(IT BUDGET AGRIED) WACHLETTON, D.C. HULY 22 (2005) ---THE U.S. NOUSE OF RIPRISE (ATTY 25 ATT 10 WTO 1000 Y (AULY 11 DEPART THED TO A M9.00.000 BUDGET FOR THE THEOT ADDITED FISCAL THE 1997, THE CADEIT NOT SHELTON ADDITED A ADDITED TO PACE TO DATLY MODS, THE ADDITED ATT TO PACE HOUSE IS LESS THAN THE GREETERS. ADDITE TO COS, THE STARE OFFICE THE HOUSE WAS CONTAINED AD ACCOUNTS TO COS, THE STARE OFFICE THE HOUSE WAS CONTAINED AD ACCOUNTS TO COS, THE STARE OFFICE THE HOUSE WAS CONTAINED AD ACCOUNTS TO COS, THE STARE OFFICE THE HOUSE WAS CONTAINED AD ACCOUNTS TO COS, THE STARE OFFICE THE SEMATE STALL HAS TO ACT ON THE DEPART. C.S. THE THE SEMATE STALE HAS TO ACT ON THE DEPART. C.S. THE THE SEMATE STALE HAS TO ACT ON THE DEPART. C.S. THE FOR THE ORIGINAL T.T. BUDGET PROPOSAL WERE SA WILLION IN OPERATIONS OR ABTE FOR THE PUBLIC-WORKS DEPARTMENT; DAE, 299 FOR GENERAL REDUCTIONS IN OTHER OPERATIONS GRADUS: 52,241,000] FOR CONSTRUCTION GRANTS FOR SEVEN LOWER-PRIORITY PROJECTS.

FOR CONSTRUCTION GRANTS FOR SEVEN LOWER-PRIORITY PROJECTS; AND MERE MILLION FOR DORMITORIES FOR THE MARSHALL DISTRICT, GNS EXPLAINED.

ACCORDING TO GNS, THE CONFERENCE REPORT EXPLATED THE REASON FOR THE CUT BACK IN THAT "THE MANAGERS AND AWARE THAT THE OFFICE OF TERRITORIES IS NOW REASSESSING THE ENTIRE CONSTRUCTION PROGRAM IN THE TERRITORIES AND THAT THE CURRENT CONSTRUCTION MORATORIUM WILL HAVE THE EFFECT OF DELAYING BOTH THOSE WHICH ARE ALREADY FUNDED THE THOSE PROVIDED IN THE APPROPRIATION." THE REASON FOR THE CUT BACK IN THAT "THE MANAGERS ARE

THE CONFERENCE REPORT ALSO AGREED THAT THE CONSTRUCTION PROGRAM IN MICRONESIA IS AN "IMPORTANT AND VITAL ONE". NOWEVER, THEY AGREED TO STRIKE OUT PROJECTS "WITHOUT PREJUDICE TO FURTHER CONSIDERATION OF THESE IN A SUBSEQUENT APPROPRIATION." and the second second

CLIVE TORPEDOES FOUND IN TRUKD

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SAIPAN, JULY 22 (MNS) --- TRUK DISTRICT ADMINISTRATOR MITARO DANIS KAS REQUESTED ASSISTANCE OF THE TRUST TERRITORY GOVERNMENT IN DEPOSING_OF LIVE. AND ARMED TORPEDOES FOUND RECENTLY ON A SUNKEN JAPANESE WARSHIP IN THE TRUK LASCON. ACCORDING TO REPORTS FROM TRUK, POLICE AND MARINE RESOURCES PERSONNEL FOUND A LARGE NUMBER OF ARMED TORPEDOES ON THE DECK AND MATCHES OF THE JAPANESE WARSHIP GOSIE MARU. THE SUNKEN VESSEL WAS LOCATED OFF THE ISLAND OF UMAN.

THE DISCOVERY OF THE TORPEDOES WAS MADE FOLLOWING A REPORT FROM THE VILLAGERS ABOUT A LOUD EXPLOSION THAT TOOK PLACE IN THE WATER NEAR UMAN ON JULY 10. TRUK POLICE SAID THAT ARMED TORPEDOES WERE FOUND ON THE DECK OF THE GOSIE MARU AND "MANY OF THEM ARE DETERIORATING AND COULD BE VERY DATE ROUS".

DISTAD DAMIS HAS ASKED IT ANTHORITIES TO SEND IT DEMOLITION EXPERT STOVE ALKEN TO TRUK TO DETERMINE THE PROPER METHOD OF DEPOSING THE RUSTING TORPEDOES.

(PALAU HEARINGS INDICATE SEPARATE STATUS)

PALAU, JULY 22 (MMS) --- A THREE-DAY PUBLIC HEARING WAS HELD THIS WEEK THROUGHOUT PALAU DISTRICT BY THE THREE CONGRESSMEN OF PALAU AND MEMBERS OF THEPALAU POLITICAL STATUS COMMISSION IN OND DE TO DETERMINE WHETHER PALAU WARTS POLITICAL UNITY WITH THE REST OF MICRONESIA OR SEPARATED POLITICAL STATUS,

DISTRICT ADVINISTRATOR THOMAS O. REMEMBESAU RECENTLY SIGNED INTO A LAW A BILL CALLING FOR A GENERAL REFERENDUM IN PALAN NO LATER THAN SEPTEMBER 15, 1976 FOR THE PEOPLE TO CHOOSE WHETHER TO STAY WITH THE RESTOF THE DISTRICTS OR SEEK SEPARATE STATUS.

ACCORDI'S TO DAVID NSIRMIDOL, DISTRICT INFORMATION OFFICER, PALAU, COMMRESSMEN POLYCARP BASILIUS AND KUNIWO DARAMURA SAID THAT "IT WAS THE CONSENSUS OF THEIR CONSTITUENTS TREODENOUT THE HEARINGS THAT PALAU SHOULD BE SEPARATED FROM THE REST OF MICRONESIA, AND TO NEGOTIATE FOR TTS OWN FUTURE POLITICAL STATUS." THE TWO CONGRESSMEN FOINTED OUT DURING THE MEETING HEAD AT THE DISTRICT CENTER OF MOROR THAT THEY WILL PRESENT THE WISHES OF THE PEOPLE OF PALAU DURING THE SPECIAL SESSION OF THE CONGRESS

OF MICROMESIA CURRENTLY BEING HELD IN POMAPE DISTRICT. COMPRESSMEN RUDINCH AND NAKAMURA LEFT PALAU MEDNESJAY

(JULY 21) TO ATTEND THE SPECIAL SISSION. CONSRESSMAN CASILIUS MILL JOIN THEM LATER, NGIRMIDOL SAID, NGIRMIDOL FURTHER REPORTS THAT THE MEMBERS OF PALAU POLITICAL STATUS COMMISSION WHO HAVE THE RESPONSIBILITY

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TO CONDUCT A POLITICAL EDUCATION PROGRAM TO EDUCATE THE PEOPLE OF PALAU ON THE SUBJECT OF UNITY AND THE SEPARATE ENTITY ISSUE, HAVE REQUESTED THE EDUCATION DEPARTMENT TO WORK CLOSELY WITH THE PALAU EDUCATION-FOR-SELF-GOVERNMENT STAFF. ACCORDING TO NGIRMIDOL, THE DECISION HAS BEEN NADE THAT THE TWO GROUPS WILL JOIN FORCES TO EDUCATE THE PEOPLE DURING THE REMAINING MONTHS BEFORE THE REFERENDUM SO THEY CAN CAST THEIR VOTES INTELLIGENTLY IN SEPTEMBER.

(SOVIET UNION-TONGAN TALKS TO BEGIND

TONSA (MNS VIA SATELLITE) --- THE SOVIET UNION'S OFFERS TO TONGA ARE EXPECTED TO BE DISCUSSED AT A TOP LEVEL MEETING TO BE HELD IN THE PALACE IN TONGA FRIDAY (JULY WE).

THE RUSSIAN DELEGATION TO THE MEETING WILL BE LED BY THE DEPUTY MINISTER OF FISHERIES FOR THE SOVIET UNION. THE DELEGATION WAS EXPECTED TO ARRIVE IN TONGA THURSDAY (JULY 22) FROM WESTERN SAMOA, THEY WILL STOP OFF IN NEW ZEALAND BEFORE RETURNING HOME TO THE SOVIET UNION.

THE MEETING WILL BE CHAIRED BY KING TAUFA AHAU TUPOU IV OF TOUR A.

(HEW ZEALAND PRIME MINISTER TO ATTEND PACIFIC FORUM MEETING) VILLINGTON, NEW ZEALAND (MNS VIA SATELLITE) --- THE PRIME MINISTER OF NEW ZEALAND, MR. MULDOON, EXPECTS THAT CHANGING RELATIONS IN THE PACIFIC REGION WILL DOMINATE DISCUSSIONS AT THE SOUTH PACIFIC FORUM WHICH GETS UNDER WAY IN NAURU NEXT MONTH. HE RIFERED SPECIFICALLY TO THE INCREASING INTEREST BEING TAKEN IN THE REGION BY BOTH RUSSIA AND CHINA AND THE WITHDRAWAL OF

BRITAIN FROM ITS LAST COLONIAL TERRITORIES. IN ADDITION TO ITS INTEREST IN TOMSA (SEE PRECIDING STORY) THE SOVIET UNION IS REPORTEDLY INTERESTED IN OPENING RELATIONS WITH THE COOK ISLANDS AND THE PROPLE'S REPUBLIC OF CHINA IS REPORTED TO HAVE MADE OVERTURES TO THE VESTERN SAMUAN GOVERNMENT I TO COUNTER SOVIET PRESENCE IN THE REGION.

THE NEW ZEALAND PRIME MUNISTER IS SAID TO BE READY TO TRY TO COMPLECE ISLAND LIADERS OF THE DESIRABILITY OF MAINTAINING TRADITIONAL THES RATHER THAN TURNIAS TO OUTSIDE INFRESTS.

(ROYAL WEDDING IN TOMA)

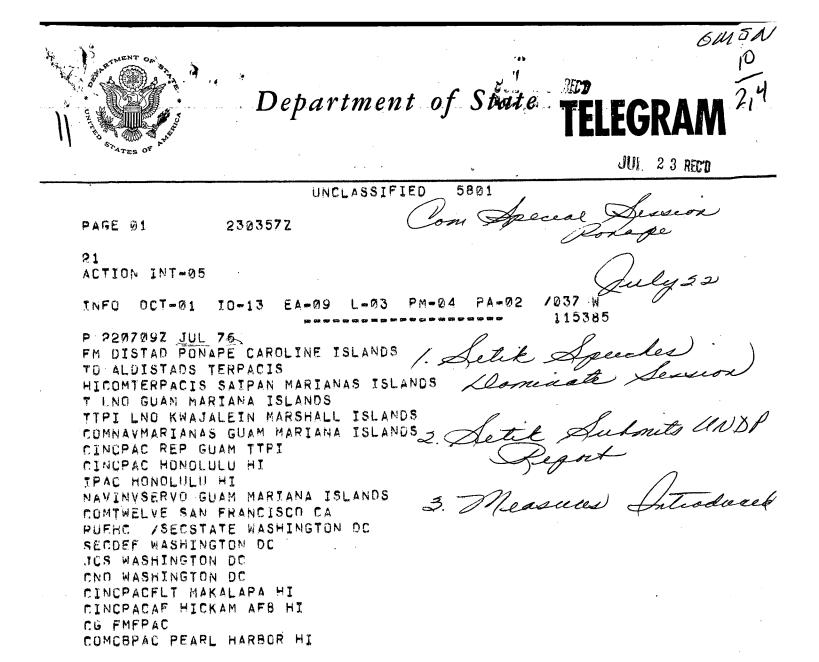
TONGA (MNS VIA SATELLITE) --- IN ASPECTACLE DIFFICULT TO MATCH ANYWHERE, THE ONLY DAUGHTER OF KING TAUFA'AHAU TUPOU IV AND QUEEN MATA'AHO, PRINCESS SALOTE MAFILE'O PILOLEVU MARRIED CAPTAIN MA' ULUPEKOTOFA, THE ELDEST SON OF THE DEPUTY PRIME MINISTER, THE HONORABLE TUITA AND FATAFEHI AT THE ROYAL CHAPEL IN NUKU ALOFA, TONGA WEDNESDAY (JULY 21) SAIPAN TIME.

OUTSIDE ON THE PALACE GROUND WERE THOUSANDS OF TONGAN AND OVERSEAS VISITORS CROWDING TO WATCH THE WESTERN-STYLE PROCESSION, INSIDE, THE MARRIAGE CEREMONY WAS WATCHED BY THE KING AND QUEEN AND MEMBERS OF THE ROYAL FAMILY. AMONG THE MANY VISITING DIGNITARIES WERE PRESIDENT_HAMMER DUROBERT OF NAURU AND THE PRIME MINISTER OF FIJI, RATU SIR KAMISESE MARA.

AT 10 O'CLOCK, AMIDST A SETTING OF TROPICAL SPLENDOR, THE BRIDE, ON THE ARM OF HER FATHER, AND FOLLOWED BY THE BRIDESMAIDS, WALKED TO THE CHAPEL FROM THE PALACE. THE WEDDING CEREMONY WAS PERFORMED BY THE ROYAL CHAPLAIN. THE PRINCESS WAS PRESENTED BY HER FATHER, KING TAUFA AHAU TUPOU IV DURING THE SOLEMN 45-MINUTE CEREMONY.

AS THE NEWLY MARRIED COUPLE EMERGED FROM THE ROYAL CHAPEL, CAPTAIN TAUTA'S FELLOW OFFICERS FROM THE TONGA DEFENSE SERVICES FORMED AN ARC OF HONOR WITH THEIR SWORDS.

A WIDDING PARTY AND AN ESTIMATED 2,000 GUESTS. THE BRIDE AND GROOM WILL BE MOVING TO ENGLAND IN OCTOBER WHERE CAPTAIN TUITA WILL ATTEND OXFORD UNIVERSITY FOR A NINE-MONTH COURSE IN FOREIGN SERVICE. THE COUPLE WILL THEN RETURN TO TONGA WHERE CAPTAIN TUITA WILL CONTINUE HIS SERVICE IN THE FOREIGN AFFAIRS DIVISION OF THE PRIME MINISTER'S OFFICE; -Server States



NAVFACENGCOM ALEXANDRIA VA CCGOFOURTEEN HONOLULU HI PACNAVFACENGCOM PEARL HARBOR HI COMDT COGARD WASHINGTON DC FCDNA-LGA KIRTLAND AFB NM CDRUSAGO MAKIMINATO JAPAN//TTPI-LND// AMEMB CANBERRA AS RUFHKO /AMEMB TOKYO JA CDRBMDSCOM HUNTSVILLE AL//BMD SC-RO// COMCOGARD MARSEC GUAM MARIANAS ISLANDS RUEHDT /USMISSION USUN NY DICC MARIANAS GUAM. MARIANAS ISLANDS

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UNCLAS. SECTION 01 OF 02 COMTWELVE PASS INFOR FOR AMB WILLIAMS SECSTATE PASS TO DEPT INT/SEC. INTERIOR/DUTA OSN AMEMBASSY CANBERRA FOR PAC. ISL. MONTHLY (SPEECHES DOMINATED HOUSE SESSION) KOLONIA, PONAPE, JULY 22 (MNS)---TWO SPEECHES DELIVERED

PAGE 03 RUHGSAA8586 UNCLAS. BY TRUK REPRESENTATIVE RAYMOND SETIK HIGHLIGHTED THE MORNING SESSION OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF MICRONESIA THURSDAY (JULY 22).

SETIK, CHIRMAN OF THE HOUSE APPROPRIATIONS COMMITTEE, PRESENTED A REPORT ON A FIVE YEAR DEVELOPMENT PLAN FOR MICRONESIA FOR THE CONGRESS TO CONSIDER (SEE FOLLOWING STORY FOR A DETAILED COVRAGE OF HIS SPEECH).

THE UTHER SPEECH BY SETIK CONCERNS A BILL HE OFFERED WHICH WOULD APPROPRIATE \$400,000 TO PROVIDE "IMMEDIATE, SUPPLEMENTARY ASSISTANCE" (HR 6-574) TO THE PEOPLE WHO WERE AFFECTED BY SUPER TYPHOON PAMELA.

TYPHOON PAMELA, PACKING WINDS OF 115 MILES PER HOUR RAVAGED TRUK DISTRICT CAUSING EXTENSIVE DAMAGES TO PUBLIC AND PRIVATE PROPERTIES AND STRIGGERED A LANDSLIDE WHICH BURIED A PART OF A TWD-STORY BUILDING KILLING 19 PEOPLE. IT ALSO CAUSED "COMPLETE AND TOTAL DESTRUCTION ON MANY OUTLYING ISLANDS," SETIK POINTED DUT.

SAYING THAT "MOTHER NATURE HAS NOT BEEN TOO KIND" TO THE PEOPLE OF MICRONESIA THIS YEAR, SETIK RECALLED THAT THE DAMAGES CAUSED BY FOUR TYPHOONS "INFLICTED UNTOLD DAMAGES, INJURIES, AND

PAGE 04 RUHGSAA8586 UNCLAS. DEATH TO UUR PEOPLE."

SETIK TOLD THE HOUSE THAT THE FUNDS APPROPRIATED UNDER HIS BILL WOULD BE USED FOR THE EXPENSES INVOLVED IN THE PURCHASE AND TRANSPORTATION OF FOOD, AND OTHER MATERIALS AND RELATED EQUIPMENT TO THE PEOPLE OF THE UPPER AND LOWER MORTLOCKS AND IN THE HALL ISLANDS OF TRUK DISTRICT.

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ALTHOUGH THE U.S. OFFICE OF EMERGENCY PREPAREDNESS HAS PROVIDED SOME MONETARY ASSISTANCE TO THOSE DISTRICTS THAT WERE AFFECTED, THE TRUKESE CONGRESSMAN NOTED THAT THEY DO NOT COVER "ALL THE DIFFERENT KINDS OF DAMAGE OR CONSIDER THE PARTICULAR PROBLEMS OF ISLAND AREAS."

SETIK URGED THE HOUSE MEMBERS TO ACT FAVORABLY ON HIS. BILL.

(SETIK SUBMITS UNDP REPORT)

KOLONIA, PONAPE, JULY 22 (MNS)---A FIVE YEAR DEVELOPMENT PLAN FOR MICRONESIA WAS PRESENTED TO THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF MICRONESIA THURSDAY.

REPRESENTATIVE RAYMOND SETIK, IN PRESENTING THE 201-PAGE PLAN TO THE HOUSE, SAID THE DOCUMENT REPRESENTED OVER A YEAR OF EFFORT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND TRUST

PAGE 05 RUHGSAA8586 UNCLAS. TERRITORY, AND THE CONGRESS OF MICRONESIA, WITH THE ASSISTANCE OF THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP).

THE PLAN IS CALLED FOR BY PUBLIC LAW ND. 6-56, WHICH WAS PASSED BY THE FIRST REGULAR SESSION OF THE SIXTH CONGRESS OF MICRONESIA. THE LAW PROVIDES THAT THE CONGRESS JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING WILL MANAGE DEVELOPMENT OF THE PLAN, AND THAT ITS CHAIRMIC WILL ACT AS A MANAGER OF ANY PROJECT TO DEVELOP IT. THE CONGRESS OF MICRONESIA HAS SO FAR APPROPRIATED \$170,000, AND THE UNDP HAS CONTRIBUTED SOME \$150,000 IN TECHNICAL ASSISTANCE.

AT THE REQUEST OF THE CONGRESS OF MICRONESIA A TEAM OF UNDP EXPERTS VISITED THE FIVE DISTRICTS, INCLUDING KUSAIE, TO ASSIST IN DRAWING UP PLANS IN CONSULTATION WITH LUCAL LEADERS FOR THEIR LONG-RANGE ECONOMIC AND SOCIAL DEVELOPMENT.

SETIK EXPLAINED THAT THE DOCUMENT, CALLED A "FIVE YEAR INDICATIVEDEVELOPMENT PLAN" COVERS THE PERIOD FROM 1976 TO 1981.

"IF THE NECESSARY MEASURES ARE TAKEN," SETIK EXPLAINED, "IT IS HOPED THAT BY THE END OF 1981 THE PRODUCTIVE CAPACITY OF THE MICRONESIAN ECONOMY WILL HAVE CAUGHT UP WITH CONSUMMPTION."

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"AT THE SAME TIME," HE CONTINUED, "REDUCTION IN GOVERNMENT CONSUMPTION, COUPLED WITH INCREASED REVENUE WOULD HOPEFULLY BE ABLE TO CUNTRIBUTE TO CLOSING THE GAP" BETWEEN WHAT LOCAL REVENUES ARE AVAILABLE AND HOW MUCH IT COSTS TO RUN THE GOVERNMENT.

SOME OF THE HIGHLIGHTS AND RECOMMENDATIONS INCLUDED IN THE REPORT, ACCORDING TO SETIK, ARE:

---MICRONESIA, ITS GOVERNMENT AND PEOPLE, ARE USING SERVICES WHICH COST MORE THAN CAN BE PAID FOR BY LOCAL REVENUES;

---ONE-FOURTH TO ONE-HALF OF THE WORKING POPULATION IN MICRONESIA ARE UNEMPLOYED;

--- TOO MUCH OF THE EMPLOYEED POPULATION WORKS FOR THE GOVERNMENT;

---THE GOVERNMENT USES TOO MUCH -- 57 PERCENT -- OF THE TOTAL AMOUNT OF MONEY SPENT FOR GOVERNMENT FOR ADMINISTRATION, AND SOCIAL SERVICES AND VERY LITTLE MONEY IS BEING SPENT ON THE PRODUCTIVE AREA OF THE CONOMY SUCH AS FISHERIES, AGRICULTURE AND TOURISM;

---MICRONESTA AT THIS TIME LACKS ENOUGH TRAINED MANPOWER

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TO REACH SELF-RELIANCE AND SELF-SUFFICIENCY; AND

---MICRONESIA HAS ONE OF THE LOWEST TAX RATES IN THE WORLD AND CAN, IN SHORT, PAY A MUCH LARGER SHARE OF THE CUSTS OF RUNNING ITS OWN GOVERNMENT THROUGH INCREASES TAXES.

GIVEN THESE FINDINGS, SETIK STATED, THE INDICATIVE DEVELOPMENT PLAN HAS BEEN PREPARED TO REACH THE FOLLOWING GOALS:

(1) SPEND LESS MONEY ON ADMINISTRATION OF THE GOVERNMENT WHICH IN NON-INCOME PRODUCING, SETTK SAID THIS WOULD REQUIRE "DIFFICULT" EVEN DRASTIC STEIS", INCLUDING CUTTING DOWN THE SIZE OF GOVERNMENT WITHOUT DAMAGING IMPORTANT GOVERNMENTAL SERVICES NOW BEING PROVIDED TO THE PEOPLE OF MICRONESIA.

(2) SPEND MORE MONEY ON PRODUCTION-DRIENTED AREAS OF THE ECONOMY SUCH AS AGRICULTURE, MARINE RESOURCES. TOURISM, AS WELL AS ENCOURAGE LOCAL INDUSTRIES AND PROVIDE FOR IMPORT SUBSTITUTION.

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SETIK, WHO BY LAW HAS THE RESPONSIBILITY AS COURDINATOR FOR THE CONGRESS-SPONSORED PROJECT, SAID THE PLAN ENVISIONS A GROWTH RATE TO SIX PERCENT PER ANNUM AND A THREE PERCENT PER CAPITA GROWTH IN NATIONAL INCOME WHICH COULD MEAN, IN HIS

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NAVFACENGCOM ALEXANDRIA VA CCGDFOURTEEN HONOLULU HI PACNAVFACENGCOM PEARL HARBOR HI COMDT COGARD WASHINGTON DC FCDNA-LGA KIRTLAND AFB NM CDRUSAGO MAKIMINATO JAPAN//TTPI-LNO// AMEMB CANBERRA AS PUEHKO /AMEMB TOKYO JA CDRBMDSCOM HUNTSVILLE AL//BMD SC-RO// COMCOGARD MARSEC GUAM MARIANAS ISLANDS PUEHDT /USMISSION USUN NY DICC MARIANAS GUAM. MARIANAS ISLANDS



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WORDS, "ATTAINMENT OF ECONOMIC SELF+SUFFICIENCY...DURING THE NEXT FIVE TO TEN YEARS."

(3) FINALLY, THE SOCIAL OBJECTIVE OF THE PLAN CALLS FOR A MORE BALANCED 'REGIONA)' OR INTERDISTRICT DEVELOMENT IN MICONESIA, INCLUDING A MORE EVEN DISTRIBUTION OF INCOME IN

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AND BETWEEN ALL THE DISTRICTS OF MICRONESIA, ADEQUATE PROVISIONS ARE ALSO INCLUDED FOR THE DEVELOPMENT OF AGRICULTURE, LIVESTOCK, FURESTRY, MARINE RESOURCES, AQUACULTURAL=INDUSTRIES, MANUFACTURING, MINERAL RESOURCES, WATER RESOURCES, PUBLIC WORKS, AND OTHER AREAS OF THE ECONOMY.

REPRESENTATIVE SETIK INDICATED THAT THE PLAN WAS NOT THE FINAL STEP, BUT A FIRST STEP WHICH, WHEN APPROVED BY THE CONGRESS, THE OFFICE OF THE HIGH COMMISSIONER AND THE DISTRICT LEGISLATURES, WOULD GIVE GUIDELINES FOR A MORE DETAILED PLAN WHICH WOULD CONTAIN SPECIFIC PROJECTS TO BE CARRIED OUT, AND THEIR COSTS, TO DEVELOP MICRONESIA'S ECONOMY.

SETIK URGED PROMPT AND FAVORABLE ACTION ON THE DEVELOPMENT PLAN "...FOR THE BETTERMENT OF THE PEOPLE AND ALL THE ISLANDS OF MICRONESIA."

THE DEVELOPMENT PLAN IS EXPECTED TO BE PRESENTED TO THE SENATE ON FRIDAY (JULY 23). (MEASURES INTRODUCED)

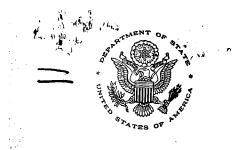
KOLONIA, PONAPE, JULY 22 (MNS) ----A TOTAL OF 21 BILLS WERE OFFERED IN BOTH HOUSES OF THE CONGRESS OF MICRONESIA THURSDAY IN PONAPE DISTRICT, 12 IN THE SENATE AND NINE IN THE HOUSE. THREE

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JUINT RESOLUTIONS WERE INTRODUCED, TWO IN THE SENATE AND ONE IN THE HOUSE. THE BILLS WERE:

-TO APPROPRIATE FUNDS FOR THE OPERATION, CONTINGENT EXPENSES AND CAPITALIZATION OF THE MICRONESIA DEVELOPMENT BANK, (HB 6-572);

---AMEND PUBLIC LAW 5-100 TO POSTPONE REVERSION OF REMAINING FUNDS UNTIL DECEMBER 31, 1977, , (HB 6-573);



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---TO APPROPRIATE 400,000 TO PURCHASE FOOD, CLOTHING AND OTHER LIFE NECESSITIES FOR THE PEOPLE OF THE UPPER AND LOWER MORTLOCK ISLANDS, AND HALL ISLANDS, WHO WERE AFFECTED BY SUPER TYPHOON PAMELA, (HB 6-574);

---TO APPROPRIATE \$150,000 FOR THE OPERATION AND CONTINGENT EXPENSES OF THE MARSHALL ISLANDS FISHING AUHORITY, (HB 6-575); ---TO ESTABLISH THE DEPARTMENT OF PERSONNEL AS A STAFF OFFICE OF THE HIGH COMMISSIONER, AND TO ABOLISH THE DIVISION OF LABOR OF THE DEPARTMENT OF RESOURCES AND DEVELOPMENT AND TRASNFER ITS FUNCTIONS TO APPROPRIATE DISTRICT OFFICES, (HB 6-577);

-- TO APPROPRIATE \$10,000 TO PROVIDE FOR THE PUBLICATION OF THE TERRITORIAL REGISTER, (HB 6-578);

--- TO PROVIDE FOR THE ESTABLISHMENT OF THE PONAPE TRANSPORTATION AUTHORITY INC,, A PUBLIC ORPORATION, TO

PAGE 05 RUHGSAA8587 UNCLAS.

PEPLACE THE EXISTING PONAPE TRANSPORTATION AUTHORITY (HB-6=579); ---AMEND CERTAIN SECTIONS OF THE TT CODE RELATING TO SENATORIAL DISTRICTS TO EXCLUDE THE MARIANAS DISTRICT AND AND KUSEIE DISTRICT, (SB 6-390);

---TO DIRECT THE TT DIRECTOR OF TRANSPORTATION TO ENTER INTO AN AGREEMENT WITH THE PACIFIC MISSIONARY AVIATION OF THE LIEBENZELL MISSSION SO IT COULD PROVIDE AN AIR TRANSPORTATION NETWORK BETWEEN DISTRICT CENTERS AND OUTLYING AREAS OF YAP, TRUK, AND PONAPE DISTRICTS AND APPROPRIATE \$100,000 FOR ITS PURPOSE, (SB 6-391);

---TO AMEND CERTAIN SECTIONS OF THE TT CODE RELATING TO THE ORGANIZATION OF THE EXECUTIVE BRANCH OF THE TT GOVERNMENT, (SB 6-392);

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--- TO AMEND CERTAIN SECTIONS OF THE TT SOCIAL SECURITY ACT, (SB 6-398); AND

---TO AMEND TITLE 3 OF THE TT CODE RELATING TO REPRESENTATIONS IN THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF MICRONESIA, (SB 6-399).

THE JOINT RESOLUTIONS WERE: TO CONFIRM DEMEI OTOBED OF PALAU DISTRICT TO THE TT ENVIRONMENTAL PROTECTION BOARD, (SJR 6-118); TO NOMINATE ANDON L. AMARAICH OF TRUK, CONGRESSMAN ATAJI BALOS OF THE MARSHALLS AND CONGRESSMAN LUKE M. TMAN AS MEMBERS OF THE BOARD OF DIRECTORS OF THE MICRONESIAN LEGAL SERVICES CORROGRATION, (SJR 6-119); AND INFORMING THE HIGH COMMISSIONER

PAGE 07 RUHGSAA8587 UNCLAS. OF THE CONGRESS CONCERN REGARDING THE DESIGN AND CONSTRUCTION OF THE SEVEN TUNA BOATS BEING ACQUIRED BY THE TT GOVERNMENT UNDER THE WAR CLAIMS PAYMENTS, (HJR 6-198).

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OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS



WASHINGTON, D.C. 20240 July 22, 1976

MEMORANDUM

All Son Ling

To : Mr. Alan G. James, D/LOS Room 4321, Department of State

From : Philip W. Manhard, U.S. Deputy Representative for Micronesian Status Negotiations

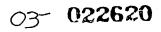
Subject : Puerto Rico - LOS Conference

This memorandum is in regard to a letter from the Governor of Puerto Rico to the Secretary of State which we appreciate you forwarding to our Office for its attention. In view of your intention to respond to Governor Colon we believe it would be useful to your office in replying to have the following observations.

In the letter, Puerto Rico requests it be granted legal entitlement to its offshore resources and certain rights in the UN Law of the Sea Conference. Governor Colon requests in particular that the Executive Branch grant Puerto Rico the right to become an observer to the UN Law of the Sea Conference and be authorized to sign the LOS Convention as a contracting party to enable Puerto Rico to be vested with and authorized to exercise in its own behalf the LOS rights to be established under that Convention. The Puerto Rican memorandum incorporated into the letter asserts that because of the political status of Puerto Rico and existing legal and political precedents, there is authority for the Executive Branch to assent to Puerto Rico's requests without obtaining the consent of the United States Congress. The memorandum suggests, inter alia, that Puerto Rico is not a territory of the United States but is a State in Free Association with the United States, that the United States has already granted Puerto Rico certain foreign affairs authorities which it may exercise in its own behalf, that the United States has granted other dependent areas of the United States (including the Trust Territory of the Pacific Islands) broad and independent foreign affairs rights, and that legal precedent exists to enable the United States Executive Branch to negotiate a treaty relationship with its dependent peoples to grant to them certain land rights without obtaining the consent of the United States Congress.

While we would generally defer to those departments having a direct interest in Puerto Rico and Law of the Sea matters, we believe the following comments deserve your attention.

There should be no ambiguity within the federal government on the current political status of Puerto Rico. Puerto Rico is a United States



Commonwealth. It is and remains a territory of the United States. Although debate has arisen on the legal implications of the Puerto Rican Federal Relations Act, P.L. 600, 1950, and on the degree of autonomy which Puerto Rico enjoys under the federal system of government, there is no legal authority for the assertion that Puerto Rico's political relationship with the United States is one in which Puerto Rico is a State in Free Association with the United States. The Federal Relations Act was intended to grant more local self-government to Puerto Rico as a Commonwealth territory of the United States. While the Federal Courts have not definitively ruled on the meaning of Puerto Rico's Commonwealth status (e.g., whether Puerto Rico is an incorporated territory or unincorporated territory), it is abundantly clear that U.S. sovereignty over Puerto Rico is complete. For example, see the Treaty of Peace, 1898, by which Spain ceded Puerto Rico, Guam, and the Philippines to the United States, and the Insular Cases by which the U.S. Supreme Court held Puerto Rico was a "possession" of the United States. Under the Constitution, the United States retains complete foreign affairs authority for all areas under its sovereignty and Puerto Rico is subject to these Constitutional authorities to no less extent than any State or other territory of the United States.

With regard to the assertion that Puerto Rico should be granted observer status and the rights to its offshore resources because the United States has accorded the Trust Territory of the Pacific Islands broad, independent foreign affairs autonomy under the initialled Compact of Free Association and has also granted the Trust Territory the right to become an observer to the UN LOS Convention, it should be clear the United States is not sovereign over the Trust Territory but is only authorized to exercise its sovereign authorities to fulfill its obligations under the United Nations Trusteeship Agreement. Indeed, the Puerto Rico memorandum recognizes, on page two, this relationship between the Trust Territory of the Pacific Islands and the United States. Under the present political status negotiations with the Micronesian leadership, the Caroline and Marshall Islands would not become a dependency or territory of the United States by virtue of entering into a Free Association relationship with the United States. The United States recognizes that sovereignty for Micronesia now rests with the people of Micronesia and we have stated sovereignty will continue to remain with the people of Micronesia under a status of Free Association. The U.S. has agreed the Trust Territory should become an observer to the UN LOS Conference because of its unique political status. The United States has not agreed, however, that the Trust Territory is a State entitled to become a signatory and contracting party to the Convention or that it is authorized to exercise any LOS rights in its own behalf.

The Northern Mariana Islands Covenant on the other hand establishes, upon termination of the Trusteeship, a Commonwealth relationship between the Northern Mariana Islands and the U.S. Government. While the Northern Mariana Islands Commonwealth status relationship with the U.S. Government

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does not follow the Puerto Rican Commonwealth status in every detail, there are important similarities. United States' sovereignty is complete and the Covenant makes clear that the United States will hold complete foreign affairs authority for the Mariana Islands. The Northern Mariana Islands Commonwealth will become a U.S. territory. Consequently, the Northern Mariana Islands is not an observer to the UN LOS Conference and will be subject to the provisions of the UN LOS Convention to the same extent as are all other U.S. territories upon approval of the Convention by the U.S. Government.

This Office therefore believes the Puerto Rican request for autonomy in the area of law of the sea should be denied, and that it would be most helpful to incorporate into your reply a definitive statement on Puerto Rico's political relationship with the United States, e.g., that Puerto Rico is a Commonwealth territory of the United States.

Concurred by: FHW

AdG:cg

DEPARTMENT OF DEFENSE Peter NSC

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SUBJECT: AMBASSADOR F. HAYDN WILLIAMS' RESIGNATION is ener

pic the for PASS TO STATUS LNO FOR MNS RELEASE

THE WHITE HOUSE TODAY ANNOUNCED THAT PRESIDENT FORD HAD ACCEPTED WITH DEEP REGRET AMBASSADOR HAYDN WILLIAMS! RESIGNATION AS HIS PERSONAL REPRESENTATIVE FOR MICRONESIAN STATUS NEGOTIATIONS EFFECTIVE JULY 31, 1976. AMBASSADOR WILLIAMS INFORMED THE WHITE HOUSE SEVERAL MONTHS AGO THAT BECAUSE OF THE PRESSURE OF HIS RESPONSIBILITIES AS PRESI-DENT OF THE ASIA FOUNDATION HE WOULD HAVE TO RELINQUISH HIS DUTIES AS CHIEF U.S. NEGOTIATOR IN JULY.

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by N. Menan, National Security Council

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THE WHITE HOUSE PRESS ANNOUNCEMENT SAID THAT "AMBASSADOR WILLIAMS SUCCESSFULLY LED THE NEGOTIATIONS WITH THE NORTHERN MARIANAS DISTRICT OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS THAT RESULTED IN THE HISTORIC COVENANT TO ESTABLISH A COMMONWEALTH WITH THE UNITED STATES. THE PRESIDENT WOULD LIKE AMBASSADOR WILLIAMS TO SEE THROUGH TO COMPLETION THE NEGOTIATIONS WITH THE OTHER DISTRICTS OF THE TRUST TERRITORY. CONSIDERABLE PROGRESS HAS BEEN MADE IN THESE TALKS UNDER AMBASSADOR WILLIAMS' LEADER-SHIP. THE PRESIDENT, HOWEVER, RECOGNIZES THE AMBASSADOR'S DESIRE TO GIVE FULL ATTENTION TO HIS DUTIES WITH THE ASIA FOUNDATION. IT IS WITH DEEP REGRET, THEREFORE, THAT THE PRESIDENT HAS ACCEPTED THE RESIGNATION."

THE FULL TEXT OF AMBASSADOR WILLIAMS' LETTER TO THE PRESIDENT FOLLOWS AND THE PRESIDENT'S REPLY OF JULY 22, 1976.

"DEAR MR. PRESIDENT:

I HAVE GREATLY APPRECIATED THE OPPORTUNITY AND THE HONOR OF HAVING SERVED AS YOUR PERSONAL REPRESENTATIVE FOR THE FUTURE POLITICAL STATUS NEGOTIATIONS WITH THE NORTHERN MARIANAS AND WITH THE OTHER DISTRICTS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS.

AS YOU KNOW THE TALKS WITH THE NORTHERN MARIANAS HAVE BEEN SUCCESSFULLY CONCLUDED AND THESE ISLANDS ARE NOW HELL ON THEIR WAY TO BECOMING THE NEWEST MEMBER OF THE AMERICAN FAMILY. PROGRESS IN REACHING AGREEMENT WITH THE CAROLINES AND THE MARSHALLS HAS BEEN SLOWER, BUT PROGRESS NEVERTHELESS HAS BEEN MADE AND THE REMAINING ISSUES HAVE BEEN GREATLY NARROWED. I AM HOPEFUL THAT THEIR EARLY RESOLUTION WILL THEN ALLOW THE PEOPLE OF MICRONESIA TO CHOOSE IN A FREE AND OPEN PLEBISCITE THEIR FUTURE POLITI= CAL STATUS UPON THE TERMINATION OF THE TRUSTEESHIP.

I WISH IN MANY WAYS THAT I COULD SEE THE NEGOTIATIONS THROUGH TO THEIR COMPLETION AND TO ASSIST IN SEEING THE AGREEMENT THROUGH THE CONGRESS AS WELL BUT AS GENERAL SCOWCROFT KNOWS, I HAVE FOR SOME TIME NOW BEEN HOPING TO BE RELIEVED OF MY MICRUNESIAN RESPONSIBILITIES IN ORDER

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TO GIVE MY FULL ATTENTION TO THE ASIA FOUNDATION. WITH YOUR PERMISSION, I WOULD THEREFORE, LIKE TO TENDER MY RESIGNATION TO TAKE EFFECT ON JULY 31, 1976.

FINALLY, I WOULD LIKE TO EXPRESS TO YOU MY DEEPEST APPRE-CIATION FOR THE INTEREST YOU HAVE TAKEN IN MY WORK AND FOR THE SUPPORT YOU HAVE ALWAYS GIVEN ME. IT HAS BEEN A GREAT HONOR FOR ME TO HAVE SERVED AS YOUR PERSONAL REPRESENTATIVE - A PRIVILEGE WHICH I SHALL ALWAYS CHERISH.

WITH MY WARMEST BEST WISHES.

- RESPECTFULLY YOURS, - /S/ AMBASSADOR F. HAYDN WILLIAMS - THE PRESIDENT'S PERSONAL REPRESENTATIVE - FOR MICRONESIAN STATUS NEGOTIATIONS

THE PRESIDENT THE WHITE HOUSE WASHINGTON, D.C. 20500"

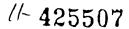
"DEAR HAYDN:

THANK YOU FOR YOUR LETTER OF JULY 8. IT IS WITH DEEP REGRET THAT I ACCEPT YOUR RESIGNATION AS MY PERSONAL REPRESENTATIVE FOR FUTURE POLITICAL STATUS NEGOTIATIONS WITH THE TRUST TERRITORY OF THE PACIFIC ISLANDS, EFFECTIVE JULY 31, 1976, AS YOU REQUESTED.

IN DOING SO, I WELCOME THIS OPPORTUNITY TO EXPRESS MY PERSONAL APPRECIATION FOR YOUR MORE THAN FIVE YEARS OF DEDICATED SERVICE TO OUR NATION. THROUGHOUT YOUR TIME AS MY PERSONAL REPRESENTATIVE, THE OUTSTANDING HUMAN AND PROFESSIONAL QUALITIES WHICH YOU HAVE DISPLAYED HAVE WON YOU THE ADMIRATION AND RESPECT OF ALL WITH WHOM YOU HAVE HORKED. YOUR SUCCESSFUL NEGOTIATION WITH THE NORTHERN HARIANAS OF THE COMMONWEALTH COVENANT BROUGHT ABOUT AN HISTORIC ACHIEVEMENT IN SELF-DETERMINATION. FURTHERMORE, I UNDERSTAND THAT YOU HAVE ALREADY MADE CONSIDERABLE PROGRESS IN NEGOTIATIONS WITH THE OTHER DISTRICTS OF THE THUST TERRITORY.

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ALTHOUGH I REGRET THAT IT WILL NOT BE POSSIBLE FOR YOU TO SEE THROUGH THE NEGOTIATIONS TO THEIR CONCLUSION, I RECOGNIZE YOUR DESIRE TO BE ABLE TO GIVE FULL ATTENTION TO YOUR DUTIES AS PRESIDENT OF THE ASIA FOUNDATION. YOU MAY BE SURE THAT YOU TAKE WITH YOU MY VERY BEST WISHES FOR EVERY SUCCESS AND HAPPINESS IN THE YEARS AHEAD.

SINCERELY,

GERALD R. FORD"

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ALSO HIGH LIGHTING THE SESSION OF THE SENATE WAS A SPEECH

GIVEN BY PONAPE SENATOR BAILEY OLTER AS HE PRESENTED A REPORT ON THE FIVE-YEAR INDICATIVE DEVELOPMENT PLAN FOR NICRONESIA. (SEE FOLLOWING STORY)

IN THE HOUSE, TRUK REPRESENTATIVE RAYMOND SETIK DELIVERED A SPEECH REBUTTING SOME OF FRED W. ZEDEP'S STATEMENTS BEFORE THE JOINT SESSION OF THE CONGRESS OF ME ONESIA TUESDAY (JULY 20). (SEE ALSO FOLLOWING STORY FOR A DETAILED COVERAGE OF SETIK'S SPEECH).

ANOTHER TRUKESE CONGRESSMAN, LAMBERT AAFIN, SPOKE BEFORE INTRODUCING A BILL WHICH WOULD REDUCE THE FREIGHT RATE ON FIELD TRIP VESSELS FROM $\Rightarrow 20$ A TON TO $\Rightarrow 10$. "...THE DIFFERENCE SHOULD BE PASSED ON TO THE COPRA PRODUCERS IN THE FORM OF AN INCREASE TO THE PRICE OF COPRA TO \$10 PER TON," AAFIN TOLD HIS COLLEAGUES.

ACCORDING TO AAFIN, THIS MOVE "MAY BE CONSTRUED TO BE A COUNTER-ACTION TO THE IDEA FIRMLY RECOMMENDED BY THE INDICA-TIVE DEVELOPMENT PLAN WHICH CALLS FOR DECREASED SPENDING BY THE GOVERNMENT SINCE THE REDUCTION OF THE FREIGHT RATE ON OFRA BY \$12 WILL RESULT IN INCREASED GOVERNMENT SUBSIDY..."

BUT, HE EXPLAINED, THE CONGRESS SHOULD DEVELOP THE OUTER ISLANDS ESPECIALLY IN THE AREA OF FISHERIES, NOT FARMING, BECAUSE THE SOIL "IS NOT THAT GOOD."

IN OTHER DEVELOPMENTS, SPEAKER BETHWEL HENRY ANNOUNCED THAT ALL STANDING COMMITTEE CHAIRMEN AND THE FLOOR LEADER ARE INCLUDED IN THE SPECIAL COMMITTEE TO STUDY AND ANALYZE THE FIVE YEAR INDICATIVE DEVELOPMENT PLAN SUBMITTED BEFORE THE CONGRESS THUR SDAY (JULY 22) FOR THEIR STUDY AND RECOMMENDATIONS.

(SETIK ON ZEDER'S SPEECH)

KOLONIA, PONAPE, JULY 23, (COM) ---TRUK REPRESENTATIVE RAYMOND SETIK OFFERED SOME COMMENTS FRIDAY REGARDING A SPEECH MADE BEFORE A JOINT SESSION OF THE CONGRESS OF MICRONESIA ON TUESDAY BY OFFICE OF TERRITORIAL AFFAIRS DIRECTOR FRED M. ZEDER.

IN A STATEMENT TO THE HOUSE OF REPRESENTATIVES, SETIK SAID SOME CONGRESS MEMBERS AGREED THAT ZEDER'S REMARKS WERE GENERALLY POSITIVE. HOWEVER, HE POINTED OUT THAT ZEDER'S STATEMENTS ON CERTAIN ISSUES DESERVED COMMENT.

REGARDING ZEDER'S STATEMENT CONCERNING A SECRETARIAL CRDER WHICH PROHIBITS THE CONGRESS OF MICRONESIA'S NEW SURTAX LAW FROM AFFECTING KWAJALEIN MISSILE RANGE IN THE MARSHALL ISLANDS DISTRICT, SETIK REPEATED THE CONGRESS' POSITION WHICH WAS MADE AT THE UNITED NATIONS TRUSTEESHIP COUNCIL RECENTLY.

"WE SEE NO REASON WHY PRIVATE CONTRACTORS FOR U.S. MILITARY ACTIVITIES IN MICRONESIA SHOULD BE TREATED DIFFEREN-TLY THAN PRIVATE CONTRACTORS FOR THE TRUST TERRITORY GOVERNMENT," HE SAID. NOTING THAT THE CONGRESS OF MICRONESIA DOES NOT HAVE THE POWER TO OVERRIDE AN ORDER OF THE SECRETARY OF THE INTERIOR, SETIK SAID THE CONGRESS MUST NOW CONSIDER A TAX INCREASE TO MAKE UP FOR THE LOST REVENUES.

NOTING ZEDER'S STATEMENT THAT EXPORTS FROM AMERICAN TERRITORIES RECEIVE SPECIAL TREATMENT WHEN BROUGHT INTO THE U.S., SETIK COMMENTED THAT ALL THE DISTRICTS OF MICRONESIA ARE CONSIDERING A CLOSE RELATIONSHIP WITH THE U.S. IN SOME FORM.

THE REMOVAL OF TARIFF BARRIERS IS A STEP WHICH SHOULD HAVE HAPPENED TWO DECADES AGO, SETIK STATED. "IT IS SOME-THING THE U.S. SHOULD HAVE DONE TO FULFILL ITS LONG-STANDING

AND AS YET UNDISCHARGED OBLIGATIONS TO PROMOTE ECONOMIC DEVELOPMENT IN MICRONESIA UNDER THE TRUSTEESHIP AGREEWENT. IT SHOULD NOT BE THE MAJOR CONSIDERATION IN OUR FUTURE STATUS CONSIDERATIONS."

DRAWING ATTENTION TO ZEDER'S COMMENTS THAT "THE TRUSTEE-SHIP AGREEMENT WILL BE TERMINATED IN 1981," THE TRUK CONGRESSMAN RECALLED THAT THIS DATE WAS FIRST MENTIONED ONLY AS A "TENTATIVE TARGET DATE." THIS UNDERSTANDING WAS SUPPORTED BY THE 1976 VISITING MISSION OF THE UNITED NATIONS," HE SAID. "AS FAR AS I AM CONCERNED, IT IS STILL TENTATIVE, AND ACCORDING TO THE CIRCUMSTANCES THE ACTUAL DATE SHOULD BE 1982 OR 1979, DEPENDING ON HOW WELL OUR ECONOMIC AND POLITICAL DEVELOFMENT PROGRESSES IN THE NEXT FEW YEARS," HE SAID.

SETIK TOLD HOUSE MEMBERS THAT HE WAS DISAPPOINTED WITH ZEDER'S REMARKS ON THE CONGRESS OF MICRONESIA WISH TO CONTROL APPROPRIATIONS FROM THE U.S. CONGRESS. ZEDER MENTIONED OF FISCAL RESPONSIBILITY, MISMANAGEMENT AND POOR JUDGEMENT IN USING THESE FUNDS, WHICH SETIK NOTED THE CONGRESS OF MICRONESIA FOR MANY YEARS HAD REQUESTED AUTHORITY TO SET PRICRITIES CONCERNING HOW THESE FUNDS WILL BE SPENT, NOT THE ACTUAL MANAGEMENT OF THE MONEY ITSELF.

"WE ARE DISAPPOINTED THAT NO SUGGESTIONS WERE MADE TO GIVE THE CONGRESS OF MICRONESIA INCREASING AUTHORITY IN THE BUDGET PROCESS AS REQUESTED FOR YEARS AND SUPPORTED BY THE TRUSTEESHIP COUNCIL."

SETIK SUGGESTED THAT AS A FIRST STEP, THE U.S. COULD PERMIT THE CONGRESS OF MICRONESIA TO HAVE FINAL REVIEW OF THE ANNUAL BUDGET FOR THE TRUST TERRITORY, INSTEAD OF ONLY MAKING RECOMMENDATIONS, WHICH IS NOW THE CASE. IF OBJECTIONS ARE RAISED BY THE HIGH COMMISSIONER, SETIK SAID THE SECRETARY OF INTERIOR COULD BAKE THE FINAL DECISION.

ON THE SUBJECT OF DECENTRALIZATION, SETIK SAID HE WAS PLEASED THAT ZEDER "FIRMLY, CLEARLY, AND PUBLICLY" STATED THAT THE DEPARTMENT OF INTERIOR "IS NOT RUNNING THE SHOW FROM WASHINGTON, D.C." CONTROL OVER DECENTRALIZATION SHOULD REST WITH THE TRUST TERRITORY GOVERNMENT. THE CONGRESS NOW "ASSUME THAT NO SUBSTANTIVE MOVES WILL BE MADE WITHOUT THE EXPRESS APPROVAL OF THE CONGRESS OF MICRONESIA AND THE OFFICE OF THE HIGH COMMISSIONER," BUT CAUTIONED THAT PHYSICAL DECENTRALIZATION (THE PLACEMENT OF CERTAIN DEPARTMENTS IN-CERTAIN DISTRICTS) SHOULD BE PROVIDED FOR AND BY THE FUTURE LEGISLATIVE BODY OF THE FEDERATED STATES OF MICRONESIA.

SETIK ADDED THAT THE PROGRESS OF THE ACTUAL TRANSITION FROM THE OLD TERRITORIAL GOVERNMENT TO THE NEW GOVERNMENT SHOULD DETERMINE THE DATE OF TERMINATING THE TRUSTEESHIP AGREEMENT.

"IN ERIEF, THE DOG SHOULD WAG THE TAIL, AND IT SHOULD NOT BE THE OTHER WAY AROUND," HE SAID.

"WE ARE THEREFORE PLEASED TO HEAR MR. ZEDER STATE THAT IF "FUNCTIONAL DECENTRALIZATION PROCEEDS AS SCHEDULED, PHYSICAL DECENTRALIZATION MAY BE RECONSIDERED." WE WELCOME THIS NEW POLICY STATEMENT," SETIK COMMENTED.

SETIK COMMENDED ZEDER FOR HIS "CAN DO" ATTITUDE CONCERNING THE FIVE YEAR INDICATIVE DEVELOPMENT PLAN NOW BEING CONSIDERED BY THE CONCRESS OF MICROMESIA, ADDING: "THE CONGRESS WILL CONTINUE TO LOOK TO THE OFFICE OF TERRITORIES AND INTERIOR DEPARTMENT FOR ASSISTANCE AND SUPPORT IN DEVELOPMENT OF A MORE

COMFREHENSIVE PLAN."

SETIK ALSO PRAISED ZEDER FOR HIS "POSITIVE SUPPORT" OF THE MICRONESIA DEVELOPMENT BANK AND SPECIFIC RECOMMENDATIONS TO HELP AVOID POSSIBLE ABUSE AND MISUSE OF FUNDS. HE NOTED T HE CONGRESS HAD PREVIOUSLY ENACTED. LAWS TO PROHIBIT MEMBERS, OF CONGRESS FROM PARTICIPATING IN BUSINESS CONTRACTS WHICH INVOLVE CONGRESS-FUNDED FROJECTS.

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ONE AREA WHICH ZEDER DID NOT MENTION WAS THE SUBJECT OF MICROWESIAN WAR CLAIMS, ACCORDING TO SETIK. MORE FUNDS NEED TO BE APPROPRIATED BY THE U.S. CONGRESS BEFORE 100 PERCENT OF MICRONESIAN CLAIMS CAN BE PAID. HE SAID, AND THE ISSUE "WILL NOT GO AWAY BY IGNCRING IT."

SETIK NOTED THAT ZEDER'S RECENT POSITION REGARDING ADDITION-AL WAR CLAIMS FUNDS FROM JAPAN BEFORE THE UNITED NATIONS WAS THAT NO MORE FUNDS WOULD BE FORTHCOMING. SETIK SAID HE WAS SURE THE PEOPLE OF MICRONESIA WERE "DISAPPOINTED NOT TO HEAR THAT THE U.S. GOVER MENT IS WILLING TO MAKE EVERY EFFORT TO SEE THAT CLAIMS LEGALLY ADJUDICATED BY THE MICRONESIAN WAR CLAIMS COMMISSION WILL BE PAID IN FULL."

(OLTER PRESENTS FIVE YEAR PLAN)

KOLONIA, PONAPE, JULY 23, (COM) --- A FIVE YEAR INDICATIVE DEVELOPMENT PLAN FOR MICRONESIA WAS PRESENTED TO THE SENATE OF THE CONGRESS OF MICRONESIA FRIDAY.

SENATOR BAILEY OLTER, COCHAIRMAN OF THE JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING, PRESENTED THE LENGTHY REPORT WHICH HE SAID "INVOLVES SOME CHOICES WHICH SEEMS HARD NOT, BUT WHICH WILL MAKE THINGS EASIER AND BETTER IN THE LONG RUN."

"THE REASON WHY WE HAVE AN INDICATIVE PLAN IS EECAUSE DESPITE ALMOST 30 YEARS UNDER THE TRUSTEESHIP, NO SUCH PLAN HAS EVER BEEN DEVELOPED." SEN. OLTER SAID A LOT OF MONEY HAS BEEN SPENT ON ECONOMIC AND SOCIAL PLANS FOR MICRONESIA IN THE PAST, AS POINTED OUT OF OFFICE OF TERRITORIES DIRECTOR FRÉD N. ZEDER, BUT ADDED THAT NONE WERE EVER IMPLEMEINTED.

HE SAID THE ONLY PLAN MICRONESIA HAS NOW IS THE FIVE YEAR BUDGET PLAN WHICH IS REVISED EVERY YEAR.

OLTER SAID IN VIEW OF THE PROGRESS IN THE FUTURE POLITICAL STATUS NEGOTIATIONS AND THE COMING END OF THE TRUSTEESHIP, THE CONGRESS OF MICRONESIA PASSED THE LAW CALLING FOR A DEVELOPMENT PLAN FOR MICRONESIA. AN AGREEMENT WAS MADE BETWEEN THE UNITED WATIONS DEVELOPMENT PROGRAM (UNDP) TO PROVIDE CONSULTING SERVICES AND WORK WITH LEADERS FROM ALL THE DISTRICTS WHICH WAS THE BASIS FOR THE REPORT SEN. OLTER PRESENTED TO THE SENATE.

A DUPLICATE REPORT WAS PRESENTED TO THE HOUSE OF REPRESEN-TATIVES YESTERDAY.

" OLTER EXPLAINED, "THE PLAN CONFIRMS WHAT "BRIEFLY PUT, NANY MEWBERS OF THE CONGRESS OF MICRONESIA AND THE ADMINISTRA-TION HAVE BEEN SAYING FOR YEARS. MICRONESIA IS TOTALLY DEPENDENT ON OUTSIDE ALD TO OPERATE OUR GOVERNMENT. T HAT GOVER WIE NT IS TOO BIG, TOO TOP-HEAVY. WICRONESIANS HAVE BECOME ACCUSTOMED TO RECEIVING PUBLIC SERVICES WHICH THEY CANNOT AFFORD ON THEIR OWN, AND THE PRIVATE SECTOR -- MEANING PRIVATE INDUSTRY AND BUSINESS--IS FAR TOO SMALL IN RELATION TO THE SIZE OF OUR GOVERMENT."

THE POWAPE SENATOR SAID THE PLAN PROPOSES INCREASED FUNDING AND EMPHASIS TO THE ECONOMIC DEVELOPMENT OVER A

FIVE-YEAR PERIOD.

"HOPEFULLY WE WILL BE ABLE TO AFFORD OUR OWN GOVERNMENT IN THE FUTURE WHEN WE HAVE A NEW POLITICAL STATUS," HE STATED.

(PALAU DELEGATION ARRIVES PONAPE)

KOLONIA, PONAPE, JULY 23, (MNS) --- THREE OF THE FIVE-MEMBER PALAU DELEGATION TO THE CONGRESS OF MICRONESIA ARRIVED IN PONAPE THUR SDAY (JULY 22) TO ATTEND THE FIFTEEN-DAY SECOND SPECIAL SESSION.

CONGRESSMAN POLYCARP BASILIUS IS TRAVELING THROUGHOUT PALAU DISTRICT DISCUSSING THE ISSUE OF SEPARATE POLITICAL STATUS NEGOTIATIONS FOR PALAU IN REGARDS TO THE PALAU GENERAL REFEREND UN WHICH RECENTLY BECAME LAW, PALAU ACTING DISTRICT DIRECTOR OF PUBLIC AFFAIRS YOICH RENGILL TOLD THE MICROMESIAN NEWS SERVICE ON POWAPE.

AT THE PRESENT TIME, NO ONE SEEMS TO KNOW THE WHEREABOUTS OF SENATOR ROMAN THETUCHL, RENGILL SAID. THETUCHL IS CHAIRMAN OF THE PALAU POLITICAL STATUS COMMISSION. THE MEMBERS OF THE PALAU DELEGATION WHO HAVE ARRIVED PONAPE ARE SENATOR LAZARUS SALII AND CONGRESSMAN KUNIWO NAKAMURA AND ISIDURO RUDINCH.

IT IS NOT KNOWN WHEN CONGRESSMAN BASILIUS AND SENATOR TMETUCHL WILL ARRIVE PONAPE. THESE TWO PALAU LAWMAKERS ARE NOT THE ONLY ONES WHO HAVE NOT ARRIVED IN PONAPE. MARSHALLS CONGRESSMAN ATAJI BALOS MAY ARRIVE IN PONAPE LATER IN THE WEEK.

(MEASURES INTRODUCED FRIDAY)

KCLONIA, PONAPE, JULY 23, GANS) --- THE FOLLOWING BILLS WERE INTRODUCED FRIDAY (JULY 23) IN BOTH THE HOUSE OF REPRE-SENTATIVES AND SENATE:

---TO APPROPRIATE \$71,600 FOR THE COLLECTION AND PROCES-SING OF DATE CONCERNING FISHERY RESOURCES WITHIN THE ECONOMIC ZONE OF MICRONESIA, (HE 6-581);

---EARWARK \$50,000 TO PUR CHASE A FOR KLIFT FOR USE BY THE MARSHALL ISLANDS FEDERATION OF COOPERATIVE ASSOCIATION (HB 6-582);

---TO AMEND CERTAIN SECTION OF THE TT CODE RELATING TO SENATORIAL DISTRICTS --- EXCLUDE MARIANAS AND ADD ON KUSAIE, (HB 6-584);

---TO APPROFRIATE \$75,000 TO PURCHASE, REMOVE, AND TRANSFER SEVEN TRAILER HOUSES FROM KWAJALEIN ATOLL TO JABOR ATOLL IN THE MARSHALLS DISTRICT TO BE USED BY TEACHERS OF JALUIT HIGH SCHOOL AND OTHER SCHOOL PERSONNEL, (HB 6-583);

---TO AMEND CERTAIN SECTIONS OF PL 5-88 AND 6-57 RELATING TO TRANSFER OF ADMINISTRATION AND MANAGEMENT OF TT ECONOMIC DEVELOPMENT LOAN FUND TO THE MICRONESIA DEVELOPMENT BANK, (HB 585);

PAY FOR ELECTRICAL POWER, (HB 6-586);

---TO EXEMPT FROM TAXATION WAGES AND SALARIES OF ELECTION WRKERS, AND THE OVERTIME COMPENSATION RECEIVED BY GOVERNMENT SALARIED EMPLOYEES INCLUDING ELECTION BOARD MEMBERS, BEYOND 80 HOURS PER PAY PERIOD, (HB 6-587);

--- TO AMEND CERTAIN SECTIONS OF THE TT CODE RELATING TO THE ORGANIZATION OF THE EXECUTIVE BRANCH OF THE TT GOVERNMENT, (HB 583);

---TO AMEND CERTAIN SECTIONS OF THE TT SOCIAL SECURITY ACT, (HE 589);

--- TO DELETE THE MARIANA ISLANDS FROM RESPRESENTATION IN THE CONGRESS OF MICRONESIA, (HB 590);

--- TO AMEND TITLE 43 OF THE IT CODE TO REAPPORTION THE HOUSE OF REPRESENTATIVES, (HE 591);

---TO AMEND CERTAIN SECTIONS OF THE TT CODE RELATING TO MEMBERSHIP AND QUALIFICATIONS OF CONGRESSMEN RESPECTIVELY, AND TO ADD A NEW SECTION RELATING TO VACANCIES, (HE 592);

---TO AMEND CERTAIN SECTIONS OF PL 6-67 RELATIVE TO THE DUTIES AND RESPONSIBILITIES OF THE COMMISSION ON FUTURE POLITICAL STATUS AND TRANSITION, (SB 4 35);

--- TO APPROPRIATE 510,000 TO PROVIDE FOR PUBLICATION OF THE TERRITORIAL REGISTER, (SB 404);

---TO GIVE THE WICROWESIA COCONUT PROCESSING AUTHORITY THE POWER TO GUARANTEE LOANS TO PERSONS OR FIRMS INVOLVED IN THE COCONUT INDUSTRY, (SH 6-403);

---TO APPROPRIATE 5260,650 AS A SUPPLEMENTAL APPROPRIA-TION FOR THE COMMISSION ON FUTURE POLITICAL STATUS AND TRANSITION FOR THE CONGRESS OF MICRONESIA FISCAL YEAR 1977, (SB 402); AND

---TO PROVIDE FOR THE ESTABLISHMENT OF THE PONAPE TRANSPORTATION AUTHORITY, INC., A PUBLIC CORPORATION, TO REPLACE THE EXISTING PONAPE TRANSPORTATION AUTHORITY, (SE 6-401).

THE ONLY JOINT RESOLUTION OFFERED WAS TO REQUEST THE HIGH COMMISSIONER, DIRECTOR OF TRANSPORTATION AND COMMUNI-CATIONS AND THE COPRA STABILIZATION BOARD TO REDUCE THE OPRA FREIGHT RATE ON OUTER ISLAND FIELD TRIP SHIPS FROM \$20 TO \$10 PER TON AND PASS THE DIFFERENCE TO THE COPRA PRODUCERS OF MICROLESIA IN THE FORM OF AN INCREASED COPRA PRICE OF \$10 PER TON, (HJR 6-199).

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