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July 22,
1976

INFO.....PID
 INFO.....BD
 INFO.....DPA
 INFO.....STATUS LNO
 INFO.....NAVY LNO
 INFO.....DTC
 INFO.....AHC
 INFO.....XO
 INFO.....R&C
 INFO.....SPEC CONS

ZCZC SHA003
 ZCZC PSA055 SAA SHA SZA SGA
 PITUZ YEW RUMGSAA0501 2040709-UUUU--RUMGSUU,
 ZNR UUUUU
 P 220709Z JUL 76
 FM DISTAD PONAPE CAROLINE ISLANDS
 TO ZEN/ALDISIADS TERPACIS
 ZEN/HICONTERTPACIS SAIPAN MARIANAS ISLANDS
 ZEN/T LNO GUAM MARIANA ISLANDS
 TT LNO KWAJALEIN MARSHALL ISLANDS
 CCOMNAVARIANAS GUAM MARIANA ISLANDS
 CINCPACREP GUAM/TIPI GUAM MARIANA ISLANDS
 CIPCPAC HONOLULU HI
 INTELLIGENCE CENTRE PACIFIC (IPAC)
 NAVINSTAVO GUAM MARIANA ISLANDS
 COMTELVISAN FRANCISCO CA
 SECSTATE WASHINGTON DC
 SECDEF WASHINGTON DC
 JCS WASHINGTON DC
 CNO WASHINGTON DC
 CINCPACFLT MAKALAPA HI
 CINCPACAF HICKAM AFB HI
 COMSFPAC CAMP H N SMITH HI
 COMSFPAC PEARL HARBOR HI
 NAVFACESSGCOMHQ ALEXANDRIA VA
 COMSFPAC FOURTEEN HONOLULU HI
 PACNAVFACESSCOM PEARL HARBOR HI
 COMSFPAC COGARD WASHINGTON DC
 FCDRA-LGA KIRTLAND AFB NM
 COMSFPAC MAKINATO JAPAN//TIPI-LNO//
 ANMCS CAMDEN AS
 ANMCS TOKYO JA
 COMSFPAC HUNT SVILLE AL//BND SC-RO//
 COMSFPAC BARBER GUAM MARIANAS ISLANDS
 USMISSION USHU NY
 CICC MARIANAS GUAM. MARIANAS ISLANDS
 BI

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UNCLAS.

CONTINUE PASS INFOR FOR AMB WILLIAMS
SECSTATE PASS TO DEPT INT/SEC. INTERIOR/DOIA DSM
EMBASSY CANBERRA FOR PAC. ISL. MONTHLY
(SPEECHES DOMINATED HOUSE SESSION)

KOLONIA, PONAPE, JULY 22 (GWS)---TWO SPEECHES DELIVERED
BY TRUK REPRESENTATIVE RAYMOND SETIK HIGHLIGHTED THE MORNING
SESSION OF THE HOUSE OF REPRESENTATIVES OF THE
CONGRESS OF MICRONESIA THURSDAY (JULY 22).

SETIK, CHAIRMAN 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 COVERAGE OF HIS SPEECH).

THE OTHER SPEECH BY SETIK CONCERNS A BILL HE OFFERED WHICH
WOULD APPROPRIATE \$400,000 TO PROVIDE "IMMEDIATE, SUPPLEMENTARY
ASSISTANCE" (HB 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
TWO-STORY BUILDING KILLING 10 PEOPLE. IT ALSO CAUSED "COMPLETE
AND TOTAL DESTRUCTION ON MANY OUTLYING ISLANDS," SETIK POINTED
OUT.

SAYING THAT "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
DEATH TO OUR 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.

ALTHOUGH THE U.S. OFFICE OF EMERGENCY PREPAREDNESS HAS
PROVIDED SOME MONETARY ASSISTANCE TO THOSE DISTRICTS THAT WERE
AFFECTED, THE TRUKSE 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.

RAY SETIK SUBMITS UNDP

KOLONIA, PONAPE, JULY 22 (GWS)---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
TERRITORY, AND THE CONGRESS OF MICRONESIA, WITH THE ASSISTANCE
OF THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP).

THE PLAN IS CALLED FOR BY PUBLIC LAW NO. 6-26, 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 CHAIRMAN WILL ACT AS A MANAGER OF
ANY PROJECT TO DEVELOP IT. THE CONGRESS OF MICRONESIA HAS SO
FAR APPROPRIATED \$172,000, 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 LOCAL LEADERS
FOR THEIR LONG-RANGE ECONOMIC AND SOCIAL DEVELOPMENT.

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

UNDER THE WAR CLAIMS PAYMENTS, (HR 6-198).

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"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 CONSUMPTION."

"AT THE SAME TIME," HE CONTINUED, "REDUCTION IN GOVERNMENT CONSUMPTION, COUPLED WITH INCREASED REVENUE WOULD HOPEFULLY BE ABLE TO CONTRIBUTE 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 ECONOMY SUCH AS FISHERIES, AGRICULTURE AND TOURISM;

---MICRONESIA AT THIS TIME LACKS ENOUGH TRAINED MANPOWER 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 COSTS 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. SETIK SAID THIS WOULD REQUIRE "DIFFICULT" EVEN DRASTIC STEPS, 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-ORIENTED AREAS OF THE ECONOMY SUCH AS AGRICULTURE, MARINE RESOURCES, TOURISM, AS WELL AS ENCOURAGE LOCAL INDUSTRIES AND PROVIDE FOR IMPORT SUBSTITUTION.

SETIK, WHO BY LAW HAS THE RESPONSIBILITY AS COORDINATOR 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 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 'REGIONAL' OR INTERDISTRICT DEVELOPMENT IN MICRONESIA, INCLUDING A MORE EVEN DISTRIBUTION OF INCOME IN AND BETWEEN ALL THE DISTRICTS OF MICRONESIA. ADEQUATE PROVISIONS ARE ALSO INCLUDED FOR THE DEVELOPMENT OF AGRICULTURE, LIVESTOCK, FORESTRY, 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 LEGISLATIVES, 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."

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THE DEVELOPMENT PLAN IS EXPECTED TO BE PRESENTED TO THE

SENATE ON FRIDAY (JULY 23).

KOLONIA, PONAPE, JULY 22 (HNS) ---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 JOINT 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 5-103 TO POSTPONE REVERSION OF REMAINING FUNDS UNTIL DECEMBER 31, 1977, (HB 6-573);

---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 AUTHORITY, (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 TRANSFER 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 CORPORATION, TO REPLACE THE EXISTING PONAPE TRANSPORTATION AUTHORITY (HB 6-579);

---AMEND CERTAIN SECTIONS OF THE IT CODE RELATING TO SENATORIAL DISTRICTS TO EXCLUDE THE MARIANAS DISTRICT AND AND KUSEIE DISTRICT, (SB 6-390);

---TO DIRECT THE IT DIRECTOR OF TRANSPORTATION TO ENTER INTO AN AGREEMENT WITH THE PACIFIC MISSIONARY AVIATION OF THE LIEBENZELL MISSION 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);

---TO EXEMPT THE WAGES AND SALARIES OF ELECTION WORKERS FROM TAXATION AND THE OVERTIME COMPENSATION RECEIVED BY GOVERNMENT SALARIED EMPLOYEES INCLUDING ELECTION BOARD MEMBERS BEYOND 80 HOURS PER PAY PERIOD, (SB 6-393);

--- TO REPEAL TITLE OF THE TT CODE RELATING TO MEMBERSHIP AND QUALIFICATION OF CONGRESSMEN RESPECTIVELY --TO REMOVE THE MARIANAS AND ADD KUSAIE -- (SB 6-394);

---TO AMEND TITLE 45 OF THE TT CODE AND CERTAIN SECTIONS OF PUBLIC LAW 6-86 RELATING TO REPRESENTATION IN THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF MICRONESIA, (SB 6-395);

---TO EXEMPT CERTAIN GOVERNMENT OFFICIALS FROM HAVING TO PAY FOR ELECTRICAL POWER, (SB 6-396);

---TO AMEND CERTAIN SECTIONS OF PUBLIC LAW 5-88 AND 6-57 RELATING TO TRANSFER OF ADMINISTRATION AND MANAGEMENT OF THE TT ECONOMIC DEVELOPMENT LOAN FUND TO THE MICRONESIA DEVELOPMENT BANK, (SB 6-397);

---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 DEMEL OTOBED OF PALAU DISTRICT TO THE TT ENVIRONMENTAL PROTECTION BOARD, (SOR 6-118); TO NOMINATE ANDON L. AMARAICH OF TRUK, CONGRESSMAN ATAJI BALOS OF THE MARSHALLS AND CONGRESSMAN LURE W. TIAN AS MEMBERS OF THE BOARD OF DIRECTORS OF THE MICRONESIAN LEGAL SERVICES CORPORATION, (SOR 6-119); AND INFORMING THE HIGH COMMISSIONER 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, (SOR 6-198).

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