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AMEMBASSY CANBERRA FUR PAC. ISL. MONTHLY
(200-MILE ECONOMIC ZONE BILL VETOED)

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SAIPAN, FEBRUARY 25 (MNS) --- AS EXPECTED, A BILL TO ESTABLISH A 200-MILE ECONOMIC ZONE FOR MICRONESIA (SB 7-18) WAS VETOED BY ACTING HIGH COMMISSIONER J. BOYD MACKENZIE, LATE THURSDAY AFTERNOON.

IN HIS LETTER TO THE PRESIDING OFFICERS OF THE CONGRESS OF MICRONESIA DATED FEBRUARY 24TH MACKENZIE SAID HE VETOED THE BILL WITH "REGRET AND DISAPPOINTMENT" BECAUSE THE CONGRESS OF MICRONESIA 3DID NOT SEE FITH TO INCORPORATE INTO THE BILL AMENDMENTS AND SUGGESTIONS FROM THE ADMINISTRATION AND THE UNITED STATES GOVERNMENT.

THE NEWLY APPOINTED ACTING HIGH COMMISSIONER CITED THO OF THE "MOST FUNDAMENTAL ASPECTS" IN THE BILL HHICH ARE UNACCEPTABLE TO THE ADMINISTRATION AND THE U.S. GOVERNMENT. THEY INCLUDE SECTIONS HHICH HULD ALLOW DIRECT NEGOTIATIONS BETWEEN THE MICRONESIAN MARITIME AUTHORTY AND FOREIGN NATIONS, OR FOR APPROVAL OF INTERNATIONAL AGREEMENTS BY THE CONGRESS OF MICRONESIA. "UNDER THE TRUSTEESHIP AGREEMENT," MACKENZIE POINTED OUT, "AUTHORITY TO CONDUCT MICRONESIAN FOREIGN AFFAIRS IS RESERVED TO THE UNITED STATES GOVERNMENT."

THE SECOND DBJECTION OF THE U.S. GOVERNMENT AND THE ADMINISTRATION AAS HITH RESPECT TO REGULATING THE "HIGHLY MIGRATORY SPECIES" HHICH IS TUNA. UNDER THE PROVISIONS OF THE BILL, TUNA, WHICH IS CONSIDERED A HIGHLY MIGRATORY SPCIES, ADULD BE REGUATED BY INTERNATIONAL AGREEMENTS. BUT "RIOR TO THE TIME WHEN SUCH AGREMENTS TAKE EFFECT" THE "INTERIM JURISDICTION" LIES HITH THE GOVERNMENT OF MICRORESIA. ALTHOUGH THE U.S. GOVERNMENT HELCOMES THE BILL'S REFERENCES TO INTERNATIONAL FISHERY AGREEMENTS, TIT CANNOT ACQUIESCE IN THOSE PROVISIONS OF THE BILL WHICH ASSERT AN INTERIM JURISDIC. ""N

ACCORDING TO THE CONGRESS OF MICRONESIA'S HOUSE COMMITTEE ON RESOURCES AND DEVELOPMENT, THE U.S. "IS VERY MUCH ALONE IN THE WORLD OF NATIONS" IN REFUSING TO RECOGNIZE ASSERTION OF JURISDICTION OVER HIGHLY MIGRATORY SPECIES.

THE ACTING HIGH COMMISSIONER STATED THAT SOME OF THE

PROVISIONS IN THE BILL NEED MODIFICATION. REFERENCE TO THE ADMIN INTERNAL USE DNLY

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MARINE MAMMALS PROTECTIVE ACT UNDER THE U.S. CODE APPLIES TO THE TRUST TERRITORY.

THE SECTION DEALING WITH IMPRISONMENT FOR OFFENDERS OF THE LAW SHOULD ALSO BE DELETED IN THAT IT IS LIKELY THAT ANY LAW OF THE SEA CONVENTION WILL STIPULATE THAT OFFENSES MAY NOT BE PUNISHED BY IMPRISONMENT PEXCEPT WHERE AGGRAVATING CIRCUMSTANCES EXIST.

REFERENCES TO MILITARY COMPONENTS SHOUD BE REMOVED FROM THE BILL, MACKENZIE STATED IN HIS LETTER, SINCETHE U.E. DEPARTMENT OF DEFNSE IS RESTRICTED BY U.S. LAW AND REGULATIONS FROM FAFOR CING THE U.S. AS HELD AS HELD AS A

FROM ENFORCING THE U.S. AS WELL AS MICRONESIAN CIVIL LAW.

THE ACTING MIGH COMMISSIONER INFORMED THE PRESIDING

OFFICERS OF THE CONGRESS THAT THE ATTORNEY GENERAL AND THE

STATUS LIAISON OFFICER WILL REMAIN AVAILABE TO WORK WITH THE

CONGRESS TO ATTEMPT TO MODIFY THE BILL WHICH ADULD BE ACCEPTABLE

O BOTH SIDES.

(SENATE KILLS IMPORT TAX MASURE)

\$4 IPAN, FEBRUARY 25 (MNS) --- THE SENATE FRIDAY AFTERNOON (FEB. 25) DEFEATED A BILL TO UTILIZE AN IMPORT TAX AS A MEANS ON DIRECTING THE DEVELOPMENT OF MICRONESIA, (SB 7-94). THE MAJORITY VOTE NEEDED TO PASS THE MEASURE LACKED ONE VOTE, WITH THREE OF THE NIAE SENATORS PRESENT VOTING AGAINST THE BILL.

THE BILL WAS DEFEATED IN SPITE OF THE RECOMMENDATIONS OF THE WAYS AND MEANS COMMITTEE THAT IT BE ADOPTED. THE COMMITTEE MEADED BY SENATOR BAILEY DUTER OF PONAPE, STATED IN ITS REPORT TO THE SENATE THAT, IN MICRONESIA, "EXPORTS EXCEED IMPORTS AT A RATIO OF ABOUT SIX TO ONE. BY MANIPULATING IMPORT TAXES, CERTAIN FOREIGN IMPORTS CAN BE DISCOURAGED AND MOPEFULLY, DOMESTIC PRODUCTION STIMULATED AND IMPORT SUBSTITUTION INDUSTRIES ENCOURAGED." THE REPORT ALSO SAID THAT THE BILL MOULD RAISE MORE REVENUE THAN CURRENTLY IS COLLECTED UNDER-THE MRESENT LAM.

THE SENATORS ALSO VOTED TO OVERRIDE THE HIGH COMMISSIONER'S VETO OF A BILL WHICH SEEKS TO ESTABLISH A 200-MILE ECONOMIC BONE IN MICRONESIA. (SB 7-18). THE BILL WAS SENT TO THE HOUSE FOR ITS APPRAISAL OF THE MATTER. ACTING HIGH COMMISSIONER J. BOYD MACKENZIE VETOED THE BILL THURSDAY (FEB. 24) (SEE PRECEDING STORY). IF THE HOUSE OF REPRESENTATIVES VOTED TO OVERRIDE IT, IT WILL GO TO THE SECRETARY OF THE INTERIOR FOR FINAL DISPOSITION.

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THE SENATORS APPROVED AND SENT TO THE HIGH COMMISSIONER A BILL RELATING TO SERVICE O PROCESS OUTSIDE THE TRUST TERRITORY, (SB 7-134). SERVICE OFFROCESS, ACCORDING TO THE REPORT OF THE JUDICIARYAND GOVERNMENTAL OPERATIONS, IS THE PROCESS OF NOTIFYING A DEFENDANT OF THE CLAIM OR CHARGE AGAINST IM SO THAT HE MAY PROPERY PREPARE HIMSELF TO ANSWER IT. IT IS THIS NOTICE WHICH GIVES THE COURT JURISDICTION TO PROCEED.

ALSO SENT TO THE HIGH COMMISSIONER WAS AN APPROPRIATION BILL IN THE SUM OF \$2,000 TO SUPPLEMENT THE TRAVEL EXPENSES OF THE AUTHORIZED ANGAUR REPRESENTATIVE TO WASHINGTON D.C., FOR THE ANGAUR PHOSPHATE CLAIMS SETTLEMENT, (SB 7-71).

THE HOUSE OF REPRESENTATIVES AGAIN POSTPONED ACTION UNTIL SATURDAY (FEB. 26) ON THE CONTROVERSIAL INCOME TAX MEASURE, (SB 7-93).

THURSDAY EVENING (FEB. 24) THE MEMBERS SUDDENL ADJOURNED PRIOR TO DISCUSSING THE TAX BILL. IT WAS NEXT ON THE CALENDAR FOR CONSIDERATION ON SECONG AND FINAL READING. AFTER THE HOUSE VOTED TO POSTPONE ACTION, WAYS AND MEANS CHAIRMAN EDGAR EDWARDS OF PONAPE REQUESTED THE MEMBERS TO SUBMIT WHATEVER AMENDMENTS THEY HAVE FOR THE COMMITTEE TO WAK ON.

FRIDAY AFTERNOON, REI. KUNIND NAKAMURA OF PALAU INGUIRED ABOUT THE COMMITTEE REPORT ON WHAT HE CALLED "A VERY IMPORTANT MEASURE."

REP. EDWARDS REPLIED THAT HIS COMMITTEE CONCURRED WITH THE SENATE WAYS AND MEANS COMMITTEE REPORT ON THE BILL. ALSO, THERE ARE SOME AMENDMENTS WHICH THE COMMITTEE MADE ON THE

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REP. LAMBERT AAF IN THEN SUGGESTED THAT SINCE THE BILL WILL INVOLVE WAGE EARNERS IN MICRONESIA, IT SHOULD BE POSTPONED UNTIL SATURDAY MOPHING. HIS MOTION PASSED.

REP. EDWARDS THEN REPEATED HIS REQUEST THAT ANYMEMBER WISHING TO MAKE AMENDMENTS SUBMIT THEM TO THE COMMITTEE FOR CONSIDERATION.

THE HOUSE ALSO PASSO AND SENT TO THE SENATE ALL THE DISTRICT APPROPRIATIONS FOR VARIOS PUBLIC PROJECTS AND PURCHASES TOTALLING \$1,314,000. THEY INCLUDE \$200,000 EACH FOR KOSRAE, TRUK, YAP, PONAPE, AND PALAU, (HB 7-233, 7-4. 7-211. 7-206, 7-149) RESPECT IVELY: AND \$314, 888 FOR THE MARSHALLS DISTRICT, (HB 7-168).

THO OTHER APPROPRIATION MEASURES IN THE SUM OF \$288,080 EARMARKING FUNDS FOR SCHOOL BUSES FOR THE DISTRICTS OF KOSRAE, PALAU, TRUK AND THE MARSHALLS, (HB 7-232), AND \$20,000 FOR MAINE TRANSPORTATIONSCHOLARS IIS (HB 7-782) PASSEE SECOND READING AND HERE SENT TO THE SENATE FOR FURTHER CONSIDERATION.

THE FOLLOWING BILLS WERE ALSO SENT TO THE SENATE: BILL TO CHANGE CURRENT TRUST TERRITORY LAW WITT RESIECT TO THE DISPOSITION OF FUNDS REALIZED FROM THE FORNEITURE AND SAL OF VESSELS SEIZED OR THE FUNDS EALIZED FROM THE OUT OF COURT SETTLEMENT OF SUCH CASES SO THA THE FUNDS BE DIVEN TO THE DISTRICTTREASURER INSTEAD OF THE TT TREASURER, (HB 7-116); AND A BILL TO AUTHORIZE AN APPROPRIATION NOT TO EXCEED THE SUM OF \$1 MILLION FOR LOANS AT THE MICRONESIA EVEL OPMENT BANKI

7-28) AND A NATURALIZATION BILL, (HB 7-186.

PASSED AND SEN TO THE HOUSE AAS A BILL TO PROMOTE INVESTMENTS BOTH FOREIGN AND MICRONESIAN IN MARINE RESORCES IRODUCTION, AGRICULTURE, MANUFACTURING, TOURISM, CONSTRUCTION, AND TRANSPORTATION, (SB 7-19), THE PURPOSE OF THIS BILL IS PROVIDE VARIOUS INCENTIVES O PROMOTE INVESTMENTS.

BILL APPROPRIATING THE SUM OF \$125.678 WAS RECOMMITTED TO THE MAYS AND MEANS COMMITTEE FOR FURTHER STUDY, (HB 7-167). (MARLAN REPORT UNACCEPTABLE --- ISMAEL)

SAIPAN, FEBRUARY 25 (MNS) --- THE DRAFT RECOMMENDATIONS OF DR. DOUGLAS MARLAN'S REPORT WITH RESPECT O THE CONSTRUCTION OF ADMIN INTERNAL USE DNLY

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A FOUR-YEAR COLLEGE OF MICRONESIA IS "TOALLY UNACCEPTABLE TO THE PEOPLE OF MCRONESIA", DECLARED SENATOR HIROSI ISMAEL OF MOSRAE.

SENATOR ISMAEL, CHAIRMAN OF THE SENATE COMMITTEE ON EDUCATION AND SOCIAL MATTERS, SPOKE PRIOR TO ADDPTION OF A SENATE JOINT RESOLUTION REQUESTING THE U.S. CONGRDSS TO TAKE THE "NECESSARY STEPS" IN APPROPRIATING TH FUNDS AUTHORIZED UNDER U.S. PUBLIC LAM 95-255 IN ORDER TO PROCEED WITH THE CONSTRUCTION OF FACILITIES FOR THE COLLEGE OF MICRONESIA, (SJR 7-31).

ACCORDING TO THE RESOLUTION, THE DRAFT RECOMMENDATIONS ARE "BIASED AND NOT IMARTIAL SINCE THEY REPRE ENT THE PROUNCIEVED NOTIONS OF THE OFFICE OFTERRITORIAL AFFAIRS..." IT FURTHER STATES THAT THE TERRITORIAL AFFAIRS OFFICE IS "ON RECORD" OPPOSING THE CONSTRUCTION OF A COLLEGE IN MICRONESIA. NAVERTHELESS. THE AUTHORIZING LEGISLATION PSSED THE U.S. CONGRESS OVER DOA'S "STRONG OPPOSITION."

SAYING THAT DR. HARLAN WAS SELECTED BY FORMER DIRECTOR OF TERRITORIAL AFFAIRS FRED M. ZEDER TO PREPARE A REPORT ABOUT THE ESTABLISHMENT OF THE COLLEGE, SENATOR ISMAEL SAID HE IS NOT SUPRISED HAT THE DRAFT RECOMMENDATIONS "DO NOT REP

ESENT AN MONEST, OBJECTIVE ATTEMPT TO EXECUSE HIS BEST PROFESSIONAL JUDGEMENT, RATHER, HIS RECOMMENDATIONS REFLECT THE BIASED, UNCOMPROMISING AND PRECONCEIVED NOTIONS OF THE OFFICE OF TERRITORIAL AFFAIRS."

SENATO IEHSI, MHU IS ALSO A MEDICAL DOCTOR, TOLD THE SENATURS SENATO IEHSI, MHU IS ALSO A MEDICAL DOCTOR, TOLD THE SENATURS THAT HIS EDUCATION AND SOCIAL MATTERS COMMITTEE MADE NUMEROUS POPOSALS AS A MCOMPROMISE" BUT DR. HARLAN "FLATLY REJECTED" THEM. DR. HARLAN'S MANNER IN REJECTING COMMITTEE PROPOSAL CONCERNING

HE COLLGE OFMICRONESIA HAS 3FLAT, CONDESCENDING AND UNSYMPATHETIC, " RESULTING IN SOME COMMITTEE MEMBERS REFUSING TO ATTEND FURTHER MEETINGS WIT HIM, SENATOR ISMAEL SAID.

THE DUCATION AND SOCIAL MATTERS COMMITTEE FELT THAT FURTHER MEETINGS WITH DR. HARLAN WERE "FUTILE" SINCE HIS MIND WA "MADE UP AND HE WAE UNCOMPROMISING AND INTRANSIGENT. HE TALKED AT US. NOT WITH US. "SENATOR ISMAEL POINTED OT.

THE KO SRAEAN SENATOR ACCUSED DR. HARLAN OF COMING TO MICRONESIA TO ENGATE IN A "MONOLOGUE RATHERTHAN A MEANINGFUL DIALOGUE." SAID SENATOR ISMAEL: "HE CAME WITH A CLOSE MIND WHICH MAS NOT DIEN TO COMPROMISE OF ANY SORT. HE CAMETO LECTURE TO US ON WHAT HE HAD DONE ON 'OUR BEHALF.' HE WAS NOT ANXIOUSTO LISTEN.

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ME CAME TO TELL US WHAT HE HAD ARRANGED IN WASHINGTON AND THEN FLATLY STATED THAT HE COULDN'T GUARANTEE THAT HE COULD SUCESSFULLY ALTERTHESE ARRANGEMENTS NOW. HE LEFT VIRTUALLY NO ROOM FOR INPUTFROM THE CONGRESS OF MICRONESIA."

DR. HARLAN RECOMMNDED THAT NONE OF THE \$8 MILLION SHOULD BE USED FOR CONSTRUCTION OF FACILITIES USING THE LACK OF RELEVANT DURRICULUM AS AN "EXCUSE."

3BUT IF THIS WAS HIS ONLY REAL CONCERN." SENATOR HIROSI ISMAEL NOTED. "THEN HE WOULD HAVE ACCEPTED ONE OF THE MANY COMPROMISE SOLUTIONS WHICH WE IROPOSED."

THUS, SENATOR IS MAEL RECOMMENDED THAT THE CONGRESS "TAKE ITS CASE TO OTHER FORUMS SUCH AS THE WHITE HOUSE AND THE UNITED STATES CONGRESS."

THE SENATE THEN UNANIMOUSLY ADOPTED THE RESOLUTION AND SENT

IT TO THE HOUSE.

( NOTE TO EDITORS AND NEWS DIRECTORS: BOTH HOUSES OF CONGRESS EXPECTS TO MEET DURING THE WEEKEND. PLEASE CHECK YOUR COMSTATIONS FOR MCRONESIAN NEWS SERVICE DISPATCHES FR FEB. 26 AND FEB. 27).