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Envoys from PNG and Korea present credence to Olter

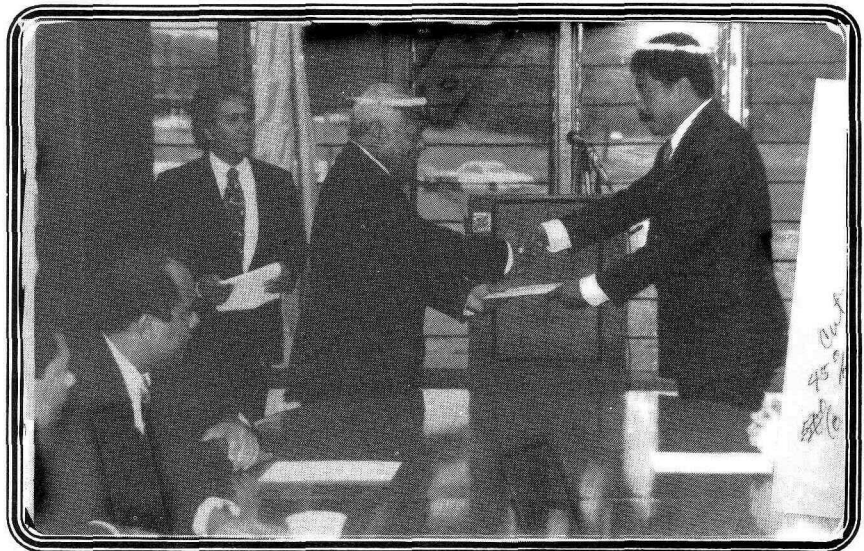
PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM President Bailey Olter accepted credentials from the Ambassadors of Papua New Guinea and Korea on May 23rd and 24th this year respectively. Presenting credentials from PNG was Ambassador Veali Vagi and from the Republic of Korea was Ambassador Moon Byung-rok.

President Olter during the ceremony on the 23rd, called the occasion "important," saying, "We hope that the relationship between our two governments will grow in strength and make a tangible contribution to the well being of our peoples and our Pacific region as well."

Present at the ceremony were Vice President Jacob Nena, Congress Speaker Jack Fritz, Lt. Governor Dion Neth, Cabinet members, members of the diplomatic corps, and other officials.

President Olter congratulated the Ambassador on assuming the important post, saying he has every confidence that the Ambassador's appointment to the FSM is further tangible evidence of the Papua New Guinea Government's commitment made four years ago when Papua New Guinea decided to accredit the country's first Ambassador to the FSM. The President said that his Government will continue to ensure that the steady and meaningful progress achieved in the two countries' relations thus far will not be lost but will be further solidified.

"FSM and Papua New Guinea are neighbors and are small developing countries in the Pacific", said Olter, adding, "We share many similar experi-



PNG PRESENTS CREDENCE - Ambassador of PNG (right) is presenting his letter of credence to President Bailey Olter (left), on May 23, during a brief ceremony held at the President's Cabinet Room in the presence of the Members of the Cabinet and Diplomatic Corps, Speaker Jack Fritz and Lt. Governor of Pohnpei State Dion Neth and other officials. In the back is the Master of Ceremonies Kodaro Gallen. Left sitting are Speaker Fritz and Lt. Governor Neth (partially hidden).

ences and aspirations. Our countries share a common international maritime boundary, and together our countries own one of the richest fishing grounds in our Pacific region and the world. On this basis, there is more reason for our two countries to continue to work along side each other in our collective efforts to develop the resources of our Exclusive Economic Zones to the mutual benefit of our two countries."

The President said that the FSM recognizes that for many years the two countries have cooperated closely in regional and international fora.

"We have worked together in important negotiations on global environmental agreements," he said, continuing, "We value Papua New

Guinea's friendship and leadership, both of which flow naturally from your geography and political maturity."

The President said that Prime Minister Chan's Chairmanship of the Forum last year, and his able leadership on the issues of nuclear testing in [our] region further attest to Papua New Guinea's natural leadership role in [our] region.

In conclusion, he said to convey the best wishes of the people of the FSM and his own personal wishes to Prime Minister Julius Chan and the people of Papua New Guinea.

Ambassador Vagi in his remarks conveyed to the President, wishes from Her Majesty, Queen Elizabeth the Second, for the President's continued good

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health and happiness and for the prosperity and the well being of the people of the FSM.

"It is almost nine years since FSM and Papua New Guinea formalized diplomatic relations and since then the two countries have advanced relations from focusing on regional cooperation to more practical bilateral arrangements that directly benefit our peoples," the Ambassador said.

He added that the exchange of high level visits over the years, including the March 1994 visit by Sir Julius, no doubt contributed to the relations and friendship the two countries and their peoples enjoy today.

Ambassador Vagi said that the various cooperative agreements the two countries have put in place especially in the areas of the maritime border management, technical co-operation, education and training, and development and management of marine resources have further advanced the two countries' relations.

"Although, we are satisfied with the progress made so far under these arrangements," he said, "... there is however, a need for us to consolidate and put in place practical programs to implement these arrangements and ensure that our people benefit directly. There is for instance great potential for our two countries to develop arrangements in the areas of trade and commerce through trade and air services agreements."

PNG believes that having these arrangements in place will further promote and enhance trade relations and also provide transport links that would encourage movements of the people between the two countries he stated.

"The Papua New Guinea Government is committed to these endeavors," said the Ambassador, adding, "... especially through the 'Pacific Plan' which was launched by our Prime Minister, Sir Julius Chan in August 1995. The 'Pacific Plan' is a blue print of our government's vision and initiative towards pursuing a more active and constructive role in the conduct of its relations with the Pacific Island countries including the Federated

States of Micronesia."

Ambassador Vagi said that under the Plan, the Papua New Guinea Government has announced K1.5 million for implementation. A number of Island countries have requested assistance. Papua New Guinea would be pleased to welcome project proposals of small scale nature, oriented towards the improvement of the living standards of the people of the FSM.

On regional and international cooperation, Papua New Guinea is pleased with the great strides the countries in our region have made in various areas including management of environment, nuclear wastes, fisheries, forestry, and transport and shipping links, he said, adding that at the Madang Forum in 1995 an Action Plan was adopted to implement the theme of the Forum, and progress has been made in certain areas and FSM cooperation is important to the success of many of these decisions.

The Ambassador said that at the UN, Papua New Guinea and FSM have cooperated and supported each other on many issues of common interest to the two countries and Papua New Guinea would like to deepen this aspect of the relations in the future.

He said that with FSM assistance and cooperation, as PNG Roving Ambassador to the FSM, he will do his utmost best in the performance of his duties to further advance the close and cooperative relations and friendship that exists between our countries.

During a ceremony on May 24, the Ambassador of Korea to the FSM presented his credentials to President Olter.

President Olter welcomed Ambassador Moon Byung-rok and said, "I am pleased to accept your Letter of Credence as the third Ambassador Extraordinary and Plenipotentiary of the Republic of Korea to the Federated States of Micronesia. In so doing, may I be the first to congratulate you and wish you the best in your new assignment. We are indeed honored by the appointment of someone of your professionalism and caliber to serve as the ambassador to the Federated States

of Micronesia."

President Olter further stated that Moon's appointment has reaffirmed the deep and enduring friendship in the bilateral relations between the two countries established five years ago. "Mr. Ambassador," the President stated, "...in accepting your credentials, I wish to assure you and your esteemed government of our strong resolve to continue the task of strengthening and developing our relations with your government for the mutual benefit of our two peoples. We look forward to working with you in promoting our relations between our two countries and our shared interest in furthering a peaceful, prosperous, and clean Asia-Pacific."

President Olter stated that FSM is grateful for supplies and equipment received from the Republic of Korea in support of Human Resource Development Programs. "The Government of the Federated States of Micronesia will continue to look to the Republic of Korea for assistance in our nation-building efforts," he concluded.

In presenting his Letter of Credence, Ambassador Moon also presented the Letter of Recall of his predecessor and calling the occasion auspicious, stating, "I am privileged to convey to Your Excellency the warm greetings of His Excellency Kim Young-sam as well as his best wishes for Your Excellency's good health, and for the ever-increasing prosperity of the Federated States of Micronesia."

"It is indeed a great honor for me to represent the Republic of Korea in your beautiful country," he said, adding, "...a nation with which the Republic of Korea enjoys such strong ties of friendship and cooperation since the establishment of diplomatic relations in 1991."

"The exemplary economic development of the Federated States of Micronesia under Your Excellency's outstanding leadership has become a matter of general admiration. FSM has earned a reputation as one of the most dynamic and forward looking nations in the South Pacific and with her elevated national prestige, she is playing a vital

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role in the pursuit of stability and prosperity in this region," the Ambassador said.

"It is gratifying to note that the relations between our two countries over the past years have been greatly strengthened and diversified in many fields," he added.

Ambassador Moon said, "Our ties have been strengthened further through cooperation in the international forums. Your Government rendered its valuable support for non-permanent membership in the Security Council of the United Nations."

"I also realize that positive role played

by your country was essential to our participation in the South Pacific Forum as a Post-Forum Dialogue partner starting last year. I, on behalf of our government, wish to take this opportunity to express our sincere appreciation to you for providing all possible cooperation and assistance towards us," the Ambassador said.

"In the economic field, too," he stated, "our two countries are enjoying the expanding relations in fisheries, technology transfer and human resources development among others.

"Korea, as a Post-Forum Dialogue partner, will be happy to more actively

share the benefits of its development and technology with FSM who has inexhaustible natural resources and enormous potentialities for economic development," he said.

"Your Excellency, it is respectfully requested to understand that many elements of uncertainty still linger in the Asia-Pacific region, although a spirit of international reconciliation and cooperation has spread following the end of the cold war. "In particular, North Korea's recent renunciation of duties concerning armistice agreement and subsequent troop incursions into the DMZ heighten tensions on the Korean peninsula and pose a threat to the peace of this region as well."

"In this regard," he said, "the Presidents of the Republic of Korea and the United States, in their summit talks last month, proposed to convene a Four Party Meeting of the representatives of the two Koreas and the United States and China to foster stable and permanent peace on the Korean peninsula."

"It is essential for all nations to actively participate in the international endeavor to persuade North Korea to accept the most rational and practical proposal in order to ensure regional security," he said.

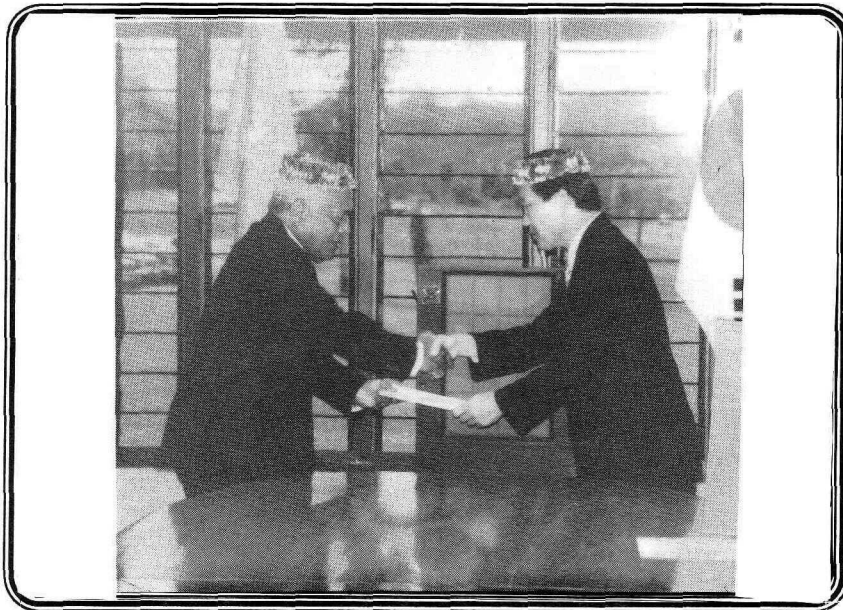
Ambassador Moon said that this is his first visit to the FSM and he however, have already seen enough to realize that the task with which he has been entrusted by the President of his country will be a great pleasure as well as an honor.

"I earnestly hope that I shall devote myself to the fulfillment of my duty including building much strengthened ties for friendship and cooperation between our two countries," he said.

In conclusion, he said, "I am sincerely soliciting Your Excellency and Your Government to provide me with the same assistance and cooperation as you have generously given to my predecessor."

Attending the ceremony were Vice President Jacob Nena, the Members of the President's Cabinet, the Dean and members of the Diplomatic Corps, and other officials.

Both ceremonies were concluded with group photos followed by refreshments.



KOREA ENVOY PRESENTS CREDENTIALS - President Bailey Olter (left) accepts the letter of credentials of the Ambassador of Korea to the FSM, Moon Byung-rok (right), during a ceremony held at the President's Cabinet Room, May 24 this year in the presence of the Members of the Cabinet and the diplomatic corps and other officials.

FSM National Government observes FSM Day

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - FSM observed May 10th, FSM DAY, as a legal National Holiday. On May 10, 1979, the First FSM Congress convened on the first day of the 1st Regular Session, in Kolonia, the provisional Capital of the FSM.

There were fourteen senators-elect. The four At-Large Senators-elect were Tosiwo Nakayama from Chuuk State, Petrus Tun from Yap, Bailey Olter from Pohnpei, and Joab Sigrah from Kosrae.

The ten Senators-elect elected on the basis of population were: Julio Akapito, Raymond Setik, Kalisto Refolapei, Sasao H. Gouland and Masachiro Christlib from Chuuk State; Bethwel Henry, Peter M. Christian and Elias H. Thomas from Pohnpei; Luke Tman from Yap State and Hiroshi Ismael from Kosrae State. All attended the opening session which was called by temporary Speaker Peter M. Christian being the youngest senator-elect. After confirm-

(See FSM DAY, Page 5)

4 Congress' 3rd Regular Session convene

THE NATIONAL UNION, May, 1996

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The Third Regular Session of the Ninth Congress convened May 13, 1996, at its Chamber in Palikir and was witnessed by a crowd of citizens. A band from Madolenihmw played at the opening of the Third Regular Session of the Ninth FSM Congress.

Congress considered the budget of the FSM government during its different budget hearings on different departments, offices and agencies.

The President in a memo to the cabinet members said that travel plans must be reworked to accommodate the schedules of the Congress session. In this connection, Olter instructed secretaries, deputies, assistants, and all whose presence might be needed in the hearings to remain on Pohnpei.

Congress on the first day assigned a committee to wait on the President to inform him that Congress is ready to conduct its business.

President declares World Telecommunications Day

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - President Bailey Olter issued a proclamation declaring May 17, 1996, as World Telecommunications Day in the Federated States of Micronesia in conjunction with a message from the Secretary-General of the International Telecommunications Union (ITU) for this year's celebration, with the theme: Telecommunications and Sports.

On this day, 131 years ago, in Paris, France, the International Telecommunications Union was founded. Since then all member countries have been celebrating this day around the world. The FSM being a member is also observing and celebrating this day.

Telecommunications and Sports, the theme for the 1996 World Telecommunications Day, reminds us of the convenience of sitting in our living rooms and enjoying sports competitions at home and in other countries on television, cable or by radio broadcasts.

This year celebrates 100 years of the

30th APIL Board meets in Yap

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - The 30th Association of Pacific Island Legislatures board of directors convened July this year in Colonia, Yap, with 15 board and association officers present. The group worked through the first and second day to set the agenda for the 15th annual APIL general meeting set for Koror, Palau following.

The meeting was chaired by Guam's Vice Speaker and APIL Vice President Ted Nelson in the absence of APIL President Haruo Esang of Palau who was not present as he recently suffered the loss of his wife, Itchiko Esang. She passed away, July 20.

The APIL Board officers are President Haruo Esang (Palau); Vice President Ted Nelson (Guam); Secretary Renster Andrew (FSM Kosrae); Treasurer Herman Semes (FSM Pohnpei); Advisor Roger S. Mori (FSM Chuuk); Special Advisor Robert Ruecho (FSM Yap); and special Advisor Ambros Senda (FSM Pohnpei).

The members of the APIL Board of Directors: from American Samoa are

Senator Moefono Aumoeualogo and Rep. Takiuvai F. Ieremia; from CNMI are Juan P. Tenorio, Rep. Manual A. Tenorio, Rep. Crispin I. Deleon Guerrero (Proxy); from Chuuk are Senator Lambert Lokopwe, Rep. Innocente Oneisom, and Senate President Roger Mori (Proxy); from Kosrae are Vice Speaker Patterson B. Benjamin, and Senator Akiyusi L. Palsis; from Pohnpei are Seantor Ambros T. Senda, Senator Yosuo Phillip, Senator Francisco Ioanis (Proxy); from Yap are Speaker Robert Ruecho and Senator Mathew Haleyaluw; from the Republic of the Marshall Islands are Senator Lomas Machay and Senator Jorlik Tibob; from the Republic of Palau are Seantor Hersey Kyota and Del. Alan Seid; from Hawaii are Seantor Richard Matsuura and Rep. Sennis A. Arakak; from the Territory of Guam are Vice Speaker Ted Nelson as Proxy for Senator Thomas Ada and Seantor Carlotta Leon Guerrero. No representatives from Hawaii, the Republic of the Marshall Islands or American Samoa were present for the Board meeting. About 15 observers and staff members were also present for the Yap meeting.

Besides giving committee reports for the four standing APIL committees, the group set the agenda for the general assembly in Palau the following week.

There were discussions at the meeting on creating regional trade agreements, regional fisheries agreements, a plan for regional agriculture, the impact of the compacts in the region, telecom, health care and education as well as Pacific arts and cultures, transportation, FSM Olympics in Kosrae in July 1997 and the next Micronesian Games, set for Palau in 1998.

In his opening remarks, as Governor of the hosting entity, Yap Governor Vincent Figir reminded the group that their decisions will serve as important guidance to those in executive branches of our governments.

"I think code words for all of us are management and action," he said. We need to collectively manage our problems and move with haste to take the necessary actions to achieve some policy objectives."

Modern Olympics, the President stated, linking telecommunications and broadcast technologies. As a full member, the FSM supports the ITU's avowed mission to foster an environment of global cooperation to promote communications development.

In Secretary-General Pekka Tarjanne of ITU's message, he reminds us all about the first modern Olympic Games in Athens in 1896 when stories were transmitted through the telegraph system. Today, the Olympic Games represent the single biggest television spectacle in the world. This year's Atlanta Games will attract more than 16,000 journalists, 11,000 of them from television and radio stations, which will generate more than 3,000 hours of live coverage.

Sports and telecommunications have one very important feature in common. They both foster greater communication between the people of the world, breaking down the barriers of race, culture and geographical distances.

PALIKIR, Pohnpei (FSM INFORMATION SERVICE)- An inshore fisheries/marine resources management workshop for decision makers was held at the FSM Department of Resources and Development, April 29 to May 1, 1996, under the auspices of the Asian Development Bank and the FSM Government Marine Resources Conservation and Management Technical Assistance. The participants were from the four FSM States and the National Government.

Representing the State of Yap were: Director James Gilmar, Yap State Department of Resources and Development, and Marine Resources Division Acting Chief Andrew Tafilechig; Chuuk State was represented by Chief Romio Osiena, Division of Conservation and Development, and Chief Mathews Lokopwe, Division of Conservation and Management, both under the Department of Fisheries and Marine Resources; Kosrae State was represented by Director Dais Aloka, Department of Fisheries and Marine Resources; representing Pohnpei State were Deputy Chief Valentine Martin, Marine Resources Office and Conservation and Management Officers Mike Abraham.

The purpose of the workshop was to ensure a common understanding of the inshore marine resources and problems facing the future exploitation of the inshore marine resources and the roles of the various administrative and State Marine Resources Departments/Divisions within the decision making and management processes. It was also to provide a conceptual framework for the future management structure as well as to ensure that the need for a watertight legal framework detailing both rights and responsibilities for both the government departments and divisions and the wider public is agreed upon. Last, but not the least, the workshop was also to sug-

gest certain basic technical instruments of coral reef resource management.

Because the workshop synopsis was to be delivered to the participants and policy decision makers ranging from legislators, non-governmental organizations (NGO), traditional leaders, all the way down to technical staff and resource owners, it was required that its synopsis be reviewed thoroughly by the participants at the workshop. This input into the workshop synopsis on how it was to be delivered to the targeted audiences in the states was very crucial and practical.

The workshop was facilitated by the ADB/FSM Marine Resources Conservation and Management Technical Assistance Project Consultant with assistance from the National Marine Resources Division which chaired the workshop. The National Marine Resources Division Administrator served as the implementing agency of the Technical Assistance and he also served as the manager of Part C Compo-

FSM Day

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ing credentials of members-elect, a caucus was held and organization of the First Congress followed in which Senator Bethwel Henry was elected Speaker, Senator Joab Sigrah from Kosrae was elected Vice Speaker, and Senator Luke Tman from Yap was elected Floor Leader.

Also on May 10, 1979, Congress elected At-Large Senator Tosiwo Nakayama from Chuuk State as the President and At-Large Senator Petrus Tun from Yap State as Vice President of the newly born FSM. They vacated their Congress seats and the FSM Executive Branch took form. Subsequent Special Elections in Chuuk and Yap States elected Koichi Sana and John R. Haglegam to fill the vacated seats in Congress for the two States.

1996 celebration, commemorates the 17th year of FSM's existence.

ment (Technical Assistance to strengthen the capability of the FSM in the area of inshore marine resources conservation and management), under the ADB/Fisheries Development Project which includes three other components. Component A of the project is the Commercial Fisheries Development, (MLFC), Component B is the training (MMFA), and Component D, is the Institution strengthening for preparing, evaluation implementing and monitoring of fisheries projects, which is managed by the Division of Commerce and Industry, under the Department of R&D.

The workshop agreed that the consultant and his national counterpart from R&D deliver the workshop as soon as possible in each of the states sometime this month with the state participants in the Palikir workshop.

Foreign Affairs News

Research Vessels to Conduct Studies:

The Department of External Affairs has been advised by the Embassy of Japan of the following Japanese Research Vessels, R/V Keifu Maru, R/V Ryofu Maru, and R/V Kaiyo, conducting studies within the FSM 200-miles EEZ between October and December 1996.

Request for JOCV:

The Department of External Affairs transmitted a request on behalf of the Department of Health Services, Kosrae State Government, to the Japan Overseas Cooperation Volunteer (JOVCV) Office in Kolonia for a volunteer in the area of nurse midwifery.

JICA Seminars:

The Government of Japan is inviting one participant from the FSM to attend each of the following seminars sponsored by Japan International Cooperation Agency (JICA): a Training Course Seminar on Fisheries Development, scheduled to be held in Japan from October 15 to December 8, 1996, and a Seminar for Senior Officer of National Machinery's for the Advancement of Women, scheduled to be held in Japan from November 5-28, 1996.

6 IMF mission visits FSM to discuss economic development

THE NATIONAL UNION, May, 1996

PALIKIR, Pohnpei (FSM INFORMATION SERVICE)- An International Monetary Fund (IMF) 1996 Article IV Consultation Mission arrived in the FSM on May 8, 1996, to hold discussions with FSM National and State Government officials on economic development in the FSM in 1995, and the outlook and policies for 1996; the medium-term program and policy reform; and the macroeconomic and structural adjustments required due to the reduction and possible cessation of compact funds, according to President Bailey Olter's April 16, 1996 letters to Cabinet members, government agencies and the Speaker of Congress.

The Mission was composed of Christopher Browne, Chief, Southeast Asia and Pacific Department and Head of the Mission; economists Geoffrey Oestreicher and Eric Sidgwick; and Kunio Saito, Director, Southeast Asia and Pacific Department.

Specifically, they were up-dating information on economic output, employment, prices, and investment; public finance; financial sector; and the external sector, or sources outside of FSM. In

this connection, the FSM Government earlier received from IMF a set of questionnaires to which FSM officials were asked to provide responses, President Olter distributed copies of the questionnaires to relevant government officials to research and prepare answers for the arrival of the Mission.

On output, employment, prices and investment, the Government was asked to provide nominal and real Gross Domestic Product (GDP) data for fiscal year 1994, estimates for fiscal year 1995, and projections for fiscal year 1996, and to explain the underlying trends which were assigned to the Office of Planning and Statistics (OPS) and Economic Management Policy Advisory Team (EMPAT).

The Department of Resources and Development (R&D), National Fisheries Corporation (NFC), Micronesian Maritime Authority (MMA), and Coconut Development Authority (CDA) were responsible for describing specific developments in major sectors, including fishing, copra, agriculture, forestry, manufacturing, and tourism during the period.

Public finance was assigned questions regarding overall 1995 and 1996 budgetary outcome; existing policies on taxes, prospects of raising taxes and imposing taxes on fishing rights revenues, and loans which are being retired by Compact funds until the year 2002.

Pertaining to the Financial Sector, the question asked was: What are the main constraints on implementing a monetary policy in the FSM economy including effects of using the U.S. dollar as domestic currency? President Olter asked the FSM Banking Board, the FSM Development Bank, the Department of R&D and EMPAT to provide responses.

The Compact of Free Association which became section 201, of US Public Law No. 99-239, under Title 2, Economic Relations, Article V, Finance and Taxation, Section 251, states: "The currency of the United States is the official circulating legal tender of Marshall Islands or the Federated States of Micronesia. Should the Government of the Marshall Islands or the Federated States of Micronesia act to institute another currency, the terms of an

(See IMF MISSION, Page 7)



FSM CLOSE-UP - A one-week Close-up Conference convened on May 27, 1996, in Palikir, the FSM Capital with over 40 students from the four FSM States in attendance. At the opening, Pohnpei Governor Del Pangelinan gave the welcoming remarks while the keynote address was by the Secretary of the Department of Education, read by the Administrator for Secondary and Higher Education Weldis Welly. Participants were briefed on the current state of FSM's economy by Kevin O'Keef, a member of the Economic Management Policy Advisory Team (EMPAT). The students toured the FSM Capital. The Conference was hosted by FSM and Pohnpei State Departments of Education. Above are the participants. Photo session was held in front of the FSM Congress Chamber.

IMF Mission

(Continued from Page 6)

appropriate currency transitional period shall be as agreed with the Government of the United States," and Article 9, Section 2(f) of the FSM Constitution delegated to FSM Congress the power, "to issue and regulate currency." To date no laws have been enacted by FSM Congress to institute another currency to provide the economic lifeblood in the FSM. With the decline of Compact funds in the last five years and prospect of termination of funding assistance to the FSM which will severely curtail availability of US Dollars, the FSM will certainly be deprived of the economic lifeblood which may result in the use of barter system.

In the external sector or foreign aid, one of the questions was on data on exports and imports, service receipts and payments, and public and private capital inflow and outflow for 1994 and 1995, with a description of developments and assumptions underlying these figures. The Office of Planning and Statistics was asked to provide the relevant response to the query. The Departments of External Affairs, Finance, Resources and Development and EMPAT were asked to review the outcome of the December 1995 Consultative Group meeting, especially with regard to its implementation for external grant and loan distributions over the medium term; and to comment on the likely pace of disbursements for the major investment projects of each donor country.

The Department of Finance and EMPAT were asked to provide estimates of external assets and liabilities of commercial banks at the end of 1994 and 1995, and explain the causes of movements in these amounts. Banks' statistics showed that the combined total assets of the three commercial banks in 1994 and 1995 were approximately \$127 and \$129 million, respectively, while total loans in 1994 were roughly \$57 million of which \$20 million was in commercial loans and in 1995 the total loans were approximately \$53 million, roughly \$20 million of which was for commercial loans.

Commercial banks are directed by law to utilize at least 50 percent of their deposits for loans. This target was not achieved in 1995, which indicated that banks are investing some of their de-

posits outside of the FSM.

The IMF Mission during its three-day visit, May 8 to 10, was scheduled to meet with the Acting Secretary of Finance; Secretary of External Affairs; Director of Budget; EMPAT; Commissioners of Customs and Revenue; National Planner and staff of the Office of Planning and Statistics, the FSM Banking Commissioner and Chief Executive of the Bank of the FSM; the President of the FSM Development Bank, the FSM Social Security; and the officials of Pohnpei State. A presentation by Mission of its Findings and a Concluding Statement to the FSM National Government culminated the IMF 1996 Article IV Consultation Discussions Mission.

JICA Training/Seminar

The Government of Japan has extended invitations to the FSM Government to participate in the following training and seminar to be sponsored by Japan International Cooperation Agency (JICA): (a) A Group Training Course in Solar Power Generation and Its Application System to be held in Japan from September 16 to December 15, 1996; and (b) A Seminar on Port Administration and Management to be held in Japan from September 24 to November 22, 1996.

Radio News Producers' Training Program

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - A two-week training program for radio news producers in FSM was completed May 23, 1996, in Pohnpei. Participants came from each of the four public radio stations in the FSM.

The instructor for the training was Jean-Gabriel Manguy of Radio Australia's Pacific Service, Australian Broadcasting Corporation, under arrangement with Pacific Islands Broadcast Association (PIBA) and the FSM Micronesian Broadcasting Association (FSMBA).

The training focused on various techniques of radio news production including studio exercises and man-on-the-street interviews with government officials and politicians.

Armed with newly learned techniques and the willingness of public officials to share official information for public consumption, it is hoped that better news programs will be produced and disseminated from the FSM state public radio stations.



ECONOMIC SUMMIT - Above is Governor Del Pangelinan opening Pohnpei first economic summit at Misko's Restaurant May 6, 1996.

8 Pohnpei State held its first Economic Summit

THE NATIONAL UNION, May, 1996

PALIKIR, Pohnpei (FSM INFORMATION SERVICE) - Pohnpei's First Economic Summit was convened at Misko's Restaurant, May 6 with an opening statement by the Honorable Del S. Pangelinan, Governor of Pohnpei State. Statements by the Honorable Bernell Edward, Speaker of the Pohnpei State Legislature, and Iso Nahnken of Nett, Salvador Iriarte, representing the Traditional Chamber of Chiefs followed Governor Pangelinan's statement.

The purpose of the summit was to create a forum involving a wide cross-selection of Pohnpei's society and all interest groups in the state to reach consensus on development goals and priorities of the State of Pohnpei and the challenges it faces. The summit sought to encourage a true consensus on the question of where the state should go and how best to get there.

Governor Pangelinan spoke of the economic vulnerability of Pohnpei as a small island developing state. The prevailing standard of living in Pohnpei is supported by an economic system which combines a modern cash economy and a traditional economy of subsistence farming and near-shore fisheries. The cash economy relies heavily on US Compact funds.

He addressed the summit gathering with the state's declining budget capability and the absence of constructive alternatives in the short term. Pohnpei state revenues will

decline by approximately \$4.5 million beginning fiscal year 1997.

The Governor went on to say that Pohnpei will remain at the whims of shifting trends in international aid priorities if we do implement sound economic development goals and priorities to cushion the declining resources. "The need is undeniable to put in place measures that will achieve for us a degree of self-sufficiency and help us overcome this economic vulnerability."

The Governor emphasized the need to boost the productive sectors such as fisheries and agriculture. Enhancing the substance sector will give Pohnpei an opportunity to achieve food self-sufficiency and to substitute imported food commodities with home-grown food. The Governor said, "...clearly Pohnpei needs to decrease its dependency on the U.S. by strengthening its economy-the backbone of which is the private sector and work with the FSM to diversify its foreign assistance program.

Pohnpei needs to restructure its public sector, the taxation system, and import-export trade structure, among other things."

The Governor clearly stated that all Pohnpei State's development goals and priorities must be achieved in an environmentally sustainable manner.

The speaker of Pohnpei State Legislature gave a run-down of the history of Pohnpei: how Pohnpei was governed by and through

different administrations beginning with the Spanish Era to the Germans and to the Japanese and U.S. administrations. He said, "...now that Pohnpei is independent, we must grow up and stand on our own feet..." He said "...that while 15 years is a short time in which to expect any nation to become fully self-sufficient, Pohnpei can and must do better in its development efforts to secure a better future."

Iso Nahnken Salvador Iriarte who spoke on behalf of the traditional Chamber of Chiefs, said that Pohnpei must focus on what is really good for Pohnpei and not be sustained by what other people and states may want. He asked the Chairmen of the various committees of the Summit and participants to deliberate on issues that are truly good for Pohnpeians. He said that this Economic Summit should also address political and social issues.

The Summit split into various committees to deliberate on committee work. The various committees of the Summit were: Education Committee; Public Sector Reform Committee; Health Committee; Marine Resources Committee; Agriculture Committee; Tourism Committee; and Private Sector Development Committee.

Committee chairmen reported the results of their deliberations to plenary. The Summit adopted its communiqué and concluded on May 9, 1996.

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THE NATIONAL UNION

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