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FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS *Amb (He)*  
TO ALDISTADS 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

*de Graffenried  
Schelle  
Crump  
Wytttenbach*

INTELLIGENCE CENTER PACIFIC (IPAC)  
NAVINSERVO GUAM MARIANAS ISLANDS  
COMTWELVE SAN FRANCISCO CA  
RUEHC /SECSTATE WASHINGTON DC  
SECDEF WASHINGTON DC  
JVS 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  
CGDFOURTEEN HONOLULU HI

- 1. Setik Submits Marianas Transition Report.*
- 2. Nakamura on Future Capital Issue*

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

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COMTWELVE PASS INFO FOR AMB WILLIAMS

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SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA OSN  
AMEMBASSY CANBERRA FOR PAC. ISL. MONTHLY  
(NOTE TO EDITORS AND NEWS DIRECTORS: HERE IS THE REPORT  
ON THE HOUSE OF REPRESENTATIVES ACTIVITIES FOR MONDAY,  
FEBRUARY 16).

(SFTIK SUBMITS MARIANAS TRANSITION REPORT)

SAIPAN, FEBRUARY 16 (COM-##CONGRESS OF MICRONESIA  
REPRESENTATIVE RAY SETIK OF TRUK SUBMITTED A REPORT BY

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THE SPECIAL COMMITTEE ON MARIANAS TRANSITION TO THE HOUSE  
OF REPRESENTATIVES MONDAY.

THE REPORT INCLUDED SUBSTANTIAL AGREEMENTS REACHED ON  
VARIOUS ISSUES IN MEETINGS WITH THE MARIANAS AD HOC COMMITTEE.  
SETIK, CHAIRMAN OF THE SPECIAL COMMITTEE, SAID THE REPORT'S  
RECOMMENDATIONS, IF APPROVED BY THE CONGRESS AND MARIANAS  
DISTRICT LEGISLATURE, WOULD PROVIDE THE GUIDELINES FOR A  
"FRIENDLY AND EQUITABLE RELATIONSHIP" BETWEEN AND TRUST  
TERRITORY AND MARIANAS GOVERNMENTS FROM THE TIME SEPARATE  
ADMINISTRATION OF THE MARIANAS GOES INTO EFFECT, UNTIL THE  
TT HEADQUARTERS IS RELOCATED TO ANOTHER DISTRICT AND OR UNTIL  
THE MARIANAS CONSTITUTIONAL GOVERNMENT IS ESTABLISHED.

REGARDING LAND USE, SETIK SAID UNTIL THE MICRONESIAN  
CAPITAL IS RELOCATED, IT WAS AGREED THAT USE OF LAND BY THE  
TT GOVERNMENT WOULD CONTINUE, WITH RESIDUAL RIGHTS TO  
THOSE LANDS RESTING IN THE MARIANAS GOVERNMENT. IF DISPUTE  
ARISE, THEY WILL BE SETTLED BETWEEN THE HIGH COMMISSIONER AND  
RESIDENT COMMISSIONER OF THE MARIANAS, HE SAID.

BOTH SIDES SUPPORTED THE CONGRESS OF MICRONESIA REQUEST  
FOR FUNDS FROM THE U.S. CONGRESS TO BUILD A NEW CAPITAL

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OUTSIDE THE MARIANAS.

CONCERNING APPLICABILITY OF LAW, IT WAS AGREED THAT  
DURING SEPARATE ADMINISTRATION, THE PRESENT HEADQUARTERS AREA  
WOULD BE CALLED "TRUST TERRITORY CAPITAL DISTRICT" AND  
UNDER TT GOVERNMENT CONTROL. AREAS OUTSIDE THIS LIMITED

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AREA WOULD BE UNDER MARIANAS GOVERNMENT CONTROL. DURING THIS TIME, ANY MARIANAS MINIMUM WAGE WILL NOT APPLY TO TT GOVERNMENT EMPLOYEES WITHIN THE TT CAPITAL DISTRICT AREA. A JOINT MARIANAS-TT GOVERNMENT COMMISSION WILL BE ESTABLISHED REGARDING CRIMINAL AND CIVIL LAW MATTERS CONCERNING THE TWO AREAS.

CONCERNING CONGRESS OF MICRONESIA FUNDS FOR FISCAL YEAR 1976, IT WAS AGREED THAT ALL FUNDS APPROPRIATED BY THE CONGRESS FOR THIS PERIOD (ENDING MARCH 31, 1976) EARMARKED FOR THE MARIANAS WOULD BE TRANSFERRED TO THE MARIANAS GOVERNMENT. IT WAS ALSO AGREED THAT ALL REVENUES FROM THE MARIANAS TO THE CONGRESS' GENERAL FUND WOULD CEASE AS OF MARCH 31, 1976.

GRANT FUNDS FROM THE UNITED STATES FOR THE MARIANAS FOR FISCAL YEARS 1976 AND 1977, ACCORDING TO SETIK, WOULD ALSO BE TURNED OVER TO THE MARIANAS.

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IT WAS AGREED THAT DURING SEPARATE ADMINISTRATION, NO DISTRICT, INCLUDING THE MARIANAS, WILL IMPOSE ANY EXPORT OR IMPORT TAXES ON GOOD SHIPPED BETWEEN DISTRICTS, SETIK SAID. HE ALSO SAID JOB PROTECTION WILL CONTINUE AND THAT NO TT OR MARIANAS GOVERNMENT EMPLOYEE SHALL BE DISCRIMINATED AGAINST ON THE BASIS OF SEPARATE ADMINISTRATION.

SOCIAL SECURITY FUNDS WILL BE DIVIDED AT A LATER DATE BY EXPERTS, IT WAS AGREED.

CONCERNING THE CENTRAL REPAIR SHOP ON SAIPAN, IT WAS AGREED THAT MANAGEMENT AND CONTROL WOULD BE TRANSFERRED TO THE MARIANAS, BUT IT WOULD CONTINUE TO SERVE THE OTHER DISTRICTS ON A FIRST-COME FIRST-SERVE, REIMBURSABLE BASIS.

REGARDING TAXATION, SETIK SAID THE MARIANAS COULD TAX ANYONE IN THE MARIANAS, INCLUDING THE EXECUTIVE AND JUDICIAL BRANCHES OF THE TT GOVERNMENT. THE CONGRESS OF MICRONESIA AND ITS NON-MARIANAS STAFF WOULD BE EXEMPTED FROM SUCH A TAX. THE REPORT ALSO SAID THE TT GOVERNMENT COULD IMPOSE AN INCOME TAX ON ALL PERSONS WHO WORK FOR IT IN THE MARIANAS IN THE SAME MANNER AS IT TAXES THOSE WHO WORK FOR IT IN OTHER DISTRICTS.

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SETIK SAID AGREEMENTS WERE NOT REACHED IN TWO AREAS: DIVISION OF THE ECONOMIC DEVELOPMENT LOAN FUND AND IMPORT TAXES IN THE MARIANAS. HE SAID BOTH MATTERS WOULD REQUIRE MORE STUDY AND DISCUSSION.

HE SAID THE RECOMMENDATIONS SHALL BE ADOPTED BY A RESOLUTION OF THE CONGRESS "IN THE SPIRIT OF COOPERATION BETWEEN MICRONESIAN AND THE FUTURE MARIANAS COMMONWEALTH." HE SAID THE AGREEMENTS MAY BE INCLUDED IN A DEPARTMENTAL ORDER OF THE SECRETARY OF INTERIOR WHICH WOULD SET UP THE SEPARATE ADMINISTRATION FOR THE NEW MARIANAS GOVERNMENT.

MEMBERS OF THE CONGRESS OF MICRONESIA'S SPECIAL JOINT COMMITTEE ON MARIANAS TRANSITION INCLUDED RAY SETIK, CHAIRMAN, JOHN MANGEFEL, VICE-CHAIRMAN; SENATOR LAZARUS SALII, CONG. LUKE TMAN, AND CONGRESSWOMAN CARMEN BIGLER AS MEMBERS.

MEMBERS OF THE MARIANAS AD HOC COMMITTEE INCLUDED SEN. PEDRO A. TENORIO, DANIEL T. MUNA, MANUEL A. SABLAN, JOSE R. CRUZ, BENJAMIN T. MANGLONA, AND FRANCISCO T. PALACIOS. (NAKAMURA ON THE FUTURE CAPITAL ISSUE)

SAIPAN, FEBRUARY 16 (MNS)---PALAU CONGRESSMAN KUNIWO NAKAMURA MONDAY (FEB. 16) PROPOSED THAT A NEW GROUP COMPOSED

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FM HICOMTERPACTS SAIPAN MARIANAS ISLANDS  
TO ALUJSTADS 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  
JVS WASHINGTON DC  
CNO WASHINGTON DC  
CINCPACFLT MAKALAPA HI  
CINCPACAF HICKAM AFB HI  
CGFMFPAC CAMP H M SMITH HI  
COMCRPAC PEARL HARBOR HI  
NAVFACENGCOMHQ ALEXANDRIA VA  
CCGDFOURTEEN HONOLULU HI

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

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TERRITORY GOVERNMENT BE FORMED TO PERFORM A NEW STUDY AND MAKE RECOMMENDATIONS FOR THE LOCATION OF THE SITE OF THE FUTURE CAPITAL OF MICRONESIA. AT THE SAME TIME, NAKAMURA SAID THAT WHEN THE INFORMATION GATHERED BY AN "IMPARTIAL GROUP" IS COMPLETED, IT WOULD CLEAR TO ALL THAT PALAU DISTRICT OFFERS THE "GREATEST POTENTIAL" FOR THE FUTURE CAPITAL.

IN A SPEECH BEFORE THE HOUSE MONDAY AFTERNOON, NAKAMURA

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REPEATED THE OFFER MADE BY HIS DISTRICTS OF FREE LAND AND PALAU'S PROXIMITY TO ASAI AND OTHER PACIFIC ISLAND NATIONS.

"THE GOVERNMENT OF JAPAN, DURING ITS RULE IN MICRONESIA, WAS QUICK TO RECOGNIZE PALAU'S STRATEGIC POSITION AT THE DOORWAY TO ASAI AND ITS INHERENT POTENTIAL IN DEVELOPING POLITICAL, ECONOMIC AND SOCIAL CONNECTIONS WITH OTHER NATIONS IN THE AREA.

REMINING HIS COLLEAGUES THAT A RESOLUTION ADOPTED AT THE MICRONESIAN CONSTITUTIONAL CONVENTION STATED THAT PALAU WOULD BE GIVEN "FIRST CONSIDERATION" FOR THE SITE OF THE NEW CAPITAL, NAKAMURA SAID THE STRONG POSITION TAKEN BY THE PALAU DELEGATION AT THE CONVENTION REMAINS UNCHANGED.

IN 1971, THE CONGRESS JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING RECOMMENDED THAT PALIKIR AREA IN PONAPE DISTRICT IS THE "MOST SUITABLE" LOCATION FOR THE NEW CAPITAL.

THE PALAU CONGRESSMAN SAID THAT MUCH HAVE HAPPENED SINCE THEN AND THAT THE SITUATION "SHOULD BE CAREFULLY ANALYZED IN ORDER TO PREVENT FURTHER FRAGMENTATION OF UNITY IN MICRONESIA."

"I CAN ONLY SAY FOR NOW THAT I BELIEVE PALAU WOULD BE

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A GOOD COMPROMISE FOR UNITY IN MICRONESIA, " NAKAMURA POINTED OUT.

NAKAMURA IS THE AUTHOR OF HOUSE JOINT RESOLUTION NO. 113 WHICH WOULD DESIGNATE PALAU DISTRICT AS THE FUTURE CAPITAL OF MICRONESIA. THE RESOLUTION IS STILL PENDING IN THE

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APPROPRIATIONS COMMITTEE HEADED BY TRUK CONGRESSMAN RAYMOND SETIK.

IN OTHER BUSINESS, TWO JOINT RESOLUTIONS WERE ADOPTED BY THE HOUSE MEMBERS IN THEIR MEETING MONDAY AFTERNOON. ONE, IS EXTENDING CONGRATULATIONS TO MRS. CARMEN B. PANGELINAN OF SAYPAN FOR HER SELECTION AS THE "MARIANAS TEACHER OF THE YEAR," (SJR 6-79) AND THE OTHER REQUESTING THE FAA, THE HIGH COMMISSIONER, AND THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS TO UPGRADE AIRPORT FACILITIES IN ALL DISTRICT CENTERS TO SAFELY PERMIT NIGHT LANDINGS OF JET AIRCRAFTS, (HJR 6-168).

ONE BILL AND ONE JOINT RESOLUTION WERE OFFERED MONDAY. THE BILL WOULD CREATE A NATIONAL TESTING BOARD, (HB 6-530); AND THE RESOLUTION IS TO REQUEST THE HICOM TO CONDUCT A STUDY AS TO THE COSTS AND FEASIBILITY IN THE CONSTRUCTION OF A

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SUITABLE DOCK IN SATAWAN ATOLL IN TRUK DISTRICT AND THE ESTIMATED COST IN CUTTING AND DREDGING A CHANNEL BETWEEN SATAWAN AND LUKUNOR, (HJR 6-177).

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