



Trusteeship Council

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COMMUNICATION FROM MR. FREDERICK RAMP, CONGRESS OF MICRONESIA,
CONCERNING THE TRUST TERRITORY OF THE PACIFIC ISLANDS

(Circulated in accordance with rule 24 of the rules of procedure
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CONGRESS OF MICRONESIA
OFFICE OF THE LEGISLATIVE COUNSEL
Kolonia, Ponape
Eastern Carolines Islands 96941

12 October 1978

The Honourable Julio Akapito
Chairman
Special Joint Committee on Referendum Review
Congress of Micronesia
Ponape, Eastern Caroline Islands 96941

Dear Mr. Chairman:

We have received a copy of a letter dated 26 September 1978, from the Palau Political Status Commission making certain charges of misconduct against the presiding officers of the Congress. Your Counsel, Mr. James Hamilton, has asked for a reply to the letter, and the presiding officers have asked me to provide it on their behalf. This reply is organized in the order the accusations were made in the 26 September letter.

Investigation contravenes section 26 of the Referendum Regulations

This charge is without merit. Section 26 of the Regulations of the Constitutional Referendum Board provides a procedure by which individual grievances may be handled before and during the balloting process. It is not an exclusive procedure and does not provide a mechanism by which the overall fairness and propriety of the referendum may be judged. Public Law No. 5-60, as amended, does provide the statutory basis for judging the referendum as a whole, however, and provides the statutory basis on which your investigation rests. Section 11(6) of

that law states that the Congress is to be the "sole judge of the referendum and the results thereof". Thus the Congress possesses the authority to judge the referendum and in no way is this inconsistent with other grievance procedures which may exist for individual complaints.

Role of High Chiefs Ibedul and Reklai

The letter refers to these gentlemen as the "paid agents of the presiding officers", implying that somehow these men received personal financial gain from the Congress through the presiding officers in exchange for their pro-unity and pro-constitution efforts. This implication is wholly false. High Chief Ibedul and Mr. John Ngiraked (not the Acting Reklai) jointly administered political education funds in Palau District for the presiding officers. The total sum sent to them in the district was \$28,000 (see enclosures 1-3). Detailed instructions as to how the funds were to be administered are contained in a letter dated 25 April 1978 (enclosure 1). As you will note, the funds were to be deposited in a checking account, with expenditures paid by check and the cancelled checks returned to the Congress. The instructions authorize the expenditure of funds solely for legitimate political education and campaign activities and not for personal use. The instructions provide also for periodic reports, and the recipients are to account for the expenditure of all funds. Identical procedures were followed in each of the six districts. While we can not assure you that all funds were expended in accordance with the instructions, we do feel that the procedures established were fair and reasonable and were designed to provide adequate control over the use of the funds.

Trusteeship Council travel by High Chiefs Ibedul and Reklai

The two High Chiefs asked the presiding officers of the Congress to fund their travel to New York for the Trusteeship Council meeting in order to have the opportunity to express their views in person before the Council. The presiding officers agreed and provided them with travel and normal per diem expenses. If the two High Chiefs received funding from another source for this same trip, it was without the knowledge of the presiding officers and was indeed contrary to the understanding of the presiding officers that there was no other source of funds available for their use for this trip.

Travel to Ponape for special session

After the referendum, several members of the pro-constitution group in Palau requested the presiding officers to fund their travel to Saipan and Ponape to challenge the referendum results in their district. After considerable thought, the presiding officers declined this request on the basis that it would be in conflict with their role as the officers of the institution which is the "sole judge of the referendum" and would be viewed as an expression of bias toward the referendum by the Congress. The presiding officers declined this request verbally, and instructed me to do so in writing (see enclosure 4). Representatives of the group, including the Acting Reklai, did travel to Ponape to present their petition without funding assistance from the Congress. While in Ponape, your Committee

scheduled a hearing in which they were called as witnesses and, as you know, their per diem was paid out of Congress of Micronesia funds during the extra days they were required to remain in Ponape for that hearing.

Alleged over-expenditure of funds from Public Law 7-74

The letter accuses the presiding officers of the felonious over-expenditure of funds under Public Law 7-74. The over-expenditure figure used in the letter is \$101,000, apparently taken from a Bureau of Finance fund status report. I had hoped to have a final accounting of expenditures under the fund for use with this report. Numerous accounting and policy problems have prevented this, however. The best I can do at the moment is give you a brief summary. As soon as a final report is available, I will provide it to the Committee.

Public Law No. 7-14 appropriated \$304,145 for two distinct functions: to defray (a) expenses related to the actual conduct of the constitutional referendum, and (b) the expenses of a political education program in preparation for the referendum. The sum of \$110,000 was set aside as a maximum amount for the expenses of the referendum, with the funds to be administered by the executive branch of the Trust Territory Government, and with the executive branch and the district governments to absorb any costs in excess of \$110,000. The political education program was to be funded from two sources: the Public Law 7-74 money itself (\$194,145) and Congress operations funds in the event those funds proved to be insufficient. If after the final reconciliation of accounts there is a deficit, that portion attributable to the conduct of the referendum will be absorbed by the administration and that portion attributable to the political education program will be absorbed in Congress operations.

A rough summary breakdown of expenditures under the whole account is as follows:

	(in United States dollars)
Referendum expenses	125,000
Political education	<u>209,000</u>
Total	334,000
 Original appropriation	 <u>304,000</u>
 Apparent over-expenditure	
Referendum expenses	15,000
Political education	<u>15,000</u>
Total	30,000

The reason the fund status report includes a much higher figure (\$101,000) as an apparent over-expenditure is that the Bureau of Finance erroneously charged \$82,000 of expenses to the political education account which should have been

charged to Congress operations. These included salaries for Congress staff members working on referendum work, travel and per diem expenses of members of Congress participating in the political education program, etc. In addition, one of the major difficulties in reconciling the account concerns the charges made by the districts against the account for the expenses of the conduct of the referendum. We have just received a detailed breakdown of these expenses in five of the districts. It appears that substantial charges, as much as one half of the total of \$125,000, should not have been charged against the account and may be disallowed in the process of reconciliation. Once it is determined how much is properly chargeable as referendum expenses, the difference between that figure and \$110,000 can be used to offset political education expenses. At the moment it appears that there may be a surplus in the account after reconciliation is completed. As mentioned earlier, if there is a deficit for political education activities, it will be absorbed in the Congress operations accounts.

I hope that this letter demonstrates that the charges made against the presiding officers are without foundation. I have not attempted to look into the accusations made against others in the letter. I assume that your Committee has done that in the course of your investigation. If I can provide any further information, please let me know.

(Signed) Frederick L. RAMP

- Enclosures: 1/
- (a) Letter of instruction and transmittal of initial \$10,000 to High Chief Ibedul (25 April 1978).
 - (b) Letter transmitting additional \$15,000 to High Chief Ibedul (7 June 1978).
 - (c) Letter transmitting final allotment of \$3,000 to High Chief Ibedul (3 July 1978).
 - (d) Letter declining funding request for trip by pro-constitution group during special session (28 July 1978).

cc: Ambassador Peter Rosenblatt
High Commissioner Adrian P. Winkel
President, United Nations Trusteeship Council

1/ The enclosures have been placed in the files of the Secretariat and are available to members of the Council for consultation.