



FEB 20 1976

10  
54

Department of State

TELEGRAM

*cy cur*

UNCLASSIFIED 4904

PAGE 01 191941Z

41  
ACTION INT-05

*30V*

INFO OCT-01 EA-09 PA-02 PM-04 L-03 IO-11 /035 W  
028773

P 191025Z FEB 76 ZNZ1 ZFD  
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
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  
INTELLIGENCE CENTER PACIFIC (IPAC)  
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  
COMSUBPAC PEARL HARBOR HI  
NAVFACENGCOMHQ ALEXANDRIA VA  
CCGDFOURTEEN HONOLULU HI

1. *Cor Vate* Tues 2/24/76
2. *Uryashi Succeeds Johnston in PIDE*
3. *Com Sea defeats bill to limit rates*
4. *Johnston named Pres. of PIDE*
5. *Barja Urges Foreign Investment Policy*
6. *Gilberts leading for self-govt*
7. *Gilberts Considered Defense force*
8. *Sea-going Gilbertese canoe launched*

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

UNCLAS.  
SECTION 01 OF 03  
COMTWELVE PASS INFO FOR AMB WILLIAMS

UNCLASSIFIED

47

03 - 020798



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 02 191941Z

SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA OSN  
AMEMBASSY CANBERRA FOR PAC. ISL. MONTHLY  
(COVENANT VOTE POSTPONED)

SAIPAN, FEBRUARY 19 (MNS)---THE UNITED STATES SENATE  
HAS POSTPONED ACTION ON THE MARIANAS COMMONWEALTH COVENANT  
RESOLUTION UNTIL TUESDAY (FEB. 24), ACCORDING TO WORD  
RECEIVED ON SAIPAN. NO REASON WAS GIVEN FOR THE DELAY.  
THE U.S. SENATE WAS TO HAVE VOTED ON THE COVENANT

PAGE 03 RUHGSAA3020 UNCLAS.

FRIDAY (FEB. 20 SAIPAN TIME), WHICH WOULD CREATE A  
COMMONWEALTH OF THE NORTHERN MARIANAS INTO A PERMANENT  
POLITICAL UNION WITH THE U.S.

A DELEGATION OF NINE MARIANAS POLITICAL LEADERS ARE  
PRESENTLY IN WASHINGTON LOBBYING FOR PASSAGE OF THE COVENANT.  
(ARIYOSHI SUCCEEDS JOHNSTON AS HEAD OF PIDC)

HONOLULU, FEB. 19 (MNS)---HAWAII GOV. GEORGE ARIYOSHI  
WAS NAMED LAST WEEK AS PRESIDENT OF THE PACIFIC ISLAND  
DEVELOPMENT COMMISSION FOR A ONE YEAR TERM.

IN A CEREMONY AT THE STATE CAPITOL, ARIYOSHI TOOK  
OVER LEADERSHIP OF THE ORGANIZATION FROM HIGH COMMISSIONER  
EDWARD E. JOHNSTON OF THE TRUST TERRITORY.

PRESIDENCY OF THE COMMISSION IS ROTATED EVERY YEAR  
AMONG THE LEADERS OF THE FOUR GOVERNMENTS - HAWAII, GUAM,  
AMERICAN SAMOA AND THE TRUST TERRITORY.

ATTENDING THE INVESTMENT CEREMONY WERE JOHNSTON,  
GOV. EARL RUTH OF AMERICAN SAMOA, AND LT. GOV. RUDOLPH  
SARLAN OF GUAM.

THE COMMISSION WAS FOUNDED IN 1970 TO PROMOTE ECONOMIC  
DEVELOPMENT AMONG THE FOUR ISLAND AREAS.

PAGE 04 RUHGSAA3020 UNCLAS.

(SENATE DEFEATS TAX BILL)

SAIPAN, FEBRUARY 19 (MNS)---THE SENATE OF THE CONGRESS  
OF MICRONESIA DEFEATED A BILL WHICH WOULD RAISE TAXES AND  
REVENUES, (SB 6-266), THURSDAY (FEB. 19). THE BILL WAS  
RECOMMENDED FOR PASSAGE BY THE WAYS AND MEANS COMMITTEE

UNCLASSIFIED



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 03 191941Z

CHAIRMAN BY PONAPE SEN. BAILEY OLTOR.

ACCORDING TO THE COMMITTEE, THE EXISTING TAX LAWS ARE SIMPLY NOT RAISING ENOUGH REVENUE TO MEET THE GROWING DEMANDS FOR EXPENDITURES. IT CITED THE REVENUE SHARING LEGISLATION WHICH WAS PASSED LAST YEAR AND THE IMMINENT SEPARATION OF THE MARIANAS DISTRICT AS CONTRIBUTING FACTORS.

OLTOR'S COMMITTEE POINTED OUT THAT FOR FISCAL YEAR 1977, ABOUT \$4 MILLION WILL BE AVAILABLE. HOWEVER, \$3 MILLION OF THAT IS PROJECTED FOR OPERATING REVENUES OF THE CONGRESS. THIS WILL LEAVE THE BALANCE AVAILABLE FOR ALL OTHER PROJECTS AT ABOUT \$1 MILLION.

FURTHER, THE WAYS AND MEANS COMMITTEE STATED THAT APPROPRIATION BILLS INTRODUCED DURING THIS CURRENT SESSION TOTAL MORE THAN \$23 MILLION.

"THE GAP BETWEEN THE NEED FOR FUNDS AND THE FUNDS

PAGE 05 RUHGSAA3020 UNCLAS.

AVAILABLE IS OBVIOUS. THERE IS NO QUESTION THAT THE CONGRESS MUST HAVE MORE REVENUE," THE COMMITTEE DECLARED.

THE BILL MET IMMEDIATE OPPOSITION FROM SOME MEMBERS, HOWEVER. PONAPE SEN. AMBILOS IEHSI SAID THAT HE SUPPORTED THE BILL "IN PRINCIPLE" EXCEPT THAT SECTION WHICH PERMITS DISTRICT LEGISLATURES TO LEVY ADDITIONAL TAXES UNDER EXISTING TAX LAWS. HE SAID IF THE TAX ON BUSINESSES IS INCREASED, FOR EXAMPLE, IT WILL "KILL" MANY OF THE SMALL BUSINESSES NOW OPERATING. THIS COULD AFFECT THE TOTAL REVENUE THAT COMES TO THE CONGRESS BECAUSE IT ALSO TAXES BUSINESSES, IEHSI SAID.

OLTOR, DEFENDING HIS COMMITTEE'S POSITION, SAID IF ANY GOVERNMENT IS TO BE RESPONSIBLE FOR RUNNING ITS OWN AFFAIRS, IT SHOULD LEVY ITS OWN TAX. HE SAID IT'S ABOUT TIME THE DISTRICTS SHOULD START LEVYING THEIR OWN TAXES AND COLLECT THEM BECAUSE "WE CANNOT KEEP ON FINANCING AT THE DISTRICT LEVEL FOREVER." AS TO THE AMOUNT TO BE LEVIED, OLTOR SAID IT SHOULD BE THE "PREROGATIVE" OF THE RESPECTIVE LEGISLATURES.

PALAU SEN. LAZARUS SALII EXPRESSED HIS CONCERN OVER THE MARSHALLS SITUATION ON THE TAXES BECAUSE OF THE RECENT

UNCLASSIFIED

020799



Department of State

TELEGRAM

UNCLASSIFIED

PAGE 04 191941Z

PAGE 06 RUHGSAA3020 UNCLAS.

SECRETARIAL ORDER PROHIBITING THEM FROM LEVYING ADDITIONAL TAXES ON MILITARY ACTIVITIES ON KWAJALEIN.

THE BILL WAS DEFEATED BY A VOTE OF 5-4. SEVEN VOTES WERE NEEDED TO PASS THE BILL. VOTING AGAINST THE MEASURE WERE SENATORS LAZARUS SALII, WILFRED KENDALL, ROMAN TMETUHL AND OLYMPIO BORJA. SENS. AMATA KABUA, PEDRO A. TENDRIO AND NICK BOSSY WERE ABSENT.

THE SENATORS APPROVED A BILL TO ESTABLISH A COMMISSION ON FUTURE POLITICAL STATUS AND TRANSITION AND APPROPRIATE \$200,000 FOR THE FUNCTION OF THE COMMISSION (SB 6-267) WITH SENATOR JOHN MANGEFEL VOTING AGAINST. THE BILL IS CONSIDERED TO BE ONE OF THE MAJOR BILLS EVER TO COME OUT OF THE CURRENT SESSION. THE MEASURE WILL NOW BE TRANSMITTED TO THE HOUSE FOR FURTHER CONSIDERATION.

TWO JOINT RESOLUTIONS WERE ADOPTED. THEY WERE TO: EXPRESS SINCERE CONDOLENCES AND SYMPATHY TO THE FAMILIES OF THE LATE ROSITA BOSSY OF TRUK AND TIMOTHY UDOI OF PALAU, (SJR 6-101 AND 103).

TIMOTHY UDOI IS THE FATHER OF CONGRESS OF MICRONESIA LEGISLATIVE COUNSEL KALEB UDOI. THE ELDER UDOI DIED TUESDAY

PAGE 07 RUHGSAA3020 UNCLAS.

NIGHT (FEB. 17) IN KOROR.

ALSO, A RESOLUTION CONGRATULATING MR. AND MRS. HARRY U. BROWN ON THE BIRTH OF THEIR SON JEREMY BROWN WAS APPROVED BY THE SENATORS. BROWN IS THE CONGRESS'S BUDGET OFFICER.

IN THE HOUSE, A BILL TO AMEND CERTAIN SECTIONS OF PUBLIC LAW 5-37 (DISTRICT HOUSING AUTHORITIES) TO PROVIDE THAT THE DISTRICT LEGISLATURES BE RESPONSIBLE FOR FUNDING THE OPERATING EXPENSES OF THE DISTRICT HOUSING AUTHORITIES, (HB 6-501) PASSED FINAL READING AND WAS SENT TO THE SENATE FOR FURTHER CONSIDERATION. SEVEN MEMBERS VOTED AGAINST IT. THEY ARE: REPS. LAMBERT AAFIN OF TRUK; POLYCARP BASILIUS, KUNIWO NAKAMURA AND ISIDORO RUDIMCH OF PALAU; AND OSCAR C. RASA, HERMAN R. GUERRERO AND HERMAN T. PALACIOS OF THE MARIANAS.

THOSE MEMBERS WHO VOTED AGAINST THE PASSAGE OF THE BILL MAINTAINED THAT THE DISTRICT LEGISLATURES ARE NOT READY TO

UNCLASSIFIED



*Department of State* **TELEGRAM**

---

UNCLASSIFIED

PAGE 05 191941Z

FUND THE HOUSING PROGRAMS AND THAT "ADEQUATE NOTICE" SHOULD BE SENT TO THE PRESIDING OFFICERS AND MANAGERS OF THE HOUSING AUTHORITIES INFORMING THEM OF THE CONGRESS DECISION TO CUT OFF THE FUNDS. FURTHER, THEY CLAIMED THE VARIOUS LEGISLATURES HAVE ON-GOING PROGRAM OF THEIR OWN AND TO PASS THE BILL, WOULD

EOT

UNCLASSIFIED

020800



Department of State

TELEGRAM

10  
7,4

UNCLASSIFIED 4911

PAGE 01 191942Z

43  
ACTION INT-05

INFO OCT-01 10-11 EA-09 PM-04 PA-02 L-03 /035 W  
028776

P 191025Z FEB 76 ZNZ1 ZFO  
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
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  
INTELLIGENCE CENTER PACIFIC (IPAC)  
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 W M SMITH HI  
COMSUBPAC PEARL HARBOR HI  
NAVFACENGCOMHQ ALEXANDRIA VA  
CCGDFOURTEEN HONOLULU HI

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

UNCLAS.  
SECTION 02 OF 03  
KILL THE HOUSING AUTHORITIES IN THE DISTRICTS.

UNCLASSIFIED  
47

03 020801



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 02 191942Z

THE APPROPRIATIONS COMMITTEE WHICH RECOMMENDED PASSAGE OF THE BILL REASONED THAT BECAUSE OF THE REVENUE SHARING PROGRAM, THE CONGRESS "CAN NO LONGER AFFORD TO FUND THIS PROGRAM."

"UNDER THE REVENUE SHARING PLAN, EACH DISTRICT WILL RECEIVE NEW REVENUES," THE COMMITTEE STATED. "THESE NEW REVENUES ARE GREATLY IN EXCESS OF THE COST FOR THESE HOUSING PROGRAMS" WHICH IS ABOUT \$25,000 PER YEAR.

PAGE 03 RUHGSAA3021 UNCLAS.

FURTHER, THE COMMITTEE MAINTAINED, THE CONGRESS HAS GIVEN THE LEGISLATURES REVENUES TOTALING MORE THAN \$1,200,000. THE TOTAL COST OF THE HOUSING PROGRAMS IS JUST OVER \$180,000. ACCORDING TO THE APPROPRIATIONS COMMITTEE CHAIRED BY REP. RAYMOND SETIK OF TRUK.

"THIS ARRANGEMENT WILL GIVE THE DISTRICT LEGISLATURES MORE AUTHORITY TO DIRECT THE HOUSING PROGRAMS SINCE THE OPERATIONAL FUNDING FOR THE PROGRAM WILL COME FROM THE DISTRICT LEGISLATURE RATHER THAN THE CONGRESS OF MICRONESIA," SETIK'S COMMITTEE POINTED OUT.

THE HOUSE ALSO FILED A BILL UPON THE RECOMMENDATION OF THE HOUSE JUDICIARY AND GOVERNMENTAL RELATIONS COMMITTEE HEADED BY PALAU REP. POLYCARP BASILIUS WHICH WOULD PROVIDE FOR ADVICE AND CONSENT OF THE CONGRESS OF MICRONESIA FOR APPOINTMENTS TO THE TT SOCIAL SECURITY BOARD.

THE FIVE-MEMBER BOARD, APPOINTED BY THE HIGH COMMISSIONER IS MORE OF AN ADMINISTRATIVE BODY, THAN A POLICY MAKING GROUP, THE COMMITTEE NOTED.

BEFORE THE HOUSE RECESS, REP. LAMBERT AAFIN TOOK NOTE OF THE PROGRESS OF THE SESSION OF THE CONGRESS. AAFIN

PAGE 04 RUHGSAA3021 UNCLAS.

CHARGED THAT THE VARIOUS COMMITTEES "ARE NOT DOING THEIR WORK." THERE ARE MANY THINGS WHICH THE CONGRESS SHOULD "WORRY ABOUT AT THE NATIONAL OR DISTRICT LEVEL," AAFIN SAID.

THE TRUK REPRESENTATIVE SAID THAT SOME MEMBERS ARE "FED UP WITH THE WORK" OF THEIR COMMITTEES AND HAVE CONSIDERED

UNCLASSIFIED



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 03 191942Z

REPLACING THE CHAIRMEN. HE DID NOT SPECIFICALLY NAME WHICH COMMITTEE HE WAS REFERRING TO. "SOME OF THE WORK SHOULD HAVE BEEN DONE A LONG TIME AGO," AAFIN DECLARED. HE CONCLUDED BY SAYING THAT YAP SENATOR JOHN MANGEFEL WAS RIGHT WHEN HE SAID THIS SESSION OF THE CONGRESS CAN BE CALLED THE "SPRING OF DO-NOTHING."

(HYCOM JOHNSTON DESIGNATED PRESIDENT OF PITDC)

HONOLULU, FEB. 19 (MNS)---THE PACIFIC ISLANDS DEVELOPMENT COMMISSION (PIDC) WHICH CONCLUDED ITS WEEK-LONG MEETING IN WESTERN SAMOA VOTED LAST WEEK TO ESTABLISH AN AFFILIATE COUNCIL WHICH WILL DEAL WITH TOURISM RELATED ACTIVITIES, ACCORDING TO THE HAWAII NEWSPAPER PACIFIC NEWS BUSINESS. TRUST TERRITORY HIGH COMMISSIONER EDWARD E. JOHNSTON WAS DESIGNATED PRESIDENT OF THE COUNCIL.

CALLED THE PACIFIC ISLANDS TOURISM DEVELOPMENT COUNCIL,

PAGE 05 RUHGSAA3021 UNCLAS.

THE ORGANIZATION IS TO BE REGISTERED IN HAWAII AS A NONPROFIT CORPORATION. THE CORPORATION WILL FORMALIZE THE ACTIVITIES OF THE PIDC TOURISM ADVISORY COUNCIL AND WILL BE COMPOSED OF REPRESENTATIVES FROM THE TRUST TERRITORY, HAWAII, GUAM, AMERICAN SAMOA, THE COOK ISLANDS, TONGA, WESTERN SAMOA, FIJI, AND NAURU, AIR CARRIERS, AND OTHER TOURISM-RELATED BUSINESS ORGANIZATIONS.

THE AIRLINES PLEDGED THEIR SUPPORT FOR THE TOURISM DEVELOPMENT COUNCIL AND AGREED TO PARTICIPATE AS ADVISORY, NONVOTING MEMBERS.

ALL OF THE MEMBER GOVERNMENTS EXCEPT NAURU ATTENDED THE MEETING, THOUGH NAURU WAS COMMITTED BY PROXY TO ITS \$11,000 SHARE OF THE COUNCIL'S INITIAL PROJECTS.

THOSE PROJECTS INCLUDE THE ESTABLISHMENT OF A TOURISM PROMOTION OFFICE IN LOS ANGELES AND THE PUBLICATION OF A BROCHURE ON TOURISM OPPORTUNITIES IN THE VARIOUS ISLANDS.

THE LOS ANGELES OFFICE WILL BE OPERATIONAL BY JULY 1. CANDIDATES FOR DIRECTOR OF THE OFFICE WILL BE DISCUSSED AT THE COUNCIL'S NEXT MEETING, SCHEDULED FOR APRIL 26 IN HONOLULU.

UNCLASSIFIED

020802





Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 04 191942Z

PAGE 06 RUHGSAA3021 UNCLAS.

THE TOURISM DEVELOPMENT COUNCIL IS THE ONLY ORGANIZATION IN THE PACIFIC DESIGNED FOR DISCUSSION BETWEEN AIRLINES AND GOVERNMENTS ON MUTUAL PROBLEMS SURROUNDING GOVERNMENT REGULATIONS AND AIRLINE FARES AND SERVICES, SAID STANLEY C. KENNEDY JR., PACIFIC VICE PRESIDENT FOR CONTINENTAL AIRLINES.

KENNEDY, WHO ATTENDED THE CONFERENCE TO REPRESENT AIR MICRONESIA, TERMED THE CONFERENCE "VERY SUCCESSFUL." HE SAID IT BROUGHT "POSITIVE AND SPECIFIC RESULTS IN TERMS OF PROGRESSING TOWARDS DEVELOPMENT OF DEFINITE SALES AND PROMOTIONAL AVENUES FOR THE PACIFIC."

(BORJA URGES FOREIGN INVESTMENT POLICY)

SAIPAN, FEB. 19 (COM)---MARIANAS SENATOR OLYMPIO T. BORJA THURSDAY (FEB. 19) URGED PASSAGE OF A MEASURE TO DECLARE IT A POLICY OF THE T.T. GOVERNMENT TO "ENCOURAGE FOREIGN INVESTMENT IN MICRONESIA."

IN REMARKS BEFORE THE SENATE, BORJA ACKNOWLEDGED HIS COLLEAGUES' EXTREME CAUTIOUSNESS ABOUT FOREIGN INVESTMENT. HE SAID:

"THE MEASURE IS DESIGNED TO ATTRACT THE KIND OF OUTSIDE INVESTMENT MICRONESIA WILL NEED TO PUT INTO AFFECT" ITS

PAGE 07 RUHGSAA3021 UNCLAS.

SOON-TO-BE REALIZED COMPREHENSIVE DEVELOPMENT PLAN. THE PLAN IS NOW BEING DRAWN UP BY EXPERTS FROM THE UNITED NATIONS DEVELOPMENT PROGRAM, AND ACCORDING TO EACH DISTRICT'S NEEDS.

BORJA SAID THE MEASURE "WOULD LIMIT PROSPECTIVE APPLICANTS FOR INVESTMENT TO ONLY THOSE BUSINESSES WITH AN INITIAL CAPITALIZATION OF NOW LESS THAN ONE MILLION DOLLARS." HE SAID THOSE INVESTORS MUST ALSO "HAVE PLANS TO EMPLOY ABOUT FIFTY MICRONESIAN CITIZENS."

THE SENATOR SAID THE T.T. DIRECTOR OF RESOURCES AND DEVELOPMENT WOULD BE ASKED "TO GIVE HIGHEST PRIORITY TO PROJECTS THAT PROMISE TO HAVE THE GREATEST RATE OF RETURN TO THE ECONOMY OF THE PARTICULAR DISTRICT INVOLVED, AND TO MICRONESIA AS A WHOLE."

BORJA POINTED OUT THAT "NO POTENTIAL FOREIGN INVESTOR WHO PROPOSES TO SET UP AN ENTERPRISE THAT WILL NOT BRING

UNCLASSIFIED



Department of State

**TELEGRAM**

---

UNCLASSIFIED

PAGE 05 191942Z

CONSIDERABLE BENEFITS TO THE MICRONESIAN ECONOMY WILL EVEN  
BE CONSIDERED UNDER THE PROVISIONS" OF THE MEASURE. HE SAID:

"IF THE INVESTOR CANNOT USE THE ALREADY EXISTING  
RESOURCES AVAILABLE IN MICRONESIA, HE NEED NOT APPLY FOR  
THE INCENTIVES THAT WILL BE ACCORDED TO INVESTORS THAT MAY

EOY

UNCLASSIFIED

020803



Department of State

10  
7,4  
**TELEGRAM**

UNCLASSIFIED 4906

PAGE 01 191942Z

41  
ACTION INT-05

INFO OCT-01 EA-09 ID-11 PA-02 PM-04 L-03 /035 W  
\*\*\*\*\* 028775

P 191025Z FEB 76 ZNZ1 ZFD  
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
TO ALDISTADS TERPACIS  
TT LNO GUAM MARIANAS ISLANDS  
TT LNO KWAJALEIN MARSHALL ISLANDS  
COMNAVAMARIANAS GUAM MARIANAS ISLANDS  
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS  
CINCPAC HONOLULU HI  
INTELLIGENCE CENTER PACIFIC (IPAC)  
NAVINSERVO GUAM MARIANAS ISLANDS  
COMTWELVE SAN FRANCISCO CA  
RUEHFC /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  
COMSUBPAC PEARL HARBOR HI  
NAVFACENGCOMHQ ALEXANDRIA VA  
CCGDFOURTEEN HONOLULU HI

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

UNCLAS.  
FINAL SECTION OF 03  
RE ACCEPTED UNDER THE PROVISIONS" OF THE MEASURE.

UNCLASSIFIED

03 020804



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 02 191942Z

BORJA SAID THAT AFTER "CAREFUL ANALYSIS OF THE SAFEGUARDS CONTAINED IN THE MEASURE" HE IS SURE HIS COLLEAGUES WHO HAVE BEEN AND ARE STILL EXTREMELY CAUTIOUS ABOUT FOREIGN INVESTMENT WILL BE CONVINCED TO SUPPORT THE MEASURE.

THE MARIANAS SENATOR URGED HIS COLLEAGUES TO APPROVE THE MEASURE.

"WE MUST DESIGN AND TAILOR LEGISLATION TO NOT ONLY REGULATE, BUT AT THE SAME TIME ATTRACT THE KIND OF FOREIGN

PAGE 03 RUHGSAA3022 UNCLAS.  
INVESTMENT NECESSARY TO MAKE OUR SOON-TO-BE REALIZED DEVELOPMENT PLAN A REALITY."

SENATOR BORJA SAID HE AGREES WITH PRESIDENT NAKAYAMA'S EARLIER STATEMENT THAT MICRONESIA SHOULD CREATE "AN ATTRACTIVE ATMOSPHERE FOR FOREIGN INVESTMENT WHICH INVOLVES SUBSTANTIAL PARTICIPATION BY, AND BENEFIT TO, MICRONESIANS, AS WELL AS BENEFIT TO OUR NON-MICRONESIAN PARTNERS."

BORJA SAID IT IS VERY IMPORTANT THAT MICRONESIA ENCOURAGES "SUCH INVESTMENT WHICH IS BEYOND THE CAPABILITIES OF MICRONESIAN RESOURCES OR GRANT FUNDS, NOT ONLY FOR THE SAKE OF OUR ECONOMY, BUT FOR THE SAKE OF THE VIABILITY" OF MICRONESIA'S FUTURE GOVERNMENT.

BORJA CONCLUDED THAT SUCH AN APPROACH "WILL PROVIDE THE NECESSARY STEPS TO GREATLY ASSIST THE FUTURE GOVERNMENT. . . TO BE SELF-SUPPORTING, A GOAL WHICH IS BOTH NECESSARY AND DESIRABLE."

(GILBERTS HEADING FOR SELF-GOVERNMENT)

TARAWA, FEB. 19 (MNS)---PLANS ARE BEING MADE FOR THE GILBERT ISLANDS TO ACHIEVE INTERNAL SELF-GOVERNMENT BEFORE THE END OF THIS YEAR, ACCORDING TO A REPORT RECEIVED ON

PAGE 04 RUHGSAA3022 UNCLAS.  
SATPAN BY PEACESAT SATELLITE.

THE CHIEF MINISTER OF THE GILBERTS, THE HONORABLE NABOUA RATIETA, WILL LEAD A DELEGATION TO LONDON AFTER THE MAY MEETING OF THE HOUSE OF ASSEMBLY TO AGREE ON A PRECISE DATE FOR INTERNAL SELF-GOVERNMENT.

UNCLASSIFIED



Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 03 191942Z

THESE ARRANGEMENTS WERE MADE AFTER A MOTION WAS ADOPTED IN THE LAST MEETING OF THE HOUSE OF ASSEMBLY THAT A CONSTITUTIONAL CONFERENCE BE HELD THIS YEAR TO DECIDE ON A TIMETABLE FOR SELF-GOVERNMENT AND INDEPENDENCE.

THE GOVERNOR, JOHN SMITH, IN AN INTERVIEW, EXPLAINED THAT INDEPENDENCE WOULD NORMALLY FOLLOW TWELVE TO EIGHTEEN MONTHS AFTER SELF-GOVERNMENT.

(GILBERTS CONSIDER DEFENSE FORCE)

TARAWA, FEB. 19 (MNS)---THE GOVERNMENT OF THE GILBERT ISLANDS IS NOW EXAMINING THE FEASIBILITY OF ESTABLISHING A SMALL DEFENSE FORCE. A PRELIMINARY STUDY HAS BEEN COMPLETED AND, IF FORMED, SUCH A FORCE WOULD PROBABLY CONSIST OF ABOUT 170 MEN.

THE FORCE WILL HAVE HEADQUARTERS COMMAND, ADMINISTRATIVE UNITS, AN ENGINEERING UNIT, A BAND FOR CEREMONIAL DUTIES AND

PAGE 05 RUHGSAA3022 UNCLAS.  
THREE GENERAL DUTY UNITS.

BECAUSE OF CONSTITUTIONAL ADVANCES LIKELY IN THE NEAR FUTURE THE GOVERNMENT FEELS OBLIGED TO CONSIDER SECURITY NEEDS OF THE GILBERTS AS WELL AS THE BACKLOG OF DEVELOPMENT WORKS SUCH AS ROAD CONSTRUCTION. IT IS FELT THAT A SUITABLY STRUCTURED DEFENSE FORCE MAY BE THE MOST EFFECTIVE WAY OF TACKLING THESE PROBLEMS.

IN THE PACIFIC REGION, BOTH FIJI AND TONGA HAVE SIMILAR UNITS FOR SIMILAR DUTIES AND THEIR EXPERIENCE HAS BEEN HIGHLY SATISFACTORY, ACCORDING TO A SATELLITE NEWS REPORT FROM TARAWA. (SEA-GOING GILBERTESE CANOE LAUNCHED)

TARAWA, FEB. 19 (MNS)---GILBERTESE BAURUA - A SEA-GOING CANOE WHICH WOULD TRAVEL TO FIJI - HAS BEEN COMPLETED AT TARATAI VILLAGE IN NORTH TARAWA, ACCORDING TO A SATELLITE NEWS REPORT RECEIVED ON SAIPAN.

THE CRAFT WAS LAUNCHED ON SATURDAY. AMONG THE GUESTS INVITED FOR THE OCCASION WERE GOVERNOR JOHN SMITH, THE CHIEF MINISTER, THE HONORABLE NABOUA RATIETA, AND THE MINISTER FOR COMMUNICATIONS WORKS AND UTILITIES, THE HONORABLE BWEBWETAKE AREIETA.

UNCLASSIFIED

020805



*Department of State* **TELEGRAM**

UNCLASSIFIED

PAGE 04 191942Z

PAGE 06 RUHGSAA3022 UNCLAS.

THE CEREMONY BEGAN WITH A WORD OF THANKS FROM JIM SIERS, A FREE-LANCE JOURNALIST AND PHOTOGRAPHER FROM NEW ZEALAND WHO IS BEHIND THE PROJECT. THE CRAFT WAS CARRIED DOWN TO WATER LEVEL BY ABOUT 100 MEN.

THE BUILDERS WERE SOMEWHAT DISSAPPOINTED WHEN THE OUTRIGGER FLOAT OF THE 80-FOOT CRAFT BEGAN TO SINK. IT WAS LATER EXPLAINED THAT A LARGER FLOAT WOULD BE REQUIRED FOR A CANOE OF THAT SIZE AND THAT A PROPER FLOAT IS EXPECTED TO ARRIVE FROM A NEARBY ISLAND WITHIN A SHORT TIME.

SIERS IS PLANNING TO SAIL TO FIJI, TONGA, SAMOA, AND POSSIBLY NEW ZEALAND IN APRIL OF THIS YEAR. THE CANOE WILL BE MANNED ALL THE WAY BY A LOCAL GILBERTESE CREW.

BY SAILING TO THESE PLACES, SIERS HOPES TO DRAW PEOPLES ATTENTION TO THE VAST AMOUNT OF INFORMATION HE HAS GATHERED OVER THE PAST SEVERAL YEARS ABOUT THE SETTLEMENT OF THE PACIFIC AND THE NAVIGATIONAL SKILLS OF THE PEOPLE.

FOT

UNCLASSIFIED