WORD TO THIS CONGRESS OR TO THE PEOPLE

PAGE 04 RUHGSAA4936 UNCLAS

OF MICRONESIA, WE ARE CAUGHT IN A DILEMMA. WE ARE UNPREPARED.

O'ISONIS SAID NOW THAT RESPONSIBILITIES OF THE DISTRICT
FOREIGN INVESTMENT BOARDS WILL BE INCREASING AS A RESULT OF
INCOMING FOREIGN BUSINESS APPLICATIONS, MORE REPRESENTATION
AND GUIDELINES WILL BE REQUIRED BY THE LOCAL BOARDS, ALONG

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Department of State

TELEGRAM

UNCLASSIFIED

PAGE 03 121810Z

WITH SAFFGHARDS FOR EXISTING MICRONESIAN-OWNED BUSINESSES. HE SAID: "I FEEL THAT THIS CONGRESS AND THE DISTRICT BOARDS AND LEGISLATURES NEED MORE TIME TO PREPARE FOR THESE CHANGES AND I SUGGEST THAT THIS CONGRESS MAY WISH TO PETITION THE SECRETARY OF INTERIOR TO POSTPONE LIFTING THESE RESTRICTIONS."

O'SONIS ALSO TOOK EXCEPTION TO REMARKS MADE BY SECRETARY MORTON WHICH EMPHASIZED TOURISM AS A MEANS TO DEVELOP MICRONESIA'S ECONOMY. NOTING THAT MORTON SAID NOTHING CONCERNING DEVELOPMENT OF MICRONESIA'S NATURAL RESOURCES, O'SONIS SAID THAT PRESENT-DAY FISH EXPORTS ARE ONLY 15 PER CENT OF WHAT THEY WERE IN 1937.

"ALL THE WHILE," HE SAID, "OUR VAST AND RICH OCEAN RESOURCES ARE A CONSTANT TEMPTATION TO FOREIGN INVESTORS AND EXPLOITATION OF THESE NATURAL RESOURCES BY FOREIGN INTERESTS WOULD BE EXTREMELY HARMFUL TO OUR DESIRES FOR A SELF-SUFFICIENT

PAGE 05 RUHGSAA4936 UNCLAS

ECONOMY. MY POINT IS THIS," HE TOLD THE CONGRESS, "IT HAS BEEN PROVED THAT THESE ISLANDS CAN BE DEVELOPED, YET WHY DOES OUR ADMINISTERING AUTHORITY CONTINUE TO EMPHASIZE TOURISM, WHICH DEPENDS SO HEAVILY ON FOREIGN INVESTMENT, IMPORTS AND A HEALTHY OVERALL WORLD MONETARY SITUATION?"

O'SONIS SAID WITH DEVELOPED FISHERIES AND AGRICULTURE, MICRONESIA WOULD ONLY HAVE TO DEPEND UPON ITSELF.

IN CONCLUDING HIS SPEECH, THE TRUK CONGRESSMAN EXPRESSED CONCERN OVER THE FACT THAT ALTHOUGH MICRONESIANS ARE ASSUMING MORE IMPORTANT POSITIONS IN THE TRUST TERRITORY GOVERNMENT, "WE MICRONESIANS ARE NOT IN THE POSITIONS THAT MAKE THE CRITICAL DECISIONS.

"I AM DISTURBED THAT MANY OF THE EXPATRIATES WHICH MICRONESIANS ARE SUPPOSEDLY REPLACING HAVE BEEN MERELY PROMOTED TO WHAT I WOULD CONSIDER TO BE "SUPER CABINET" LEVEL POSITIONS WHERE THEY INSULATE THE HIGH COMMISSIONER FROM MICRONESIANS AND STILL SET GOVERNMENT POLICY.

"WHILE I BELIEVE THAT SECRETARY MORTON'S ANNOUNCEMENT TO US IS INTENDED TO REPRESENT FULFILLMENT OF OUR ADMINISTERING AUTHORITY'S COMMITMENT TO MICRONESIA IN THE AREAS OF FOREIGN

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Department of State

TELEGRAM

UNCLASSIFIED

PAC 11 121810Z

PAGE 06 RUHGSAA/936 UNCLAS
INVESTMENT AND ECONOMIC DEVELOPMENT, CLOSE SCRUTINY WILL REVEAL
THAT DECISIONS ARE STILL BEING MADE BY AMERICANS, BOTH IN
WASHINGTON AND SAIPAN, WITHOUT ADEQUATE MICRONESIAN
PARTICIPATION IN THE DECISION-MAKING PROCESS," HE CONCLUDED.

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