

LAW OFFICES OF  
MICRONESIAN LEGAL SERVICES CORPORATION

ATTORNEYS AND MICRONESIAN COUNSELORS

CABLE ADDRESS: MICROLEX

THEODORE R. MITCHELL  
EXECUTIVE DIRECTOR  
EDWARD C. KING  
DEPUTY DIRECTOR  
LORENZO LG. CABRERA  
DEPUTY DIRECTOR  
FOR ADMINISTRATION  
JOSE M. DL. GUERRERO  
FISCAL OFFICER

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DANIEL AOUINO  
ROMAN BEDOR  
JESUS C. BORJA  
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PONAPE OFFICE  
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EASTERN CAROLINE ISLANDS 96941

MARSHALLS OFFICE  
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YAP OFFICE  
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COLOMIA, YAP  
WESTERN CAROLINE ISLANDS 96943

REPLY VIA AIR MAIL TO Central Office

July 20, 1976

Manuel A. Sablan  
Assistant Director  
Economics/Finance  
Office of Transition Studies  
and Planning  
Northern Mariana Islands  
P.O. Box 42  
Saipan, Mariana Islands 96950

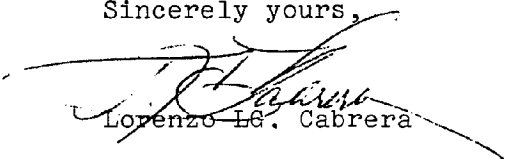
Dear Mr. Sablan:

This is in response to your query of July 15, 1976, in which you requested certain information relative to the operation of Micronesian Legal Services Corporation, particularly its activities here in the Marianas.

Specifically, you listed four areas of concern to the Office of Transition Studies and Planning. We feel that the information sheets attached, along with a budget for a separate Marianas Office will adequately cover the areas of concern.

If, however, you feel that more information is needed to facilitate the preparation of a more comprehensive plan, don't hesitate to let us know.

Sincerely yours,

  
Lorenzo LG. Cabrera

LLGC:msd

Attachments

MICRONESIAN LEGAL SERVICES CORPORATION

(MLSC)

This Legal Services program, administered by the Micronesian Legal Services Corporation, Inc., was conceived and organized by Micronesians and was first funded by the Office of Economic Opportunity, subsequently, by the United States Community Services Administration, and now, the National Legal Services Corporation.

Development of the initial proposal for the program in 1970 was promoted by the six OEO funded Community Action Agencies in Micronesia (one in each district) and the final application presented to OEO have the full support of the Congress of Micronesia and the High Commissioner of the Trust Territory Government, the agency of the United States Government which administers Micronesia under a United Nations Trusteeship Agreement

At the outset, it should be noted that Micronesian Legal Services Corporation is a nonprofit organization, chartered and operating under the laws of the Trust Territory of the Pacific Islands. It is governed by a 14 member Board of Directors that represents varied interests as they exist in Micronesia. The six administrative districts of Micronesia are represented in the Board of Directors by a representative appointed by the district legislature. The Congress of Micronesia, which is the highest legislative body in Micronesia, appoints six members of whom three must be attorneys from the United States. The Attorney General appoints two members to the Board. Each member serves a three year term of office.

Since inception in 1971, MLSC's aim has been and always will be to organize the time and talent of the minimum number of people necessary to provide effective legal representation for the Micronesian client community. At the same time, MLSC considers it essential to maintain appropriate relationship between and among Board of Directors, Central Office leadership, staff and community. The Board of Directors is drawn from the Micronesian community at large and both Central Office and the general program personnel are responsive to guidance by the Board of Directors. As a general rule, guidance by the Central Office of district office staff is less than the individual initiative permitted attorneys and counselors. Performance of high quality of work is the result of both staff effort and continuous monitoring by the Central Office personnel.

The population of Micronesia is approximately 115,000. An estimated 90 percent is eligible for the services of MLSC's attorneys.

Since opening its doors in 1971, Micronesian Legal Services has undertaken to represent Micronesians in over 10,000 cases. It is difficult to ascertain the exact percentage of the estimated number eligible as having received assistance from MLSC. Necessarily, the actual head count must be made in some cases. A single case in most instances means one person, but some cases, it means the whole island community of 500 people or more.

Of the total population, approximately one half reside on the islands where the Trust Territory Government district centers are located and where the Legal Services offices are placed.

In order to avoid limiting cases to the program for those who live away from the district center on other islands, the attorneys and counselors of each district office travel to these islands on a kind of circuit riding basis. It is hoped that for all but the most remote populated islands, every potential eligible client will have had the opportunity to sought and receive assistance.

Emphasis is given to serious treatment of the day to day problems of clients and concentrated attention to cases and matters which appear to have the potential of producing fundamental and beneficial change in the law and in governmental practices. Personnel in the Central Office try to coordinate the efforts of widely disbursed personnel confronting the same legal issues. A conscious effort is made to improve the law of Micronesia and Federal Law which bears upon Micronesia in ways which will benefit Micronesians more and disadvantage them less.

Maintaining high quality attorneys over the long run is one of MLSC's most demanding objectives. Micronesian attorneys are in short supply and because we have only two in a total staff of 15, American attorneys continue to constitute the greatest proportion. We will be able gradually to increase the number of Micronesian attorneys drawn from their home islands, but for some time to come we will be dependent upon foreign attorneys who must make the difficult adjustment to island life and the practice of law in a cross-cultural situation. The legal problems of the Micronesian client community are numerous and varied, ranging from issues of International Law to difficult land problems, commercial transactions and domestic relations. MLSC have tried,

and perhaps succeeded rather well, at providing high quality legal services in an organized way.

MLSC was initially funded at a \$250,000 level. This was increased in 1972 to \$600,000 level. And for three successive years the level remained until in October of 1975 when MLSC was granted a \$60,000 inflationary increase. It is hoped that additional funds may be obtained in order that we may finance an office in Kusaie. Without such addition in MLSC grant, it will seem impossible to open such an office without resorting to cutting expenses and making other categories of the present budget suffer.

MLSC basic staffing structure follows:

Central Office - Saipan

Executive Director	One Position
Deputy Director	One Position
Deputy Director/Administration	One Position
Assistant for Litigation & Research	One Position
Staff Attorney	One Position
Legal Secretary	Four Positions
Fiscal Officer	One Position
Accountant	One Position
Account Clerk	One Position

Marianas Office - Saipan

Directing Attorney	One Position
Staff Attorney	One Position
Counselor	Two Positions
Legal Secretary	Two Positions

Yap Office - Yap

Directing Attorney	One Position
Counselor	One Position
Legal Secretary	One Position

Palau Office - Palau

Directing Attorney	One Position
Staff Attorney	One Position
Counselor	Two Positions
Legal Secretary	Two Positions

Truk Office - Truk

Directing Attorney	One Position
Staff Attorney	One Position
Counselor	Two Positions
Legal Secretary	Two Positions

Ponape Office - Ponape

Directing Attorney	One Position
Staff Attorney	One Position
Counselor	Two Positions
Legal Secretary	Two Positions

Marshalls Office - Majuro

Directing Attorney	One Position
Staff Attorney	One Position
Counselor	Two Positions
Legal Secretary	Two Positions

MONTHLY CASELOAD

<u>MONTH</u>	<u>NUMBER OF OPEN CASES</u>	<u>NUMBER OF CLOSED CASES</u>
December 1971	37	14
January 1972	14	2
February 1972	17	1
March 1972	17	5
April 1972	20	9
May 1972	17	9
June 1972	22	8
July 1972	20	5
August 1972	39	6
September 1972	21	4
October 1972	10	9
November 1972	22	10
December 1972	25	2
January 1973	21	3
February 1973	27	19
March 1973	16	12
April 1973	15	14
May 1973	23	1
June 1973	20	26
July 1973	29	27
August 1973	38	11
September 1973	21	10
October 1973	35	6
November 1973	10	9

Monthly Caseload  
Page 2

December	1973	27	4
January	1974	27	21
February	1974	24	23
March	1974	14	28
April	1974	21	14
May	1974	14	12
June	1974	19	67
July	1974	21	12
August	1974	31	29
September	1974	39	19
October	1974	46	21
November	1974	36	11
December	1974	33	22
January	1975	44	33
February	1975	38	15
March	1975	31	18
April	1975	35	37
May	1975	34	10
June	1975	25	12
July	1975	20	12
August	1975	23	24
September	1975	29	16
October	1975	25	8
November	1975	26	6
December	1975	12	14



Monthly Caseload  
Page 3

January	1976	34	25
February	1976	20	30
March	1976	38	39
April	1976	30	24
May	1976	16	11
June	1976	<u>38</u>	<u>22</u>
	TOTAL	1,406	861

MICRONESIAN LEGAL SERVICES CORPORATION  
 FUND EXPENDITURE REPORT  
 as of May 31, 1976

Grand No. 90045

*Program Year: Aug. 1, 1975 to Oct. 31, 1976*  
*(7-7 WIDE)*  
*(appropriately - i.e. total expenditure is attributed to Personnel office)*

*Aug. 1, 1975 to Oct. 31, 1976*

BUDGET LINE DESCRIPTION	BUDGET	AMENDED BUDGET	EXPENDED	EXPENDABLE	ENCUMBERED	UNENCUMBERED
711 Payroll - Attorneys		314,807.00	190,823.26	123,983.74	4,773.90	119,209.84
711-1 " - Legal Assistants		102,430.00	64,516.03	37,913.97	1,803.47	36,110.50
711-2 " - Administrative		32,570.00	18,552.27	14,017.73	580.11	13,437.62
711-3 " - Clerical		101,100.00	49,940.23	51,159.77	1,357.24	49,802.53
711 Fringe Benefits		11,921.00	5,111.45	6,809.55		6,809.55
715 Payroll Taxes						
PERSONNEL - 700		562,828.00	328,943.24	233,884.76	8,514.72	225,370.04
711 Staff Relocation						
732 Board of Director - Air Fare		21,756.00	2,485.45	19,270.55		19,270.55
732-1 " " - Per Diem		7,960.00	1,130.44	6,829.56		6,829.56
733 Staff - Air Fare		35,751.00	37,695.38	[ 1,944.38]		[ 1,944.38]
733 " " - Per Diem, Rental, etc.		17,035.00	20,693.84	[ 3,658.84]		[ 3,658.84]
734-1 Board of Director's Meeting Exp.						
734-2 Staff Meeting Expense						
735 Recruitment - Travel						
735 " " - Per Diem						
737 Temporary Living Allowance			3,387.00	[ 3,387.00]		[ 3,387.00]
TRAVEL - 700		82,502.00	65,392.11	17,109.89		17,109.89
741 Rent - Office						
741-1 " - Personnel Housing		29,620.00	16,315.00	13,305.00		13,305.00
742 Relocation - Office		3,206.00	1,750.00	1,456.00		1,456.00
742 " " - Personnel Housing			1,108.57	[ 1,108.57]		[ 1,108.57]
743 Utilities		4,480.00	4,639.54	[ 159.54]		[ 159.54]
SPACE COST & RENTAL - 700		37,306.00	23,813.11	13,492.89		13,492.89
16158						
751 Office Supplies		14,812.00	8,972.73	5,839.27		5,839.27
751-1 Freight Expenses			176.96	[ 176.96]		[ 176.96]
751-2 Postage		3,850.00	2,505.56	1,344.44		1,344.44
CONSUMABLE SUPPLIES - 700		18,662.00	11,655.25	7,006.75		7,006.75

	BUDGET	AMENDED BUDGET	EXPENDED	EXPENDABLE	ENCUMBERED	UNENCUMBERED
Office Equipment - Purchase		11,193.00	10,328.29	864.71		864.71
Office Furnitures						
" - Purchase			8,317.77	[ 8,317.77 ]		[ 8,317.77 ]
" - Subscription		19,152.00	3,331.13	15,820.87		15,820.87
Xerox Equipment - Rental		6,650.00	5,131.71	1,518.29		1,518.29
Equipment Rental/Other		147.00	600.00	[ 453.00 ]		[ 453.00 ]
Boat/Equipment - Purchase			[ 1,575.95 ]	1,575.95		1,575.95
Car - Rental/Generator			2,173.42	[ 2,173.42 ]		[ 2,173.42 ]
Boat - Rental			667.50	[ 667.50 ]		[ 667.50 ]
Radio Communication-Repair-Maint.			6.40	[ 6.40 ]		[ 6.40 ]
Mag-Carc Rental		2,380.00	1,557.75	822.25		822.25
RENTAL, LEASE, OR PURCHASE OF EQUIPMENT - 700		39,522.00	30,538.02	8,983.98		8,983.98
3 Insurance - Boat/Motor						
Insurance - Malpractice		1,420.00	1,350.00	70.00		70.00
" - Blanket & Bonding		1,148.00	962.00	186.00		186.00
" - Vehicle or Equip.		2,038.00	778.15	1,259.85		1,259.85
Litigation Expense		9,550.00	[ 42.79 ]	9,592.79		9,592.79
Legal Education Program			471.00	[ 471.00 ]		[ 471.00 ]
Publication & Printing		6,650.00	6,501.51	148.49		148.49
Telephone & Telegraph			860.00	[ 860.00 ]		[ 860.00 ]
WADA Dues			302.06	[ 302.06 ]		[ 302.06 ]
Miscellaneous Expense		2,940.00	1,633.13	1,306.87		1,306.87
Repairs & Maint. - Office Vehicle			2,056.66	[ 2,056.66 ]		[ 2,056.66 ]
" - Office Equipment			169.37	264.63		264.63
" - Boat/Motor		434.00	624.40	[ 624.40 ]		[ 624.40 ]
" - Others			15,665.49	8,514.51	8,514.72	8,514.51
TOTAL FEDERAL SHARE		765,000.00	476,007.22	288,992.78		280,478.06

16159

MICRONESIAN LEGAL SERVICES CORPORATION

MARIANAS OFFICE

BUDGET SUMMARY (*RECOMMENDED*)

(BY CATEGORY)

For Twelve Months Period

Personnel	\$11,478.00	
Travel	5,849.00	
Space Cost	9,000.00	
Consumable Supplies	5,688.00	
Equipment	11,138.00	
Other Cost	2,394.00	
TOTAL		<u>\$145,547.00</u>

Marianas Office

1 Attorney	\$15,505.00
1 Attorney	15,032.00
1 Counselor	9,762.00
1 Counselor	9,351.00
1 Secretary	5,645.00
1 Secretary	<u>4,315.00</u>
Sub-Total	<u>\$59,610.00</u>

Additional Staff for Marianas Office

1 Accountant	\$6,372.00
1 Acct. Clerk	<u>4,660.00</u>
Sub-Total	<u>\$11,032.00</u>

Note: The two additional positions will have to be open if the Marianas District Office is to become independent and serve as Central Office for the Northern Mariana Islands.

Tinian District Office

1 Attorney	\$14,860.00
1 Secretary	<u>3,995.00</u>
Sub-Total	<u>\$18,855.00</u>

Rota District Office

1 Attorney	\$14,860.00
1 Secretary	<u>3,995.00</u>
Sub-Total	<u>\$18,855.00</u>

Salary & Wages	\$108,352.00
* Salary Increment	1,177.00
Total Salaries & Wages	\$109,529.00
* Fringe Benefits	1,949.00
Total Personnel Cost	<u>\$111,478.00</u>

Fringe & Benefits (Detail)

* Life Insurance \$9.08/staff (12 mos.)	\$892.00
S.S. (Employer's Share / 1-1/2%)	<u>1,077.00</u>
Total	<u>\$1,969.00</u>

Board of Directors Meeting - Air Fare

Meeting in Saipan - Board/Member

Rota/Spn/Rota	@ \$37/RT X 1 Member	\$37.00
Tinian/Spn/Tinian	@ \$37/RT X 1 Member	37.00

Meeting in Tinian - Board/Member

Spn/Tinian/Spn	@ \$37/RT X 5 Members	\$185.00
Rota/Tinian/Rota	@ \$37/RT X 1 Member	37.00

Meeting in Rota - Board/Member

Spn/Rota/Spn	@ \$37/RT X 5 Members	\$185.00
Tinian/Rota/Tinian	@ \$37/RT X 1 Member	37.00

Total Board of Directors - Air Fare \$518.00



Board of Directors - Per Diem

Meeting in Saipan

\$32/Day X 2 Members X 3 days/Member \$192.00

Meeting in Tinian

\$20/Day X 6 Members X 3 Days/Member \$360.00

Meeting in Rota

\$20/Day X 6 Member X 3 Days/Member \$360.00

Board of Directors - Car Rental, Taxi

A. \$17/Day 4 Cars X 3 Days X 3 Meetings \$612.00

Total Board of Directors Per Diem, Car Rental.

etc. \$1,524.00

Staff Travel - Air Fare

Director	Spn/Tinian/Spn	(\$37/RT X 8 RT)	\$296.00
	Spn/Rota/Spn	(\$37/RT X 6 RT)	222.00
	Spn/Gu/Spn	(\$58/RT X 4 RT)	232.00
Attorney	Spn/Tinian/Spn	(\$37/RT X 4 RT)	148.00
	Spn/Rota/Spn	(\$37/RT X 3 RT)	111.00
	Spn/Gu/Spn	(\$58/RT X 2 RT)	116.00
Accountant	Spn/Tinian/Spn	(\$37/RT X 2 RT)	74.00
	Spn/Rota/Spn	(\$37/RT X 2 RT)	74.00

Staff Travel - Air Fare (Meetings)

Meeting in Saipan - Attorney

\$37/RT X 2 Staffs X 3 Meetings 222.00

Meeting in Tinian - Attorney

\$36/RT X 3 Staffs X 3 Meetings 222.00

Meeting in Rota - Attorney

\$36/RT X 3 Staffs X 3 Meetings 222.00

Total Staff Travel - Air Fare \$1,939.00

Staff Travel - Per Diem, Car Rental, Etc.

Director	Tinian - \$20/Day X 8 RT X 3/Days	\$480.00
	Rota - \$20/Day X 6 RT X 3/Days	360.00
	Guam - \$49/Day X 4 RT X 2/Days	392.00
Attorney	Tinian - \$20/Day X 4 RT X 2/Days	160.00
	Rota - \$20/Day X 3 RT X 2/Days	120.00
	Guam - \$49/Day X 2 RT X 2/Days	196.00
Accountant	Tinian - \$20/Day X 2 RT X 2/Days	80.00
	Rota - \$20/Day X 2 RT X 2/Days	80.00
	Total Staff Travel - Per Diem	\$1,868.00

Space Cost and Rental

Rent, Office - (Lease, Fixed Obligation)

Marianas Office	\$200/Mo. X 12 Mos.	\$2,400.00
Tinian Office	\$200/Mo. X 12 Mos.	2,400.00
Rota Office	\$200/Mo. X 12 Mos.	2,400.00

Utilities

\$150/Mo. X 12 Mcs. (3 Offices)		\$1,800.00
Total		\$9,000.00

Consumable Supplies

Office Supplies

\$17/Staff/Mo. X 12 Staffs X 12 Mos.		\$2,448.00
\$40/Mo./Copying Machines X 3 Machines (12 Mos.)		1,440.00

Postage

\$150/Mo. X 12 Mos. (3 Offices)		1,800.00
Total Consumable Supplies		\$5,688.00

Equipment

Xerox Rental (\$475/Mo. X 12 Mos.)	\$5,700.00
Law Library (See Attachment A)	2,282.00
Postage Meter (\$38/Mo. X 12 Mos.)	456.00

Repairs & Maintenance & Parts

Office Equipment	\$225/Mo. X 12 Mos. (3 Offices)	2,700.00
	Total	\$11,138.00

Other Cost

Insurance Malpractice

\$25/Counselor/Mo. X 2 Counselors \$50.00

\$70/Attorney/Mo. X 4 Attorneys 280.00

Insurance - Blanket & Bonding

\$22/Mo. X 12 264.00

Litigating Expense 1,500.00

Telephone & Telegraph

\$25/Mo. X 12 (3 Offices) 300.00

Total Other Cost \$2,394.00

Law Library - Subscription

American Jurisprudence, 1st and 2nd Series - 1 Set	\$162.00
Am. Jur. Legal Forms, 1st and 2nd - 1 Set	25.00
Am. Jur. Pleading & Practice Forms - 1 Set	93.00
Am. Jur. Proof of Facts, 1st & 2nd Series - 1 Set	82.00
Am. Jur. Trials	45.00
United States Code Service	240.00
U.S. Supreme Court Digest	72.00
U.S. Supreme Court Reports, Lawyers Edition, 1st & 2nd	68.00
Trust Territory Code	25.00
U.S. Law Week	182.00
Tiffany, Real Property	65.00
Poverty Law Reporter (\$215/Set)	215.00
Journal of the House of Representative/Senate, C.C.M.	75.00
Laws & Resolutions - Congress of Micronesia	50.00
Trust Territory Reports	25.00
Moore's Federal Practice Rules Pamphlet	125.00
Nichols on Eminent Domain	58.00
Pacific Citations	50.00
U.S. Citations	55.00
Territorial Register	70.00
Pacific Reporter, 1st & 2nd	<u>342.00</u>
	1,782.00
Additional Subscription	<u>500.00</u>
TOTAL	<u>\$2,282.00</u>



Department of State

TELEGRAM

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 COMNAV MARIANAS GUAM MARIANAS ISLANDS  
 CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS  
 CINCPAC HONOLULU HI  
 INTELLIGENCE CENTER PACIFIC (IPAC) HI  
 NAVINVSERVO 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

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NAVFACENGCOM ALEXANDRIA VA  
 PACNAVACENGCOM PEARL HARBOR HI  
 FCDNA-LGA KIRTLAND AFB NM  
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 COMCOGARD MARSEC GUAM  
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Department of State

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RUEHDT /US MISSION TO UN NEW YORK NY

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SECTION 01 OF 02

COMTWELVE PASS INFO FOR AMBOWILLIAMS

SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA DSM

AMEMBASSY CANBERRA FOR PAC ISL MONTHLY.

(ZEDER ADDRESSES CONGRESS JOINT SESSION)

KOLONIA, PONAPE, JULY 20 (MNS)--DIRECTOR OF THE OFFICEN

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OF TERRITORIAL AFFAIRS FRED M. ZEDER TOLD THE JOINT SESSION OF THE CONGRESS OF MICRONESIA TUESDAY (JULY 20) THAT HE WAS "SHOCKED AND DISTURBED" BY THE HIGH NUMBER OF DELINQUENCY RATE IN THE CURRENT ECONOMIC DEVELOPMENT LOAN FUND (EDLF).

IN A 30-MINUTE ADDRESS AT THE PONAPE DISTRICT LEGISLATURE BUILDING, ZEDER ALSO EXPLAINED THE U.S. POSITION ON THE KWAJALEIN SURTAX ISSUE; TARIFF TREATMENT OF MICRONESIAN GOODS; DECENTRALIZATION; THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP) AND THE MICRONESIA DEVELOPMENT BANK.

ZEDER SAID THAT HE WAS MORE DISTURBED AT THE NAMES OF INDIVIDUALS AND THE MANNER IN WHICH THEY HAVE SUCCEEDED IN SECURING FUNDS FROM EDLF WITHOUT "ADEQUATE COLLATERAL."

"I WOULD STRONGLY RECOMMEND THAT IN YOUR DELIBERATIONS OVER THE COMING DAYS, YOU GIVE SERIOUS CONSIDERATION TO DRAFTING LEGISLATION THAT DISQUALIFIES ELECTED OFFICIALS AND CERTAIN APPOINTED GOVERNMENT EMPLOYEES FROM ENTERING INTO LOAN AGREEMENTS

WITH MICRONESIA DEVELOPMENT BANK," THE DIRECTOR OF TERRITORIAL AFFAIRS TOLD MEMBERS OF CONGRESS.

PAGE 04 RUHGSAA8480 UNCLAS

HE STRONGLY RECOMMENDED THAT THE BOARD OF DIRECTORS OF THE MICRONESIA DEVELOPMENT BANK ESTABLISH A POLICY ON HAVING THE "SENIORUANKING ADMINISTRATOR" OF THE IT GOVERNMENT TO SERVE ON THEIR BOARD.

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ZEDER THEN LISTED 10 AREAS OF LEGISLATION WHICH HE CONSIDERED IMPORTANT FOR THE CONGRESS TO CONSIDER DURING THEIR CURRENT SPECIAL SESSION. THEY ARE:

- TO DECIDE UPON THE FUTURE CAPITAL LOCATION;
- PROVIDE GOVERNMENT CONTRACT PROCEDURES;
- AMEND CERTAIN SECTIONS OF THE TT CODE TO PROVIDE 5,000 FOR UNAUTHORIZED ELECTRO CONNECTIONS;
- TO PROVIDE INVENTORY OF THE TRUST TERRITORY GOVERNMENT PROPERTY;
- TO PROVIDE FOR PENALTY FOR UNAUTHORIZED TAKING OF WATER;
- AMEND CERTAIN SECTIONS OF THE TT CODE REGARDING DELIVERY OF GOODS WITHOUT TITLE;
- AMEND THE TT CODE TO PROVIDE PENALTY FOR UNAUTHORIZED ACCEPTANCE OF ANY FEE, COMPENSATION, GIFT, PAYMENT OF EXPENSES OR ANY OTHER THING OF VALUE BY A PUBLIC OFFICIAL OR EMPLOYEE OF

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THE TT GOVERNMENT;

- AUDIT OF CONGRESS OF MICRONESIA FUNDS;
- BUSINESS PERMITS; AND
- AMEND LAWS TO PROVIDE GREATER PENALTIES FOR THE MISAPPROPRIATION OR MISUSE OF GOVERNMENT PROPERTY.

ZEDER BEGAN HIS SPEECH SAYING THAT HIS PURPOSE OF ADDRESSING THE CONGRESS IS TO "ATTEMPT TO CLARIFY" THE POSITIONS AND VIEWS OF HIS POLICIES AND RESPONSIBILITIES.

"OUR MISSION IS NOT NECESSARILY TO AGREE IN EVERYTHING," HE SAID, ADDING THAT THERE MUST BE AN "ACCURATE AND PRECISE UNDERSTANDING" TO PROBLEMS THAT ARE CONFRONTING THE TRUST TERRITORY.

CONCERNING THE KWAJALEIN SURTAX ISSUE, ZEDER SAID THAT THE U.S. HAS ESTABLISHED THE POLICY THAT ITS MILITARY INSTALLATIONS IN NON-U.S. AREAS WILL NOT BE TAXED, HE EXPLAINED THAT THE U.S. ALLOWED THE THREE PERCENT TAX ON KWAJALEIN IN CONSIDERATION WITH "SPECIAL RELATIONSHIP" WITH MICRONESIA BUT THE MICRONESIANS WERE TOLD THAT "WE WOULD NOT BROACH ANY HIGHER TAX LIABILITY."

"THE CONGRESS OF MICRONESIA KNEW THIS WHEN IT PASSED ITS

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REVENUE SHARING LEGISLATION," HE NOTED. HE SUGGESTED THAT IF THE CONGRESS BELIEVED THAT INCOME DISTRIBUTION IS THE ANSWER TO UNITY, IT SHOULD RAISE TERRITORIAL INCOME TAX TO SIX PERCENT AND REBATE 50 PERCENT OF THAT TO THE DISTRICTS OF ORIGIN.

REGARDING TARIFF TREATMENT OF MICRONESIAN GOODS, ZEDER TOLD THE CONGRESS THAT THE UNITED STATES HAS TAKEN POSITIVE STEPS TO LIBERALIZE TRADE AND TO RESTRICT IMPORT TARIFFS. ACCORDING TO HIM, MICRONESIA IS SUFFERING FROM A "COMPARATIVE DISADVANTAGE" BECAUSE THERE IS NOT YET A MARKET ON THE U.S. FOR THE TYPES OF GOODS MICRONESIA PRESENTLY PRODUCES, LIKE COPRA FOR EXAMPLE. IT CAN, HOWEVER, EXPORT FROZEN TUNA BUT MICRONESIANS "DO NOT APPEAR TO BE SUFFICIENTLY INTERESTED" IN PRODUCING COMMERCIAL QUANTITIES OF FISH.

ZEDER NOTED THAT SOME MEMBERS OF THE CONGRESS OF MICRONESIA WANTED THE RIGHT TO APPROPRIATE FUNDS WHICH THE U.S. GIVES TO MICRONESIA. HE EXPLAINED THAT SINCE IN THE PAST, HIS OFFICE AND THE U.S. CONGRESS HAVE UNCOVERED INSTANCES OF INADEQUATE ACCOUNTABILITY MISMANAGEMENT AND POOR JUDGEMENT WITH REGARD TO THE USE OF THESE FUNDS, "THE OFFICE OF TERRITORIAL AFFAIRS WILL CONTINUE TO MAINTAINED CONTROL OVER THESE FUNDS."

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TURNING TO THE SUBJECT OF DECENTRALIZATION, ZEDER REBUTTED POINT BY POINT THE ALLEGATION MADE BY CONGRESSMAN RAYMOND SETIK IN HIS STATEMENT AT THE UNITED NATIONS TRUSTEESHIP COUNCIL HEARINGS EARLIER THIS MONTH.

ZEDER SAID THAT DECENTRALIZATION IS NOT RUN BY THE INTERIOR DEPARTMENT BUT RATHER BY THE TRUST TERRITORY GOVERNMENT IN CONSULTATION WITH THE CONGRESS OF MICRONESIA AND OTHER MICRONESIAN LEADERS. THE DUTIES OF J. BOYD MACKENZIE, SPECIAL ASSISTANT FOR DISTRICT AFFAIRS, HAVE BEEN EXPANDED TO INCLUDE "PRIMARY AND PRIORITY RESPONSIBILITY" FOR THE IMPLEMENTATION OF DECENTRALIZATION AND REDUCTION IN THE SIZE OF GOVERNMENT.

HE EXPLAINED THAT THE PHYSICAL DECENTRALIZATION --> REDUCING MANPOWER AT THE GOVERNMENT --> "INVOLVES MOSTLY EXPATRIATES AND MARIANAS CITIZENS."

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"THE MICRONESIANS FROM THE OTHER DISTRICTS PRESENTLY WORKING FOR HEADQUARTERS (WHO ONLY NUMBER SLIGHTLY IN EXCESS OF TWO HUNDRED) WILL FOR THE MOST PART BE RETAINED OVER THE FIVE YEAR PROGRAM AND WILL OR CAN FORM THE CORE FOR THE NEW MICRONESIAN POST-TRUSTEESHIP GOVERNMENT," ZEDER TOLD THE CONGRESS MEMBERS.

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 TT LNO GUAM MARIANAS ISLANDS  
 TTPI LNO KWAJALEIN MARSHALL ISLANDS  
 COMNAV MARIANAS GUAM MARIANAS ISLANDS  
 CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS  
 CINCPAC HONOLULU HI  
 INTELLIGENCE CENTER PACIFIC (IPAC) HI  
 NAVINVSERV GUAM MARIANAS ISLANDS  
 COMTWELVE SAN FRANCISCO CA  
 RUFHC /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  
 COMCRPAC PEARL HARBOR HI

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 PACNAVFACENGCOM PEARL HARBOR HI  
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 COMUT CUGARD WASHINGTON DC  
 CCGO FOURTEEN HONOLULU HI  
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HE ASSURED THE CONGRESS, HOWEVER, THAT THEY WILL BE CONSULTED IN EVERY PHASE OF THE PHYSICAL DECENTRALIZATION PROCESS.

TURNING TO THE SUBJECT OF THE UNITED NATIONS DEVELOPMENT PROGRAM, THE DIRECTOR OF TERRITORIAL AFFAIRS COMMENDED THE

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CONGRESS OF MICRONESIA FOR "RECOGNIZING THE URGENT NEED"  
FOR A COMPREHENSIVE PROGRAM IN MICRONESIA. "GIVEN PROPER GUIDANCE AND  
D

INCENTIVE, IT IS POSSIBLE FOR MICRONESIA TO  
BECOME ECONOMICALLY SELF-SUFFICIENT," HE NOTED.

HE URGED THE CONG  
RESS TO PASS "SOUND LEGISLATION" TO  
FOLLOW UP ON THE RECOMMENDATIONS OF THE UNDP. OTHERWISE  
IT WILL ONLY BE ANOTHER "EXCURSIVE AND HASTY EXERCISE" IN  
THEORETICAL ANALYSIS."

"DO NOT IN YOUR DELIBERATIONS LOSE SIGHT OF THE MAJOR  
THEMES OF THOSE VOLUMINOUS REPORTS," HE CAUTIONED. "THE  
BASIC RECOMMENDATIONS (IN THE UNDP REPORT) ARE: (1) AUSTERITY;  
(2) SMALL GOVERNMENT; (3) INFUSION OF OUTSIDE CAPITAL; AND  
(4) THE RELATIVE IMPORTANCE OF FARMING VERSUS FISHING."  
CONTINUED ZEDER.

"KEEP ALWAYS IN MIND THAT YOUR PRIMARY GOAL IS TO REDUCE  
EXPENSES AND INCREASE INCOME. IT'S THAT SIMPLE. IT CAN BE  
DONE. YOU CAN CUT THE COST OF GOVERNMENT SERVICES BY IMPROVING  
EFFICIENCY AND YOU CAN HARNESS YOUR RESOURCES TO GENERATE  
INCOME," HE EMPHASIZED IN HIS SPEECH.

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ZEDER COMMENDED THE MEMBERS OF THE BOARD OF DIRECTORS OF  
MICRONESIA DEVELOPMENT BANK FOR THEIR ADOPTION OF "SUGGESTED  
CONTROLS AND GUARANTEES" REGARDING THE TRANSFER OF THE EDRF

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TO THE BANK.

THE MDB IS THE "VITAL KEYSTONE" IN MICRONESIA'S FUTURE ECONOMIC DEVELOPMENT IF IT IS PROPERLY AND PRUDENTLY ADMINISTERED. HOWEVER, IT WILL "FAIL AND GO DOWN IN DISGRACE" IF THE BANK BECOMES NOTHING MORE THAN A "DEPOSITORY OF USELESS PAPER MADE UP OF THE UNDER-COLLATERIZED AND DELINQUENT NOTES OF INDIVIDUALS WHO FOR POLITICAL AND OR PERSONAL AVARICE MISUSE AND ABUSE THE CHARTER AND PURPOSE OF THE MICRONESIA DEVELOPMENT BANK."

CONCLUDING, ZEDER REMINDED THE MEMBERS OF CONGRESS THAT THEIR ACTIONS DURING THIS SPECIAL SESSION WILL BE MEASURED BY THE PEOPLE OF MICRONESIA AS WELL AS THE U.S. CONGRESS. (REACTIONS TO ZEDER'S SPEECH)

KOLONIA07?ONAPE, JULY 20 (MNS)---DIRECTOR OF TERRITORIAL AFFAIRS FRED M. ZEDER'S REMARKS DREW MIXED FEELING AMONG THE LAWMAKERS.

YAP'S SENATOR JOHN MANGEFEL SAID: "ZEDER'S SPEECH IS

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EXCELLENT. I LIKE HIS RECOMMENDATION THAT THE CONGRESS OF MICRONESIA MUST TREAT ITS FUNDS CAREFULLY. HE IS RIGHT, THE INDICATIVE DEVELOPMENT PLAN IS A WASTE UNLESS THE CONGRESS OF MICRONESIA WORKS ON IT AND FOLLOWS IT UP. WE ARE IN BUSINESS. THE INDICATIVE DEVELOPMENT PLAN IS A PROGRAM THAT WE SHOULD FOLLOW UP."

CONGRESSMAN EDGAR EDWARDS OF PUNAPE SAID: "I WANT TO RECOMMEND THAT 1981 SHOULD BE A TARGET DATE THAT WE SHOULD ALL WORK FOR."

"IT IS A GOOD PRESENTATION, BUT THE PROBLEMS HE MENTIONED SHOULD BE BROUGHT UP AT HEADQUARTERS INSTEAD OF AT THE CONGRESS OF MICRONESIA," REACTED CONGRESSMAN CHIRO ALBERT OF TRUK.

YAP'S JOHN HABLELGAM, THE YOUNGEST MEMBER OF CONGRESS, SAID: "THIS REMINDS ME OF A COLLEGE PROFESSOR LECTURING HIS STUDENTS. THE PROBLEMS HE MENTIONED ARE THE TRUST TERRITORY ADMINISTRATION'S PROBLEMS AND NOT THE PROBLEMS OF THE CONGRESS OF MICRONESIA."

VICE-SPEAKER OF THE HOUSE EKPAP SILK OF THE MARSHALLS COMMENTED: "IT IS A GOOD SPEECH. I AGREE WITH HIS COMMENT THAT

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HE IS SHOCKED AND DISTURBED BY THE HIGH INCIDENCE OF DELINQUENCY IN CURRENT ECONOMIC DEVELOPMENT LOAN FUNDS.

IN OTHER DEVELOPMENTS, THE PALAU DELEGATION TO THE CONGRESS OF MICRONESIA HAVE NOT YET ARRIVE ON PUNAPE. CONGRESS MEMBERS SAID THE DELEGATION MIGHT ARRIVE ON THURSDAY (JULY 22) OR SATURDAY (JULY 24). NO REASON WAS GIVEN FOR THEIR DELAY. SENATE PRESIDENT TOSINO NAKAYAMA HAVE NOT ARRIVE ALSO, AS IS REPRESENTATIVE ATAJI BALDS OF THE MARSHALLS.

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