

## Presidential Declaration of Policy on Gross Revenue Tax Exemption

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter issued, April 27, 1995, a Presidential Declaration of Policy, that would exempt from the gross revenue tax (GRT) all goods sold outside the FSM by businesses within the FSM as a result of a Leadership Conference held on April 24 -25, 1995.

During the two-day conference, State Leaders voiced their grave concerns over the imposition of GRT on fishing

companies for fish exported or transhipped for sale outside of the FSM, such as the exports of sashimi fish to Japan by Ting Hong Oceanic Enterprises, which has established bases in Yap, Chuuk, Pohnpei and Kosrae and has entered into business agreements for on-shore services with local companies such as Yap Fresh Tuna Incorporated (YFTI), Chuuk Fresh Tuna Incorporated (CFTI), and Pohnpei Economic

Development Authority (EDA).

This policy statement was relayed to the Secretary of Finance who, by the Authority given him under title 54 of the FSM Code, promulgates and implements regulations, to take note of the new policy statement and to act accordingly.

President Olter further said that the new policy and the implementing regu-

(See Declaration , Page 2)



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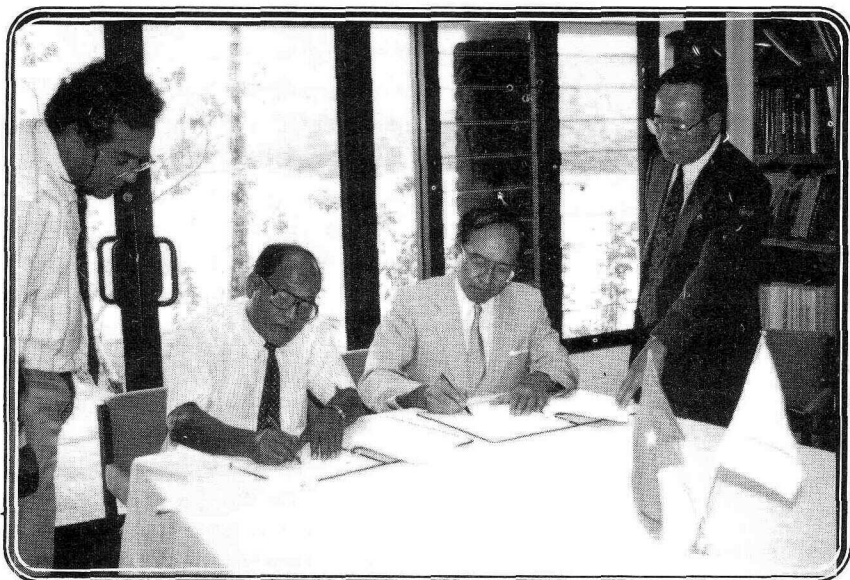
AN OFFICIAL PUBLICATION OF THE PEOPLE OF FEDERATED STATES OF MICRONESIA

Volume 16

Palikir, Pohnpei, April 1995

Number 4

## FSM & Japan signed notes for Development of Artisanal Fisheries



**FSM & JAPAN EXCHANGED NOTES** - Resio S. Moses, Secretary of the Department of External Affairs, representing the government of the FSM and Kiyoshi Nishikawa, Charge D' Affaires ad interim, Japan Embassy in the FSM, representing the government of Japan on March 28, 1995, signed and exchanged notes executing the implementation of the Project for Development of Artisanal Fisheries in Chuuk State under the grant aid program of the Japanese Government for the amount of 116 Million yen. The project will include various items such as a supporting station building, ice storage, ice making machine, emergency generator, transport vehicle, ice handling equipment and others. From left to right are Lorin Robert, Deputy Assistant Secretary for Asian Affairs, Moses, Nishikawa, and Susumu Nakazawa, First Secretary, Japan Embassy FSM.

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - A signing ceremony on the Exchange of Notes on Chuuk's Artisanal Fisheries Project Development Grant from the Government of Japan took place on March 28, 1995 at the FSM Department of External Affairs in Palikir.

The grant's amount, one hundred sixteen million yen or about US\$1.3 million, will support building a station which will include ice storage, an ice making machine, an emergency generator, a transport vehicle, ice handling equipment and others.

The Secretary of the FSM Department of External Affairs Moses, speaking for the FSM Government extended the appreciation of the FSM Government to the Government and people of Japan for their generous assistance to the FSM in providing a much needed and important project as the Artisanal

(See Fisheries, Page 2)

## Fisheries

*(Continued from Page 1)*

Fisheries for Chuuk. He recalled that just a little over a year ago, the same type of project was turned over to Pohnpei State. Although, these projects are small by Japan standard, they are immense and provide significant contributions to the communities.

Secretary Moses also pointed out that aside from the exchange of notes, there is a strong bond of friendship between the FSM and Japan. The FSM and its people are committed to further enhancing this friendship not only politically and economically, but on a human relations level as well. The historical link must not be forgotten and an unending friendship between Japan and the FSM was reaffirmed on that occasion. Moses ended his remarks saying he looks forward for more cooperation between Japan and the FSM.

In his statements, Charge d' Affaires ad interim, Mr. Kiyoshi Nishikawa, who signed the note on behalf of his government, stated that artisanal fisheries play an important role in the livelihood of the people in the villages and communities throughout Chuuk State, providing a vital source of animal protein and small income.

Upon completion of the Project, he believes it will contribute directly and indirectly to increased employment and income opportunities related to fisheries activities. It will increase provision of fish products for the local market as substitutes for imported protein and thirdly, will conserve and support the long-term resource availability of lagoon and coastal fisheries.

Furthermore, the availability of the facility will promote development of equitable cash income as a means of existence and improve the standard of living of the population of the rural areas of Chuuk State, a step towards the self supporting efforts by the people of the Federated States of Micronesia.

Certain conditions were agreed upon by the two parties which include the following: the project shall be established in Chuuk State during the period ending March 27, 1996, unless extended by mutual agreement. Finally, it was agreed that the two governments will consult with each other on any matter arising out of the present arrangement.

### President Olter told Governor David that the Pohnpei Pork Corporation needs assistance from Pohnpei Government

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter has informed Pohnpei Governor Johnny David that the Pohnpei Pork Corporation needs technical assistance from both the Pohnpei Department of Conservation and Resource Surveillance (C&RS) and the FSM Department of Resources and Development (R&D) in the area of veterinary and management services.

The FSM National Government has submitted a technical assistance request to the Office of Technical International Assistance (OTIA) for a full-time manager to run the project. President Olter said it is important for the project to succeed since it can become a model for piggery farmers with distribution of purebred piglets and a training center for piggery farmers. Future plans include facilities for slaughtering, meat processing and cutting.

Pohnpei Pork Corporation was established as a joint venture between Hatler Gallen of Pohnpei and David Smith from Australia. Unfortunately, Smith passed away in early 1994. Therefore, the project needs both technical and managerial assistance. Hence, the request for assistance from OTIA.

### Declaration.....

*(Continued from Page 1)*

lations should be retroactive to April 1, 1995.

Upon implementation of the new GRT regulations, all exporting companies, regardless of type of good or destination, so long as it is destined to a location outside of FSM, will no longer be subject to GRT.

The new policy will have a definite adverse effect on the tax revenues for the FSM States and the National governments, an official said.

### President takes action on Congressional Acts

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter informed Congress Speaker Jack Fritz that because Congress overrode his veto on March 22, 1995, on Congressional Act No. 8-122, he has designated it Public Law No. 8-135, but it will not take effect until it is ratified in a referendum held nation-wide as it is a constitutional amendment.

The proposed amendment to article 9 section 2, d, of the FSM Constitution will allow each state the option to impose a surtax upon taxes, duties and tariffs based on imports imposed by the FSM National Government. Presently, the States do not have authority to levy tax, duties and tariffs based on imports.

The benefits of the amendment would be that there may be more money available to the State Governments if their respective Legislatures chose to pass new tax laws. However, the general public will suffer from the additional tax it will be paying as a result.

President Olter approved Congressional Act No. 8-112 and designated it Public Law No. 8-134, which appropriated \$550,000, from the FSM General fund for Fiscal Year 1995 to fund certain projects in Pohnpei and Chuuk States.

President Olter also approved Congressional Act No. 8-153, designating it as Public Law No. 8-136, amending certain provisions of Public Law No. 8-118 by modifying the use of funds.

# Congress override three bills vetoed by the President

**PALIKIR, Pohnpei, (FSM INFORMATION SERVICE)** - The 8th FSM Congress adjourned its five-day Special Session which began March 20, 1995, and overrode three bills previously vetoed by the President including C.B. No. 8-347, to amend Article IX, Section 2 of the FSM Constitution providing that the National Government to add surtax on duties and tariffs based on import taxes; C.B. No. 8-316, to appropriate \$550,000 to fund programs in the State of Chuuk and the State of Pohnpei; and C.B. No. 8-367, to amend P.L. No. 8-113, reallocating funds appropriated therein; adding new sections 2,3,4 and 5, separating by State the funds appropriated in section 1; amending section 2 to renumber and designate allottee.

The Congress in its 3rd Special Session passed in its final reading 17 bills and adopted two resolutions. The following are the bills passed.

C.B. No.8-372, to amend P.L. No. 8-372, modifying and reallocating funds appropriated to Yap State International Airport and to reapportion the same to be used for other more demanding and urgent public projects and community development activities in Yap State.

C.B. No. 8-373, to amend P.L. No. 5-67, to change the allottee of certain funds previously appropriated to FSM President instead of Pohnpei State

## Kosrae as 1995 Mobil Games host

**PALIKIR, Pohnpei (FSM INFORMATION SERVICE)** - President Bailey Olter in his letter to Governor Moses Mackwelung on February 23, 1995, informed him that he has designated Kosrae State to host this year's Mobil Oil Baseball Invitational Tournament scheduled for June. His decision was based on past rotations which showed that all but the Kosrae state has not had its turn to host the games.

However, the President requested Governor Mackwelung to inform Mobil Oil contact official, Cecilia Terlaje Bamba, of his decision on the matter at his earliest convenience so that organizers may proceed with firm arrangements for the tournament. Tentatively, it is scheduled to be held on Saipan.

President Olter concluded by wishing Kosrae and the FSM good luck.

Community Action Agency (PCAA).

C.B. No. 8-375, to amend P.L. No. 5-27, changing the allottee of certain funds previously appropriated to FSM President instead of PCAA.

C.B. No. 8-374, amending P.L. No. 7-24, changing the allottee of certain funds previously appropriated for Pohnpei State Public Projects to FSM President instead of PCAA.

C.B. No. 8-370, to amend P.L. No. 8-118, changing the allottee of fund to Northern Namoneas Development Authority instead of FSM President.

C.B. No. 8-368, to amend Section 2 of P.L. No. 123, designating an allottee of funds to Northern Namoneas Development Authority instead of FSM President.

C.B. No. 8-377, to amend P.L. No. 8-18, providing unexpired funds for dry-docking and replacing of MS. Caroline Islands and FSS Constitution.

C.B. No. 8-333, to amend PL. No. 7-79, changing the number of members on the Board of Regents of the College of Micronesia-FSM from seven to five members.

C.B. No. 8-380, to amend P.L. No. 8-96, appropriating \$48,500 and reallocating \$10,000 in previous appropria-

tion for legislative branch supplemental fund for the fiscal year ending September 1995.

C.B. No. 8-381, to amend P.L. No. 7-117, modifying the allottee of certain funds appropriate therein and adjusting lapse dates.

C.B. No. 8-382, to amend PL. No. 6-89, modifying the allottee of certain funds appropriated for Kosrae State.

C.B. No. 8-385, to amend P.L. No. 118, to modify the use of funds appropriated therein.

C.B. No. 8-386, to amend P.L. No. 8-75, changing the use of fund funds previously appropriated.

C.B. No. 8-387, to amend P.L. 5-115, changing the allottee of certain funds.

C.B. No. 8-388, to amend P.L. No. 7-11, changing the allottee of certain funds.

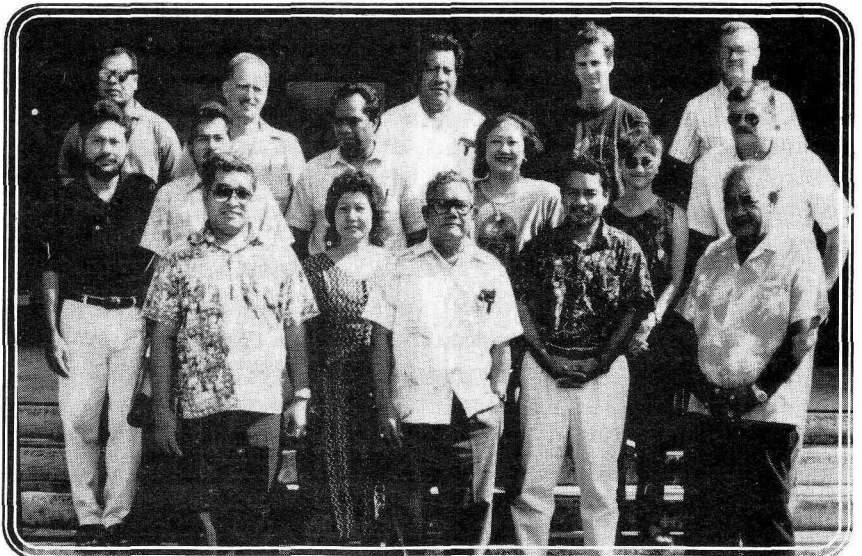
C.B. No. 8-389, to amend P.L. No. 7-24, changing the allottee of certain funds.

C.B. No. 8-391, to amend P.L. No. 8-75, changing the allottee of funds.

Resolutions adopted:

C.R. No. 8-123, to modify total fund estimated for appropriation available for fiscal year 1995.

C.R. No. 8-127, inviting FSM President Bailey Olter to address the 8th FSM Congress on March 23, this year.



**Health Planning Meeting** - The 1st meeting toward development of new plans for the FSM States and the National Government was held April 12, 1995. Left to right are: Damian Sohl, Pohnpei State Director of Health Services; Tina Takashy, Administrator, FSM Div. of Management Budget Office, Kiosi Aniol, Chuuk State Director of Health Services; Jeff Benjamin, Administrator, FSM Medical Care; Asher P. Asher, Director, Kosrae Health Services; Marcus Samo, Program Manager FSM DOHS; Arthy Nena, Kosrae Health Educator; Kapilly Capelle Acting Director, FSM OAS; Roylinne Wada, Executive Director PIHOA, Marylou Hawley, Chief of Administration, Pohnpei Health Services; Robert Spegal, Administrative Officer, MOTP; Ben Jesse, Program Manager, FSM DOHS; Dan Perrin, Economist, Pohnpei; Timothy Semuda, Administrator, FSM OPS; Steve Savage, Advisor, on Consumer Price Index, FSM OPS; and Robert Morelsad, ADB Consultant, FSM OPS.

## 4 *Governor Mackwelung transmits his cabinet nominations to Kosrae State Legislature*

TOFOL, Kosrae (FSM INFORMATION SERVICE) - Governor Moses T. Mackwelung transmitted to the Sixth State Legislature, March 7, nominations of the cabinet members to head the eight major departments of the Executive Branch of Kosrae State Government, according to a release from the Kosrae Public Information Services.

The transmittal of Governor Mackwelung's cabinet members nominations took place the same day he signed into law a bill that marked his first major step into office, and that is to reorganize the Executive Branch's major departments and functions to gear toward effective economic develop-

ment.

The nominees to head each major department are as follows: Gaius Nedlic, Director of Administration; Nena S. Nena, Department of Agriculture and Land; Singkitchy P. George, Department of Commerce and Industry; Henry Robert, Department of Education; Dais Aloka, Department of Fisheries and Marine Resources; Asher P. Asher, Department of Health Services; Harry Skilling, Department of Justice, and Robert Weilbacher, Department of Transportation.

The Legislature has 60 calendar days to review Governor's cabinet nominations according to the Kosrae State Code.

## *Olter requests assistance from FAA relating to Yap International Airport*

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter has asked for the assistance of Federal Aviation Agency (FAA) Office in Honolulu to evaluate the engineering problem related to the Yap International Airport in a letter dated March 6, 1995, to Ambassador of the United States to the FSM March Fong Eu.

The Yap International Airport's pavement has been deteriorating and may affect the safety of aircraft operations in that State. The President also stated that the short term

improvement of the runway as recommended and carried out by Yap State's Public Works Department is considered inadequate.

In this connection, FSM Department of Transportation and Communications sought advice from the Honolulu FAA Office which indicated its willingness to provide assistance.

It is expected that a response to the President's request will be positive and that recommendations for the FSM and the State of Yap by the U.S. Engineers will soon be forthcoming.

## *OTIA approved funding for nine projects in Pohnpei*

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The President has informed Pohnpei Governor Johnny David that the Office of Territorial and International Affairs (OTIA) has approved funding of nine projects submitted by his state totalling \$2,070,500, which requires Pohnpei State to abide by the terms and conditions of the grants, according to President's letter of February 23, 1995.

The funded projects included \$105,000 for Hospital's Operation and Maintenance; \$190,000 for Pohnpei Seaport and Airport; \$405,000 for strengthening Pohnpei Transportation Authority; \$70,500 for acquiring a Financial Man-

agement Improvement Program; \$85,000 for Office of Construction Management & Property Maintenance; \$108,500 for Financial Management Improvement Program; \$71,000 for PUC's Analysis & Financial Management Plan; \$665,000 for PUC Water, Sewer, solid waste & Operation and Maintenance Improvement; and \$370,000 for PUC Power Operation & Maintenance Improvements.

David must sign all documents indicating Pohnpei State's agreeing to the terms and conditions and must transmit the documents to the FSM Embassy in Washington, D. C., for final transmittal to the United States Government.

## *Kosrae Legislature passed bill for reorganization*

TOFOL, Kosrae (FSM INFORMATION SERVICE) - A bill to reorganize the Executive Branch's principal departments and functions of the Kosrae State Government passed second and final reading during the third day of the First Regular Session of the Sixth Kosrae State Legislature, March 3, 1995, according to a release from the Kosrae Public Information Services.

The proposed reorganization bill of the newly installed administration of Governor Mackwelung and Lt. Governor Jackson created for nine principal departments and six agencies. The bill was passed and amended after long hours of deliberation and careful consideration by the State Legislature.

The major department along with the State agencies are: Agriculture and Land, Commerce and Industry, Fisheries and Marine Resources, Education, Health Services, Transportation and Utility, Administration, and Justice. The agencies include the Broadcast Authority, Election Commission, Development Review Commission, Executive Service Appeals Aborad, Land Commission, Parole Board, Sports Council, Scholarship Board, and Utility Authority.

The main objective of this reorganizational bill is focussing toward an effective economic development, a "Positive Growth for Everyone" as the theme of this new administration to tackle this last phase of the Compact period.

### *First FSM Games*

The First FSM Games are scheduled for July 9-21, 1995. Media personnel who wish to cover the FSM Games must contact the FSM Information Office for accreditation.

The coronation night for selecting "Miss FSM Games" is July 8, 1995 at the PICS Cafeteria. Admission is \$5.00 per person.

## **FSM attend Climate Change Meeting in Berlin**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - A delegation from the FSM composed of Senator Isaac Figir, Chairman of the FSM Congress' Committee on External Affairs heading the delegation, Foreign Service Officer Carl Apis from the Department of External Affairs, Special Assistant to President for Planning and Statistics Del Pangelinan and Congress Attorney Maxim Thorne attended the Intergovernmental Panel on Climate Change (IPCC) meeting in Berlin, in March this year.

Europe, Japan and North America will omit between six and ten percent more greenhouse gases during the year 2000 than they said they would at the Earth Summit in Rio De Janeiro in June 1992, said analysts at the conference, according to a release by Inter

Press Service news agency.

More than 150 countries have pledged to reduce their emissions of greenhouse gases to 1990 levels by the year 2000. This is the first meeting of those countries which ratified the agreement. The convention was based on a 1990 warning by IPCC that the planet's surface is warming as a result of the increasing accumulation in the atmosphere of greenhouse gases, like carbon dioxide and methane, which trap heat from the sun.

Scientists estimated that these emissions would have to be cut back by at least 60 percent to stop the warming trend. Failure to do so, they warned, could result in the eventual submergence of islands in the Pacific Ocean and coastal cities due to the melting of the polar ice caps.

## **ADB & U.S. to assist FSM in readying for Compact funding reduction**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The ADB and the US Government have agreed to provide the FSM a grant totaling \$2.5 million. In addition the FSM will provide \$500,000 to get the FSM ready for the consequences of the Compact funding stepdowns and its eventual termination in 2001. The assistance will provide for a policy advisory team of international consultants to help the government draw up economic strategies and policies for a more rapid and self-sustaining growth in particular addressing the country structural problems.

Appointed to consult the FSM on its economic planning in anticipation of the Compact's termination, the ADB has contracted Papanek who has been providing consultation services to the FSM including \$40 million Investment Development Fund (IDF) balance which was authorized but not appropriated by the U.S. Congress. The U.S. Congress appropriated \$20 million during the initial years of the Compact. But the authorized amount of \$40 million was to follow if the FSM can justify the need for it to the U.S. Government.

Assistant Secretary for Asian Affairs in the Department of External Affairs Lorin Robert signed on behalf of the FSM Government at the Asian Development Bank's (ADB) Headquarters in Manila an agreement with the ADB for consultant's services for the FSM.

### **1995 Inauguration rescheduled for June 9, 1995**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The 1995 FSM Inauguration of the President, Vice President, Speaker, Vice Speaker, and members of the 9th Congress, originally scheduled for May 26, 1995, has been postponed to June 9, 1995, 10:00 a.m. in front of the FSM Congress Chamber, according to FSM Secretary of Health Services Dr. Eliuel K. Pretrick who is the overall Inauguration Committee Chairman.

In making the announcement, Pretrick requested that all invited guests at home and abroad be advised to revise their travel plans to accommodate the new date, June 9, 1995. Pretrick expressed his apologies to all concerned for the inconvenience the revised inauguration date may have caused.

The various sub-committees, of the Inauguration Planning Committee are continuing their preparations for the inauguration not withstanding the recent postponement.

## **Olter approves ROK's participation in 1995 Post-Forum Dialogue**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM President Bailey Olter has given his approval for the Forum Secretariat to invite the Republic of Korea to participate in the 1995 Post-Forum Dialogue. The Department of External Affairs will relay to the Forum Secretariat in Fiji, the approval from the President. This year's

Forum Meeting is scheduled for September 1995 in Port Moresby, Papua New Guinea.

The Government of the Republic of Korea has formally requested that it participate, as Dialogue Partner, following the Forum Meeting in Port Moresby. Selected countries and organizations which are actively and con-

structively involve in the region get invited to participate in such dialogues.

With its rapidly growing economic involvement in the Asia-Pacific region, the Republic of Korea's membership in the Organization for Economic Cooperation and Development (OECD) and other organizations, its participation can be beneficial to the Forum.

## 6 *Dr. Pretrick opened the Pacific Basin Medical Association Meeting*

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - A three-day charter and first meeting of the Pacific Basin Medical Association was opened by FSM Health Secretary, Dr. Eliuel K. Pretrick, April 3, 1995, at the Pacific Basin Medical Officers Training Program (PBMOTP) campus in Pohnpei.

Official guests at the opening ceremony included FSM Vice President Jacob Nena; U.S. Ambassador March Fong Eu; Australian Ambassador Peter Stanford; and representatives of Medical Associations in Hawaii, Guam and Fiji; officials from Tripler Army Hospital, Straub, Queen's Hospital, Fiji School of Medicine, and Hawaii's Governors Health Center; and nearly 50 physicians, and health officials from the four FSM States, the Republic of Marshall Islands, Republic of Palau, the CNMI, Guam, American Samoa, and Hawaii.

In his welcoming remarks, Secretary Pretrick recalled the first Micronesian

### **Olter creates steering committee**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM President Bailey Olter, in a recent memorandum to all his Cabinet members, informed them that he has created a Steering Committee composed of representative from the Dept. of External Affairs as Chairman, and members include the representatives from the Departments of Finance, R&Dt, Offices of Budget, Planning and Statistics, and Congress.

The President expects all Departments, Agencies, and Offices of the FSM National Government to provide supportive roles and cooperation for an effective coordination of the project.

The Steering Committee will be responsible for coordination of activities of the Policy Advisory Team (PAT) that will provide technical assistance to the FSM Government for the next two years in preparation for the eventual diminishing of funding from the U.S. under the Compact of Free Association.

The Project Director and resident advisor of PAT were scheduled to arrive Pohnpei end of April or early May to implement the PAT technical assistance to the FSM Government. All inquiries and questions regarding PAT project should be directed to the Department of External Affairs.

Medical Officers Association which was established in 1954 when the largest contingent of returning graduates of Fiji Medical School were stranded in Majuro awaiting their turns on the then, the only air plane. It was an SA-16, an eight-passenger amphibian aircraft that service the six Trust Territory Districts at the time. Pretrick mentioned that as the Trust Territory era was coming to an end, transforming into the emerging political entities, the medical physicians agreed to maintain their association. However, no formal action was made to re-activate the association which gave the impetus for the Charter Meeting. An organization known as Pacific Island Health Officers Association (PIHOA) composed of physicians and non-physician government officials was established to coordinate health related activities in the American Pacific.

Director Damian Sohl of the Pohnpei's Department of Health Services, speaking on behalf of Governor Johnny David, welcomed the participants saying Pohnpei is proud to co-host the "historic meeting" and promised all support available in his department to the conference. Sohl noted that 43 FSM citizens have completed medical training and 11 are now practicing in Pohnpei. Sohl gave his full support for formation of the Micronesian Medical Association which he believes will give moral support and guidance to young physicians in the region.

FSM Vice President, Jacob Nena, speaking on behalf of the FSM Government, said the meeting is a "milestone in the development of human resources in health area in the Pacific. We are firmly committed to developing our indigenous physician workforce..." Nena noted that the Pacific Basin Medical Officers Training Program (PBMOTP) has graduated the first women doctors for Chuuk, Pohnpei and Yap who are serving in their respective states. Vice President Nena expressed his appreciation to those whom he called "...the remaining senior micronesians..." who are remain active. He also expressed remembrance of those senior physicians who have passed away. Nena re-emphasized the need for further medical training opportunities for the new physicians in internship experience, adding, that the FSM is committed to support efforts by Fiji School of Medicine,

World Health Organization, the PBMOTP, and John A. Burns School of Medicine and others. He expressed his concern and suggested that physicians should act professionally and that quality health care be the focal point of all efforts, consistent, reliable, readily available and accessible. In closing, Nena expressed appreciations to all who helped to make the meeting a reality.

The Charter Meeting is the first for a new professional organization for regional physicians which is planned to become a forum for dialogue regarding area health problems, physician professional issues, and continuing medical education organized by the Pacific Island Health Officers Association (PIOHA) and the sponsors include the Pan Pacific Surgical Association, the Charles Judd, Jr. M.D., Memorial Fund at Queen's Medical Center, the PBMOTP and John A. Burns School of Medicine, the Fiji School of Medicine, the FSM Department of Health Services, and Pohnpei State Health Services.

Dr. Eliuel K. Pretrick, as the Vice President of PIOHA and the FSM Secretary of Health, is chaired the PBMA Charter Meeting Committee.

The agenda for the PBMA Charter Meeting included a review of comparative by laws and organizational plan focusing on the purposes of the Charter Meeting and a Regional Professional Organization for Physician. A fund raising lunch was held at the Nantehlik Hotel to raise funds for the upcoming conference of the American Pacific Nursing Leadership Conference (APNLC) and a review of history of medicine in Micronesia with an overview of from whence it came and where it is going.

The agenda for the Medical Education and Communication portion of the conference included topics such as Telemedicine in the Pacific Basin; HIV in the Pacific; Medical Education, Postgraduate Training, and Continuing Medical Education for the Pacific; The Pacific Health Dialogue; a discussion on infectious diseases; the topic: going into private practice; The making of a Vaccine - The New Biotechnology; hyperlipidemias and diabetes mellitus.

Participants included as many interested physicians from the U.S., Associated Pacific Islands.

## **Pawpaw has plenty of Vitamin A and nutritious**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - Carica papaya is the scientific name for Pawpaw (papaya). It has many names and it grows on every island in the Pacific. The fruit of the pawpaw is very tasty and nutritious, according to FFPN Coordinator Alicia Germinaro.

Ripe pawpaw contains plenty of Vitamin A, which is needed for proper growth, healthy eyes and protection from disease. It is also a good source of Vitamin C, which keeps the body tissues strong, helps the body use iron and assist chemical actions in the body.

In 1987, a National Nutrition Survey was done by FSM National Government which showed a very high percentage of Vitamin A Deficiency among children in the FSM.

The question is, why? It could be lack of nutrition education, or it may be not having access to Vitamin A rich fruits and vegetables.

The Family Food Production and Nutrition Project, Pohnpei State, FFPN can help you learn all about our local and imported food values.

We do nutrition education and assist families in starting or extending home gardens in rural and urban areas.

A slice of pawpaw a day is a good way for anyone to start the day.

### **Pawpaw Drink Recipe**

- 2 cups ripe pawpaw
- 2 cup thin coconut cream
- 4 teaspoon lemon or lime juice

Chop ripe pawpaw into small pieces, then mash, add lemon juice and cream, and mix well, (can use a blender). can be served immediately or after chilling.

For more information please contact: Phone #(691) 320-2400/2401, Alicia Germinaro, FFPN Coordinator, P.O. Box 1028, Division of Agriculture, Pohnpei State Government, Kolonia, Pohnpei FM 96941.

## **Cantero solicits supports from Guam Board of Education**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - Secretary of the Dept. of Education Dr. Catalino Cantero, in his Guam Trip Report to the President, said the trip was to solicit the support of Guam school officials, particularly, the Board of Education, for reinstatement of the FSM's eligibility for Special Education Program, Part-B which the Freely Associated States (FAS) stand to lose in the next three years.

He reported that the support from Guam Board of Education resulted in the adoption of a resolution which was to be given to Guam Congressman Robert Underwood who will use it in Washington, D.C., to clarify to his colleagues in Congress the negative effect of the matter with the hope that positive steps will be taken to alleviate the situation.

The FAS stands to lose close to 5 million dollars per year between now and the year 2000, the report said. Therefore, he said, every effort is being made to have the funds reinstated under Part-B of the Special Education Act by the US Congress.

## **Chief Executive reviewed Gross Revenue Tax Regulation**

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter called an urgent conference of the Chief Executives to review Gross Revenue Tax (GRT) regulation that the FSM Government recently assessed on fish exported by foreign and domestic fishing companies operating in the FSM.

The Chief Executive is composed of the four state Governors, the President and Vice President.

The urgency of the matter stems from the reported departure from Chuuk and other states of a substantial number of fishing boats originally based in these FSM states instead of complying with the GRT regulations.

Because all FSM States have established public companies to provide support services to these fishing vessels, their departures caused a decrease in volume of business activities and a corresponding decrease in revenues or income to the support companies such as the Economic Development Authority (EDA); Chuuk Fresh Tuna, Incorporated (CFTI); Yap Fresh Tuna Incorporated

(YFTI); Pacific Tuna Industries (PTI) of Kosrae, and Pohnpei Fisheries Corporation (PFC).

Continued enforcement of the GRT will result in the shutting down of the CFTI because it gets its fish from the foreign fishing vessels based in Chuuk, Goulard warned those at the conference. Similar sentiments were voiced by other delegates.

Acting Secretary of Finance, Ihlen Joseph, stated that the existing regulations allow an affected company to file with the Secretary of Finance a report which would indicate what portion of their GRT during a given reporting period is exclusively from exportation and not subject to GRT and is therefore entitled to a rebate. But, thus far, no foreign or domestic fish exporter has filed any report from which a GRT apportionment can be determined by the Secretary of Finance. Thus, no refund have thus far been made to the any company.

Instead, non-compliance companies such as Ting Hong Oceanic Enterprises

which was transshipping operations in all States of the FSM has decreased the number of its fleet which is adversely affecting the local support companies and has resulted in the recent conference of the Chief Executive.

The two-day conference agreed that a more favorable GRT policy needs to rectify the situation, and that it be done as soon as possible.

The CFC directed the Attorney General and the Department of Finance to work cooperatively for the development and implementation of new regulations. In the meantime, proposed legislation will be prepared for consideration by the 9th Congress.

Other officials attending the conference included FSM Cabinet members; Legislative Speakers from Pohnpei, and Yap and President of Chuuk Legislature Senate; President of National Fisheries Corporation (NFC), Deputy Executive Director of Micronesian Maritime Authority (MMA), and other officials from the states and the national government.

## 8 *Olter addresses the participants of the 1995 FSM Finance Conference*

THE NATIONAL UNION, April 1995

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM President Bailey Olter said he was pleased to share his views with the participants of Fourth Finance Officers' Conference on policies vital to the FSM's development in the area of fiscal administration and management. He made the remarks in a reception he hosted for the conference participants held at Nantehlik Hotel in Nett, March 16, 1995.

President Olter expressed his hopes that during the conference the participants arrived at a consensus on ways to resolve common problems and at the same time develop a long-term fiscal framework that will generate revenues to sustain FSM's development efforts.

He said improving administration of public finance is only half the what the Finance Officers can do as their contribution towards better government services. In the face of the declining financial assistance under the Compact, fiscal policies are important tools to make "us" financially self-reliant.

Olter took note of the two economic reports by International Monetary Fund (IMF) and Asian Development Bank (ADB) on the FSM and their respective recommendations for policy alternatives. Specifically, the IMF recommended that FSM reduce the size of the government; reduction of salaries; decrease and eventually eliminate all subsidies to public enterprises; improve the administration and collection of taxes and to broaden the FSM's tax base. Although, these are not new ideas, he recommended that those reports be studied with open minds in order that policies fitting to FSM's situation can be adopted, including public finance,

fiscal management and balancing income and expenditures.

The President contends that revenues from the existing resources can be optimized with efficient and sustainable investments with wise and equitable allocations.

He said that the National Government can not do it alone in view of the Constitutional jurisdictions for each government entity. In this connection, the officials of the national and state governments must play a critical role in designing and executing economic related policies for the FSM.

The FSM's economy is still small, therefore, good decisions, and sound implementation strategies can have an early and beneficial impact. "We cannot hope to be agents for change if we are burdened with inefficient, costly bureaucratic systems and structures, we do not only need less government, but

we need better government," he said.

Revenue measures must be matched by much stricter financial discipline to limit waste, to ensure that spending reflects development priorities, he said. Adding that development expenditures must be redirected to allocating more funds to human resource development to support fisheries, agriculture and tourism and less in recurrent, bureaucratic spending.

President Olter, in conclusion said, "Rigorous appraisal of all public investment is essential to raise the investment efficiency and guarantee results. Therefore, I urge you as Finance Officers of the five governments to be actively involved in the evaluation and assessment of development projects to ensure financial viability as well as to make sure that there is a stream of revenue for the enhancement of better living conditions in the FSM."

## *Pretrick and Sigrav attend Sports Conference*

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - Secretary of Health Services Dr. Eliuel K. Pretrick, who is the President of the FSM Amateur Sports Association represented the FSM along with Tadao Sigrav, another member of the association at the Ministerial Sports Conference in Australia in March.

The Pacific Sports Ministers were invited by the Government of Australia to attend a Ministerial Sports Conference which began, March 20, 1995, a part of the ASP2000 Program's sport component, the purpose of which is to ensure that the benefits of Sydney 2000 Olympics are extended to the South Pacific region, according to the Em-

bassy of Australia in the FSM.

The Government of Australia provided funds for the participations.

Following the visit in Sydney, March 20, 1995, the Organizing Committee for the Olympic Games briefed the participants, before touring the Homebush Bay and other Olympic facilities. The South Pacific Ministers were also briefed by the Minister for Pacific Islands, the Honorable Gordon Bilney. They travelled to Canberra for a two-day conference on the objectives and strategies of the sports program at the Australian Institute of Sport.

In a related activity, preparations are underway in the states and national governments for the FSM Games.

### **THE NATIONAL UNION**

**Published by: The Office of the President/Information**

**FEDERATED STATES OF MICRONESIA**

**P.O. Box 34, PALIKIR STATION**

**PALIKIR, POHNPEI FM 96941**

*The National Union is being proof read by the Business Support Agency in Pohnpei*