

FORTY-FIFTH DAY

Wednesday, February 26, 1975

The House of Representatives of the Sixth Congress of Micronesia, First Regular Session, 1975, was called to order at 10:15 a.m., Wednesday, February 26, 1975.

Speaker Bethwel Henry presided.

A moment of silent prayer was observed.

The Chief Clerk called the roll, and all members were present.

COMMUNICATIONS

High Commissioner Communication No. 6-34, transmitting a proposed bill to provide compensation to members of the Environmental Protection Board.

High Commissioner Communication No. 6-35, responding to H.J.R. No. 127, H.D.1, Fifth Congress, relating to bridge feasibility study to connect certain islands in the Truk Lagoon.

No Departmental Communications were reported.

Senate Communication No. 6-71, transmitting S.B. No. 6-32, S.D.2, establishing a mortgage law.

Senate Communication No. 6-72, transmitting S.B. No. 6-77, appropriating \$139,500 for Micronesian representation at UN Law of the Sea Conference.

Senate Communication No. 6-73, transmitting S.J.R. No. 6-33, relating to assistance from the government of Japan.

No Miscellaneous Communications were reported.

Floor Leader Tman: Point of privilege, Mr. Speaker. In the gallery this morning, Mr. Speaker and fellow colleagues, is a civics class from Marianas High School, accompanied by their instructor, Mrs. Davison. I wish to ask the House to recognize this class.

STANDING COMMITTEE REPORTS

Standing Committee Report No. 6-80, submitted by the Committee on Judiciary and Governmental Relations, re S.J.R. No. 6-10, "Expressing the sense of the Congress of Micronesia that the High Court of the Trust Territory should impose maximum penalties on foreign fishing vessels violating the territorial waters of the Trust Territory."

Chairman Basilius moved for adoption of the report; Floor Leader Tman seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-81, submitted by the Committee on Appropriations, re H.B. No. 6-130, H.D.1, "To appropriate the sum of ~~\$80,000~~ \$90,000 from the General Fund of the Congress of Micronesia for the operating expenses of the district fishing authorities in each district, ~~repealing Public Law No. 573 and transferring funds appropriated thereunder,~~ and for other purposes."

Chairman Setik moved for adoption of the report; Floor Leader Tman seconded, and the motion carried by voice vote.

Rep. Rasa: Mr. Speaker, I understand the Marianas District is not included in this

appropriation. I want to ask the Chairman of the Appropriations Committee why.

Rep. Setik: Your Committee was unable to receive the report on the activities of the Marianas Fishing Authority. Just this morning the report was submitted. To allow your committee time to study it and to be able to include the Marianas in the appropriations measures, your committee is planning to call an executive meeting this afternoon, to consider the bill itself.

Rep. Rasa: In that case, I move that we defer action until a complete study on the issue of the Marianas is completed.

Representative Guerrero seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-83, submitted by the Committee on Judiciary and Governmental Relations, re H.B. No. 6-188, "To amend 73 T.T.C. sections 3(3), 101(1) (2), 104(3) and Section 105; to extend coverage of the Social Security System to all persons working for Trust Territory employers; and for other purposes."

Chairman Basilius moved for adoption of the report; Vice Speaker Silk seconded.

Rep. Setik: Mr. Speaker, point of information: On the second page, second paragraph, it is stated and I quote: "Extension of the system to all employees, regardless of citizenship, will also have a beneficial effect in that it will mean an additional yearly revenue to the system of approximately \$200,000." Then, it went further: "Since many of these employees will not be here at age 60, no benefits will be paid to them."

Rep. Basilius: Before I clarify that misunderstanding, I ask for a short recess.

The Speaker declared the House recessed at 10:25 a.m., subject to the call of the Chair.

The House reconvened at 10:28 a.m.

Speaker Henry: Is there any more discussion on Standing Committee Report No. 6-83?

Rep. Basilius: Mr. Speaker, in order to clarify the situation we have in the Trust Territory in regard to the Social Security System--we have at least six cases where the social security is supposed to be applicable to a Micronesian whose husband or wife (especially husband) died. Because of the social security laws of the United States, if they happen to be in the Trust Territory, then they are not eligible to receive the benefits. But if they go to Guam or any United States soil, then they are eligible to receive those benefits. I think your Committee was concerned about the inapplicability of the U.S. social security to these cases, because of the American husbands who happen to marry a Micronesian young women, and they die before they reach the age of 60 in Micronesia. In order to clarify the situation, and not to go into details, I would like to strike out that sentence. I think I have explained the situation that does exist in the Trust Territory, so before we take action on the report, I would refer you to page two, paragraph two, and I would like to strike out that sentence.

Floor Leader Tman: I so move.

Vice Speaker Silk seconded the motion, and the motion carried by voice vote.

Standing Committee Report No. 6-83, as amended, was adopted by voice vote.

Standing Committee Report No. 6-84, submitted by the Committee on Education and Social Matters, re H.J.R. No. 6-66, "Requesting the High Commissioner, the Director of the Department of Public Works and the District Administrator of the Truk District to remove the public works facilities from the dock area on Moen Island to some more suitable site."

Chairman Sigrah moved for adoption of the report; Vice Speaker Silk seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-85, submitted by the Committee on Appropriations, re H.J.R. No. 6-53, "Requesting the Department of Public Works and the Department of Transportation and Communications jointly to install an experimental wind-powered generator and battery-storage system on Sataawal Island, Yap District, for the use of the people in that area, and for other purposes."

Chairman Setik moved for adoption of the report; Floor Leader Tman seconded, and the motion carried by voice vote.

ASSIGNMENT OF MEASURES

The Clerk called attention to Referral Sheet No. 29 attached to the Order of the Day for the assignment of measures introduced on Tuesday, February 25, 1975. The following Senate measure was also assigned:

S.J.R. No. 6-23, SD1: Assigned to: Health Matters
 Confirming the appointments of two nominees for membership on the Trust territory Environmental Protection Board.

UNFINISHED BUSINESS

H.B. No. 6-38, HD1: *Amending Subsection (2) of To repeal Section 1 of Title 53 of the Trust Territory Code concerning nationality of children born outside the Trust Territory of parents, one of whom is a Trust Territory citizen, and citizenship, to add a new Section 1 in lieu thereof, and for other purposes.*

Representative Basilius moved for passage of H.B. No. 6-38, H.D.1, on Second Reading (which was deferred from February 21, 1975). Floor Leader Tman seconded, and the Chief Clerk read the title. The motion carried by roll call vote of eighteen ayes; Representatives Setik and Sigrah voted no; Floor Leader Tman stated conflict of interest.

Rep. Aafin: There was a "conflict of interest" on the floor. May we hear an explanation?

Floor Leader Tman: Mr. Speaker, I have many cousins and nieces and nephews that will be affected by this bill. That is why I voted "conflict of interest."

Rep. Guerrero: Point of information: What then is the status of the conflict of interest in the House?

Speaker Henry: No vote. As announced by the Clerk, the vote stands, and the bill passed Second Reading.

Rep. Guerrero: It is neutral?

Speaker Henry: It is no vote.

Standing Committee Report No. 6-69, submitted by the Committee on Appropriations, re H.B. No. 6-178, "To appropriate the sum of \$673,026 for the operating and contingent expenses of the House of Representatives of the Congress of Micronesia, and for other purposes."

Speaker Henry: Let me say before I recognize the Chairman that the Chair did not realize what he said when he said "no vote." There is such a vote as "no," so your point was correct, Representative Guerrero. "Neutral" is correct. We have Standing Committee Report No. 6-69, which was deferred from yesterday's calendar.

Chairman Setik moved for adoption of the report; Floor Leader Tman seconded.

Rep. Rasa: Mr. Speaker, I do not have the report.

Speaker Henry: We discussed it yesterday, and it was deferred until today. The House will take a short recess.

The House reconvened at 10:40 a.m.

Rep. Mafnas: I would like to refer to the question of my colleague, Representative Lambert Aafin, yesterday as to the salary of Miss Seman. That was never answered.

Representative Setik moved for a short recess; Floor Leader Tman seconded, and the motion carried by voice vote. The Speaker declared the House recessed subject to the call of the Chair.

The House reconvened at 10:45 a.m.

Speaker Henry: Is there any more discussion on the report?

The motion to adopt Standing Committee Report No. 6-69 carried on a voice vote.

Standing Committee Report No. 6-79, submitted by the Committee on Ways and Means, re H.B. No. 6-84, "To amend Chapter 11 of Title 77 of the Trust Territory Code by adding new Sections 280 and 281, authorizing the chartered district legislatures and the chartered municipal governments to establish surtaxes on wages, salaries and gross revenues under Title 77 of the Trust Territory Code; excepting districts who establish the surtaxes from shared revenue provisions of Title 77; and for other purposes."

Chairman Moses moved for adoption of the report; Floor Leader Tman seconded, and the motion carried by voice vote.

BILL CALENDAR

H.B. No. 6-188, HD1: To amend 73 T.T.C. Sections 3(3), 101(1) and (2), 104(3) and Section 105; to extend coverage of the Social Security System to all persons working for Trust Territory employers; and for other purposes.

Representative Basilius moved for passage of H.B. No. 6-188, H.D.1, on First Reading; Vice Speaker Silk seconded, and the Chief Clerk read the title. The motion carried by voice vote.

H.B. No. 6-178, HD1: To appropriate the sum of ~~\$873,020~~ \$596,000 for the operating and contingent expenses of the House of Representatives of the Congress of Micronesia, and for other purposes.

Representative Setik moved for passage of H.B. No. 6-178, H.D.1, on First Reading; Floor Leader Tman seconded, and the Chief Clerk read the title.

Rep. Rasa: Mr. Speaker, I have a question. Where do the Standing Committees come in? I understand that the Joint Committees are budgeted, but what about the Standing Committees?

Rep. Setik: The Standing Committees are included in line 6, subsection (1).

The motion to pass H.B. No. 6-178, H.D.1, on First Reading carried by voice vote.

H.B. No. 6-177, HD1: To appropriate the sum of ~~\$870,770~~ \$500,500 for the operating and contingent expenses of the Senate of the Congress of Micronesia, and for other purposes.

Representative Setik moved for passage of H.B. No. 6-177, H.D.1, on Second Reading; Floor Leader Tman seconded, and the Chief Clerk read the title. The motion carried by roll call vote of twenty-one ayes.

H.B. No. 6-161, HD1:

To amend Section 10 of Public Law No. 5-21 by adding new subsections to be designated "Subsections (8) and (9)", relative to the relationship between the Marine Resources Division and the district fishing authorities, and for other purposes.

Representative Haruo moved for passage of H.B. No. 6-161, H.D.1, on Second Reading; Vice Speaker Silk seconded, and the Chief Clerk read the title. The motion carried by roll call vote of twenty ayes; Representative Basilius voted no.

H.B. No. 6-119, HD1:

To create an Office of Foreign Affairs and for other purposes.

Representative Basilius moved for passage of H.B. No. 6-119, H.D.1, on Second Reading; Vice Speaker Silk seconded, and the Chief Clerk read the title. The motion carried by roll call vote of twenty-one ayes.

H.B. No. 6-129, HD1:

To amend Section 3 of Public Law No. 5-21 relating to the definition of fishing cooperatives.

Representative Haruo moved for passage of H.B. No. 6-129, H.D.1, on Second Reading; Floor Leader Tman seconded, and the Chief Clerk read the title. The motion carried by roll call vote of twenty-one ayes.

H.B. No. 6-84, HD1:

To amend Chapter 11 of Title 77 of the Trust Territory Code by adding new Sections 280 and 281, authorizing the chartered district legislatures and the chartered municipal governments to establish surtaxes on wages, salaries and gross revenues under Title 77 of the Trust Territory Code, excepting districts who establish the surtaxes from shared revenue provisions of Title 77, and for other purposes; Amending Title 77 and Title 3 of the Trust Territory Code to enable district legislatures to establish district surtaxes on wages and salaries and gross revenues; reducing the Trust Territory tax on wages and salaries to 2 percent; repealing the Code provisions for shared revenues on these categories; providing a 50 percent surtax on wages and salaries for all districts; and for other purposes.

Representative Moses moved for passage of H.B. No. 6-84, H.D.1, on First Reading; Floor Leader Tman seconded, and the Chief Clerk read the title. The motion carried by voice vote.

RESOLUTION CALENDAR

S.J.R. No. 6-10, HD1:

Expressing the sense of the Congress of Micronesia that the High Court of the Trust Territory should impose maximum penalties, or at least a minimum penalty of \$5,000 on foreign fishing vessels violating the territorial waters of the Trust Territory, and that the Public Defender's Office should no longer defend these violators.

Representative Basilius moved for adoption of S.J.R. No. 6-10, H.D.1; Vice Speaker Silk seconded, and the Chief Clerk read the title. The motion carried by voice vote.

H.J.R. No. 6-66:

Requesting the High Commissioner, the Director of the Department of Public Works and the District Administrator of the Truk District to remove the public works facilities from the dock area on Moen Island to some more suitable site.

Representative Sigrah moved for adoption of H.J.R. No. 6-66; Vice Speaker Silk seconded, and the Chief Clerk read the title.

Rep. Moses: What facilities are we talking about in this resolution?

Rep. Aafin: We are talking about the present Public Works complex which was moved from its past site, which was located almost in the center of the island, to the waterfront where we have commercial business going on--fisheries, shipping businesses, etc. We think that it is not the appropriate place for Public Works with their engines, pipe work, etc.

Rep. Domnick: What was the reason for moving it from the former place?

Rep. Aafin: I frankly do not know why they moved it from where they were before--but I know where it is now it is not good for commercial business purposes. At the present time it is right on the dock area which could be used for warehouses and other segregated businesses.

Representative Refonopei moved for the previous question; Representative Aafin seconded, and the motion carried by voice vote.

The motion to adopt House Joint Resolution No. 6-66 carried by voice vote.

H.J.R. No. 6-53: Requesting the Department of Public Works and the Department of Transportation and Communications jointly to install an experimental wind-powered generator and battery-storage system on Sataawal Island, Yap District, for the use of the people in that area, and for other purposes.

Representative Setik moved for adoption of H.J.R. No. 6-53; Floor Leader Tman seconded, and the Chief Clerk read the title. The motion carried by voice vote.

INTRODUCTION OF BILLS

H.B. No. 6-281: Introduced by: Rep. Setik (and seven others)
Assigned to: Appropriations

To appropriate the sum of \$25,000 from the General Fund of the Congress of Micronesia for the purpose of updating the voter registration lists in all districts, and for other purposes.

H.B. No. 6-282: Introduced by: Rep. Tman
Assigned to: Appropriations

To amend Section 10 of Public Law No. 5-60 relating to compensation of delegates, and for other purposes.

H.B. No. 6-283: Introduced by: Rep. Sigras
Assigned to: Appropriations

To appropriate the sum of \$56,000 from the General Fund of the Congress of Micronesia for the purpose of purchasing two school buses for Kusaie, Ponape District, and for other purposes.

H.B. No. 6-284: Introduced by: Rep. Tman
Assigned to: Judiciary and Governmental Relations

To amend certain sections of Public Law No. 5-60 relating to the Micronesian Constitutional Convention, and for other purposes.

H.B. No. 6-285: Introduced by: Rep. Rasa and Rep. Mafnas
Assigned to: Appropriations

To appropriate \$1,078,229 from the General Fund of the Congress of Micronesia for various public projects in the Mariana Islands District, and for other purposes.

H.B. No. 6-286:

Introduced by: Rep. Haglelgam
Assigned to: Resources and Development

To add a new paragraph (b) to Subsection (2) of Section 101 of Title 53 to declare Ulithi airstrip and anchorage, Ulithi Atoll, Yap District, the official ports of entry, and for other purposes.

H.B. No. 6-287:

Introduced by: Rep. Henry
Assigned to: Appropriations

To appropriate the sum of \$50,000 as drought relief for Kapingamarangi Island, Ponape District.

H.B. No. 6-288:

Introduced by: Rep. Nakamura (by request)
Assigned to: Appropriations

To repeal Subsection (3) of Section 504 of Title 63 of the Trust Territory Code in its entirety and to enact a new Subsection (3) in lieu thereof.

H.B. No. 6-289:

Introduced by: Rep. Mafnas
Assigned to: Appropriations

To appropriate the sum of \$30,000 from the General Fund of the Congress of Micronesia for the purpose of constructing a jailhouse on the island of Rota, Mariana Islands District, and for other purposes.

H.B. No. 6-290:

Introduced by: Rep. Mafnas
Assigned to: Resources and Development

To provide for the establishment of the Mariana Islands Airport Authority and for other purposes.

H.B. No. 6-291:

Introduced by: Rep. Tman (by request)
Assigned to: Appropriations

To appropriate the sum of \$110,000 from the General Fund of the Congress of Micronesia for the purchase and installation of uniform signs for streets and highways, and for other purposes.

INTRODUCTION OF RESOLUTIONS

H.J.R. No. 6-83:

Introduced by: Rep. Haruo
Assigned to: Resources and Development

Requesting the Director of the Department of Resources and Development in cooperation with the Territorial Planner to undertake a feasibility study on processing and canning tuna and skipjack in the Trust Territory and to report the findings and recommendations to the Second Regular Session of the Sixth Congress of Micronesia in January, 1976.

H.J.R. No. 6-84:

Introduced by: Rep. Basilius
Assigned to: Education and Social Matters

Authorizing the extension of the life of the Territorial Panel for the selection of the official Micronesian Attire and to allow the Speaker of the House of Representatives and the President of the Senate to authorize the expenditure of funds out of normal budget appropriations for the purpose of implementing this Joint Resolution.

H.J.R. No. 6-85:

Introduced by: Rep. Haruo
Assigned to: Resources and Development

Requesting the High Commissioner and the Director of the Department of Transportation and Communications to establish the port on Moen Island, Truk District, as a Trust Territory transshipment port.

H.J.R. No. 6-86:

Introduced by: Rep. Haglelgam (and two others)
Assigned to: Judiciary and Governmental Relations

Requesting the High Commissioner and the Joint Committee on Program and Budget Planning of the Congress of Micronesia to make budgetary allowances for the development of Woleai Atoll, Yap District, as a subdistrict beginning in Fiscal Year 1976 and to make budgetary provisions of a subdistrict hospital and other capital improvement projects on said atoll.

H.J.R. No. 6-87:

Introduced by: Rep. Haglelgam
Assigned to: Appropriations

Requesting the High Commissioner and the Joint Committee on Program and Budget Planning to provide for separate budgets for the outer islands of Yap District for education, field trip service, operations of dispensaries, and operations of public works.

H.J.R. No. 6-88:

Introduced by: Rep. Tman (by request)
Assigned to: Resources and Development

Authorizing the High Commissioner to accept a grant offer for the preparation of a Master Plan, together with an Environmental Impact Statement for Palau District Airport, Trust Territory of the Pacific Islands, from the Federal Aviation Administration, United States Department of Transportation.

H.R. No. 6-19:

Introduced by: Rep. Aafin (and two others)
Assigned to: Judiciary and Governmental Relations

Directing the Superintendent of Public Safety and the Director of Personnel to divide the rank of patrolman into three classes, to reflect such fact on the uniform and badge of each patrolman, and to reclassify the rank of Patrolman Third Class to a higher pay level.

MISCELLANEOUS BUSINESS

Rep. Haruo: Mr. Speaker, I have a short statement to make.

Speaker Henry: You have the floor.

REMARKS BY REPRESENTATIVE HARUO

Rep. Haruo, Mr. Speaker, members of the House:

Since we have little time left to solve some very serious problems before this Regular Session adjourns, instead of taking valuable time I will be frank, clear, and to the point. I had intended to deliver remarks today concerning economic development--or I should say the lack of it--but instead of offering words and arguments which oftentimes prove useless concerning America's failure to give us an economy of our own to sink or swim with, I intend today to offer a very simple proposal.

We now have witnessed the conclusion of negotiations to resolve the issue of future political status for one of our districts, and judging from the amount of economic aid, and shallow promises of economic development included in those negotiations, our suspicions that Washington's purse strings are tied directly to the military of the United States have only been reinforced and and proven.

Mr. Speaker, it has become obvious that we cannot expect anything more from the United States other than financial assistance that is tied to the military dollar. Therefore, my proposal is to give our Joint Committee on Future Status a new mandate. We are a Trust Territory of the United Nations. There are over 150 nations in that world body, many of whom are now asserting themselves as what has been referred to as "Third World" nations--nations which I am confident would be sympathetic to our situation of being on the verge of becoming victimized by the United States and its military.

My plan, Mr. Speaker, is to instruct our Joint Committee on Future Status to begin negotiations with other nations of the world. In recent years, several nations have informally told us that economic aid is available from them, and I think this course must now be pursued.

While I do sincerely feel that this Congress and the people of Micronesia do appreciate most of what the United States has done for us in the past, many Micronesian leaders today cannot help but resent the fact that the United States (one of the richest nations of the world) has apparently forgotten its promises of guaranteeing Micronesia economic self-sufficiency. More importantly, we have learned that political freedom is impossible without economic freedom, and after 31 years of American rule, we must admit that we have neither of these freedoms. Therefore, we must take our case to other nations of the world. Our survival depends on it.

I would like to close my brief remarks with a quote from the final paragraph of a document, written by the first American economists that visited Micronesia after World War II in 1945. That document, Mr. Speaker, spoke of our potential, and recommended many things, which I must add have not yet been carried out in the three long decades that have passed since then. I quote:

"It is compelling therefore, that, as long as the United States Government restricts Micronesians' freedom of choice in any way and does not choose to share the assets of Micronesia along with its liabilities, it cannot escape the full consequences of guaranteeing Micronesians their economic well-being. Its (U.S.) obligations to them (meaning Micronesians) is even greater than it is to its own citizens, who--in the final analysis--enjoy much greater freedom of action."

Mr. Speaker, the problem and solution is simple: If the United States has decided not to keep its obligations to promote our economic development, then we must develop relations with other nations that are eager and willing to do what the United States has chosen not to do. Thank you, Mr. Speaker.

Floor Leader Tman moved to suspend the order of the day to go back to the Bill Calendar; Vice Speaker Silk seconded, and the motion carried by voice vote.

BILL CALENDAR

Floor Leader Tman: Mr. Speaker, prior to its referral to committee, I move that House Bill No. 6-281 be placed on the Bill Calendar for First Reading.

Vice Speaker Silk seconded the motion, and the motion carried by voice vote.

H.B. No. 6-281: To appropriate the sum of \$25,000 from the General Fund of the Congress of Micronesia for the purpose of updating the voter registration lists in all districts, and for other purposes.

Floor Leader Tman moved for passage of H.B. No. 6-281 on First Reading; Vice Speaker Silk seconded, and the Chief Clerk read the title.

Floor Leader Tman moved to suspend the rule on duplication; Vice Speaker Silk seconded, and the motion carried by voice vote.

The motion to pass H.B. No. 6-281 on First Reading carried by voice vote.

Rep. Moses: Mr. Speaker, before I make my announcement, let me submit a "think paper" for the members.

MEMORANDUM TO CONGRESSMAN RESIO MOSES, CHAIRMAN OF COMMITTEE ON WAYS AND MEANS FROM DANA W. SMITH, STAFF ATTORNEY - SUBJECT: REVENUE SHARING

Several weeks ago I had an informal discussion with you regarding the subject of revenue sharing. At this time I wish to formalize in writing some of my thoughts on the subject. This paper is more of a "think paper" rather than a research paper on the subject and in no way represents an exhaustive search for an answer to this question. I wish merely to submit some of my ideas for consideration by your committee. Also, by this paper, I do not wish to commit myself to one position on this issue but merely wish to share with you some of these ideas.

The concept of revenue sharing implies the notion of power vested in a central government. To accept the concept of revenue sharing means that one first must agree that there is a central government which has the right to collect the revenue initially. One must agree that this central government then is giving away some of its own revenue to districts by choice. This concept is more philosophical in nature than mechanical in that it requires the districts who receive the revenue to accept the fact that the revenue donated comes from a central government with the power to give or not to give its revenue.

If revenue sharing implies this notion that a central government has the power to collect and then disburse this revenue at will, it also implies that the needs of the central government must first be met before remaining or surplus revenue can be distributed to districts. If we accept the concept of a central government with the power to levy taxes and to collect revenue, then the central government must also assure itself of the financial resources necessary to continue its own existence. Thus, to share with districts any amount of revenue which would seriously impinge upon the operation and viability of the central government is an act which frustrates the central government.

Accepting the idea of revenue sharing in Micronesia also conjures up some questions regarding commitment on the part of districts to stay together as a cohesive political unit. Again this question arises because to share revenue recognizes the power of the central government. If the districts of Micronesia do not have the commitment to unity and consider themselves separate and distinct political units, then the concept of sharing revenue is antagonistic to the scheme. If it were decided that each district was to have its own political and financial structure, then revenue sharing obviously would not be a part of the system. The Marshall Islands District or any other district could formulate its own tax laws and use its revenue as it wishes.

However, the issue need not be placed in such bleak either/or terms. A workable compromise could be arrived at whereby districts in Micronesia are granted taxing power so that they could finance district-wide projects. This taxing power need not be at the expense of the viability and efficiency of the central government. The districts could be given power to levy income taxes, as is done in the states of the United States. They could be authorized to levy district sales taxes or other revenue measures.

Another thought on the idea of revenue sharing in general is that the Congress of Micronesia should consider giving up its power over district revenue allocations. Each session of the Congress the House Appropriations Committee and the Senate Ways and Means Committee approve and allocate appropriation measures which are for public projects in each district. This "pork barrel" of legislative authority in the Congress of Micronesia certainly gives congressmen more individual power in that they can reward their constituents or island groups with specific projects. However, it must be considered unnecessary to retain this power at the central government level, especially in view of demands for increased quantities of revenue to share with districts. It is urged that measures be considered which would transfer this money to the district legislatures for appropriation. Each district legislature is in a better position to know local needs and to appropriate these funds for their district. The Congress of Micronesia would be left with the function of appropriating money for Trust Territory-wide projects only. When demands are being placed upon the Congress for revenue sharing it seems that a first step would be to yield our pork barrel of yearly appropriations for district public projects.

Another general idea regarding revenue sharing is that if the Congress of Micronesia, as the central government, is going to share its financial resources with the districts, it may wish to attach strings as to how the funds distributed to district governments may be spent. An initial list of how funds should be spent follows: public health and safety, environmental protection, recreation, schools, libraries, economic development and capital improvement projects. Money that the central government shares with districts should not be boondoggled on imaginary sea walls or roads through the jungle. On the other hand, your committee may wish to consider that attaching strings to the shared revenue attempts to dictate local policies and, thus, would be subject to criticism by the local government. One additional consideration: funds shared should not be used by the district government to match funds or acquire additional revenues under Trust Territory grants or U.S. grants. If this were allowed the shared revenue would be used to acquire even more revenue from the Trust Territory.

One final idea regarding revenue sharing is that a sliding-scale formula of revenue sharing could be established which hinges the quantity of revenue distributed to the districts to the needs of the central government as well as the quantity of revenue collected in any one year. This sliding-scale formula means that if the operation expenses of the Congress of Micronesia are \$5,000,000, with revenue collected of \$10,000,000 and on-going projects equal to \$1,000,000, \$4,000,000 would be available for sharing with the districts. If the needs of the Congress of Micronesia for operating expenses or Trust Territory-wide projects increase, the amount of revenue distributed to the districts would decrease if tax revenues did not increase. On the other hand, if tax revenue increased and Congress of Micronesia needs maintained their present position, increased revenues could be shared with the districts. This concept of a sliding-scale formula appears to be flexible enough so that the viability of the government is not attached. There must be a compromise between the needs of the Congress of Micronesia and the needs of the districts for the limited amount of money available.

The above ideas are for your consideration. I hope that they are helpful in this difficult task. Prior to deciding on the mechanics of a plan, I think that some tough political decisions must be made. The whole concept of revenue sharing implies acceptance of a central government. If districts are unwilling to accept a central government, then other revenue measures should be designed.

ANNOUNCEMENTS

Rep. Moses: Your Committee on Ways and Means will meet at 3:00 this afternoon in Conference Room No. 1.

(Representative Mafnas was excused by the Speaker.)

Rep. Haruo: Mr. Speaker, your Committee on Resources and Development will meet at 1:00 this afternoon--at any place available.

Rep. Nakamura: On behalf of the Chairman of the Education and Social Matters Committee, I wish to remind all members of the Health Matters and Education and Social Matters Committees of the meeting scheduled for 4:30 p.m., which was postponed from last evening. The meeting will be held in the Nursing School Library.

Rep. Basilius: Your Committee on Judiciary and Governmental Relations will have an executive meeting at 3:30 this afternoon on the salary act.

Rep. Setik: I just want to remind the members of the Appropriations Committee that there will be a public hearing in this Chamber at 1:00 on House Bill No. 6-132, to be followed by H.J.R. No. 6-75, and H.R. No. 6-14.

Rep. Sigrah: I wish to remind the members of your Committee on Education and Social Matters that we will have a public hearing today at 3:00 in Conference Room 2.

Floor Leader Tman: Mr. Speaker, there have been many suggestions that perhaps it would be good to meet in executive session to take up the salaries, so if there is no objection from the members, let's meet right after this session in executive session.

Rep. Aafin: I wish to formally introduce our proposed amendments to the House Rules to be taken up tomorrow. I move that the proposed amendments to our Rules of Procedure be introduced today, copies of which have been handed out previously. I make that motion.

Speaker Henry: No motion is needed.

Rep. Guerrero: I want to follow up on that. I thought we agreed day-before-yesterday that it would be on the Order of the Day for discussion today--or yesterday on the Order of the Day for discussion today. I wonder what happened. It was not included.

Floor Leader Tman: Mr. Speaker, if there is no objection, the House formally recognizes the submission of the proposed amendments to the Official Rules of Procedure.

PROPOSED AMENDMENTS TO RULES

Pursuant to Rule 16 of the Official Rules of the House of Representatives, we move at the present time to amend the following Rules:

1. Rule 2, Section 1. The removal of the Speaker, Vice-Speaker, Floor Leader or Clerk from office shall require a simple majority vote of the members of the House.
2. Rule 5, Section 9. Rulings of the Chair.

The Speaker shall decide all questions of order whether or not specified in these Rules, subject to appeal to the House, which decision shall be considered overruled if the majority of the members present and voting vote not to sustain the ruling of the Speaker.

3. Rule 7, Section 6(b).

The Speaker, Vice-Speaker and Floor Leader shall be ineligible to serve on any standing committee, or possibly that

the Vice-Speaker and the Floor Leader shall be ineligible to serve on the Appropriations Committee, or possibly that

the Vice-Speaker and the Floor Leader shall not serve on the same standing committee.


4. Rule 11, Section 11.

No. 2. Removal of an officer -----majority of membership

No. 13. Sustain appeals from rulings of the Speaker ----- majority of membership.

There being no further announcements, Floor Leader Tman moved that the House stand in recess. Vice Speaker Silk seconded, and the motion carried. The Speaker declared the House recessed at 11:10 a.m., until 10:00 a.m., Thursday, February 27, 1975.

Respectfully submitted,


Asterio R. Takesy, Chief Clerk
House of Representatives