

(KUSAIE PREPARES FOR FULL DISTRICT STATUS) ~~SEE~~ AN MNS FEATURE
(FIRST IN A SERIES)
(KUSAIE ISLAND WILL BECOME A SEPARATE DISTRICT ON JANUARY
1, 1977. IN ANTICIPATION OF THAT BIG EVENT, MNS SENT A
REPORTER TO KUSAIE TO OBSERVE THE PREPARATION FOR SEPARATE
DISTRICT STATUS NOW TAKING PLACE THERE. THE FOLLOWING IS
THE FIRST OF FIVE REPORTS FILED FROM KUSAIE BY MNS BUREAU
CHIEF FRANK ROSARIO).

Sept
1976
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KUSAIE, SEPT. 13 (MNS) --- IS KUSAIE READY TO ASSUME ITS
SEPARATE DISTRICT STATUS BY JANUARY 1, 1977?

"YES WE ARE," DECLARED JACOB NENA, KUSAIE'S DEPUTY
DISTRICT ADMINISTRATOR'S REPRESENTATIVE (DEPUTY DISTAD REP)
IN AN INTERVIEW RECENTLY. NENA'S STATEMENT WAS ECHOED BY
DR. HIROSI ISMAEL, DIRECTOR OF HEALTH SERVICES; CHIEF
MAGISTRATE ALEX R. PALSIS; HIGH SCHOOL PRINCIPAL SINGKICHY
GEORGE; COMMUNITY DEVELOPMENT OFFICER DONALD JONAH AND
OTHERS INTERVIEWED BY MNS.

NENA IS ALSO THE CHAIRMAN OF THE 15-MEMBER KUSAIE
TRANSITION COMMITTEE WHICH IS COMPOSED OF THE ISLAND COUNCIL,
DISTRICT LEGISLATURE DELEGATION, AND OTHER TOP-RANKING
GOVERNMENT OFFICIALS. CREATED BY THE CONGRESS OF MICRONESIA,
THE COMMITTEE IS CHARGED WITH THE RESPONSIBILITY OF
FORMULATING PLANS IN PREPARATION FOR KUSAIE WHEN IT ASSUMES
ITS FULL FLEDGED SEPARATE ADMINISTRATIVE DISTRICT STATUS.

LOCATED 347 MILES SOUTHEAST OF PONAPE DISTRICT, KUSAIE
HAS A POPULATION OF OVER 4,000. THE PEOPLE OF KUSAIE CONSTITUTE
ONE OF THE MAIN ETHNIC GROUPS IN MICRONESIA. THEY ARE
EXTREMELY PROUD OF THEMSELVES AND THEIR HERITAGE. "WE
KUSAIEANS ARE SUPPOSEDLY ONE OF THE GREAT SOCIETIES IN
THIS OCEAN," SAID DR. ISMAEL.

NENA TOLD MNS IN AN INTERVIEW AT HIS OFFICE THAT
KUSAIE HAVE THE MANPOWER AND SKILLS NEEDED TO HANDLE THE
UPCOMING WORKLOAD. HE SAID HE HAS RECEIVED COMMUNICATIONS
FROM KUSAIEANS WORKING ABROAD INQUIRING ABOUT POSITIONS
IN THE NEW GOVERNMENT. ALSO, OVER 200 KUSAIEANS ARE
ATTENDING VARIOUS HIGHER INSTITUTIONS IN THE UNITED STATES.
"AS A MATTER OF FACT," NENA SAID, "THE PROPOSED BUDGET IS
NOT ENOUGH TO PROVIDE MOST OF THE EDUCATED KUSAIEANS WITH
A JOB, BUT MAXIMUM REQUIREMENTS FOR MOST OF THE
POSITIONS COULD BE EASILY FILLED BY KUSAIEANS."

WHAT PROMPTED THE PEOPLE OF KUSAIE TO SEEK A SEPARATE
DISTRICT STATUS?

"THE MAIN GOAL BEHIND THIS IS THAT IF KUSAIE BECOMES
A DISTRICT, IT WOULD BE ABLE TO DEVELOP ITSELF FASTER,"
COMMENTED NENA. "IT WOULD PARTICIPATE IN THE DEVELOPMENT
OF MICRONESIA'S ECONOMY."

RECORDS SHOWED THAT KUSAIE'S ~~DESIRE WAS EXPRESSED IN~~
THE EARLY 1950'S WHEN THE FIRST UNITED NATIONS VISITING
MISSION VISITED KUSAIE. SINCE THEN, EVERY HIGH COMMISSIONER
THAT SET FOOT ON KUSAIE WAS PRESENTED WITH A PETITION
REQUESTING A SEPARATE DISTRICT STATUS FOR KUSAIE.

NENA EMPHASIZED THAT KUSAIE'S DESIRE TO BECOME A
DISTRICT IS NOT A MOVEMENT TO SEPARATE ITSELF FROM PONAPE
OR FROM THE OTHER DISTRICTS OF MICRONESIA, BUT A DESIRE
TO "PLAY OUR PART IN DEVELOPING OURSELVES SO THAT WE COULD
BE AN ASSET IN MICRONESIA INSTEAD OF JUST BEING A SMALL
ISLAND GETTING ASSISTANCE FROM THE ENTIRE TERRITORY ALL
THE TIME."

"IT WAS PURELY AN ARBITRARY CATEGORIZATION THAT
PLACED US UNDER ANY OTHER LARGER GROUP IN THIS GOVERNMENT,"
ADDED DR. ISMAEL. "FOR THIS REASON," HE CONTINUED, "WE
INSIST UPON THE IDENTITY OF KUSAIE AS A SINGLE UNIT UNDER
THE TRUST TERRITORY ADMINISTRATION (SO THAT WE MAY) BE
ABLE TO CONTROL OUR OWN DESTINY IN THE FUTURE. SO LONG AS
KUSAIE IS UNDER A SUB-DISTRICT CENTER STATUS, SHE WILL NEVER
BE SATISFIED. HER PEOPLE WOULD REVOLT UNDER SUCH
CLASSIFICATION," HE PREDICTED.

MOREOVER, KUSAIE HAVE BEEN A BURDEN TO PONAPE DISTRICT.
LOTS OF TIME PONAPE HAS TO SACRIFICE MONEY, MATERIALS, AND
SERVICES FOR KUSAIE. "LOTS OF TIME WE DEMAND MORE THAN
OUR SHARE. AND MANY TIMES WE RECEIVED MORE THAN OUR SHARE,"
ADMITTED NENA. HE DID NOT ELABORATE.

ALTHOUGH THE CONSENSUS AMONG THOSE INTERVIEWED AGREED
THAT KUSAIE IS READY TO BECOME A DISTRICT, THERE ARE
PROBLEMS TOO. ONE WAS A QUESTION OF WHO SHOULD BECOME THE
FIRST DISTRICT ADMINISTRATOR.

IN THE OTHER DISTRICTS, ALL THE DISTRICT ADMINISTRATORS
ARE MICRONESIANS APPOINTED BY THE HIGH COMMISSIONER. BUT
IN KUSAIE, THE PEOPLE ARE SPLIT, SOME WANTED A KUSAIEAN
DISTAD WHILE THE OTHERS DO NOT. THE ISLANDS COUNCIL, LED

BY CHIEF MAGISTRATE ALEX R. PALSIS FLATLY OPPOSES A KUSAIEAN TO BECOME THE FIRST DISTAD AND WENT AS FAR AS FIRING OFF A RESOLUTION TO THE HIGH COMMISSIONER REQUESTING THAT A "NEW EXPATRIATE" BE APPOINTED TO FILL THAT POST. THE PRESENT EXPATRIATE DISTAD REP IS MARVIN KREBS, WHO WAS ON HOME LEAVE AT THE TIME THIS INTERVIEW WAS CONDUCTED.

PROponents OF A KUSAIEAN BECOMING THE FIRST DISTRICT ADMINISTRATOR STATED THAT THERE ARE SOME QUALIFIED KUSAIEANS THAT SHOULD BE APPOINTED BECAUSE THEY KNOW MORE ABOUT LOCAL CUSTOMS AND PROBLEMS. OPPONENTS FEARED THAT IF A KUSAIEAN IS APPOINTED-- NEPOTISM WITHIN THE NEW GOVERNMENT WOULD DEVELOP. IN FACT THEY ARE SO AFRAID THAT THIS MIGHT HAPPEN THAT THEY WOULDN'T EVEN ACCEPT ANY MICRONESIAN DISTRICT ADMINISTRATOR.

"WE BELIEVE THAT BY HAVING AN EXPATRIATE, HE CAN DO MORE FOR THE BETTERMENT OF KUSAIE," EXPLAIN PALSIS. "WE DO NOT FEEL THAT A NATIVE OF KUSAIE IS QUALIFIED TO CARRY OUT THE RESPONSIBILITY. I THINK THIS IS THE WAY THE PEOPLE OF KUSAIE FEEL AND I AGREE WITH THEM." HE EMPHASIZED HIS BELIEF THAT AN EXPATRIATE "WOULD DO BETTER," FOR KUSAIE.

PRESSED BY MNS TO BE MORE SPECIFIC, THE CHIEF MAGISTRATE GOT IRRITATED AND ANGRILY RETORTED: "WE KNOW WHAT IS GOING ON IN THIS ISLANDS. YOU PEOPLE DON'T KNOW. WE KNOW BETTER THAN ALL OF YOU. WE HAVE SO MANY PROBLEMS ON THIS ISLAND. THAT IS WHY WE WOULD LIKE AN AMERICAN TO BECOME THE FIRST DISTRICT ADMINISTRATOR. WE DON'T WANT ANY OF OUR OWN PEOPLE TO HOLD THIS OFFICE AT THE BEGINNING. THIS IS THE CONSENSUS OF THE PEOPLE AND I SIDE WITH THEM."

PALSIS'S STATEMENT DREW SUPPORT FROM DR. HIROSI ISMAEL. "THERE ARE VARIOUS FACTORS THAT RESULTED IN THIS OPINION WHICH IS NOT APPROPRIATE TO DISCUSS IN PUBLIC AT THIS TIME," HE REMARKED. "IT IS NOT THAT THERE IS NO KUSAIEAN QUALIFIED FOR THAT POST. IT IS PERHAPS DUE TO THE SOCIAL AND POLITICAL FACTORS THAT MAKES OUR PRESENT LEADERSHIP VERY CAUTIOUS ABOUT A KUSAIEAN OCCUPYING THAT PARTICULAR POST AT THIS TIME."

JACOB NENA, WHO HOLDS A MASTER DEGREE IN PUBLIC ADMINISTRATION AND POLITICAL SCIENCE FROM THE UNIVERSITY OF HAWAII, DISAGREED. HE SAID THE POSITION OF THE COUNCIL "DOES NOT NECESSARILY REFLECT" THE THINKING OF THE ENTIRE ISLAND". ASKED WHETHER HE CAN DO THE JOB, HE SAID: "PERSONALLY, I CAN DO THE WORK. LOTS OF OTHER PEOPLE SAY THE SAME THING. BUT WHAT I WANT MOST IS COOPERATION FROM THE PEOPLE".

"HOWEVER," NENA WENT ON, "IF THE DISTRICT LEGISLATURE WANTS A STATESIDER, IF THEY FEEL THAT A STATESIDER SHOULD RUN THIS DISTRICT BETTER, THEN WE MIGHT AS WELL TRY WHAT MOST PEOPLE WANT."

NENA BELIEVES THAT HIS PRESENT POSITION AS DEPUTY DISTAD REP HAS NOTHING TO DO WITH THE COUNCIL'S OPPOSITION TO HIS APPOINTMENT FOR THE DISTAD'S POSITION. THERE ARE A NUMBER OF TIMES WHEN THE WISHES AND NEEDS OF THE KUSAIE ISLANDS COUNCIL AND THE ADMINISTRATION WERE DRAWN INTO CONFLICT WITH TERRITORIAL POLICIES. AND WHEN THAT HAPPENS, THE ADMINISTRATION, THROUGH JACOB NENA -- HAS TO STEP IN AND DECIDE AGAINST THE COUNCIL. "AND WHENEVER YOU SAY NO TO THIS GROUP OF PEOPLE, THEY DO NOT LIKE YOU," NENA INDICATED, HE ADDED THIS CREATES A "FICTIONS" BETWEEN THE ADMINISTRATION AND THE MUNICIPAL COUNCIL.

HE ALSO POINTED OUT THAT BEING THE CHAIRMAN OF THE TRANSITION COMMITTEE WHICH PROPOSES TO ABOLISH THE COUNCIL DOES NOT HAVE ANYTHING TO DO WITH THE COUNCIL BEING AGAINST HIM. THE TRANSITION COMMITTEE HAS RECOMMENDED THAT A NEW DISTRICT LEGISLATURE BE CREATED TO LEGISLATE FOR THE ENTIRE ISLAND. HE MAINTAINED THAT IF THE LEGISLATURE AND THE MUNICIPAL COUNCIL ARE PUT TOGETHER, THEY WOULD BE FIGHTING EACH OTHER OVER RESPONSIBILITIES. "NOT ONLY THAT," NENA SAID, "IT WOULD BE EXPENSIVE TO OPERATE TWO LAW-MAKING BODIES."

THE 34 YEAR OLD KUSAIEAN SAID THAT AS KUSAIE APPROACHES ITS DISTRICT STATUS, SOME KUSAIEANS ARE HAPPY, SOME ARE WORRIED AND STILL OTHERS ARE WONDERING WHETHER THE NEW DISTRICT WOULD BE ABLE TO STAND ON ITS OWN. HE ADMITTED THAT HE IS ALSO WORRIED ABOUT HOW THE NEW DISTRICT WOULD BE OPERATED. NENA WANTS AN ADMINISTRATOR WHO WOULD "UNITE THE THINKING OF THE PEOPLE" AND WHO IS CAPABLE OF ORGANIZING THE NEW DISTRICT THAT WOULD BE "GOAL ORIENTED."

ASKED WHETHER AN EXPATRIATE WOULD DO A BETTER JOB OF RUNNING KUSAIE, A FOREIGNER WHO KNOWS NOTHING ABOUT THE

MISSION AND THE PROBLEMS OF THE PEOPLE, NENA TOLD MNS THAT ONE ADVANTAGE IN HAVING AS EXPATRIATE DISTRICT IS THAT HE WOULD KNOW HOW TO GET FEDERAL FUNDS THAT COULD BE MADE APPLICABLE TO THE TRUST TERRITORY OF KUSAIE FOR THAT MATTER.

A NEW EXPATRIATE, HE MAINTAINED, USUALLY TAKES ABOUT TWO YEARS TO FULLY ORIENT HIMSELF WITH THE LOCAL CUSTOMS OF THE PEOPLE. AND DURING THIS TIME, "SOMEBODY HAS TO DO THE WORK," NENA POINTED OUT. "THAT IS ONE BIG QUESTION OUR PEOPLE HAVE TO CONSIDER AND MAKE UP THEIR MINDS ON, BUT WHETHER A MICRONESIAN OR AN EXPATRIATE IS APPOINTED, IT DOESN'T MATTER TO ME AS LONG AS HE IS A GOOD ORGANIZER. THAT IS WHAT WE NEED."

NENA IS VERY OPTIMISTIC ABOUT THE FUTURE OF KUSAIE DISTRICT. HE STATED THAT KUSAIE IS "VERY FORTUNATE" TO BECOME A DISTRICT AT THIS TIME BECAUSE: (1), KUSAIE LEARNED A LOT FROM THE EXPERIENCES OF THE OTHER DISTRICTS AND CAN AVOID THEIR MISTAKES; (2), IF THE GOVERNMENT OF KUSAIE IS NOT ABLE TO FULLY STAFF ITS OFFICES BY HER OWN PEOPLE, PEOPLE FROM THE OTHER DISTRICTS WHO ARE EXPERIENCED ON CERTAIN FIELDS CAN FILL IN.

"ALTHOUGH KUSAIE IS BECOMING A DISTRICT," NENA EXPLAINED, "IT DOESN'T MEAN THAT IT IS A MOVEMENT AWAY FROM THE TERRITORY OR FROM THE OTHER DISTRICTS. IT IS ONLY OUR DESIRE TO DO OUR SHARE IN DEVELOPING OUR ISLANDS SO THAT WE COULD CONTRIBUTE TO THE WELFARE OF THE ENTIRE TERRITORY. WITH KUSAIE BECOMING A DISTRICT, WE WILL REMAIN A STRONG PART OF THE TERRITORY."

(REPORT NO. 2 WILL BE IN TOMORROW'S MNS).

(TOURISM IN TRUK)

SAIPAN, SEPT. 13 (MNS)---THE VISITOR ENTRY IN TRUK DISTRICT IS NEARING THE MILLION DOLLAR MARK ACCORDING TO A NEARLY-COMPLETED STUDY CONDUCTED BY A TASK FORCE OF THE PACIFIC AREA TRAVEL ASSOCIATION (PATA). DURING 1975, VISITORS (BOTH PLEASURE AND BUSINESS) SPENT CLOSE TO \$800,000 IN TRUK AND CONTRIBUTED NEARLY TEN PERCENT OF THE DISTRICTS' TAX REVENUES.

THESE AND OTHER REVEALING STATISTICS WERE COMPILED AND ANALYZED DURING THE FIRST TWO WEEKS OF AUGUST BY A TEN-MEMBER TEAM WORKING ON AN ECONOMICS OF TOURISM STUDY CENTERED IN TRUK.

THE PROJECT, WHICH BEGAN MORE THAN A YEAR AGO WITH THE GATHERING OF STATISTICS, ALSO SHOWED THAT TOURISM ACCOUNTED FOR 10 PERCENT OF ALL PRIVATELY-HELD JOBS BUT AT THE SAME TIME CONTRIBUTED MORE THAN 17 PERCENT OF THE TOTAL PRIVATE PAYROLL. CLOSE TO 60 PERCENT OF ALL VISITORS CAME FROM NORTH AMERICA AND GUAM, SOME 27 PERCENT FROM OTHER DISTRICTS OF MICRONESIA, AND ABOUT 7 PERCENT FROM JAPAN. THE AVERAGE LENGTH OF STAY WAS THREE AND A HALF DAYS WHILE AVERAGE SPENDING WAS \$35 PER DAY. BUSINESSMEN WERE SEEN AS SPENDING MORE THAN PLEASURE VISITORS, MAINLY BECAUSE OF THE USE OF RENTAL CARS.

THE STUDY MEASURED THE ECONOMIC IMPACT OF BOTH ALIEN TOURISTS AS WELL AS VISITS MADE BY IT GOVERNMENT EMPLOYEES AND OTHER RESIDENTS OF MICRONESIA. ABOUT 15 PERCENT OF ALL VISITORS STAYED IN PRIVATE HOMES WHILE 67 PERCENT STAYED AT THE TRUK CONTINENTAL HOTEL, THE ISLAND'S LARGEST FACILITY. THE CONTINENTAL HOTEL WAS COMPUTED AS PAYING AN AVERAGE SALARY TWICE AS MUCH AS THE OTHER HOTELS AND PRIVATE BUSINESSES OF THE DISTRICT. THE CONTINENTAL HOTEL ALSO WAS SHOWN AS PURCHASING NEARLY 75 PERCENT OF ITS FOODS AND SUPPLIES THROUGH MICRONESIAN BUSINESSES LOCATED IN TRUK.

THE PATA TASK FORCE WAS MADE UP OF FIVE VISITING EXPERTS. ALL OF WHOM CONTRIBUTED THEIR TIME AT NO COST TO THE TRUST TERRITORY. THEY INCLUDED TEAM LEADER HAROLD M. DENTON, FORMER ASSISTANT GENERAL MANAGER OF AIR NEW ZEALAND AND FORMER PRESIDENT OF PATA; DR. KEITH DUKE, MANAGER OF RECREATION AND TOURISM FOR STANFORD RESEARCH INSTITUTE; KENNETH JENSEN, SENIOR ECONOMIST WITH ARTHUR D. LITTLE COMPANY; HISAO NAKAYAMA, INTERNATIONAL VICE PRESIDENT AND SENIOR RESEARCHER FOR PROJECT DEVELOPMENT FOR JAPAN TRAVEL BUREAU, AND KENNETH CHAMBERLAIN, DIRECTOR OF DEVELOPMENT FOR THE PACIFIC AREA TRAVEL ASSOCIATION.

THE FIVE COUNTERPARTS FROM MICRONESIA INCLUDED MIKE ASHMAN, GOVERNMENT CHIEF OF TOURISM; IHLEN JOSEPH, TOURISM SPECIALIST; HARUO ESANG, ACTING IT STATISTICIAN; SIMIRAM SIPENUK, TRUK TOURISM OFFICER, AND DAN BARKER, PEACE CORPS VOLUNTEER WORKING WITH THE TRUK TOURIST COMMISSION.

DURING THE TWO-WEEK FIELD PERIOD AT TRUK, THE TASK FORCE SPENT A TOTAL OF MORE THAN 2,000 HOURS INTERVIEWING TRUK'S BUSINESSMEN AND COMMUNITY LEADERS AS WELL AS EXAMINING MORE THAN 100 PAGES OF STATISTICS. THE FINAL REPORT WILL BE PUBLISHED BEFORE THE END OF THIS YEAR.

IN ADDITION TO EVALUATING TOURISM AS A GENERATOR OF EMPLOYMENT AND GOVERNMENT REVENUES, AND ITS CONTRIBUTION TO THE BUSINESS OF THE COMMUNITY, THE TASK FORCE ALSO OFFERED RECOMMENDATIONS FOR FUTURE TOURISM DEVELOPMENT. IT WAS CLEAR TO THE TEAM THAT THE DESTINATION SHOULD BE WATER-ORIENTED. THE LAGOON SHOULD BE WHERE THE ACTION IS, ACCORDING TO THE PRELIMINARY REPORT.

RECOMMENDATIONS WERE MADE TO BRING THE SCATTERED BOAT OPERATORS TOGETHER TO IMPROVE SERVICE TO VISITORS, TO ESTABLISH AN INFORMATION AND GREETING CENTER, TO CLEAN UP LITTER, TO BRING DIVE SHOPS UP TO INTERNATIONAL STANDARDS, AND TO EMPLOY A SUPERVISOR OF TOURISM ACTIVITIES IN ORDER TO OVERCOME THE ANNOYANCE OF "MICRONESIAN TIME."

WAYS WERE RECOMMENDED TO DEVELOP AND MARKET HANDICRAFT AND MEANS OF EXPANDING AGRICULTURE AND FISHING FOR IMPROVED SUBSTITUTION AND TO ESTABLISH A MUSEUM COMPLEX COVERING TRUK'S CULTURAL HERITAGE AND MARITIME SIGNIFICANCE. THESE AND MANY OTHER RECOMMENDATIONS ARE AIMED AT PROVIDING MORE ENJOYMENT FROM TRUK'S UNIQUE ATTRACTION: ITS LAGOON.

BECAUSE THE DESTINATION IS SMALL, GEOGRAPHICALLY, THE VOLUME OF TOURISTS MUST BE RELATIVELY LOW IF VISITORS ARE TO BE TREATED AS GUESTS RATHER THAN PIECES OF AIR CARGO, THE REPORT STATES. SPECIAL INTEREST GROUPS ARE CONSIDERED VERY IMPORTANT FOR TRUK. LOOKING TOWARDS THE PRIMARY MARKET OF JAPAN, IT WAS FELT THAT TRUK SHOULD BE DEVELOPED TO ATTRACT THE FOLLOWING FIVE GROUPS: HONEYMOONERS, SCUBA DIVERS, FAMILIES, WORLD WAR TWO RELATED VISITORS, AND STUDENT TRAVELERS FROM WELL-TO-DO FAMILIES. SUCH A MIXTURE OF TOURISTS WOULD BRING A GOOD DISTRIBUTION OF VISITORS FOR NEARLY ALL MONTHS OF THE YEAR.

IN FORECASTING FOR THE NEXT TEN YEARS, THE TASK FORCE FELT THAT GROWTH SHOULD BE CAUTIOUSLY AIMED TOWARD QUALITY DEVELOPMENT. IN ADDITION TO THE CURRENT 139 HOTEL ROOMS, ANOTHER TEN COTTAGES ON A LAGOON ISLAND MAY BE NEEDED BY 1980 AND ANOTHER 50 ROOMS BY 1985. THIS WOULD BRING TRUK'S TOTAL HOTEL COUNT TO 200 ROOMS WITH THREE TIMES THE CURRENT NUMBER OF VISITORS.

(CONGRESS DISPUTES HICOM VETO)

(CALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)

SAIPAN, SEPT. 13 (COM)--- THE CONGRESS OF MICRONESIA'S OFFICE OF THE LEGISLATIVE COUNSEL HAS CHARGED THAT HICOM VETO ON A BILL IS "INEFFECTIVE" BECAUSE IT WAS AFTER 30 DAY PERIOD ALLOWED BY SECRETARIAL ORDER FOR THE VETO OF BILLS.

IN A SEPTEMBER 3, 1976 LETTER TO THE ACTING HIGH COMMISSIONER, ACTING LEGISLATIVE COUNSEL DANA SMITH WROTE THAT H.B. NO. 6-385, WHICH WAS VETOED 32 DAYS AFTER ITS TRANSMITTAL TO THE HIGH COMMISSIONER'S OFFICIALLY DESIGNATED REPRESENTATIVE IN PONAPE, "IS NOW A LAW."

THE ACTING LEGISLATIVE COUNSEL'S LETTER NOTED THAT A JULY 21, 1976 MEMORANDUM SIGNED BY THE ACTING HICOM DESIGNATED J. BOYD MACKENZIE TO ACT ON HIS BEHALF "TO TRANSMIT AND RECEIVE ALL COMMUNICATIONS BETWEEN THE EXECUTIVE BRANCH AND THE CONGRESS OF MICRONESIA DURING THE SPECIAL SESSION."

SMITH'S LETTER POINTS OUT THAT A REPRESENTATIVE OF THE ADMINISTRATION SIGNED FOR RECEIPT OF THE BILL ON JULY 24, 1976, AND IT WAS VETOED AND RETURNED TO THE CONGRESS "FULLY 32 DAYS" LATER.

THE LAW PROVIDES FOR A PRIVATE, INDEPENDENT, OUTSIDE AUDIT OF THE CONGRESS OF MICRONESIA CAPITAL IMPROVEMENT PROJECTS IN THE DISTRICTS FUNDED BY THE CONGRESS.

COMMENTING ON THIS LETTER SMITH SAID "IN SO FAR AS THESE PROJECTS ARE INTERNALLY FUNDED BY THE CONGRESS OF MICRONESIA, THE CONGRESS FEELS THAT IT HAS THE RIGHT AND RESPONSIBILITY TO SEE THAT THEY ARE BEING EFFICIENTLY RUN--HENCE THIS PROPOSED AUDIT."

SMITH NOTED THEY WERE ALSO "SOMEWHAT AMAZED" THE BILL WAS VETOED SINCE DIRECTOR OF THE OFFICE OF TERRITORIAL AFFAIRS, FRED ZEDER IN HIS PERSONAL ADDRESS TO THE SPECIAL SESSION IN PONAPE SINGLE OUT AN AUDIT OF THE CONGRESS OF MICRONESIA FUNDS FOR "SPECIAL ATTENTION" SAYING THAT "WISE AND PRUDENT LEGISLATION... WOULD, I BELIEVE, DO MUCH TO REAFFIRM THE CREDIBILITY" OF THE CONGRESS.

THE HIGH COMMISSIONER'S VETO MESSAGE STATED THAT ALTHOUGH

"CONCURS IN THE INTENT BEHIND THE BILL" THEY SWITCHED THEIR POSITIONS AND DECIDED TO VETO THE BILL ON THE GROUNDS THAT SINCE SUCH AN AUDIT FALLS WITHIN THE SCOPE OF RESPONSIBILITIES OF THE U.S. GOVERNMENT COMPTROLLER, THE SERVICES OF THE OFFICE SHOULD BE USED. ... IN THIS MANNER IT WILL BE POSSIBLE TO AVOID A DUPLICATION OF EFFORT AND AT THE SAME TIME EFFECT A SAVINGS OF \$39,000."

SMITH ALSO NOTED THAT DURING THE SECOND REGULAR SESSION OF THE FOURTH CONGRESS IN PALAU DISTRICT AN ARRANGEMENT HAD BEEN MADE TO SEND ENACTED BILLS BY REGISTERED MAIL TO THE HIGH COMMISSIONER'S OFFICE, AND THE 30 DAYS PERIOD STARTED WHEN THEY WERE RECEIVED. THIS ARRANGEMENT WAS MADE BECAUSE THERE WAS NO OFFICIAL REPRESENTATIVE OF THE HICOM IN PALAU DESIGNATED TO RECEIVE ALL COMMUNICATION FROM THE CONGRESS.

"CERTAINLY THE CONGRESS OF MICRONESIA WOULD HAVE USED REGISTERED MAIL, WITH A RETURN RECEIPT DENOTING THE DATE RECEIVED, AS WE DID DURING THE PALAU SESSION, HAD WE NOT RELIED ON YOUR MEMORANDUM OF JULY 21, 1976,..." HE WROTE.

"ENGROSSED MEASURE WHICH WERE PRESENTED TO THE HIGH COMMISSIONER'S DESIGNATED REPRESENTATIVE IN PONAPE CEASED TO BE IN THE CUSTODY AND CONTROL OF THE CONGRESS OF MICRONESIA. UNLESS RECEIPT OF THESE MEASURES IN PONAPE DISTRICT COMMENCES THE 30 DAY PERIOD DURING WHICH AN ACT CAN BE VETOED BY THE HIGH COMMISSIONER, THE CONGRESS WOULD HAVE NO RECORD AND NO WAY TO DETERMINE WHEN MEASURES WERE ACTUALLY PRESENTED TO YOUR OFFICE FOR CONSIDERATION". SAID THE LETTER.

"ACCORDINGLY, IT IS THE OPINION OF THIS OFFICE THAT YOUR DISAPPROVAL OF HOUSE BILL NO. 6-385, H.D.1, WAS INEFFECTIVE AND THAT SAID BILL IS NOW A LAW. THIS MATTER HAS BEEN PRESENTED TO THE LEADERSHIP OF THE CONGRESS DURING A RECENT MEETING AND THEY CONCUR," THE LETTER CONCLUDED.

COMMENTING FURTHER ON THE LETTER, SMITH SAID THE FIRST PRINCIPAL INVOLVED WAS WHETHER THE EXECUTIVE BRANCH WAS DISEMBARKING FROM ITS OWN POLICY ENUNCIATED IN THE JULY 21 MEMORANDUM DESIGNATING MACKENZIE TO RECEIVE ALL COMMUNICATIONS FROM THE CONGRESS.

"A SECOND PRINCIPLE INVOLVED IS THAT THIS IS AN INTERNAL CONGRESS OF MICRONESIA MATTER. THIS VETO COULD SERVE AS A PRECEDENT WHEREBY THE EXECUTIVE WILL VETO AN APPROPRIATION BILL BECAUSE THEY ASSERT THAT IT DUPLICATES OTHER PROGRAMS OF EFFORTS, OR BECAUSE IN THEIR OPINION IT IS TOO MUCH MONEY. FOR EXAMPLE, THEY MIGHT SAY THAT A CONGRESS OPERATIONS APPROPRIATION IS GREATER THAN NECESSARY AND VETO IT TO "EFFECT A SAVINGS."

"LASTLY, THERE IS ANOTHER ASPECT INVOLVED. WE HAVE HAD CONTACT WITH REPRESENTATIVES OF THE U.S. GOVERNMENT COMPTROLLER'S OFFICER ON GUAM. WHILE THE CONGRESS OF MICRONESIA LOOKS FORWARD TO WORKING WITH THE FEDERAL AUDITORS, THEY STATE THAT IF THEY DID THE AUDIT, IT WOULD BE LIMITED IN SCOPE AND NOT COVER ALL PRIOR FISCAL YEARS. HOWEVER, WHAT THE CONGRESS CONTEMPLATED WAS A FINANCIAL AND MANAGEMENT AUDIT WHICH WOULD PROVIDE THE CONGRESS WITH AN ACCOUNTING FOR EXPENDITURES, A RECONCILIATION OF REVENUES WITH COM APPROPRIATIONS, AND A REPORT ON THE COMINGLING OF TIPI FUNDS WITH COM FUNDS. THIS AUDIT AND ACCOUNTING WOULD COVER MANY PROJECTS IN THE DISTRICTS OVER A PERIOD OF YEARS. IT WOULD THEREFORE APPEAR THAT THE COMPTROLLER'S AUDIT WILL BE INSUFFICIENT, AND WILL NOT MEET OUR REQUIREMENTS," HE SAID.

IN THIS CONNECTION, HE NOTED IN THE PAST, STAFF OF THE LEGISLATIVE COUNSEL'S OFFICE HAD INVESTIGATED CONGRESS FUNDED PROJECTS IN OTHER DISTRICTS, AND HAD FOUND WASTE AND LOSS OF MATERIAL, UNAUTHORIZED TRANSFER OF FUNDS, OF DEPLETION OF FUNDS WITHOUT COMPLETION OF THE PROJECT.

"CONGRESS FUNDED PROJECTS TEND TO BE GIVEN LOW PRIORITY BY DISTRICT PROGRAM MANAGERS, AND IT COULD WELL BE THERE ARE SEVERAL HUNDRED THOUSAND DOLLARS OF OUR TAXPAYERS' MONEY WHICH ARE SITTING USELESS IN ACCOUNTS BECAUSE OF POOR MANAGEMENT. THIS IS WHAT WE WANT TO FIND OUT, AND THE BEST WAY TO DO IS TO HAVE A PRIVATE, OUTSIDE FIRM WITH NO WESTERN INTERESTED PERFORM AN AUDIT," HE SAID.

"THIS CANNOT BE VIEWED AS DUPLICATE OF ANY OF THE LIMITED AUDITS WHICH THE FEDERAL COMPTROLLER'S OFFICE WILL BE PERFORMING," HE CONCLUDED.

(NOTE TO EDITORS AND NEWS DIRECTORS) (CORRECTION: ON SEPT. 10, MNS REPORTED, UNDER ARTICLE "JACK SAYA HE'LL BEAT KENDALL", THAT KENDALL BECAME A SENATOR OF THE CONGRESS OF MICRONESIA IN 1974. NOT 1974: IT WAS IN 1972 THAT HE BECAME A SENATOR.)