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TELEGRAM

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ACTION INT-05

INFO OCT-01 EA-09 IO-11 PM-04 PA-02 L-03 /035 W
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P 120917Z FEB 76 ZNZ1
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
TO ALDISTAS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALEIN MARSHALL ISLANDS
COMNAV MARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS
CINCPAC HONOLULU HI
INTELLIGENCE CENTER PACIFIC (IPAC)
NAVINSERVO GUAM MARIANAS ISLANDS
COMTWELVE SAN FRANCISCO CA
RUEHC /SECSTATE WASHINGTON DC
SECDEF WASHINGTON DC
JCS WASHINGTON DC
CND WASHINGTON DC
CINCPACFLT MAKALAPA HI
CINCPACAF HICKAM AFB HI
CGFMFPAC CAMP H M SMITH HI
COMCBPAC PEARL HARBOR HI
NAVFACENGCOMHQ ALEXANDRIA VA
CCGOFOURTEEN HONOLULU HI

1. Senate Rejects Clause Amendment on the Washington Office Bill
2. Guerrero Urges Full Payment of War Claims
3. Inetull Supports Feasibility Study
4. Pauspe Bids For Com Special Session
5. Construction of Saipan Grand Hotel Begins
6. Bills Introduced on 32nd Day of Com Session

PACNAV FACENGCOM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
FCDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIMINATO JAPAN//TTPI-LNO//
AMEMB CANBERRA AS
RUEHKO /AMEMB TOKYO JA
CORBMUSCON HUNTSVILLE AL//RMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS

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SECTION 01 OF 02

ROMTWELVE PASS INFO FOR AMB WILLIAMS
SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA DSM
AMEMBASSY CANBERRA FOR PAC. ISL. MONTHLY
(SENATE REJECTS HOUSE AMENDMENTS ON THE WASHINGTON OFFICE BILL)
SAIPAN, FEB. 12 (MNS)---THE SENATE OF THE CONGRESS OF
MICRONESIA THURSDAY REJECTED HOUSE AMENDMENTS TO A BILL
WHICH WOULD CREATE AND FUND A MICRONESIA WASHINGTON OFFICE
(SH 6-225). THE BILL WAS APPROVED LAST WEEK BY THE SENATORS
WITH HARDLY ANY DEBATE. IT WAS A DIFFERENT STORY, HOWEVER,

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IN THE LOWER CHAMBER.

THE ORIGINAL INTENT OF THE BILL WAS TO CREATE A
WASHINGTON OFFICE TO ACT AS A "LIAISON" BETWEEN THE U.S.
CONGRESS AND OTHER FEDERAL AGENCIES AND THE CONGRESS OF
MICRONESIA.

TRUK REP. LAMBERT AAFIN SUCCESSFULLY AMENDED THE
BILL WEDNESDAY SO THAT THE CONGRESS OF MICRONESIA WOULD
INSTEAD ALLOW A TRUST TERRITORY-WIDE ELECTION FOR A
"SPECIAL REPRESENTATIVE" AND CUT THE FUNDS FROM \$60,000
PER YEAR TO \$30,000.

SPEAKING IN FAVOR OF REJECTING THE HOUSE AMENDMENTS
WAS PUNAPE SEN. BAILEY OLTOR, CHAIRMAN OF THE SENATE WAYS
AND MEANS COMMITTEE WHICH STUDIED THE BILL. OLTOR ARGUED
THAT THE WHOLE IDEA BEHIND THE MEASURE WAS TO HAVE
SOMEBODY IN WASHINGTON WHO WOULD REPRESENT THE CONGRESS
OF MICRONESIA AS WELL AS THE INTERESTS OF THE MICRONESIAN
PEOPLE. HE POINTED OUT THAT THERE IS NO INDIVIDUAL
MICRONESIAN WHO IS WELL KNOWN TO THE PEOPLE OF MICRONESIA
TO RUN FOR THE OFFICE. SUCH A REPRESENTATIVE TO THE
WASHINGTON OFFICE SHOULD NOT BE ELECTED AT THIS TIME.

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TRUK SEN. NICK BOSSY HAD A DIFFERENT VIEW. HE DECLARED THAT IT IS ABOUT TIME THAT "WE TEST OUR DESIRE FOR MICRONESIAN UNITY" BY CONDUCTING A NATIONAL ELECTION THROUGHOUT MICRONESIA. HE REMINDED HIS COLLEAGUES THAT THE CONGRESS OF MICRONESIA HAS BEEN CRITICIZED IN THE PAST FOR "TRYING TO DO EVERYTHING," ITSELF.

A CONFERENCE COMMITTEE CONSISTING OF MEMBERS FROM BOTH HOUSES WILL BE APPOINTED LATER TO WORK OUT THE DIFFERENCES ON THE BILL.

IN OTHER BUSINESS, AFTER BRIEF DRATEN THE SENATE ADOPTED A RESOLUTION REQUESTING THE U.S. SENATE TO TAKE "PROMPT AND FAVORABLE" ACTION ON THE MARIANAS COMMONWEALTH COVENANT (HJR 6-119). THE RESOLUTION WAS ON THE CALENDAR FOR FILING IN FAVOR OF A SENATE VERSION OF A SIMILAR RESOLUTION WHICH WAS ADOPTED LAST WEEK. ALSO, A NATURALIZATION MEASURE (SB 6-315) PASSED FINAL READING AND WAS SENT TO THE HOUSE FOR FURTHER ACTION.

IN THE HOUSE, A BILL RELATING TO INTEREST RATES OF MONEY JUDGEMENTS (HB 6-410) WAS APPROVED ON SECOND READING.

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AND TRANSMITTED TO THE SENATE FOR FURTHER STUDY.

IN OTHER MATTERS, A RESOLUTION REQUESTING THE SMALL BUSINESS ADMINISTRATION TO MAKE DIRECT LOANS TO TRUST TERRITORY BUSINESSES, (HJR 6-143) WAS ADOPTED.

REP. HERMAN R. GUERRERO READ A LETTER HE WROTE TO CONGRESSMAN PHILLIP BURTON (D-CALIF) CONCERNING THE WAR CLAIMS ISSUE (SEE FOLLOWING STORY).

(ALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)
(GUERRERO URGES FULL PAYMENT OF WAR CLAIMS)

SAIPAN, FEB. 12 (COM)--MARIANAS REPRESENTATIVE HERMAN R. GUERRERO HAS ASKED A MEMBER OF THE U.S. CONGRESS TO SPONSOR LEGISLATION THAT WOULD PAY ALL MICRONESIAN WAR DAMAGE CLAIMS IN FULL.

IN A LETTER SENT TO U.S. CONGRESSMAN PHILLIP BURTON, GUERRERO SAID FUNDS NOW AVAILABLE TO PAY MICRONESIAN CLAIMS FALL ABOUT \$32 MILLION SHORT OF ESTIMATED NEEDS FOR FULL PAYMENT. UNDER THE MICRONESIAN CLAIMS ACT, ENACTED BY THE U.S. CONGRESS IN 1971, ONLY \$10 MILLION WAS

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FUNDED JOINTLY BY THE U.S. AND JAPAN TO PAY FOR DAMAGES DURING WAR-TIME HOSTILITIES. THESE ARE CALLED TITLE I

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CLAIMS. ANOTHER \$20 MILLION WAS FUNDED BY THE U.S. CONGRESS TO PAY FOR DAMAGES THAT OCCURRED AFTER U.S. FORCES TOOK POSSESSION OF THE ISLANDS. THESE ARE CALLED TITLE II CLAIMS.

IN THURSDAY'S SESSION IN THE HOUSE OF REPRESENTATIVES, GUERRERO READ HIS LETTER TO CONGRESSMAN BURTON. LAST YEAR, BURTON PLEDGED THAT HE WOULD SPONSOR LEGISLATION IN THE U.S. CONGRESS TO PAY 100 PERCENT OF ALL MICRONESIAN CLAIMS.

GUERRERO POINTED OUT TO BURTON THAT AFTER THE MEASURE WAS APPROVED BY THE U.S. HOUSE OF REPRESENTATIVES LAST YEAR, THE U.S. SENATE DELETED PORTIONS OF THE MEASURES RELATED TO MICRONESIAN WAR CLAIMS. HE ALSO NOTED THAT THE WORK OF THE MICRONESIAN CLAIMS COMMISSION WILL SOON END IN THE TRUST TERRITORY.

GUERRERO SAID EVEN IF THE U.S. CONGRESS APPROPRIATES FUNDS TO PAY FOR ALL TITLE II OR POST-WAR CLAIMS, IT WOULD STILL LEAVE UNRESOLVED THE MATTER OF TITLE I CLAIMS. MONEY TO PAY FOR THOSE CLAIMS WERE THE RESULT OF AN AGREEMENT BETWEEN THE GOVERNMENTS OF JAPAN AND THE U.S.

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IN 1969.

"THIS PARTICULAR ISSUE HAS BEEN RAISED BY MEMBERS OF THE CONGRESS OF MICRONESIA," GUERRERO WROTE TO BURTON, "AND WE HAVE RUN INTO A STONE WALL."

GUERRERO SAID THE U.S. DEPARTMENT OF STATE, WHICH CONDUCTED THE NEGOTIATIONS, CLAIM THE MATTER IS CLOSED. THEY SAID THE JAPANESE GOVERNMENT HAS NO DESIRE TO RE-OPEN THE MATTER, OR ELSE THEY MAY EXERCISE THEIR RIGHT UNDER THE AGREEMENT TO SALVAGE SUNKEN SHIPS IN MICRONESIAN WATERS, GUERRERO SAID.

BOTH ARGUMENTS ARE MISLEADING, GUERRERO CHARGED.

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"AS YOU KNOW, THE JAPANESE PRIVATE SECTOR IS VERY MUCH INTERESTED IN MICRONESIAN INVESTMENTS, AND ACCORDINGLY, PAYING AN ADDITIONAL SEVERAL MILLION DOLLARS IN WAR CLAIMS WOULD CERTAINLY SECURE THE GOODWILL OF THE PEOPLE OF MICRONESIA IN THIS CONNECTION," GUERRERO SAID. THE SALVAGE OF SHIPS HAS PROVED UNECONOMICAL IN THE PAST, HE SAID, ADDING IT WOULD BE A STEP WHICH WOULD BE "ALMOST CERTAIN" TO HAVE "SEVERAL POLITICAL REPERCUSSIONS IN MICRONESIA."

GUERRERO CONTINUED: "WHAT IS PROBABLY AT THE HEART

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ACTION INT-05

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FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS
TO ALDISTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
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CGFMFPAC CAMP H M SMITH HI
COMCBPAC PEARL HARBOR HI
NAVFACENGCOMHQ ALEXANDRIA VA
CCGDFOURTEEN HONOLULU HI

PACNAVFACENGCOM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
FCDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIMINATO JAPAN//TTPI-LNO//
AMEMB CANBERRA AS
RUEHKO /AMEMB TOKYO JA
CDRBMDSCOM HUNTSVILLE AL//BMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS

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OF THE MATTER IS GENERAL BUREAUCRATIC RELUCTANCE TO OPEN AN ISSU THAT SOMEONE, SOMEWHERE, DECIDED TO CLOSE." GUERRERO SAID THE CONGRESS OF MICRONESIA HAS ATTEMPTED TO CONTACT BOTH THE GOVERNMENTS OF JAPAN AND THE U.S. ON THE MATTERS, BUT THAT THE U.S. DEPARTMENTS OF STATE AND INTERIOR HAVE BEEN RELUCTANT TO APPROACH THE ISSUE.

GUERRERO SUGGESTED THAT LEGISLATION IN THE U.S. CONGRESS INCLUDE A PROVISION DIRECTING THE PRESIDENT OF THE UNITED STATES TO RENEGOTIATE WAR DAMAGE CLAIMS WITH JAPAN.

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HE POINTED OUT IF THIS IS NOT DONE, ABOUT \$22 MILLION IN CLAIMS WILL NOT BE PAID TO THE PEOPLE OF MICRONESIA.

GUERRERO TOLD BURTON THE CONGRESS OF MICRONESIA MAY CREATE A JOINT COMMITTEE ON MICRONESIAN WAR CLAIMS DURING THE CURRENT SESSION. "WE WILL BE MOST WILLING TO WORK WITH YOU AND OTHER MEMBERS OF THE U.S. HOUSE AND SENATE IN ACHIEVING A SPEEDY RESOLUTION OF THIS LONG-STANDING ISSUE," HE CONCLUDED.

3. (TMETUCL SUPPORTS SUPERPORT FEASIBILITY STUDY)

SAIPAN, FEB. 12 (MNS)---SENATOR ROMAN TMETUCL OF PALAU SAID THIS WEEK HE SUPPORTS THE PROPOSED FEASIBILITY STUDY FOR THE PALAU SUPERPORT PROJECT.

IN THE PAST, SENATOR TMETUCL'S POSITION WASN'T CLEAR ON WHETHER HE SUPPORTS OR OPPOSES THE SUPERPORT PROGRAM.

THE PALAU SENATOR SAID THERE ARE NO SUFFICIENT INFORMATION AS YET TO MAKE ANY FIRM DECISION NOR MAKE ANY COMMITMENT ONE WAY OR THE OTHER REGARDING THE SUPERPORT PROJECT.

"I NOW SUPPORT THE PROPOSED FEASIBILITY STUDY WITH

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THE HOPE THAT IT WILL ANSWER QUESTIONS OF MAJOR CONCERN BEFORE ANY FINAL DECISION IS MADE ON WHETHER TO ACCEPT OR REJECT THE SUPERPORT PROJECT."

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SENATOR TMETUHL NOW JOINS WITH THE PALAU DISTRICT LEGISLATURE WHICH EARLIER ADOPTED A RESOLUTION ENDORSING THE PROPOSED FEASIBILITY STUDY. THE PALAU DISTRICT LEGISLATURE HAS CREATED A SPECIAL COMMITTEE TO HANDLE MATTERS PERTAINING TO THE SUPERPORT PROJECT.

ABOUT TWO WEEKS AGO, PALAUAN LEADERS RESIDING ON SAIPAN SIGNED A LETTER SUPPORTING THE PROPOSED FEASIBILITY STUDY FOR THE SUPERPORT PROJECT. THE PALAU CHAMBER OF COMMERCE, SOME MONTHS BACK, ALSO VOTED ENDORSING THE FEASIBILITY STUDY.

(PONAPE BIDS FOR COM SPECIAL SESSION)

PONAPE, FEB. 12 (MNS)---THE FOURTH PONAPE DISTRICT LEGISLATURE ADOPTED A RESOLUTION (NO. 16) DURING ITS RECENTLY CONCLUDED SESSION INVITING AND URGING THE CONGRESS OF MICRONESIA AND THE HIGH COMMISSIONER TO GIVE FAVORABLE CONSIDERATION TO PONAPE DISTRICT AND FACILITIES OF THE LEGISLATURE IN DETERMINING THE SITE

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SHOULD A SPECIAL SESSION OF THE CONGRESS DEEMED NECESSARY.

THE RESOLUTION EXPRESSED THE FEELINGS OF THE LEGISLATURE THAT THE PRACTICE OF HOLDING THE SPECIAL SESSION OF CONGRESS AWAY FROM THE SEAT OF THE GOVERNMENT, SAIPAN, IS VERY VALUABLE TO THE PROMOTION OF UNITY AMONG THE MICRONESIAN PEOPLE. THE MEASURE FURTHER STATED THAT NOT ONLY DOES THE HOLDING OF SUCH SPECIAL SESSIONS IN PLACES OTHER THAN SAIPAN ALLOW THE LAW-MAKERS TO MORE CLEARLY SEE AND EXPERIENCE THE NEEDS AND DIFFICULTIES ENCOUNTERED BY THOSE WHOM THEY SERVE, BUT ALSO PROVIDES A FAR GREATER OPPORTUNITY FOR THE PEOPLE OF PONAPE TO LEARN ABOUT ONE BRANCH OF THEIR CENTRAL GOVERNMENT THROUGH LEGISLATIVE PROCESS.

THE RESOLUTION ALSO STATED THAT THE CHAMBERS OF THE PONAPE DISTRICT LEGISLATURE WILL NOT BE IN USE DURING THE SUMMER AND IT IS CAPABLE OF HOUSING A CONGRESS SPECIAL SESSION SHOULD THERE BE ANY. THE DISTRICT CENTER OF PONAPE AND THE SURROUNDING VICINITY HAVE ENOUGH FACILITIES TO HOUSE THE CONGRESS AND THEIR SUPPORTING STAFF MEMBERS.

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PONAPE WAS THE HOST TO THE 1972 SPECIAL SESSION OF THE CONGRESS OF MICRONESIA. IT WAS DURING THAT SPECIAL SESSION THAT FEASTS AND ENTERTAINMENTS WERE PROVIDED ALMOST DAILY UNDER THE SUPERVISION OF PONAPE TRADITIONAL LEADERS AS THEIR WAY OF SHOWING HOSPITALITY TO MEMBERS OF CONGRESS AND STAFF MEMBERS.

(CONSTRUCTION OF SAIPAN GRAND HOTEL BEGINS)

SAIPAN, FEB. 12 (MNS)---CONSTRUCTION OF AN \$8.4 MILLION, "SAIPAN GRAND HOTEL", LOCATED JUST SOUTH OF ROYAL TAGA HOTEL, BEGAN THIS WEEK ON SAIPAN.

THE PROPOSED FIVE-STORY 204-ROOM HOTEL IS A JOINT-VENTURE BETWEEN SAIPAN MAYOR, VICENTE D. SABLAN, AND NAGOYA RAILROAD COMPANY OF JAPAN. THE COMPANY LEASED ABOUT 9.6 ACRES OF PUBLIC LAND BETWEEN SAIPAN'S FIRST MAJOR HOTEL (ROYAL TAGA HOTEL), AND SAIPAN COMMUNITY CHURCH. THE TERM OF THE LEASE WILL RUN FOR 30-YEARS WITH AN OPTION TO EXTEND IT FOR TWO TEN-YEAR PERIODS, A MAXIMUM OF FIFTY YEARS.

THE HOTEL WILL PAY A MINIMUM OF \$24,000 PER YEAR IN LAND-LEASE, IN ADDITION TO TWO-AND A HALF PERCENT OF THE GROSS RECEIPTS, WHICHEVER IS GREATER. THE HOTEL PROPOSES

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TO HIRE ABOUT 125 EMPLOYEES, 100 OF WHOM WILL BE MICRONESIANS.

UPON THE COMPLETION OF THIS HOTEL, THERE WILL BE SIX BIG LUXURY HOTELS, NOT TO MENTION A NUMBER OF SMALL ONES, TO SERVE THE INFUX OF TOURISTS EXPECTED TO BE COMING INTO SAIPAN EVERYDAY.

(BILLS INTRODUCED ON THE 32ND DAY AT THE COM)

SAIPAN, FEB. 12 (MNS)---TWO MEASURES WERE INTRODUCED IN THE SENATE OF THE CONGRESS OF MICRONESIA: ONE TO AMEND CERTAIN SECTIONS OF THE TT CODE RELATING TO THE TRUST TERRITORY INCOME TAX; TO ESTABLISH A SURTAX UPON THE SALARIES AND GROSS REVENUES OF CERTAIN PERSONS AND FIRMS, (SR 6-252); AND THE OTHER, A NATURALIZATION MEASURE (SB "-253).

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ONE SENATE RESOLUTION WAS ALSO OFFERED. IT WOULD REQUEST THE TRUST TERRITORY GOVERNMENT TO INVESTIGATE THE FEASIBILITY OF IMPLEMENTING THE U.S. INCOME TAX SYSTEM IN THE TT (SR 6-8).

NO NEW MEASURES WERE INTRODUCED IN THE HOUSE OF REPRESENTATIVES.

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