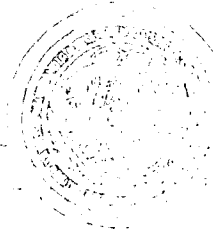


PRESS RELEASE



TRUST TERRITORY OF THE PACIFIC ISLANDS

Office of the High Commissioner
FOR IMMEDIATE RELEASE
TRUST TERRITORY HEADQUARTERS

Saipan, Mariana Islands
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HIGH COMMISSIONER SUBMITS "URGENT" LEGISLATION TO CONGRESS OF MICRONESIA

SAIPAN, M.I. (July 21)...Four proposals — one labeled "urgent" -- were submitted to the Congress of Micronesia Monday by Trust Territory High Commissioner M.W. Goding.

The urgent bill would delineate the primary powers and responsibilities of the Trust Territory Government, District Governments, and municipal and local governments and derives its urgency from Secretary of the Interior's Order No. 2882, which is the authority for setting up the Congress. Section 4 of the Order provides that if the Congress fails to pass a bill designated as urgent in its original form or an amended form acceptable to the High Commissioner at the session at which it was submitted, the High Commissioner may himself, with the approval of the Secretary of the Interior, promulgate such legislation as law. The proposed bill is intended to provide a clear understanding of each of the various levels of government in the Trust Territory and their respective powers and responsibilities. The bill was designated as "urgent" since the powers and responsibilities of other levels of government will depend largely on powers granted to them by the Congress of Micronesia.

Major provisions of the three other bills, all of which are on the subject of taxation, were outlined by the High Commissioner in

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his budget message to Congress July 20. The first provides for uniform taxes on imports into the Trust Territory and for return of one half of the import tax revenue to the District Governments for appropriation by the District Legislatures.

The second bill provides for the levying of an excise tax of 5¢ a gallon on the use, distribution or sale of motor vehicle fuel. It also provides that 80% of this tax revenue would be returned to the District Governments to be appropriated by the District Legislatures only for the construction and maintenance of public streets, roads and highways.

The third proposed bill would abolish the 15% copra processing tax. It would levy an export tax of 10% on copra and trochus shell produced in and exported from the Trust Territory effective July 1, 1966. The proposal also provides for a tax on the export of scrap metal. Fifty percent of these tax revenues would also be returned to the District Governments.

The three tax bills are expected to increase revenues available to the Congress of Micronesia in Fiscal Year 1966.