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TELEGRAM

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ACTION INT-08

INFO OCT-01 IO-03 EA-07 PM-03 PA-02 L-03 /027 W
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P 271705Z FEB 74 ZNZ1
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
TO ALDISTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALEIN MARSHALL ISLANDS
COMNAV MARIANAS GUAM MARIANAS ISLANDS
HBCINCPACREP GUAM/TTPI 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 H M SMITH HI
COMCBPAC PEARL HARBOR HI
NAVFACENGCMPHQ ALEXANDRIA VA
PACNAV FACENGCMP PEARL HARBOR HI

*1. See letter to HICOM
2. See memo from HICOM
3. See memo to HICOM*

TT LNO HONOLULU HI
SAMTEC VANDENBERG AFB CA
INFO CDRUSARBCO TTPI 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.
TTPI NO. 135

(TWO BILLS TO HICOM)
SAIPAN, FEB. 27 (MNS)---THE CONGRESS OF MICRONESIA WEDNESDAY
PASSED AND SENT TO THE HIGH COMMISSIONER TWO BILLS, THE EIGHTH

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AND NINTH TO PASS THE CONGRESS THIS SESSION. THE BILLS ARE: A MEASURE TO AMEND CERTAIN SECTIONS OF THE TRUST TERRITORY CODE WHICH ALLOW ALL EMPLOYEES TO DEDUCT \$1,000 FROM GROSS TAXABLE WAGES AND SALARIES, TO EXCLUDE EMPLOYEES WHOSE GROSS ANNUAL WAGES AND SALARIES ARE \$5,000 OR MORE (SB 291). THE MEASURE IS AN ADMINISTRATION BILL WHICH WAS PROPOSED FOR THE PURPOSE FOR RAISING NEW REVENUES, ACCORDING TO THE COMMITTEE ON WAYS AND MEANS. THE BILL "WOULD PROVIDE AN ADDITIONAL \$30 OF REVENUE ANNUALLY FROM EACH

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EMPLOYEE WHO EARNS \$5,000 OR MORE, THE COMMITTEE ADDED.

ALSO PASSED AND SENT TO THE HIGH COMMISSIONER WAS A MEASURE TO ESTABLISH A GOVERNMENT AUTHORITY TO ENGAGE IN THE BUSINESS OF PROCESSING, MANUFACTURING AND SELLING PRODUCTS DERIVED FROM THE COCONUT TREE, AND APPROPRIATE \$300,000 FOR ITS PURPOSE, (HR 49). THE BILL IS ONE OF THE MOST SIGNIFICANT ECONOMIC DEVELOPMENT MEASURES TO COME OUT OF THIS SESSION.

THE MEASURE WAS PASSED EARLIER BY THE SENATE BUT CERTAIN AMENDMENTS WERE MADE. THE AMENDMENTS AS PROPOSED BY THE SENATE WOULD GIVE THE HIGH COMMISSIONER THE POWER TO REMOVE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY RATHER THAN GRANTING THAT POWER TO THE BOARD ITSELF. THE CONFERENCE COMMITTEE OF THE SENATE AND HOUSE MET TO WORK OUT THIS DIFFERENCE. THE SENATE CONFERENCE COMMITTEE SAID THE AMENDMENT WAS MADE "BECAUSE IT WAS THOUGHT THAT THE BOARD WOULD BE RELUCTANT TO REMOVE ONE OF ITS OWN MEMBERS EVEN IF THE MEMBER WAS NOT PERFORMING HIS FUNCTION PROPERLY," ACCORDING TO THE CONFERENCE COMMITTEE REPORT, ADDING, "THE HIGH COMMISSIONER COULD BETTER MAKE A DECISION TO REMOVE A BOARD MEMBER." THE HOUSE CONFERENCE COMMITTEE, AFTER CONSIDERING THE REASONING CAREFULLY, CONCLUDED THAT IT IS SOUND.

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THE MEASURE PASSED THE HOUSE UNANIMOUSLY IN THE SENATE VERSION, AND IS NOW ON ITS WAY TO THE HIGH COMMISSIONER.
(CONGRESS 45TH DAY)

SAIPAN, FEBRUARY 27 (MNS)---WITH FIVE MORE DAYS REMAINING IN THE SESSION, THE HOUSE OF REPRESENTATIVES IN ITS MORNING

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SESSION WEDNESDAY PASSED ON SECOND AND FINAL READING BILL APPROPRIATING \$83,300 FOR THE CONTINUED OPERATION OF THE FISHING AUTHORITIES IN EACH DISTRICT, (HB 226). THE MEASURE NOW GOES TO THE SENATE FOR FURTHER CONSIDERATION.

THE SENATE MEANWHILE, IN ITS ONLY SESSION OF THE DAY WEDNESDAY AFTERNOON, PASSED FOUR MEASURES AND SENT THEM OVER TO THE HOUSE FOR FURTHER CONSIDERATION. THEY ARE: A BILL DEFINING PROPERTY RIGHTS IN CERTIFICATES OF COMPLIANCE (SB 260); A MEASURE RELATING TO THE POWER OF DISTRICT FISHING AUTHORITIES (SB 263); AN OMNIBUS GOVERNMENT PERSONNEL AND SALARY BILL (SB 276); AND A BILL PROVIDING FOR THE PRESERVATION AND DEVELOPMENT OF CERTAIN ARCHEOLOGICAL SITES ON TOL ISLAND, IN TRUK DISTRICT (SB 319).

THE SENATE HAD DEBATED FOR SEVERAL DAYS ON THE SALARY BILL, WHICH IS A NECESSARY PIECE OF LEGISLATION THAT WILL EXTEND

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THE PRESENT SALARY PLAN FOR ANOTHER YEAR. ONE OF THE ITEMS THAT CAUSED PROBLEMS WAS A SECTION TO REDUCE THE NUMBER OF LEGAL HOLIDAYS IN THE TT FROM ELEVEN TO FOUR. IN THE FINAL SENATE DRAFT PASSED WEDNESDAY THAT SECTION WAS DELETED, LEAVING THE HOLIDAYS AS THEY ARE UNLESS THE MEASURE IS FURTHER AMENDED BY THE HOUSE. THE SENATORS ALSO RETURNED TO THEIR ORIGINAL SALARY LEVELS FOR HIGH-PAYING POSITIONS, FROM COMPROMISE LEVELS THAT HAD BEEN WRITTEN INTO THE BILL FOLLOWING TESTIMONY FROM THE ADMINISTRATION. THUS THE TOP SALARY TO WHICH A MICRONESIAN, HOLDING A POSITION SUCH AS DISTRICT ADMINISTRATOR OR DEPARTMENT DIRECTOR, WILL BE ENTITLED UNDER THE BILL WILL BE \$20,000, WITH DEPUTIES ENTITLED TO \$15,000 PER YEAR.

THE SENATORS ALSO ADOPTED ONE JOINT RESOLUTION AT THEIR WEDNESDAY SESSION, SENDING IT TO THE HOUSE. IT IS A MEASURE TO ENDORSE THE POSITION BEING TAKEN IN THE STATUS NEGOTIATIONS BY THE JOINT COMMITTEE ON FUTURE STATUS, AND AUTHORIZE THE COMMITTEE TO CONTINUE ITS DISCUSSIONS WITH THE UNITED STATES (SJR 101).

HOUSE AMENDMENTS TO THREE OTHER JOINT RESOLUTIONS WERE ALSO ACCEPTED, THUS COMPLETING LEGISLATIVE ACTION ON THEM. THEY ARE: A MEASURE TO ENCOURAGE THE STUDY OF THE POSSIBILITIES OF ECONOMIC

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AND DEVELOPMENTAL ASSISTANCE FOR MICRONESIA FROM OTHER NATIONS IN THE PACIFIC REGION (SJR 79); A MEASURE ASKING THAT U.S. GRANT FUNDS FOR THE BIKINI REHABILITATION PROJECT BE BUDGETED SEPARATELY FROM OTHER TT FUNDING (SJR 90); AND A MEASURE RELATING TO THE EXPERIMENTAL GENERATION OF ELECTRICITY (SJR 105).

IN THE HOUSE OF REPRESENTATIVES, WHICH HELD BOTH MORNING AND AFTERNOON SESSIONS WEDNESDAY, MOST FINAL ACTION TOOK PLACE ON THE RESOLUTION CALENDAR, ALTHOUGH THE 21 LAWMAKERS OF THE LOWER CHAMBER ALSO PASSED NUMEROUS BILLS ON FIRST READING, ENSURING A BUSY BILL CALENDAR DURING THE NEXT DAY OR TWO.

THREE SENATE AND ONE HOUSE JOINT RESOLUTION WERE ADOPTED DURING THE MORNING SESSION. THEY ARE: A RESOLUTION VERIFYING THE POSITION TAKEN BY THE JOINT COMMITTEE ON THE LAW OF THE SEA IN ITS POSITION PAPER DATED MAY 14, 1973, ENTITLED LAW OF THE SEA-THE PRELIMINARY MICRONESIAN POSITION AND AUTHORIZING THE JOINT COMMITTEE TO REPRESENT MICRONESIA AT THE UNITED NATIONS LAW OF THE SEA CONFERENCE, (SJR 80); A RESOLUTION REQUESTING THE HICOM AND THE CHIEF OF THE PLANNING DIVISION OF PUBLIC WORKS DEPARTMENT TO CONDUCT A FEASIBILITY STUDY REGARDING THE CONSTRUCTION OF A BRIDGE BETWEEN SEVERAL ISLANDS IN THE TRUK

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LAGOON, (HJR 127); A RESOLUTION TO INVITE SCIENTIFIC INSTITUTIONS IN THE UNITED STATES AND JAPAN TO USE THE ISLANDS IN MICRONESIA TO STUDY TECHNIQUES IN HARNESSING THE ENERGY OF SEA WATER TEMPERATURE VARIATION TO PRODUCE ELECTRICITY, (HJR 105); AND A RESOLUTION TO REQUEST THAT UNITED STATES FEDERAL AGRICULTURE PROGRAMS BE APPLIED IN MICRONESIA, (SJR 91).

TWO NEW BILLS AND TWO HOUSE JOINT RESOLUTIONS WERE INTRODUCED DURING THE MORNING SESSION. ONE WOULD PROVIDE FOR A REDUCTION OF MOTOR VEHICLE FEES EXCEPT WHEN APPLICATION FOR REGISTRATION IS MADE AFTER SEPTEMBER 30 OF EACH YEAR, (HB 337); ANOTHER WOULD SET A TIME LIMIT OF 30 DAYS DURING WHICH MUNICIPAL ORDINANCES WHICH REQUIRE APPROVAL BY THE DISTRICT ADMINISTRATOR SHALL BE ACTED ON AFTER HE RECEIVES THE BILL, (HG 338).

THE NEW HOUSE JOINT RESOLUTIONS WOULD DIRECT THE JOINT

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COMMITTEE ON PROGRAM AND BUDGET PLANNING OF THE CONGRESS TO SET A HIGH PRIORITY ON CONSTRUCTION OF SEWER SYSTEMS IN THE VILLAGES OF SAN ROQUE, TANAPAG AND SAN VICENTE ON SAIPAN IN THE MARIANAS; (HJR 133), AND REQUESTING THE BANK OF AMERICA TO ESTABLISH A BRANCH OFFICE IN PALAU DISTRICT, (HJR 134).

TWO HOUSE JOINT RESOLUTIONS WERE ADOPTED DURING THE

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 TO ALDISTADS TERPACIS
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 TT LNO KWAJALEIN MARSHALL ISLANDS
 COMNAVMARIANAS GUAM MARIANAS ISLANDS
 CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS
 CINCPAC HONOLULU HI
 NAVINVSERVO 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
 NAVFACENGCOMHQ ALEXANDRIA VA
 PACNAVACENGCOM PEARL HARBOR HI

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FINAL SECTION OF 02

AFTERNOON HOUSE SESSION. THEY ARE REQUESTING THE U.S. GOVERNMENT TO AMEND U.S. IMMIGRATION LAWS AND REGULATIONS TO PERMIT TT CITIZENS TO ENTER THE UNITED STATES FROM THIRD COUNTRIES WITHOUT OBTAINING A U.S. VISA, (HJR 112); AND URGING THE HIGH COMMISSIONER AND THE DEPARTMENT OF DEFENSE TO TAKE IMMEDIATE STEPS TO REVIEW THE LEASE AGREEMENTS OF

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KWAJALEIN ISLAND, CARLOS ISLAND, AND OTHER ISLANDS IN THE KWAJALEIN ATOLL WHICH WERE INCLUDED IN THE 1964 KWAJALEIN LEASE AGREEMENT, (HJR 123).

TWO BILLS WERE INTRODUCED DURING THE AFTERNOON SESSION. ONE WOULD APPROPRIATE MONEY WHICH WOULD OTHERWISE LAPSE UNDER PL 40-54 (APPROPRIATING \$30,000 FOR PROJECTS IN PALAU) TO BE USED BY THE MUNICIPALITY OF PALAU DISTRICT FOR MUNICIPAL PROJECTS, PROGRAMS, OR SERVICES, (HB 339).

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THE OTHER BILL IS TO PROVIDE FOR THE PRESERVATION, DEVELOPMENT, AND MAINTENANCE OF ARCHEOLOGICAL AND HISTORIC SITES, ARTIFACTS, OBJECTS AND PROPERTY IN THE IN SARU AREA, LELU VILLAGE, KUSAIE ISLAND IN PONAPE DISTRICT, AND AUTHORIZE THE HICOM TO EXCHANGE PUBLIC LANDS ON KUSAIE ISLAND FOR THE ACQUISITION OF IN SARU AREA, AND APPROPRIATE \$10,000 TO CARRY OUT THE PROVISIONS OF THIS ACT, (HB 340).

NEW LEGISLATION INTRODUCED IN THE SENATE WEDNESDAY INCLUDED THREE BILLS AND ONE JOINT RESOLUTION. THE BILLS ARE: AN APPROPRIATION OF \$150,000 FOR A MICRONESIAN DEVELOPMENT BANK (SB 338); AN APPROPRIATION OF \$650,000 TO PURCHASE A 20-INCH DREDGE FOR DREDGING OF CHANNELS IN THE TT (SB 339); AND A BILL TO MAKE CERTAIN AMENDMENTS TO PUBLIC LAW 5-52, WPCH PROVIDES BENEFITS FOR THE RONGELAP AND UTIRYK FALLOUT VICTIMS (SB 340). THE JOINT RESOLUTION WOULD URGE THE HIGH COMMISSIONER TO ESTABLISH IN EACH DISTRICT A COPRA STABILIZATION BOARD, AND TO PHASE OUT THE TERRITORY-WIDE BOARD THAT IS NOW IN EXISTENCE (SJR 114).

BOTH HOUSES OF THE CONGRESS HAVE SCHEDULED AFTERNOON SESSIONS ON THURSDAY. THERE ARE FIVE DAYS REMAINING IN THE 50-DAY SESSION, WHICH IS DUE TO END ON OR BEFORE MIDNIGHT MONDAY, MARCH 4.

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(ALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)
(SEN. TUN ON GOVT HOUSING)

SAIPAN, FEB 27 (CONGRESS RELEASE)---SENATOR PETRUS TUN PROPOSED WEDNESDAY (FEB. 27) THAT THE TRUST TERRITORY GOVERNMENT SHOULD GET OUT OF THE HOUSING BUSINESS AND TURN IT OVER TO PRIVATE ENTERPRISES

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AS A WAY TO STIMULATE ECONOMIC DEVELOPMENT.

IN A SPEECH TO THE SENATE THE YAP LAWMAKER SAID THIS COULD BE DONE BY THE GOVERNMENT CEASING TO FUND NEW HOUSING FOR GOVERNMENT EMPLOYEES, AND LETTING PRIVATE CONSTRUCTION FIRMS AND CAPITAL FROM THE ECONOMIC DEVELOPMENT LOAN FUND OR BANKS DO THE JOB. TUN SAID IT WOULD PERMIT THE MAINTENANCE PEOPLE IN THE PUBLIC WORKS DEPARTMENT TO ACCOMPLISH MORE IMPORTANT JOBS, SUCH AS UPKEEP OF HOSPITALS, SCHOOLS AND ROADS, THUS CREATING MORE JOBS, FROM ACCOUNTING TO BRICKLAYING, IN THE PRIVATE SECTOR.

TUN SAID HIGH-PAYED MICRONESIAN AND EXPATRIATE GOVERNMENT EMPLOYEES SHOULD NOT ONLY HAVE TO PAY RENT TO THE NEW OWNERS, BUT ALSO PAY FOR UTILITIES AND MAINTENANCE, WHICH, UNDER THE PRESENT SYSTEM, IS ALL PAID FOR BY THE GOVERNMENT.

"IT WOULD APPEAR TO ME THAT GETTING THE GOVERNMENT OUT OF THE HOUSING BUSINESS WOULD THUS SOLVE A NUMBER OF PROBLEMS," SAID

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TUN, "IT WOULD INCREASE PRIVATE EMPLOYMENT, PRIVATE ENTERPRISE, IT WOULD ALLOW OUR GOVERNMENT TO OPERATE MORE EFFICIENTLY TO DO THE THINGS IT IS SUPPOSED TO DO, AND LASTLY, IT WOULD SAVE THE U.S. GOVERNMENT SOME MONEY."

TUN SUGGESTED, HOWEVER, THAT ANOTHER WAY TO ACHIEVE THIS WOULD BE TO TURN GOVERNMENT HOUSES OVER TO DISTRICT HOUSING AUTHORITIES, OR FOR THE GOVERNMENT TO FUND CONSTRUCTION ITSELF, AND THEN IN TURN CONTRACT THEM OUT TO CAPABLE PRIVATE FIRM. BUT HE NOTED THIS WOULD BE A MATTER FOR THE HIGH COMMISSIONER TO DECIDE, AFTER THOROUGH STUDY OF THE MATTER.

CONCLUDING HIS REMARKS, TUN RECALLED A PHRASE HE SAID MOST AMERICANS WHO EMBRACE THE REPUBLICAN PARTY ARE GIVEN TO UTTER, "LESS GOVERNMENT IN BUSINESS AND MORE BUSINESS IN GOVERNMENT."

"I AM NOT A REPUBLICAN AND I AM NOT PROPOSING WE PUT BUSINESS IN GOVERNMENT," HE SAID, "I AM SAYING THAT OUR GOVERNMENT IS STILL THE BIGGEST BUSINESS IN MICRONESIA AND THAT WE MIGHT BRING ABOUT SOME BENEFICIAL CHANGES IF THE ADMINISTRATION WERE TO CONSIDER HOW IT CAN START GETTING OUT OF BUSINESS--IN THIS CASE, THE HOUSING BUSINESS."

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