



UNITED NATIONS
TRUSTEESHIP
COUNCIL



Distr.
LIMITED

T/COM.10/L.182
23 June 1976

ORIGINAL: ENGLISH

COMMUNICATION FROM THE MARSHALL ISLANDS NITIJELA CONCERNING
THE TRUST TERRITORY OF THE PACIFIC ISLANDS

(Circulated in accordance with rule 24 of the rules of procedure
of the Trusteeship Council)

MARSHALL ISLANDS NITIJELA
Office of the Legislative Secretary
Post Office Box 24
Majuro, Marshall Islands 96960

11 May 1976

Mr. James Murray
President
United Nations Trusteeship Council
New York, N.Y. 10017

I, Bryant S. Zebedy, Legislative Secretary of the Marshall Islands Nitijela, hereby certify that attached hereto is an accurate and complete copy of resolution No. 89 N.D.-2, which was duly enacted by the Marshall Islands Nitijela on 13 April 1976 at its twenty-third regular session, 1976, and enrolled in accordance with the laws of the Trust Territory of the Pacific Islands and the Marshall Islands District and with the Charter and Rules of the Marshall Islands Nitijela.

(Signed) Rufina N. JACK
(for) Bryant S. ZEBEDY
Legislative Secretary

MARSHALL ISLANDS NITIJELA
TWENTY-THIRD REGULAR SESSION, 1976

RESOLUTION NO. 89
N.D.-2

A RESOLUTION

Condemning the amendment of Secretarial Order No. 2918 affecting the Marshall Islands District surtax, and requesting the Secretary of the Interior of the United States of America to restore to the Micronesian peoples the legislative powers taken away by that amendment.

WHEREAS, Public Law 6-52 and District Law 22-31, enacted in 1975, impose a tax on wages and salaries and on gross revenues earned in the Marshall Islands District; and

WHEREAS, this tax was authorized and imposed by legislation enacted by the Congress of Micronesia and the Marshall Islands Nitijela and approved by the High Commissioner; and

WHEREAS, the imposition of a non-discriminatory tax on wages, salaries and gross revenues was within the legislative power of the duly constituted legislatures of the Trust Territory; and

WHEREAS, the Trust Territory Administration, which is directly answerable to the United States Secretary of the Interior, was given two opportunities to veto the taxing laws, and refused to do so; and

WHEREAS, in December 1975, the United States Secretary of the Interior amended Secretarial Order No. 2918 to withdraw from the Congress of Micronesia and from the district legislatures their power to tax United States residents and businesses at Kwajalein, among others, above prescribed rates, so that many United States residents of our islands are now taxed at a lower rate than Micronesians working at the same jobs; and

WHEREAS, under standards and definitions established by United States courts and consistently maintained for 40 years, Public Law 6-52 and District Law 22-31 impose not one penny of tax on any United States agency or instrumentality; and

WHEREAS, officials of the United States Department of the Interior, including the Director of Territorial Affairs and his deputy, have conceded that the United States Department of Defense forced the Secretary of the Interior to amend his order; and

WHEREAS, the justifying premise of the amended order is that United States residents of Kwajalein work for the United States Government and that the Marshall Islands is not the source of their income, but most of these Americans annually file United States tax returns in which they make absolutely contrary representations under oath in order to exclude the bulk of their income from United States taxation; and

WHEREAS, foreign tax credits allowed by the United States insure that those Americans who actually work for the United States Government or who are not bona fide residents of our islands or who are only living among us for a short time will incur no additional burden from our local taxes; and

WHEREAS, the amount of tax which is in dispute, an annual tax of \$240, for example, on an individual whose annual income is \$25,000, is reasonable and non-discriminatory, and the income is desperately needed to alleviate problems on Ebeye, for example, which are caused in part by the very people and organizations which are exempted by the amended Secretarial Order; and

WHEREAS, the United States Department of Defense, when it was under no obligation to do so, has voluntarily agreed to pay the taxes of American residents of Kwajalein Island, and is now attempting to insulate itself from the effect of these private contracts by overriding duly enacted territorial laws; and

WHEREAS, the Office of Management and Budget, the General Accounting Office, the Advisory Commission on Intergovernmental Relations and the National Association of Tax Administrators in recent months have all strongly criticized the United States Department of Defense for abetting the attempts of its employees to evade state and local taxes lawfully imposed, and the Secretarial Order, as amended, exempting United States residents of Kwajalein from local taxation, is only another example of the Defense Department's disregard of the rule of law in a democratic society; and

WHEREAS, the action of the United States Secretary of the Interior is the most flagrant example of direct interference by the United States with the sovereignty of the Trust Territory in derogation of the unanimous decisions of the territorial and district legislatures and of the High Commissioner, acting within their powers, without even the pretence of any benefit for the Micronesian inhabitants of the Trust Territory or any excuse of strategic necessity; and

WHEREAS, the United States Congress specifically prohibits the Secretary of the Interior or the Secretary of Defense of the United States from exempting United States employees from local taxes in Territories where the United States has full and undisputed sovereignty, creating the anomaly that, with regard to local taxes, United States agencies have a freer hand to act in their own selfish interests in the Trust Territory whose inhabitants are theoretically protected by the United Nations from the unbridled exercise of sovereignty by the United States; and

WHEREAS, the local taxing legislation was in part a political arrangement to insure the future unity of the remaining districts of the Trust Territory, and the amendment of the Secretarial Order has in consequence sabotaged and substantially damaged the prospects for such unity; and

WHEREAS, the Congress of Micronesia, by House joint resolution No. 6-134, condemns in strong terms the amended Order; and

WHEREAS, in short, the United States has unconscionably violated its Trusteeship Agreement in its actions with respect to local taxes; therefore,

BE IT RESOLVED by the Marshallese people, through its Marshall Islands Nitijela, twenty-third regular session, 1976, that the amendment of Secretarial Order No. 2918 affecting the Marshall Islands District surtax is condemned, and the United States Secretary of the Interior is requested to rescind it and to restore to the Micronesian peoples the legislative powers taken away by the amendment; and

BE IT FURTHER RESOLVED that certified copies of this resolution be sent to the President of the United Nations Trusteeship Council, to the members of the Interior Committees of both Houses of the United States Congress, to the Secretaries of the Interior and of Defense and the Director of Territorial Affairs of the United States, to Ambassador Franklin Haydn Williams, to the presiding officers of the Congress of Micronesia, to the High Commissioner of the Trust Territory and to the District Administrator of the Marshall Islands District.

Certified: 3 May 1976

(Signed) Atlan ANIEN
Speaker
