



Department of State

TELEGRAM

10
764

UNCLASSIFIED 7083

PAGE 01 021853Z

50
ACTION INT=05

INFO OCT=01 IO=10 EA=10 L=03 PA=02 PM=03 /034 W
031401

P 021255Z JUL 75 ZNZ1
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
TO ALDISTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALEIN MARSHALL ISLANDS
COMNAVMARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS
CINCPAC HONOLULU HI
IPAC 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
CGFMFPAC CAMP H M SMITH HI
COMCBPAC PEARL HARBOR HI
COMNAVFACENGCAM ALEXANDRIA VA
PACNAVFACENGCAM PEARL HARBOR HI

SAFTEC VANDENBERG AFB CA
FCDNA LGA KIRTLAND AFB NM
CDRUSAGO MAKIMINATO JAPAN//TTPI=LNO//
AMEMB CANBERRA ACT AS
RUEHKO /AMEMB TOKYO JA
RUEHDT /USMISSION USUN NEW YORK

UNCLAS
FINAL SECTION OF 03
OUR PEOPLE."

REP. GUERRERO ALSO INSERTED INTO THE HOUSE JOURNAL A COPY
OF A LETTER FROM FRIENDS OF THE COMMONWEALTH PRESIDENT FRANCISCO

UNCLASSIFIED

03 020422

49



Department of State

TELEGRAM

UNCLASSIFIED

PAGE 02 021853Z

T. PALACIOS TO CONGRESSMAN RAY SETIK CONCERNING THE CONGRESS' POSITION ON MARIANAS SEPARATION TO WHICH HE HAD EARLIER REFERRED. LATER IN THE AFTERNOON SESSION, REP. SETIK AFTER BRIEF REMARKS, INSERTED INTO THE RECORD OF THE HOUSE A COPY OF HIS REPLY TO THE PALACIOS LETTER.
(ALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)
(ZEDER MEETS WITH CONGRESS LEADERS)
SAIPAN, JULY 2 (CONGRESS RELEASE)---AS ONE OF HIS FIRST

PAGE 03 RUHGSAA3656 UNCLAS

OFFICIAL ACTS DURING HIS CURRENT VISIT TO MICROESIA, THE NEW DIRECTOR OF THE OFFICE OF TERRITORIAL AFFAIRS MET TODAY WITH THE SPEAKER OF THE CONGRESS OF MICRONESIA TO DISCUSS SEVERAL TOPICS OF CONGRESSIONAL CONCERN.

THE AFTERNOON MEETING WHICH LASTED FOR OVER ONE HOUR, WAS "VERY CORDIAL" ACCORDING TO LEGISLATIVE COUNSEL KALEB UDUI, WHO NOTED THAT THEY WERE VERY IMPRESSED WITH MR. ZEDER'S SYMPATHETIC ATTITUDE AND POSITIVE APPROACH TO TH ISSUES RAISED.

THE TOPIC COVERED RANGED FROM THE PROPOSED SECRETARIAL ORDER FOR SEPARATE ADMINISTRATION OF THE MARIANA ISLANDS DISTRICT, TO REFERRAL RATES AT U.S. MILITARY HOSPITALS FOR TT PATIENTS.

UDUI SAID THAT THE SPEAKER INDICATED THE NEED TO HAVE CONGRESS OF MICRONESIA INVOLVEMENT IN THE ACTUAL DRAFTING OF A SECRETARIAL ORDER ON MARIANAS SEPARATION IN ORDER TO ENSURE A SMOOTH TRANSITION.

THEY ALSO REFERRED TO A LETTER FROM THE HIGH COMMISSIONER TO THE PRESIDING OFFICERS ASKING THEM TO DESIGNATE SOMEONE FROM THE CONGRESS FOR CONSULTATION ON THIS MATTER. THE SPEAKER INDICATED THE NEED TO CLARIFY IF THE CONGRESS WOULD ONLY BE CONSULTED, OR IF IT WOULD ACTIVELY PARTICIPATE IN DELINEATING

PAGE 04 RUHGSAA3656 UNCLAS

ASPECTS AFFECTING THE TRUST TERRITORY GOVERNMENT.

MR. ZEDER, IT WAS REPORTED, INDICATED HIS INTEREST IN HAVING THE MATTER CLARIFIED AMICABLY AND A MUTUALLY ACCEPTABLE APPROACH BE REACHED. HE PROMISED TO TAKE THIS MATTER UP WITH THE HIGH COMMISSIONER.

UNCLASSIFIED



Department of State

TELEGRAM

UNCLASSIFIED

PAGE 03 021853Z

WITH REGARD TO TT FINANCIAL DIFFICULTIES AND CASH FLOW PROBLEMS, MR. ZEDER WAS TOLD THAT SEGREGATION OF AND UP-TO-DAY ACCOUNTING FOR CONGRESS OF MICRONESIA FUNDS FROM TT FUNDS WAS A NECESSARY STEP IN RESOLVING CERTAIN FISCAL PROBLEMS.

THE NEW DOTA ALSO SAID THAT HE WOULD GET IN TOUCH WITH THE U.S. DEPARTMENT OF THE TREASURY WITH REGARD TO PROPOSED LEGISLATION SPONSORING TTPI MEMBERSHIP IN THE ASIA DEVELOPMENT BANK, AND WAS AMENABLE TO LOOKING INTO SEEING HOW EDFL MONEY FUNDS COULD BE TRANSFERRED TO THE MICRONESIA DEVELOPMENT BANK, ONCE THE BOARD OF THAT INSTITUTION HAS SUBMITTED A PLAN SHOWING HOW THE MONEY WOULD BE ADMINISTERED.

UDUI REPORTED THAT ZEDER WAS ALSO INTERESTED IN LOOKING FURTHER INTO PROBLEMS WITH USE OF HILL-BURTON FUNDS TO CONSTRUCT DISPENSARIES, AND THAT HE WOULD LIKE TO SEE THE CONGRESS OF MICRONESIA AND THE HIGH COMMISSIONER JOINTLY MONITOR PROGRESS OF

PAGE 05 RUHGSAA3686 UNCLAS

AN ECONOMIC DEVELOPMENT PLAN FOR MICRONESIA WITH UNDP ASSISTANCE.

THE MATTER OF HOSPITAL REFERRED RATES FOR TT CITIZENS WAS ALSO DISCUSSED, AND WHILE ADMITTING THAT IT WOULD NOT BE AN EASY UNDERTAKING, MR. ZEDER SAID THAT HE WAS SYMPATHETIC TO ASKING THE DEFENSE DEPARTMENT TO RECONSIDER ITS DECISION. AT THE SAME TIME, HE FELT THAT THE TRUST TERRITORY SHOULD TRY TO BE MORE SELECTIVE IN ITS REFERRAL OF CASES AS A MEASURE TO HOLD DOWN ITS REFERRAL COSTS.

THE PRESENT REFERRAL RATE IS \$66.00 PER DAY AND EFFECTIVE JULY 1, 1975, THE NEW RATE WILL BE \$147.00.

ACCORDING TO THE SPEAKER, THE NEW DIRECTOR ALSO INDICATED THAT HE WOULD LIKE TO SEE HIS OFFICE AND INTERIOR MAINLY HANDLE BROAD POLICY QUESTIONS FOR MICRONESIA, AND LEAVE THE DAY-TO-DAY DECISIONS UP TO THE HIGH COMMISSIONER'S OFFICE, AND SAID THAT THIS WOULD BE A PRIORITY ITEM ON HIS RETURN TO WASHINGTON.

EOT

020423

UNCLASSIFIED