

Haglegam signs Presidential Order #10

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President John R. Haglegam on September 7 this year, signed Presidential Order No. 10 regarding the FSM Disaster Preparedness and Response Plan, whereas, the FSM is always subject to natural disasters which cause to the inhabitants injury, death and real loss of property; and whereas, it is imperative that current disaster preparedness and response plans for integrating disaster operations throughout the FSM to ensure effective use of resources to save lives and minimize suffering and property loss be

maintained; now therefore, pursuant to the provisions of FSM Public Law No. 6-38, the Disaster Relief Act of 1989 and the authority and responsibility vested in me, I hereby approve and promulgate the FSM Disaster Preparedness Plan dated November 3, 1988, to be effective as of the date of this executive order (September 7, 1990), and further directs: each FSM state, requiring National and/or foreign disaster assistance shall be responsible to update and maintain the State Disaster Preparedness Plan and other required contingencies in order to ensure contin-

ued consonance with the FSM National Government Disaster Preparedness Plan; each FSM National Government Department or Agency having disaster or emergency functions shall develop contingency plans or standard operating procedures designating members of its own staff for performance of specifically assigned function; and the FSM Interim Disaster Plan and all other emergency plans developed by the Trust Territory Government to provide procedural guidance during disaster operations are hereby cancelled and superseded in their entirety.



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MDTP trains FSM personnel in diplomatic practices

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - State and National Government Officials on September 17 to the 29th, participated in the First Micronesian Diplomatic Training Program (MDTP) to be held here, to train in Diplomatic Practices, Written Communication Skills, Oral Communication, and Management Skills.

The training was sponsored by the U.S. Government and operated under the supervision and direction of U. S. Corporate and Government Consulting Inc., Director James Morton and Consultants Susan Bronston and Dit Talley, according to Acting Chief, U.S. Relation Division Gabriel Ayin.

The MDTP trained middle and upper management personnel in

diplomatic practice by enabling trainees to define diplomacy and diplomatic terminology.

From a brief look at the origins of modern-day diplomacy and the in-

(See **DIPLOMATIC**, Page 2)



AUSTRALIAN PRODUCT DISPLAY - Australian Ambassador Kenneth Brazel (right) and President John R. Haglegam (left) are displaying a sack of Australian rice during the Australian product display held at the Australian Embassy here. Partially hidden is *Fist Lady Paula*.

2 Diplomatic

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international conventions which govern a survey of the often confusing world of diplomatic terminology introduced to illustrate how diplomats carry out their responsibilities in today's international arena.

It was highlighted that the elements of contemporary diplomacy are particularly pertinent to the FSM as its own diplomatic activities increase as outlined, Ayin said.

The trainees examined the fundamental reciprocal rules by which nations have committed themselves to conduct diplomatic relations. It includes a thorough examination of the 1961 Vienna Convention on Diplomatic Relations, and the principal document that governs modern-day diplomacy. The consultants described what an embassy can and cannot do under international conven-

tions. Additionally, that session examined among other topics, the much misunderstood and controversial concept of "diplomatic immunity," including who is entitled to it, who is not, and what are its limits. Multiple choice questions, visual aids and group discussions punctuated this session, Ayin added.

The part on Protocol provides a basic knowledge of diplomatic protocol, as well as the formalized and highly structured rules observed by nations and individuals engaged in diplomacy.

The instruction on the Representation and Social Usage according to Ayin was primarily intended for spouses of diplomatic and other government officials involved in the diplomatic process.

The sessions on English Grammar and Writing Skills focuses on the mechanics of written English and features of good writing.

The Management skills introduced are basic communicating within a bureaucracy, dealing with difficult people, and resolving con-

flicts.

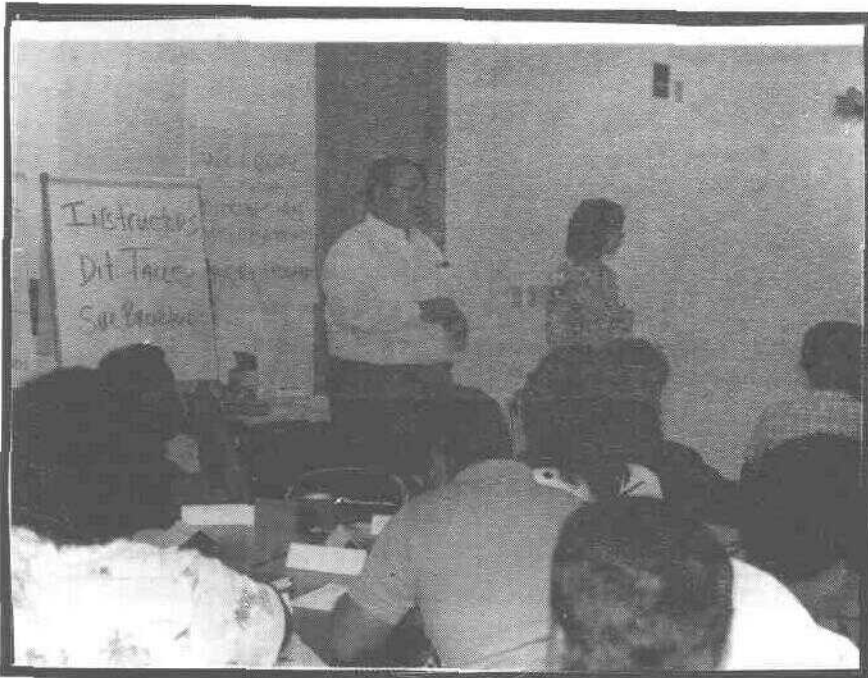
Ayin concluded that Basic Management Skills as an introductory session explained the basic functions; differentiates management and leadership skills about delegation, motivation and performance, communication within a bureaucracy exploring the problems associated with communication inside a government bureaucracy, and dealing with difficult people.

Yap and Chuuk Fresh Tuna Companies to operate cooperatively

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The FSM, National Fisheries Corporation (NFC), and Yap Fishing Authority signed September 13 this year in Yap, an agreement to form a new company which will establish and operate a tuna longline fishing based in Yap State.

The company is to be called "Yap Fresh Tuna Inc." The new corporation will initially invest in the development of a multi-million dollar fishing base which will provide supplies and services to a large number of foreign and local tuna longline vessels. The base, which will include ice making and coldstorage facilities, is scheduled to be in operation in the early part of 1992.

Yap Fresh Tuna Inc. will be operated cooperatively with a similar newly established company in the state of Chuuk called, "Chuuk Fresh Tun, Inc." Both ventures are part of NFC's long term fisheries development plan in the FSM to maximize the benefits from the important tuna resource and strengthen cooperation between the four states. NFC hopes to see similar ventures established in Kosrae and Pohnpei in the near future.



DIPLOMATIC TRAINING - In front standing are Dit Talley (left) and Sue Bronston (right) who consulted the dipomatic training here for the state and national government.

Treaty negotiation on COM held in Guam

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - Three high officials will be representing FSM Government in a Treaty Negotiation on the College of Micronesia (COM) September in Guam.

The FSM delegation will include Deputy Secretary of External Affairs Asterio Takesy, FSM Assistant Secretary for Education Dr. Catalino Cantero, and Director of FSM Budget Office Del Pangelinan.

They were negotiating with representatives of the governments of the Republics of the Marshall Islands, Palau, and the COM Treaty. The treaty between the three governments which became effective October 1, 1989 will be expired in September 30, 1991.

Other participants in the negotiation include the Board of Regent members: Rector Damian Sohl, FSM; Vice Rector Phillip Muller of the Marshalls; and Secretary-Treasurer Johnson Toribiong of Palau. The staff included COM Chancellor Dr. Singeru Singeuo; Community College of Micronesia (CCM) President Paul Gallen, Micronesian Occupational Center (MOC) President Francis Matsutaro, and the President of the Community College of the Marshalls Hilda Heine Jentil.

"The negotiations focuses on, whether or not the three governments are willing to extend the life of the current treaty, if so, for how long, and at what level of

financial support," says Del Pangelinan.

The current COM Treaty was initially negotiated in 1987 for a term of two years, and was renegotiated in 1989 for another two years.

Under the COM Treaty the annual financial contributions by the three governments totalled \$1,547,334 dollars, distributed as follows: FSM \$988,890, of which \$800,000 for operation of the COM campuses and College Extension Centers, and \$188,890 for the Board of Regent's operation; the Republic of the Marshalls and the Republic of Palau, each contributes a total of \$314,422, of which amounts \$266,667 for operation of the COM campuses and College Extension Centers, and \$47,755 for the Board of Regent's operation respectively.

Additionally available to the College is the Pell Grant as a part of the Compact of Free Association of the FSM and the Marshalls with the United States, based on student population at each campus.

Pell Grant is also available to students from the Republic of Palau pursuant to the Trust Territory obligations of the United States Government.

The annual cost of running the entire COM System is approximately \$7 million dollars according to Pangelinan.

The contributions of the three governments to the College of Micronesia Campuses are used to defray the full air

transportation cost for students to and from the campuses, part of the cost of room and board, the administrative support services, instructional services, academic support services, student support services, the general administration and the ground/facilities maintenance.

During Fiscal Years 88/89 under Treaty I, MOC received \$725,000; CCM, \$525,000; College of Micronesia - Marshalls (COM-M) received \$200,000. The sum of \$50,000 was used for the College's Extension programs in Yap, Chuuk and Kosrae.

Under Treaty II in Fiscal Years 90/91 with a reduction of 11.111 percent from the Treaty I level, the COM share of the contributions is as follows: MOC's share is \$644,445; CCM, \$466,667; COM-M, \$177,778 and \$44,444 used for the extension programs.

Although the three governments already have their positions on various issues for negotiation, the College will be proposing that the treaty period be extended for at least 6 instead of 2 years.

Another recommendation is to restore the 11 percent budgetary cut to the Treaty I level, and an increase in contributions to the Board of Regent budget of \$30,000. The Board and staff believe that a longer Treaty period will allow

for development of long range plans on such projects as Improvement of the Financial Management System, preparations for the new accreditation standards, the development of new facilities at the different campuses and centers, and the establishment of programs responsive to the needs of various governments.

The College of Micronesia has a vital role to play in the educational development in Micronesia. Its existence, however, is dependent upon the decisions of the three governments. Thus, the treaty negotiations on Guam will set the stage for the College's future. Any new Treaty must be ratified by the national legislature of each of the three governments in the case of FSM, the Congress.



YAP AND NFC SIGNS FRESH TUNA AGREEMENT - Signing the agreement of "Yap Fresh Tuna Inc." in Yap September 13, are Yap State Director of Resources and Development Sebastian Anefal (left), and NFC Board Chairman Kikuo Apis (right).

4 FSM Development Bank has been in operation for t

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PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - As a young nation, the FSM is faced with the challenge of independence and the accompanying need of economic development. The FSM Development Bank (FSMDB) was created to serve the people of Micronesia by providing development financing to small and medium-scale business ventures aimed at private sector development, according to a release from FSMDB.

The FSMDB was chartered by the First FSM Congress, August 1979 under Public Law No. 1-37. The Bank's headquarters, located in Kolonia, Pohnpei, officially opened for business on October 15, 1981. The corporate powers and management of the Bank is entrusted to its Board of Directors consisting of five members, one from each state and national government. The general administration of the bank and its daily operations are vested with the Bank President Manny Mori who presides at the Bank's headquarters in Pohnpei. Branches are located in the state centers of Yap, Chuuk, Kosrae and Pohnpei.

Since its inception, the Bank has contributed substantially to the economic development efforts of the nation. Lending has increased from 14 projects totalling \$232,530 in 1982 to a total of 315 projects totalling \$12,865,292 as of September 30, 1990. Four Hundred jobs were generated in 1989 as a result of 50 projects approved. According to Mori, "The demand for financing has increased beyond our expectations. This illustrates an economic awakening among the Micronesian people and a determination to meet the challenge of building a viable economy to support our new nation."

The Bank's funding sources have also grown over its ten-year history.

The FSM Congress provided the initial appropriation to fund the Bank's operational costs. The "Economic Development Revolving Loan Fund" was established by Congress in 1982 to ensure a continuing source of funding for loans. Past and future appropriations, as well as principal and interest payments received on loans, are deposited into this fund. In addition, all accounts of a former revolving loan fund, previously administered under the TTPI government, were transferred to the Development Bank for servicing, collection, and restructuring. The implementation of the Compact of Free Association in 1986 resulted in the availability of Capital Account funds which significantly increased the Bank's capital. In recent years, the Bank has gained added support from the State governments which have appropriate funds to be used for developmental projects considered high priority in the states.

The Bank has also expanded its lending services offered to the FSM public. Comprehensive loan evaluation procedures were developed and resulted in an increase in approved loans. Personal assistance, which may include evaluation and appraisal of project proposals, follow-up of approved projects and project management advice, was extended to clients. To encourage the commercial banks to support economic development activities in the nation, the Bank entered into a guarantee loan program with two of the commercial banks operating in the FSM. FSMDB is also looking towards diversifying its operations to include, among others, equipment leasing and equity financing to enhance the present services offered.

The lending activities of the Bank are focused on developing priority

sectors which include agriculture, fisheries, tourism, manufacturing, and commercial. Special emphasis has been placed on export promotion and import substitution, mainly in the areas of agriculture and marine resources development. The Bank also supports enterprises which generate employment opportunities, promote the growth and development of local entrepreneurial skills and introduce new technologies.

The bank works closely with the national and state departments of resources and development and economic development agencies in identifying enterprises that will have a long-lasting, and positive impact on the nation's economy. Mori commented that, "The government agencies have provided an exceptional resource of information. We continually rely on their assistance in determining the economic benefits of proposed projects."

Staff development continues to be of high priority interest to the Bank. Over the years the Bank has made efforts to provide appropriate manpower development training programs, both local and overseas, to its growing number of staff. "There is an urgent need to upgrade the Bank's overall operations and manpower abilities in order to better serve our clientele," said Mori.

Although the Bank has made considerable progress over the years, certain constraints continue to pose a problem. The necessity to lend greater credibility to the Bank's ability to continue to grow as a lending institution has resulted in a bill pending with the FSM Congress to restructure the Bank's lending interest rates. Complex land ownership and tenure systems practiced in certain states of the FSM place the Bank at a greater risk in accepting

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en years, and will celebrate its anniversary Oct. 15

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land as collateral for loans. The improvement of basic infrastructures, such as roads, power, water, transportation and communications, is urgently needed to support economic development projects. In addition, the geographical isolation of the FSM, resulting in high production and transportation costs, has impeded the marketing of locally produced products in competitive overseas markets.

Great expectations have been placed in the FSM Development Bank to play a significant role in the economic development efforts of the nation. Chairman of FSMDB Board of Directors Ihlen Joseph stated that, "Although we have

achieved considerable success in our past endeavors, the challenge of economic independence must still be met. The ensuing years must be tackled with an even stronger determination to meet this challenge."

Efforts have begun in improving the existing structure of the Bank by streamlining operations. According to Mori, "Over the years we have gained valuable experiences that will guide us in our future operations. We are re-examining the existing structure of the Bank and formulating guidelines for improvement and expansion."

Mori concluded saying, "The dedication and insight of the Micronesian people who have initiated development projects in the FSM

must serve as an inspiration to us all. They are the pioneers in the struggle to build an economy that will stand as support for our nation."

In commemoration of its ten-year history of serving as the development financing institution for the FSM, the Bank will hold a 10th anniversary celebration on October 15, 1990. Celebration activities will be hosted by the branch offices in each states. Activities will include an essay/speech contest by high school seniors throughout the FSM. Certificates of Achievement will be presented to the most successful bank borrowers, and the "Businessperson of the Decade" will be identified with the assistance of the local Chamber of Commerce.

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Ming Feng Tsai caught fishing in FSM water

PALIKIR, Pohnpei(FSM INFORMATION SERVICE) - The FSS Palikir, while partolling the FSM Exclusive Economic Zone (EEZ) in the vicinity of Yap State, found, pursued and captured, on September 5, 1990, Ming Feng Tsai, a 65 feet long liner of the Republic of China, registration No. CT3-4616, according to Chief, Division of Litigation David Webster and Chief,

Division of Marine Surveillance Lester Ruda.

The vessel was engaged in an illegal fishing activity within the FSM's exclusive economic zone, approximately 176 nautical miles south of Ngulu atoll, Yap State, and approximately 26 nautical miles north of the FSM EEZ South border (05 degrees 27.7' N longitude, 137 degrees, 20.6' E latitude).

The FSS Palikir, a surveillance ship built by and donated to the FSM under the Australian Defence Cooperation Program(DCP), first arrived Pohnpei in June this year (1990). The ship is manned by FSM citizens, under the command of Commander Mathias Mangmog.

FSS Palikir sighted Ming Feng Tsai fishing at Lat. 05 degrees 26.6' N, Long. 173 degrees 18.3' E., which location is within the FSM Exclusive Economic Zone. When approached the vessel, Ming Feng Tsai, abandoned some of its fishing lines, increased its speed to maximum of 8 knots in about 4 and a half foot seas. All attempts by the crew of FSS Palikir to stop the Ming Feng Tsai, by the use of the international flag communication method, loud hailer, horns, radio and even a shot gun blast across the bow were ignored by the captain and the crew of Ming Feng Tsai.

Finally, the FSS Palikir was steered close to the stern of the Ming Feng, allowing Executive Officer, Lt. (See FISHING VESSEL, Page 6)



MING FENG TSAI - A photo of the fishing vessel picked-up fishing in FSM water and was brought to Pohnpei. Photo was taken at Pohnpei State Dock at Tekehtik.

Takesy & Sitan represents FSM in 16th PNA

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The 6th Special Meeting of the parties to the Nauru Agreement (PNA) was held in Palau September 17-19 to discuss issues relating to minimum terms and conditions of access to their exclusive economic or fisheries zones (EEZ) in the region by the distant fishing nations.

Representing the FSM were Deputy Secretary of External Affairs Asterio Takesy and the Executive Director of MMA Peter Sitan, and attending as observer was the President of the FSM National Fisheries Corporation (NFC) James Movick.

The Parties include Ministers and senior officials responsible for fisheries from the FSM, Kiribati, the Republics of the Marshalls, and Palau, Nauru, Papua New Guinea, and the Solomon Islands. Observing representatives include from the governments of Australia, Vanuatu, and Tuvalu.

The PNA member countries Exclusive Economic or Fisheries Zones in the central and South Pacific covers a large and rich tuna fishing grounds where bulk of the fishing activities including but not limited to purse seining, longline, pole and line fishing are being carried on by the Distant Water Fishing Nations (DWFN) such as Japan, South Korea, Taiwan, Philippines, Indonesia, the US, and others under either a bilateral or multi-lateral agreement.

The participants reviewed the existing minimum terms and con-

ditions and agreed that additional minimum terms and conditions of access to their Exclusive Economic or fisheries Zones should be recommended to their respective governments for approval and eventually established as minimum legal requirements in each nation's Maritime legislations.

These terms and conditions include the prohibition of transshipments at sea. Particularly transshipments from single Purse Seiners to large carrier ships. This prohibition does not affect the group seiners which normally has a carrier ship along.

The other condition was that the vessels must maintain and submit catch and effort records for the entire trip where the vessel has fished, both on the high seas and in one or more zones. Such reports must be submitted to the licensing countries. It was also agreed that member countries involved would share such information.

The third agreed minimum terms and conditions of access states that "where observers are required to be carried on vessels, the payment of the full costs of such observations shall be borne by the licensee."

The Parties further agreed that these additional minimum terms and conditions would apply beginning January 1, 1991, subject to the internal ratification by at least five member nations and that upon such approval the Instrument of Accession shall be deposited with the Government of

the Solomon Islands, the Depository for PNA.

If and when at least five member nations ratify the agreement, each member country acceding would proceed to implement such terms by enactment of or amendment to its existing maritime legislations, hence the enforcement thereof.

It is contemplated that the President shall, after his review, submit the agreement to FSM 6th Congress in its 4th Regular Session for its ratification.

Also discussed was a request by the representative of the Government of Tuvalu, attending the Koror meeting as observers, who requested admission of Government of Tuvalu as full a member of the Parties to the Nauru Agreement (PNA). The request was agreed to in principle, pending a submission of an Instrument of Accession to the Depository Government of the Solomon Islands, says Sitan.

Fishing Vessel ...

(Continued from Page 5)

Phillip Maluweiram, Chief Petty Officer, Robert Maluweirang and Petty Officer Andoline Kuor who leaped onto Ming Feng Tsai while both vessels were proceeding at 8 knots speed in 4 feet swells and ordered Captain Wu Lai Ming, 35, to stop his ship.

The Officers of FSS Palikir immediately searched the ship and discovered seven other crew members on board. Also discovered were approximately 2-thousand pounds of fresh fish in the ship's holds.

Chief, Public Defender moved to Nevada

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM Chief Public Defender replacing John Brackett since 1988, Mike Powell left FSM for Nevada to stay. Powell promised Congress when confirmed that he will stay until a citizen attorney is found to replace him. Director, Public Defender Administration Gene Babauta Dueton is at present Acting Chief, Public Defender.

Powell said he will go back to Nevada where he will live in his newly built country-side home, away from the city. Powell has been offered a job in Nevada State to be the Federal Public Defender for Northern Nevada, but have turned down the offer because he said, "It deals with lots of death penalty cases and I don't like that any more. I did a number of death penalty before, as Chief Public Defender for the Nevada State Public Defender System, and there is too much stress in it, plus, Reno, Nevada is too big and crowded a city."

Powell was born in New Orleans, Louisiana and at the age of five moved with his family to Nevada. In 1968, joined the U.S. Marine Corps and saw combat duty in Vietnam and was decorated for his service there. After receiving an honorable discharge in 1974, Powell continued his education and received a BS degree from the University of Nevada, Reno, in 1975. He attended law school at the University of San Diego and was awarded his Juris Doctorate in 1978. He then returned to Nevada and spent his first year out of law school as a law clerk for the Eighth Judicial District Court. From 1979-1983, Powell engaged in the private practice of law in Carson City, Nevada and acquired a great deal of experience in civil and criminal law.

He came to the FSM in 1983 and worked for the Truk Public Defender's Office for two years. Most of his work was criminal defense, but he also handled some civil matters, helped administer the office, and trained local personnel. He also found time to teach law courses at the College of Micronesia

Extension Program in Truk.

He returned to Nevada in 1985 and served as the Chief Deputy of the Office of the Nevada State Public Defender in Carson City. He was charged with supervising appeals to the Nevada Supreme Court, giving litigation support, and supervising trial deputies state wide.

Powell enjoys the FSM and its people he commented, "I am happy to say that the main Public Defender's office will be headed by a citizen attorney and soon another citizen attorney will be heading the office in Chuuk State, said Powell.

He added that, "unfortunately FSM don't have enough attorneys to fill the many job there are today. Between the National and State Governments there are about 30 positions that could be filled by citizen attorneys."

The Public Defender Office sponsors the Continuing Legal Education Op-



Powell

portunity (CLEO) programs aimed at getting people interested in attending law schools. The FSM Congress is currently considering a law school scholarship fund to be awarded to the best CLEO graduates that have been accepted to law school.

Powell, when asked if he would come back to the FSM to work in the same or related field, said yes, when you worked in this place for long, you become attached to this place and it becomes hard for one to refuse.

Powell, 42, is married to former Mary Goddard of Reno who teaches English at the College of Micronesia in Pohnpei. They lived in Dolonier, Nett.

PACNEWS

Jonston may not be used as long term site to destroy chemical weapon

PACNEWS (FSM PUBLIC INFORMATION SERVICE) - A South Pacific Forum Mission has returned from Washington with assurance that the United States will not use Johnston Atoll in the North Pacific as a long-term site to destroy chemical weapons.

The leader of the Ministerial mission, Harold Qualao says it's been said that apart from the chemical weapons on their way from Germany and some stocks found in the Solomons, there will be no further weapons taken there.

He says the US army was particularly clear on the point that it had an obligation to dismantle the chemical weapons incinerator once the process had been complete, even though a US letter to the Forum Chairman wasn't quite as clear on the matter.

Qualao says that the US officials told the ministerial delegation that they had no record of the chemical weapon found in the Solomon Islands, and have undertaken to search all records for any other stocks in the Pacific.

Palau to meet with Lujan

PACNEWS (FSM INFORMATION SERVICE) - Palau Officials have requested a meeting with the US Interior Department Secretary Manuel Lujan on a proposed secretarial order after a six-hour session with Assistant Secretary Stella Querra on Guam this week.

Reliable sources said it is unlikely that further talks will be held with Palau's Government on the Interior Order calling for tougher fiscal and management controls over the island's operations, unless Interior Secretary Lujan says differently.

The Palau Officials to the Guam meeting said they didn't want the order put into effect unless they agreed with its theme.

The proposed order which would replace one implemented in 1987 would give Interior's Palau-based representative control over all Palau's National State and local laws.

Interior has been under pressure from the US Congress to exercise more oversight and budgetary controls in Palau.



(CORRECTIONS 'Aug. 30th issue, Page 6) - AUSTRALIAN MADE CHAIR FOR SPEAKER - President John R. Haglegam (left) is witnessing the presentation of a chair to FSM Congress Speaker Jack Fritz (right) as a gift from the Government of Australia. Presenting the chair is Australian Ambassador to the FSM Kenneth Brazel (center).

6th CFSM will convene Oct. 8

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The Fourth Regular Session of the 6th Congress of the FSM will convene Monday October 8 in its Chamber in Palikir, according to a release from Congress.

The 30 calendar-day session as prescribed by law will be the last regular session of the 6th FSM Congress. Among the issues that is expected to be taken up during the session include the pending nominations of former Secretary of External Affairs Andon Amaraich to the position of Associate Justice of the FSM Supreme Court and Deputy Secretary of External Affairs Asterio Takesy to the position of Secretary of External Affairs.

Congress is also expected to receive Presidents nomination to the position of FSM Public Defender.

Two resolutions from the 3rd Regular Session are pending before Congress which needs to be considered. They are the confirmation of the nomination of Manikis Sonis to the FSM Development Bank Board of Directors and Peter Namio to the Board of Advisors for the Investment Development Fund.

Since this will be the last regular session of the Congress, more measures are expected from state delegations as well as individual members including measures and communications from the FSM President and the four FSM states.

Effective Oct. 15, Copra Prices goes down three cents

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The FSM Coconut Development Authority Board of Directors unanimously agreed on the Management's recommendation to reduce the purchase price of copra from 13 cents per pound to 10 cents per pound, effective October 15 this year, during its September Second Regular Meeting held here, according to a letter from Vice Chairman of the Board Arthur Ansin to President John R. Haglegam.

The above decision was taken after a careful evaluation of the funds available including the subsidy provided for Fiscal Year 1991. The reasons for the Board's decision in reducing the purchase price are the continued decline in the international prices of copra and increase in copra production due to price incentives paid by the states. If this trend continues, we will have no alternative but to reduce the price further before the end of the year.

The current international price is about \$155.00 per short ton (2000 lbs.) which compares to the 1986 international price when our purchase price was five cents per pound.

The Board had fixed the following prices as the purchase prices for copra in the FSM States to begin October 15. The reduction of the prices is due to the continued decline in the world market prices for copra. Grade 1 Copra, 10.0 cents per pound; Grade 2 Copra, 9.5 cents per pound; Grade 3 Copra, 9.0 cents per pound.

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