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COMNAV MARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS
CINCPAC HONOLULU HI
INTELLIGENCE CENTER PACIFIC (IPAC)
NAVINSERVO GUAM MARIANAS ISLANDS
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CINCPACAF HICKAM AFB HI
CGFMFPAC CAMP H M SMITH HI
COMSUBPAC PEARL HARBOR HI
NAVFACENGCMMHQ ALEXANDRIA VA
CCGD FOURTEEN HONOLULU HI

1. *House Approves Maritime Bill*
2. *House Approves First 3 bills*
3. *Manzifel Offers Congratulatory Measure to Mili Toki Senators*
4. *Summary of Sixth Week in Com*

PACNAV FACENGCMM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
FODNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIMINATO JAPAN//TTPI-LNO//
CDRBMUSCOM HUNTSVILLE AL//BMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS
AMEMB CANBERRA AS
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C O R R E C T E D C O P Y-SECTION 01 OF 04 VICE 01 OF 05
COMTWELVE PASS INFO FOR AMB WILLIAMS
SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA OSN
AMEMBASSY CANBERRA FOR PAC ISL MONTHLY.
(HOUSE APPROVES MARITIME BILL)

SAIPAN, FEB. 23 (MNS)---THE HOUSE OF REPRESENTATIVES OF
THE CONGRESS OF MICRONESIA APPROVED A BILL MONDAY (FEB. 23)
RELATING TO ADMIRALTY AND MARITIME LAW, WHICH WOULD MAKE IT
POSSIBLE FOR THE TRUST TERRITORY TO BECOME A COUNTRY OF
REGISTRY OF SHIPS, (HB 6-304). FONAPE REP. RESID MOSES IS

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THE ONLY MEMBER WHO VOTED AGAINST THE BILL.

MOSES, WHO CHAIRS THE COMMITTEE ON WAYS AND MEANS,
EXPRESSED HIS CONCERN WHETHER THE CONGRESS CAN "ACCOMPLISH
SOMETHING" WHEN COMMUNICATIONS FROM WASHINGTON INDICATE THAT
THIS MEASURE IS "TOTALLY UNACCEPTABLE TO THEM." "I DO NOT SEE
IF THE POSITION OF THE ADMINISTRATION IS STILL THAT STRONG
AGAINST LEGISLATION DEALING WITH MARITIME ACTIVITIES," MOSES
SAID. HE SUGGESTED THE CONGRESS DELAY ACTION ON THE BILL
UNTIL THEY ARE SURE THEY WOULD ACCOMPLISH WHAT THE CONGRESS
IS SEEKING.

REP. SASAUD HARUD OF TRUK, CHAIRMAN OF THE RESOURCES
AND DEVELOPMENT COMMITTEE, SPOKE IN FAVOR OF PASSING THE
BILL. THE BILL HAS A HISTORY OF TWO VETOS BY THE HIGH
COMMISSIONER BECAUSE OF WASHINGTON'S OBJECTION OVER CERTAIN
MATTERS IN THE BILL. THE BILL, HARUD SAID, INCORPORATED ALL
OF THOSE OBJECTIONS RAISED BY WASHINGTON.

"I THINK IT IS ONLY APPROPRIATE THAT THIS CONGRESS
PASSED THIS MEASURE BECAUSE WE HAVE ALLOWED INCORPORATING
THOSE OBJECTIONS RAISED BY THE ADMINISTRATION. THE CONGRESS
FELT THAT THIS WAS A VERY IMPORTANT MEASURE TO THE DEVELOPMENT

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OF MICRONESIA...". HARUD POINTED OUT.

ANOTHER MEMBER WHO SPOKE FOR PASSAGE OF THE BILL WAS REP.
OSCAR C. RASA OF MARIANAS. "...THIS CONGRESS CANNOT

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CONTINUE TO PLEASE THE ADMINISTRATION, IF OUR PURPOSE IN THIS CONGRESS IS TO PLEASE THE ADMINISTRATION, WE MIGHT AS WELL ADJOURN THE MEETING AND GO HOME AND LET THE ADMINISTRATION BE THE CONGRESS AND AT THE SAME TIME BE THE EXECUTIVE BRANCH," RASA DECLARED.

REP. HERMAN R. GUERRERO ALSO SPOKE STRONGLY IN FAVOR OF PASSING THE BILL. HE SAID EVERYTIME THE CONGRESS TRIED TO PASS MEASURES RELATIVE TO SHIPPING, IT ALWAYS MET OPPOSITION FROM THE ADMINISTRATION AND FROM WASHINGTON. "IT SEEMS TO ME THAT (THE ADMINISTRATION) HAS BEEN HIDING SOMETHING FROM THE CONGRESS AND MUST HAVE BEEN PROTECTING SOME SHIPPING FIRM. THIS HAS CAUSED THE PEOPLE OF MICRONESIA GREAT HARSHIP AND SUFFERING. IF THE GOVERNMENT HAS TO PROTECT A CERTAIN SHIPPING COMPANY, THE PEOPLE OF MICRONESIA HAVE NO CHOICE BUT TO USE THAT PARTICULAR COMPANY," GUERRERO ASSERTED.

USING AS AN EXAMPLE THE SHIPPING OPERATION IN THE

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MARIANAS, GUERRERO CHARGED THATT "SOMEHOW" THE GOVERNMENT IS PROTECTING THAT LOCAL COMPANY IN THE MARIANAS "AND IS NOT IN ANYWAY READY TO ACCEPT A NEW SHIPPING OPERATION," GUERRERO TOLD THE HOUSE.

ACCORDING TO THE RESOURCES AND DEVELOPMENT COMMITTEE, THE BILL, IF APPROVED, WOULD HAVE DUAL PURPOSES. IT IS A COMPREHENSIVE ACT OVER ADMIRALTY AND MARITIME MATTERS FOR TRUST TERRITORY SHIPS---AREAS WHICH ARE NOW INADEQUATELY COVERED BY EXISTING LAWS AND REGULATIONS, AND IT ALSO WOULD PERMIT MICRONESIA TO REGISTER FOREIGN SHIPS UNDER A "FLAG OF CONVENIENCE."

"SUCH A REGISTRATION SYSTEM COULD ULTIMATELY GENERATE CONSIDERABLE REVENUES FOR MICRONESIA FROM FEES AND OTHER CHARGES PAID BY SHIPS CARRYING THE MICRONESIAN FLAG," THE COMMITTEE SAID.

HARUO'S COMMITTEE FURTHER SAID THAT THE ADMINISTRATION'S WITNESSES OPPOSED PASSAGE OF THE BILL AT THIS TIME BECAUSE IT IS "STILL DEFECTIVE". IN SOME AREAS AND THAT ADDITIONAL WORK WITH THE STATE DEPARTMENT IS NECESSARY TO CORRECT THESE DEFICIENCIES. THE ATTORNEY GENERAL'S OFFICE ALSO INDICATED

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THAT THE CONGRESS OF MICRONESIA "HAS NO AUTHORITY" TO LEGISLATE ON ADMIRALTY AND MARITIME MATTERS.

THE COMMITTEE ALSO EXPRESSED CONCERN ABOUT THE "NEGATIVE ATTITUDE" OF THE ADMINISTRATION WITNESSES. ALL WERE AGAINST PASSAGE OF THE BILL AT THIS TIME, YET "NO SATISFACTORY REASONS FOR THIS POSITION WERE GIVEN TO THE COMMITTEE."

THE BILL WILL NOW BE TRANSMITTED TO THE SENATE FOR FURTHER STUDY.

THE HOUSE ALSO APPROVED AND SENT BACK TO THE SENATE A BILL TO DEFINE THE MANNER BY WHICH A NOMINATION, MADE UNDER THE PROVISIONS OF THE ADVICE AND CONSENT LAW, SHALL BE DEEMED TO BE REJECTED BY THE CONGRESS OF MICRONESIA, (SB 6-123). THE JUDICIARY AND GOVERNMENTAL RELATIONS COMMITTEE RECOMMENDED PASSAGE OF THIS BILL AND MADE MINOR CHANGES. IF THE SENATE AGREES WITH THE HOUSE AMENDMENTS, THE BILL WILL GO TO THE HIGH COMMISSIONER FOR HIS ACTION. IF NOT, DIFFERENCES WILL BE IRONED OUT IN A CONFERENCE COMMITTEE CONSISTING OF MEMBERS FROM BOTH HOUSES.

FIVE BILLS, FOUR OF THEM HOUSE MEASURES, WERE FILED MONDAY AT THE RECOMMENDATION OF THE JUDICIARY AND GOVERNMENTAL

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RELATIONS COMMITTEE CHAIRED BY POLYCARP BASILIUS OF PALAU.

THE BILLS WOULD: PROVIDE FOR THE PERIODIC RECONFIRMATION OF PERSONS APPOINTED BY THE HIGH COMMISSIONER, (HB 6-347) FILED IN FAVOR OF A SENATE VERSION PERTAINING TO THE SAME SUBJECT MATTER; PROVIDE FOR ADVICE AND CONSENT OF CERTAIN DISTRICT OFFICIALS BY THE DISTRICT LEGISLATURES, (HB 6-134 AND 403), FILED BECAUSE THE COMMITTEE FELT SUCH A SINGULAR REORGANIZATION OF THE EXECUTIVE BRANCH OF GOVERNMENT IN THE DISTRICT IS "UNWISE AND PREMATURE." DISTRICTS MAY CHARTER THEMSELVES OR CONVENE CONSTITUTIONAL CONVENTIONS AND THUS, ACHIEVE OVERALL REORGANIZATION.

HOUSE BILL 5-370, WOULD SUBJECT THE MANAGERS OF THE DISTRICT HOUSING AUTHORITY, DISTRICT FISHING AUTHORITY, AND

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THE MARIANA ISLANDS AIRPORT AUTHORITY TO THE ADVICE AND
CONSENT OF THE LEGISLATURE CONCERNED. THE BILL WAS FILED
BECAUSE THE COMMITTEE FELT THAT THESE AMENDMENTS ARE
"UNWARRANTED AND WOULD SUBJECT THESE POSITIONS TO UNFRIENDLY
POLITICS AT THE DISTRICT LEVEL."

A BILL TO PROVIDE FOR ADVICE AND CONSENT OF DISTRICT
COURT JUDGES BY THE DISTRICT LEGISLATURE CONCERNED, (SB 6-244)

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TO ALDISTADS TERPACIS
YT LNO GUAM MARIANAS ISLANDS
YI LNO KWAJALEIN MARSHALL ISLANDS
COMNAVMARIANAS GUAM MARIANAS ISLANDS
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CCRD FOURTEEN HONOLULU HI

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FCOANA-LGA KIRTLAND AFB NM
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B I R 2 2 0 T E R D P H P Y-SECTION 02 OF 04 VICE 02 OF 05
WAS FILED BECAUSE THE CONGRESS OF MICRONESIA HAS ONLY RECENTLY
TAKEN ACTION TO THIS EFFECT.

A RESOLUTION REQUESTING THE HIGH COMMISSIONER TO RELOCATE
THE TRUK AIRPORT TO POLLE ISLANDS, (HJR 6-137) WAS FILED
UPON THE RECOMMENDATION OF THE RESOURCES AND DEVELOPMENT
COMMITTEE, WHICH STATES THAT SUCH A MOVE IS "IMPRACTICAL
AND UNDESIRABLE."

IN THE SENATE, THE LAWMAKERS ADOPTED THE CONFERENCE
COMMITTEE REPORTS ON TWO APPROPRIATIONS MEASURES FOR THE

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OPERATION OF THE HOUSE OF REPRESENTATIVES AND THE SENATE.

THE NEW FIGURES FOR THE OPERATING AND CONTINGENT
EXPENSES OF THE HOUSE IS NOW \$782,600, (HB 6-357); AND THE
SENATE ALSO WAS INCREASED FROM \$328,612 TO \$378,612, (HB 6-358).

THE HOUSE OF REPRESENTATIVES STILL HAS TO ADOPT THE
CONFERENCE COMMITTEE REPORT IN ORDER FOR THOSE BILLS TO
COMPLETE LEGISLATIVE ACTION. ACTION ON BOTH CONFERENCE
COMMITTEE REPORTS WERE POSTPONED SUNDAY (FEB. 22) BY THE
HOUSE.

THE THREE JOINT RESOLUTIONS ADOPTED BY THE SENATE WERE
TO REQUEST THE HIGH COMMISSIONER TO PURCHASE AND INSTALL
MORE POWERFUL BROADCAST TRANSMITTERS FOR THE MARSHALLS, YAP
AND PALAU DISTRICTS AND TO IMPROVE RADIO RECEPTION IN THE
OUTER ISLANDS OF THESE DISTRICTS, (SJR 6-94); EXPRESS
THE FULL SUPPORT OF THE CONGRESS FOR THE CONSTRUCTION OF A
NEW AND EXPANDED COMMUNITY COLLEGE OF MICRONESIA (SJR 6-96);
AND REQUEST THE ADMINISTERING AUTHORITY TO REHABILITATE WAR
DAMAGED LANDS ON WOTJE, MILI, JALUIT AND MALOELAP ATOLLS IN
THE MARSHALLS DISTRICT, (HJR 6-8).

TWO MEASURES WERE OFFERED MONDAY. THEY WERE: A BILL

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RELATING TO INTEREST RATES ON LOANS FROM FUNDS OBTAINED BY
THE TERRITORIAL HOUSING COMMISSION AND DISTRICT HOUSING
AUTHORITIES, (HB 6-552); AND A RESOLUTION CONGRATULATING

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SENATORS ROMAN TMETUHL AND WILFRED KENDALL ON THEIR BIRTHDAYS, (SR 6-9).

(PHYCOM APPROVES FIRST THREE BILLS)

SAIPAN, FEB. 23 (MNS)---TRUST TERRITORY HIGH COMMISSIONER EDWARD E. JOHNSTON HAS SIGNED INTO LAW THE FIRST THREE BILLS TO COME OUT OF THE CURRENT SESSION OF THE CONGRESS OF MICRONESIA. THE BILLS WERE APPROVED LAST WEEK ON THURSDAY (FEB. 19), ACCORDING TO N. NEIMAN CRALEY, SPECIAL ASSISTANT FOR LEGISLATIVE AFFAIRS.

THE BILLS WERE: TO APPROPRIATE \$327,800 TO DEFRAY THE OPERATION AND CONTINGENT EXPENSES OF THE REVENUE DIVISION FOR CONGRESSIONAL FISCAL YEAR 1977, (HB 6-336) WHICH BECAME PUBLIC LAW 6-73; AND TO EARMARK \$6,100 AS A SUPPLEMENTAL APPROPRIATION FOR THE OPERATION AND CONTINGENT EXPENSES OF THE REVENUE DIVISION FOR FISCAL YEAR 1976, (HB 6-337) NOW PUBLIC LAW 6-74. BOTH OF THESE BILLS WERE INTRODUCED BY APPROPRIATIONS CHAIRMAN RAYMOND SETIK.

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PRIVATE BILL 6-1 WAS A MEASURE TO MAKE GUADALUPE CHUTEN SABINO ELIGIBLE FOR NATURALIZATION AS A CITIZEN OF THE TRUST TERRITORY, (SB 6-68). MRS. SABINO IS THE WIFE OF DR. HENARD SABINO OF PALAU WHO IS PRESENTLY WORKING IN THE DENIAL DEPARTMENT OF THE YAP DISTRICT PUBLIC HEALTH SERVICES. THE BILL'S AUTHOR WAS YAP SENATOR PETRUS TUN. (MANGEFEL OFFERS CONGRATULATORY MEASURE TO MILI TOBI SENATORS)

SAIPAN, FEB. 23 (MNS)---SENATOR JONG DE AVILA MANGEFEL INTRODUCED IN THE SENATE OF THE CONGRESS OF MICRONESIA A MEASURE "CONGRATULATING, IF AT ALL APPROPRIATE, SENATORS ROMAN TMETUHL AND WILFRED KENDALL ON THEIR BIRTHDAYS" (SR 6-9).

THE YAPFSE LAW-MAKER, KNOWN FOR HIS PAST INTRODUCTIONS OF TONGUE-IN-CHEEK MEASURES, SUCH AS HIS RECENT MEASURE TO BAN NECKTIES IN MICRONESIA OR HIS SIMPLISTIC APPROACH TO SUCH HEADACHE-PRODUCING MATTERS AS STRAIGHTENING OUT MICRONESIA'S FINANCIAL BURDEN--AND USUALLY CONSIDERED A SERIOUS LEGISLATOR "WITH A SENSE OF HUMOR" --INCLUDED IN HIS RESOLUTIONS THAT THE "SENATE DECLARES ITS OFFICIAL POLICY ON CONGRATULATORY BIRTHDAY RESOLUTIONS TO BE THAT SUCH RESOLUTIONS HEREINAFTER SHALL ONLY BE INTRODUCED IF THE RECIPIENT'S BIRTHDAY FALLS ON MARCH 29;

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PROVIDED, HOWEVER, THAT ONLY ONE SUCH RESOLUTION PER DISTRICT MAY BE CONSIDERED DURING ANY CONGRESS OF MICRONESIA OR ITS SUCCESSOR."

SINCE THE LAW PROVIDES THAT THE CONGRESS OF MICRONESIA MEETS BETWEEN EARLY JANUARY AND ADJOURNS "SINE DIE" IN EARLY MARCH, MANGEFEL'S RESOLUTION OF CONGRATULATIONS STATED IN PART:

"WHEREAS, THE TWO SENATE MEMBERS WERE BORN WITHOUT CHOICE DURING THIS BUSY PERIOD OF THE YEAR WHICH, FOR SOME IS A NUISANCE; AND

"WHEREAS, THE TWO SENATORS REPRESENT THE OLDEST AND THE YOUNGEST MEMBERS OF THE SENATE BUT NOT NECESSARILY THE HANDSOMEST; AND

"WHEREAS, ONE OF THEM CAME FROM A DISTRICT NEAR MILI AND THE OTHER FROM NEAR TOBI; AND

"WHEREAS, IT SEEMS BY COINCIDENCE THAT THESE TWO SENATORS HAVE SEVERAL THINGS IN COMMON, THEREFORE THEY SHOULD BE BAPTIZED THE MILI-TORI SENATORS; AND

"WHEREAS, THE HONORABLE ROMAN IMETUHL, A SENATOR FROM PALAU HAS ENTRANCED SENATORS AND SPECTATORS ALIKE WITH HIS MANY THOUGHTFUL, ABSTAINING VOTES, AND HIS EFFORTS TO REDUCE

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HIS SALARY AND THOSE OF HIS COLLEAGUES, WAS BORN ON FEBRUARY 11; AND

"WHEREAS, RESPECTABLE SENATOR WILFRED KENDALL FROM THE MARSHALLS IS REKNOWNED FOR HIS INTERCULTURAL ADOPTION OF AN ADDICTION TO MASTICATING ASTRINGENT ARECA CATECU SEEDS BEFORE, DURING, AND AFTER SESSIONS OF CONGRESS; NOW THEREFORE,

"BE IT RESOLVED THAT THE SENATE OF THE SIXTH CONGRESS, SECOND REGULAR SESSION, 1976, CONGRATULATES THEIR MILI-TOBI COLLEAGUES ON THEIR BIRTHDAYS."

SENATOR MANGEFEL WISHED THAT CERTIFIED COPIES OF HIS SENATE RESOLUTION BE TRANSMITTED TO THE AFOREMENTIONED SENATORS WHOSE JURISDICTIONS INCLUDE AND WHOSE NEW NAMESAKES ARE MILI AND TOBI.

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3 (SUMMARY: COMIS SIXTH WEEK)

SAIPAN, FEB. 23 (COM)---EARLY LAST YEAR, THE CHAIRMAN AND CO-CHAIRMAN OF THE CONGRESS'S SPECIAL COMMITTEE ON MARIANAS TRANSITION PRESENTED TO THE CONGRESS A REPORT CONTAINING THE BASIC AGREEMENTS REACHED ON VARIOUS ISSUES IN ITS MEETINGS WITH THE MARIANAS AD HOC COMMITTEE.

THE REPORT, ACCORDING TO CONGRESSMAN RAYMOND SETIK AND

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TO ALDISTADS TERPACIS
// LNO GUAM MARIANAS ISLANDS
// LNO KWAJALEIN MARSHALL ISLANDS
COMNAVMARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS
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CCGD FOURTEEN HONOLULU HI

PACNAVACENGCOM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
FCDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIMINATO JAPAN//TTPI-LNO//
CDRBMDSCOM HUNTSVILLE AL//RMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS
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C O R R E C T E C C O P Y-SECTION 03 OF 04 VICE 03 OF 05
SENATOR JOHN MANGEFEL---CHAIRMAN AND CO-CHAIRMAN---
RESPECTIVELY, CONTAINS RECOMMENDATIONS WHICH WOULD SERVE AS
GUIDELINES FOR A "FRIENDLY AND EQUITABLE RELATIONSHIP".
BETWEEN THE TT AND MARIANAS GOVERNMENTS. THIS REPORT, IF
APPROVED BY THE CONGRESS OF MICRONESIA AND THE MARIANAS
DISTRICT LEGISLATURE, WOULD GO INTO EFFECT FROM THE TIME THE
MARIANAS IS SEPARATED ADMINSTRATIVELY; OR UNTIL THE TT
HEADQUARTERS IS RELOCATED TO ANOTHER DISTRICT AND/OR UNTIL
THE MARIANAS CONSTITUTIONAL GOVERNMENT IS ESTABLISHED.

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THE TWO COMMITTEES AGREED THAT UNTIL THE MICRONESIAN
CAPITAL IS RELOCATED, USE OF LAND BY THE TT GOVERNMENT
WOULD CONTINUE WITH RESIDUAL RIGHTS TO THOSE LANDS RESTING
IN THE MARIANAS GOVERNMENT. ANY DISPUTE WILL BE SETTLED
BETWEEN THE HIGH COMMISSIONER AND RESIDENT COMMISSIONER
OF THE MARIANAS.

BOTH SIDES SUPPORTED THE CONGRESS OF MICRONESIA
REQUEST FOR FUNDS FROM THE U.S. CONGRESS TO BUILD A NEW
CAPITAL IN ANOTHER DISTRICT OR OUTSIDE THE MARIANAS.

IT WAS AGREED THAT DURING SEPARATE ADMINISTRATION, THE
PRESENT HEADQUARTERS AREA WOULD BE CALLED "TRUST TERRITORY
CAPITAL DISTRICT" AND BE UNDER TT GOVERNMENT CONTROL. AREAS
OUTSIDE THIS LIMITED 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 TO HANDLE CRIMINAL AND CIVIL LAW AFFECTING
THE TWO AREAS.

THE TWO COMMITTEES AGREED THAT ALL FUNDS APPROPRIATED
BY THE CONGRESS FOR FISCAL YEAR 1976 (ENDING MARCH 31, 1976),

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FARMARKED 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 STOP

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AS OF MARCH 31, 1976.

THE COMMITTEES AGREED THAT GRANT FUNDS FROM THE U.S. FOR THE MARIANAS FOR FISCAL YEARS 1976 AND 1977 WOULD ALSO BE TURNED OVER TO THE MARIANAS.

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

THE COMMITTEES AGREED THAT SOCIAL SECURITY FUNDS WILL BE DIVIDED AT A LATER DATE BY EXPERTS. CONTROL AND MANAGEMENT OF THE CENTRAL REPAIR SHOP ON SAIPAN WOULD BE TRANSFERRED TO THE MARIANAS, BUT IT WOULD CONTINUE TO SERVE THE OTHER DISTRICTS ON A FIRST-COME FIRST-SERVE, REIMBURSABLE BASIS. IT WAS AGREED.

IT WAS AGREED THAT THE MARIANAS GOVERNMENT COULD TAX

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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 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.

THERE WERE TWO AREAS IN WHICH THE COMMITTEES DID NOT REACH AGREEMENT: DIVISION OF ECONOMIC DEVELOPMENT LOAN FUND AND THE IMPORT TAXES IN THE MARIANAS. ACCORDING TO SETIK AND MANGEFEL BOTH MATTERS WOULD REQUIRE MORE STUDY AND DISCUSSION.

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

SENATOR MANGEFEL, IN BRIEF REMARKS PRESENTING THE MARIANAS TRANSITION REPORT, SAID HE WAS UNHAPPY TO HAVE HAD THE "UNFORTUNATE FORTUNE... TO PRESENT TO THE SENATE" SUCH A

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REPORT. HE SAID HIS "UNHAPPINESS" LIES NOT IN WHAT IS
CONTAINED IN THE REPORT AND ITS RECOMMENDATIONS; BUT RATHER
"WHAT THE REPORT SIGNIFIES--THE WHEN THE MARIANAS
DISTRICT WILL NO LONGER BE A PART OF MICRONESIA."

"UNHAPPILY, MR. PRESIDENT, THAT IS HAPPILY ALL I HAVE
TO SAY," MANGEFEL CONCLUDED.

LAST WEEK, THE HOUSE OF REPRESENTATIVES DEBATED AT
LENGTH ON THE ISSUE OF WHERE CONGRESS SHOULD LOCATE THE
PERMANENT SEAT OF MICRONESIA'S FUTURE GOVERNMENT. THE
MEASURE, A CONTROVERSIAL ONE, HAS PASSED FIRST READING IN
THE HOUSE WHICH RECOMMENDED PALIKIR AREA IN PONAPE DISTRICT
AS BEING THE "MOST SUITABLE" SITE FOR THE CAPITAL.

THERE WERE MEMBERS WHO SUPPORTED THE INTENT OF THE
MEASURE; OTHERS FEEL PALAU DISTRICT, BACKED BY A CONCON
RESOLUTION ASKING CONGRESS TO GIVE IT "FIRST CONSIDERATION"
ON THE ISSUE OUGHT TO BE THE PERMANENT SITE FOR THE CAPITAL;
STILL OTHERS SAY THE CAPITAL ISSUE SHOULD NOT BE USED AS A
CENTRAL POINT FOR MICRONESIAN UNITY.

PALAU'S CONGRESSMAN KUNIWO NAKAMURA PROPOSED AN AMENDMENT
WHICH WOULD POSTPONE FINAL ACTION ON THE MEASURE AND CREATE

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AN IMPARTIAL GROUP TO PERFORM A NEW STUDY AND MAKE
RECOMMENDATIONS FOR THE LOCATION OF THE FUTURE CAPITAL.

IN REMARKS BEFORE THE HOUSE EARLIER LAST WEEK, NAKAMURA
REPEATED THE OFFER MADE BY HIS DISTRICT OF FREE LAND AND
AGAIN CALLED ATTENTION TO PALAU'S PROXIMITY TO ASIA AND
OTHER PACIFIC ISLAND NATIONS. HE POINTED OUT THAT THE
GOVERNMENT OF JAPAN, DURING ITS RULE IN MICRONESIA, WAS
QUICK TO RECOGNIZE PALAU'S STRATEGIC POSITION AT THE
DOORWAY TO ASIA AND ITS INHERENT POTENTIAL IN DEVELOPING
POLITICAL, ECONOMIC AND SOCIAL CONNECTIONS WITH OTHER
NATIONS IN THE AREA. HE SAID THE PONAPE STUDY MADE FIVE
YEARS AGO IS "OBSOLETE."

THE HOUSE MEMBERS ARGUED BACK AND FORTH REGARDING THE MERITS

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AND DEMERITS OF POSTPONING ACTION OR MAKING A DECISION IN THIS SESSION ONCE AND FOR ALL; AND ASKED WHAT GUARANTEE THERE WAS THAT THE DISTRICT FINALLY CHOSEN WOULD NOT LEAVE THE FUTURE ISLAND NATION OF MICRONESIA.

THE NAKAMURA AMENDMENT DID NOT PASS. HOWEVER, HE TOLD REPORTERS HE PLANS TO OFFER THE SAME AMENDMENT IF THE MEASURE COMES UP FOR SECOND AND FINAL READING.

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ACTION INT-05

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230010Z FEB 76 ZNZ1 ZDS 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
CCGD FOURTEEN HONOLULU HI

PACNAVFACENGCOM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
FCOANA-LGA KIRTLAND AFB NM
CORUSAGO MAKIMINATO JAPAN//TTPI-LNO//
CDPBMDSCOM HUNTSVILLE AL//RMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS
AMEMB CANBERRA AS
RUENKO /AMEMB TOKYO JA

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C O R R E C T E D C O P Y-SECTION 04 OF 04 VICE 04 OF 05
REPRESENTATIVE KALISTO REFONGPEI OF TRUK SAID IN BRIEF
REMARKS THAT IT WAS "UNFAIR" FOR CONGRESS TO MAKE, IN HIS WORDS,
"A POLITICAL DECISION" REGARDING THE NEW CAPITAL. HE SAID HIS
CHOICE OF TRUK FOR THE CAPITAL SITE HAS NOT CHANGED; BUT THAT
HIS CHOICE IS "OVERSHADOWED" BY THE POSSIBILITY THAT PASSAGE
OF THE MEASURE WOULD "MOST CERTAINLY HAVE NEGATIVE EFFECTS ON
RUC UNITY." HE POINTED OUT THAT HE DID NOT WANT TO HAVE ANY
PART OF THE PROCEEDINGS LEADING UP TO THE APPROVAL OF THE COVENANT,
THEREFORE, HIS FEELINGS ABOUT THE ISSUE ON THE CAPITAL SITE IS

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SIMILAR TO THE MEASURE ON THE COVENANT.

THE HOUSE, FOLLOWING A LENGTHY DISCUSSION, DECIDED TO PASS
ON FINAL READING A MEASURE TO FINANCE DISTRICT HOUSING AUTHORITIES.
AND SINCE THE MEASURE CAME FROM THE SENATE, IT HAD TO BE RETURNED
FOR THEIR CONCURRENCE. IF THE SENATE DOES NOT APPROVE OF IT, THE
MEASURE WILL BE SENT TO A SPECIAL CONFERENCE COMMITTEE CONSISTING
OF MEMBERS FROM BOTH HOUSES TO IRON OUT THEIR DIFFERENCES. SOME
MEMBERS SAY THE CONGRESS HAS LIMITED FUNDS TO FINANCE THE PROGRAM
AND IN VIEW OF HAVING GIVEN THE DISTRICT MORE REVENUES, THIS
PROGRAM OUGHT TO BE ABSORBED BY THE DISTRICT LEGISLATURES. OTHERS
SAY THERE WASN'T ENOUGH TIME TO OFFICIALLY INFORM THE DISTRICT
LEGISLATURES OF THIS DECISION.

IN THE SENATE, A MEASURE WHICH WOULD RAISE TAXES AND REVENUES
TO MEET THE GROWING DEMANDS FOR EXPENDITURES WAS DISAPPROVED BY
A VOTE OF FIVE TO FOUR.

SENATOR BAILEY OLTER, CHAIRMAN OF THE WAYS AND MEANS
COMMITTEE WHICH STUDIED THE MEASURE RECOMMENDED PASSAGE. IT
POINTED OUT THAT "IF ANY GOVERNMENT IS RESPONSIBLE FOR RUNNING
ITS OWN AFFAIRS, IT SHOULD LEVY ITS OWN TAX. IT'S ABOUT TIME
THE DISTRICTS SHOULD START LEVYING THEIR OWN TAXES AND COLLECT

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THEM BECAUSE 'WE CANNOT KEEP ON FINANCING AT THE DISTRICT
LEVEL FOREVER'." THE AMOUNT TO BE LEVIED SHOULD BE THE
PREROGATIVE OF THE RESPECTIVE LEGISLATURES.

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THE COMMITTEE'S RECOMMENDATION RAN INTO OPPOSITION DURING DEBATES.

SENATOR AMBILOS IEHSI SAID THAT WHILE HE SUPPORTED THE MEASURE "IN PRINCIPLE" HE DID NOT AGREE WITH THE SECTION WHICH PERMITS DISTRICT LEGISLATURES TO LEVY ADDITIONAL TAXES UNDER EXISTING LAWS. HE NOTED THAT IF THE TAX ON BUSINESSES IS INCREASED, IT WILL "KILL" MANY OF THE SMALL BUSINESSES NOW OPERATING. HE SAID THIS COULD AFFECT THE TOTAL REVENUE THAT COMES TO THE CONGRESS BECAUSE IT ALSO TAXES BUSINESSES.

PALAU'S SENATOR LAZARUS SALII INDICATED THAT THE MARSHALLS MAY BE IN A DIFFICULT POSITION SINCE A SECRETARIAL ORDER HAS RECENTLY PROHIBITED THE MARSHALLS NITIJELA FROM TAXING MILITARY ACTIVITIES ON KWAJALEIN. AFTER THE DEBATE THE SENATORS VOTED TO DISAPPROVE THE MEASURE.

FINALLY, SENATOR OLYMPIO T. BORJA LAST WEEK URGED THE CONGRESS TO APPROVE A MEASURE WHICH WOULD DECLARE IT A POLICY OF THE TT GOVERNMENT TO "ENCOURAGE FOREIGN INVESTMENT IN

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MICRONESIA."

IN BRIEF REMARKS BEFORE THE SENATE, BORJA POINTED OUT THAT THE MEASURE "IS DESIGNED TO ATTRACT THE KIND OF OUTSIDE INVESTMENT MICRONESIA WILL NEED TO PUT INTO EFFECT" ITS SOON-TO-BE REALIZED COMPREHANSIVE DEVELOPMENT PLAN.

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

THE MEASURE WOULD "LIMIT PROSPECTIVE APPLICANTS FOR INVESTMENT TO ONLY THOSE BUSINESSES WITH AN INITIAL CAPITALIZATION OF NOT LESS THAN ONE MILLION DOLLARS." HE POINTED OUT THAT "NO POTENTIAL FOREIGN INVESTOR WHO PROPOSES TO SET UP AN ENTERPRISE THAT WILL NOT BRING CONSIDERABLE BENEFITS TO THE MICRONESIAN ECONOMY WILL EVEN BE CONSIDERED UNDER THE PROVISIONS" OF THE MEASURE.

ACCORDING TO SENATOR BORJA, THE MEASURE WOULD DIRECT THE DEPARTMENT OF RESOURCES AND DEVELOPMENT 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."

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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 OUT NON-MICRONESIAN PARTNERS."

THE SENATOR 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.

"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," BORJA CONCLUDED.

MEETINGS OF BOTH THE SENATE AND THE HOUSE OF REPRESENTATIVES HAVE GOTTEN LONGER SINCE LAST WEEK. MORE ACTION ON VITAL MEASURES IS EXPECTED AS THE SESSION GETS INTO ITS FINAL WEEK OF THE CURRENT 50-DAY MEETING.

A REVIEW OF THE CONGRESS'S WEEK OF ACTION WILL BE FORTHCOMING NEXT WEEK, FOLLOWING ADJOURNMENT OF BOTH HOUSES, MONDAY, MARCH 1.

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