

GENERAL
PR13/ST51-1 (R)
mc
ST51

September 16, 1971

Dear Mr. Sablan:

On behalf of President Nixon, I wish to acknowledge receipt of Resolutions No. 7 and 17 of the Third Annual Pacific Conference of Legislators.

With respect to Resolution No. 17, which requests a relaxation of the policy of the United States restricting foreign investment in the Trust Territory of the Pacific Islands, I might note that this policy is presently under serious review by the Administration. We are not unmindful of the shortage of private development capital in the Trust Territory. At the same time, we are concerned that, to the maximum degree feasible, control of businesses in Micronesia be vested in its citizens. To this end, we have strongly supported the enactment of legislation by the United States Congress which would increase to \$5 million the authorization for the Trust Territory's Economic Development Loan Fund. We are hopeful that this additional capital will be available to help expand the business opportunities for citizens of the Trust Territory.

We appreciate the views of the Pacific Conference of Legislators on this important matter, and we shall give them full consideration in our review of the present foreign investment policy.

With the President's best wishes,

Sincerely,

Michael B. Smith
Staff Assistant

Mr. Herman D. Sablan
Conference Coordinator
Pacific Conference of Legislators
Post Office Box 373
Agana, Guam 96910

MS:Interior:hc -4

RECEIVED
SEP 18 1971
CENTRAL FILES