

1985 Compact approval seen due to 1984 U.S. support

KOLONIA, Pohnpei, - The year 1985 is expected to bring to a conclusion efforts to ratify and implement the Compact of Free Association with the United States, due to support demonstrated during 1984 by the Reagan administration and people in the U.S. Congress, according to President Tosiwo Nakayama.

The President and FSM Congress Speaker Bethwel Henry appeared before the U.S. Senate Energy and

Natural Resources Committee to testify on the Compact in May and other state and national government officials travelled to Washington to seek support for the pact in the House Foreign Affairs Committee which held one hearing and Public Lands and National Parks Subcommittee which held a series of 10 hearings, beginning in April and ending Dec. 12 and is expected to hold more in February.

"Because President Reagan was reelected, we are very optimistic that the Compact will be reintroduced early next year by his administration and that the U.S. Congress will complete its action soon after that," Nakayama said.

The President noted that part of his optimism is based on the Senate committee completing action on the Compact and submitting it to the full Senate for action

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President urges coconut planting, fishing To build economy at Lukunor dedication



LUKUNOR WAREHOUSE DEDICATED - Marihne Henry, left, wife of FSM Congress Speaker Bethwel Henry, and Mariana Setik, wife of FSM Senator Raymond Setik of Truk, are cutting the ribbon, during the Dec. 13 dedication of the "Peiou" Mortlocks Copra Warehouse in Lukunor, Mortlock Islands, Truk. FSM President Tosiwo Nakayama is in the background between Mrs. Henry and Mrs. Setik and the Speaker is between Mrs. Setik and Truk State Education Deputy Director Manny Sound. Satawan Chief Magistrate Krispin Carlos, right, is holding the far end of the ribbon.

LUKUNOR, Mortlock Islands, Truk - President Tosiwo Nakayama urged the people of the Mortlocks and the FSM to plant coconut trees to maintain the nation's future economic base, during the Dec. 13 multiple dedication ceremonies here.

The President also reconfirmed the designation of Lukunor as an FSM port of entry and his support for an air strip on the island, in addition to the airstrip on Ta.

The dedication, which was postponed several times to accommodate the schedules of national and state officials, began at 9 a.m., shortly after the President arrived with Congress Speaker Bethwel Henry, Truk Gov. Erhart Aten and other government officials on the inaugural flight of the Can-Air PB5 5A Canso amphibious airplane from Pohnpei.

The ceremony was held to dedicate the Can-Air airboat service from Moen to the Mortlocks for a three-month trial period, in addition to the new 93 by 30-foot, three classroom Lukunor Elementary School, renamed the "Simiron Memorial School" for Petrus Mai-pi, the first Truk school teacher, and the 60 by 40-foot "Peiou"

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Develop economic base, President

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Mortlocks Copra Warehouse.

Marihne Henry, wife of the FSM Speaker, and Mariana Setik, wife of FSM Senator Raymond Setik, cut the ribbons officially opening the school building and copra warehouse.

Also dedicated were a shoreline sea-wall, a 45-foot wooden diesel engine Hong Kong-made copra boat and the airstrip and port of entry projects.

The President noted that the price of coconut oil is increasing and cited experiments at PATS high school in Pohnpei to substitute it for diesel fuel, stating, "some day we may be able to harness it and use it cheaply.

"I heard that coconut oil has been utilized on some metal parts of rockets because it does not freeze in space and is also found as a means of eradicating wrinkles on old faces in Japan," he said.

"I encourage every one of you to plant good coconuts and produce copra, and improve your fishing, for we have plenty of fish in our waters," Nakayama said.

Citing a miniature sailing raft presented to him during the ceremony, the President said, "The raft is slow and the voyagers know where to go while trying hard to reach their destination.

"The FSM knows where to go, but does not want to rush," he said.

Nakayama said that while the Compact of Free Association is expected to be approved in 1985 by the U.S. Congress, the national government is working on restructuring the Continental-Air Micronesia airline service agreement and on fishing negotiations with Japanese and U.S. fishing industries, and has established relations with South Pacific nations through participation in the South Pacific Bureau for Economic Cooperation (SPEC) and the South Pacific Forum.

The Speaker said he was pleased to have the seaplane service "bringing us closer together" in a show of cooperation between the Truk people and their leaders with others from abroad.

Setik, the governor and Lukunor Chief Magistrate Paul Puas also addressed the ceremony held in the copra warehouse.

Among the other official guests were FSM Resources and Development Secretary Bernard Helgenberger; FSM Senators Pedro Harris of Pohnpei and Tony Otto of Truk; Truk State Chief Justice Soukitchy Fritz; State Senator Singkoro Harper; State Public Affairs Director Iskia Sony; the governor's

representative to the Mortlocks Misao Petrus; Special Assistant to the President Kasio Mida, and Sokehs Nannwarki Ioanes Artui, Chief Magistrate Kusto Liaman and Municipal Council Speaker Rensper Liwy.

Hospital corp. proposed

KOLONIA, Pohnpei - A bill to create a Pohnpei Public Hospital Corp. to own and operate state hospitals and dispensaries and administer the medical referral program was introduced Nov. 27 in the Pohnpei State Legislature.

The measure introduced by State Senators Midion G. Neth and Ambros T. Senda calls for expanding and improving in-patient and out-patient medical services provided by the hospitals and dispensaries to be controlled by the corporation.

The corporation would set a fee schedule for services rendered with reduced fees for indigent patients whose families would be required to provide in-kind payment, such as local food, or fish, or work at the hospital.

It would manage medical referrals of patients referred to hospitals abroad and referrals of patients from other jurisdictions upon entering an agreement with the FSM national government on covering the costs of patients from outside Pohnpei.

A seven-member board of directors would be appointed by the governor with the confirmation of the legislature to administer the corporation through monthly meetings and quarterly hearings.

The board would name a hospital administrator, treasurer and legal counsel.

The State Health Services Department would monitor all corporation activities for infractions of requirements set by the bill and departure from medical ethics and standards set by law.

The bill which was assigned to the legislature Health and Social Services Committee would require the Health Services Department and Public Lands Authority to transfer all state hospital and dispensary facilities, grounds, equipment and operating budget to the corporation within 120 days after requested by the board.

Health Services Department employees would be retained under the corporation at levels no less than what they received from the department with recognition of their seniority in personnel plans established by the corporation.

Truk legislature

Approves '85 budget

MOEN, Truk - The Truk State Legislature approved on second reading a \$26,410,978 fiscal 1985 state government budget, before recessing its current special session Dec. 13-Jan. 7, according to Acting State Information and Broadcast Chief Peter Maipi.

The legislature on Dec. 13 also amended the Truk state standard of living allowance to extend coverage to federal employees and disqualify employees with \$15,000 or more annual salaries and approved the Mortlocks Development Authority.

Earlier the legislature amended the State Election Law to allow absentee voting in other polling places and approved the creation of a Truk State Foreign Investment Review Authority.

Resolutions adopted confirm the nominations of Roger Mori to the FSM Coconut Development Authority board of directors, Melvin Morris as State Public Works director and Sister Josepha Hashiguchi to the State Scholarship Board; ask Air Micronesia to continue its passenger fares reduction one more year; ask the FSM President and Truk governor to find replacements for the doctors assigned to the Mortlocks super dispensary, and thank the Yap state government for providing Truk with the fishing vessel, Shinpoku Maru No. 18.

Other resolutions approved as the FSM national government to increase the Truk share of national revenues from 50 per cent to 80 per cent and amend the legislature procedural rules to allow the speaker to sent on any standing committee to transact business and avoid a lack of a quorum.

The legislature rejected the nominations of Mark Daniel Brook to be state attorney general and Julio Marar to serve on the scholarship board.

Truk High wins meet

MOEN, Truk - Truk High School was the team champion in the first Truk State Track and Field Day competition here Dec. 14 with 205 team points, according to Xavier High School Communications Advisor Christine Grieco.

Weipat Junior High School was second with 148 points; Xavier, third, 137; Southern Namoneas Junior High, fourth, 117; Faichuk Junio High, fifth, 101; Mortlocks Junior High, sixth, 63, and Berea Christian School, seventh, 46.

Truk honors Police officers

MOEN, Truk - Eleven Truk State Public Safety officers who completed the 1983 and 1984 Micronesian Police Academy program in Sitka, Alaska, were honored here Dec. 4 during a special ceremony held in conjunction with Public Safety Law Enforce Week here.

Gov. Erhart Aten, who proclaimed Dec. 3-7 as the first annual Truk state Public Safety Law Enforcement Week, led the inspection of police platoons at the Truk International Airport with President Tosiwo Nakayama, High Commissioner's representative Neiman Craley and Trust Territory Law Enforcement Training Development Director Bill Stinnet.

The governor expressed appreciation and gratitude to the men and women of the Truk State Public Safety Department for their acceptance of the responsibility of keeping peace and order.

The President praised the departments' personnel and said that the occasion marked the show of the officers' part in strengthening their professionalism in the area of public safety.

Aten presented special awards to Police Capt. Sorios Esemnanau, Police Academy 1983 scholastic winner; State Public Safety Deputy Director Fiuling Ruben, 1983 police academy honor graduate and valedictorian, and officer David Welle, 1984 academy trauma treatment award winner.

Others honored for participating in the academy were Skinory Retonong, Harry Naxruhn, Martin Edward, Teichy Killion, Kerson Rizal, Elias Sandy, Misaru Kaiser and Anselmo Daniel.

On display at the ceremony were fire and rescue squad and equipment, water safety and rescue squad equipment and water safety and rescue dive search aqua-lung squad and equipment.

39 picked for law course

LELU, Kosrae - The Kosrae Private Industry Council selected 39 applicants, ages 14-21, to be enrolled in a basic law and court functions course sponsored by the Jobs Training Partnership Act program in coordination with the Community College of Micronesia Continuing Education Center here, according to State Information Office release.

The council also announced in its Dec. 5 meeting that 90 applications were filed for the next Job Corps training session in carpentry, solar heating, commercial fishing, air conditioning, refrigeration and plumbing.



WINNING CHRISTMAS CARD DESIGN - The winning design in the second annual Pohnpei State Christmas Design Contest by Rally Jim, an Ohmine Elementary School seventh grader, depicts the theme "Christmas in My Family," showing a busy Pohnpei family getting ready for Christmas by preparing various kinds of food and pounding sakau, while a bright star shines overhead. The youth won the \$50 grand prize for the design.

Christmas card winner named

KOLONIA, Pohnpei - Rally Jim, Ohmine School seventh grade student and son of State Senator Simiron Jim of Mokil, was presented Dec. 12 the \$50 grand prize in the second annual Pohnpei State Christmas Card Design Contest by State Education Director Damian Sohl.

Jim's winning Christmas card was printed for Gov. and Mrs. Resio Moses who initiated the contest in 1983 to be the official Pohnpei State Christmas card.

The card depicts the theme "Christmas in My Family," showing a busy Pohnpei family getting ready for Christmas by preparing various kinds of food and pounding sakau, while a bright star shines overhead.

Other winners were:

Category I, grades k-2—First, Alwihs Sulap, Saladak Elementary School; second, Francyleen Sahn, first grade, Sokere Elementary School, and third, Rachel Jones, United Church of Christ Preschool.

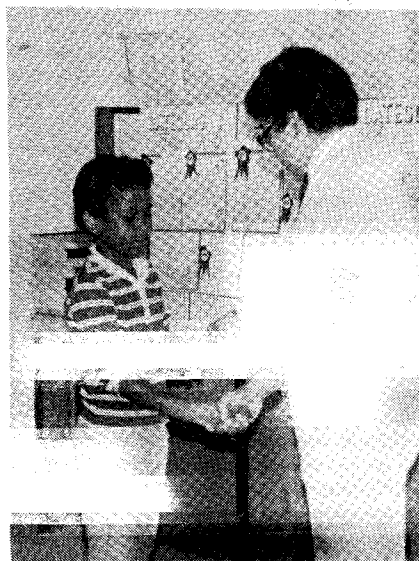
Category II, grades 3-5—First, Harrison Rodriguez, fourth grade, Ohmine Elementary School; second, Jacqu Joe, fourth grade, Nett Elementary School, and third, Jessica Poll, third grade, Calvary Christian Academy.

Category III, grades 6-8—First, Mario Johnson, seventh grade, Nett Elementary School; second, Childen Wolpagen, eighth grade, Kolonia Elementary School, and third, Kathy Hickarip, seventh grade, Kapingamarangi Elementary School.

Category IV, high school—First, Berly Jose, senior, Seventh Day Adventist School. (There were no other entries.)

First prize winners received \$25; second, \$15, and third, \$10.

The judges were Koisimi Rudolf, Henter Lawrence, Wehns Billen, Tom Beckman and Karen Carol.



RECEIVES GRAND PRIZE - Rally Jim, left, an Ohmine Elementary School seventh grade student, is receiving Dec. 12 a \$50 check from Pohnpei State Education Director Damian Sohl for the winning design in the second annual state Christmas Card Design Contest.

National Development Plan submitted to Congress in '84

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which did not take place due to national elections cutting short the congressional session.

"Another important accomplishment during 1984 was the completion of the Five-Year National Development Plan in November by the National Plan Task Force," he said, noting that the plan was submitted to the FSM Congress which is scheduled to act on it, during a January special session.

JANUARY

The year began with Kosrae becoming the second FSM state to implement its own constitution on Jan. 11.

Owners of the Sea Treasure, a U.S. purse seine fishing boat caught Aug. 29, 1983, fishing near Kapingamarangi without an FSM permit, agreed Jan. 14 to pay \$56,235 in penalties and hire three FSM citizens as trainees.

Chutomu Nimwes of Truk was elected Jan. 20 the third College of Micronesia Board of Regents rector, succeeding the Rev. Billy Kuarte of Palau who remained on the board, and Community College of Micronesia President Catalino Cantero was reelected chairman of the FSM Board of Education during its Jan. 23-25 meeting in Kolonia.

The President attended the Jan. 23 dedication of the Truk Coconut Processing Plant in Moen and the FSM prepared to launch the Job Training Partnership Act on-the-job, work experience and classroom training programs.

The Micronesian Maritime Authority concluded a 285 million yen fishing agreement Jan. 25 in Guam with four Japanese fishing associations to fish Feb. 10-Aug. 9 in FSM waters.

FEBRUARY

U.S. Deputy Assistant Interior Secretary Kittie Baier visited FSM and Ponape state officials Jan. 29-Feb. 1 with Associate Interior Solicitor Marian Horn on an orientation trip which took them to Truk Feb. 1-3.

The FSM Congress confirmed the nomination by the President of former Ponape Gov. Leo A. Falcam as the first FSM Postmaster General, during its second special session Feb. 7-16.

The Congress disapproved the draft National Development Plan which was presented to the President in November, 1983, and adopted a resolution asking Nakayama to name a joint executive-legislative task force to draft a new plan.

Two Kiribati and one Tuvalu fishermen were brought Feb. 20 to Ponape by the Japanese fishing boat Otoshiro Maru, after drift-

ing 30 days from Tarawa.

The President announced that he would designate Satawan and Lukunor as FSM ports of entry, during a Feb. 25 municipal building dedication ceremony in Moch, Mortlock Islands, Truk.

The FSM Health Insurance Committee began presenting recommendations for a National Health Insurance Plan to the states. The plan is expected to address medical referral costs which have totaled more than \$1 million since fiscal 1982 for the FSM.

The Ponape State Court became the second FSM state court to begin functioning, after being certified by the Trust Territory High Court on Feb. 29.

MARCH

The Feb. 29-March 2 Ponape State Leadership Conference on Political Status Development unanimously adopted a resolution supporting approval of the Compact of Free Association by the U.S. Congress. The state voted against the Compact in the June 21, 1983, plebiscite.

The final draft of the Pohnpei State Constitution was signed March 5 during a ceremony in the State Legislature Chamber.

Schematic designs for the proposed \$24.2 million FSM national capitol in Palikir were presented March 11-14 to Ponape state and national government officials by Architects Hawaii, Inc.

Incumbent State Senator Job Micah won the March 30 special election for the Pingelap seat in the Ponape State Legislature, after Gov. Resio Moses declined to certify the Nov. 12, 1983, election results in that municipality due to reported ballot-counting irregularities.

President Reagan transmitted March 30 to the U.S. Congress the Compact with a message reaffirming his support and urging congressional approval.

APRIL

The FSM state and national resources and development directors urged the President to place all national government training functions in its Resources and Development Department, during their first conference April 2-5 in Truk.

Assistant U.S. Interior Secretary Richard Montoya said, during an April 3 meeting in Ponape with national government officials, that the Interior Department "is solidly committed to early approval of the Compact," and that he supports U.S. funding for the proposed FSM national capitol at Palikir.

The FSM Immigration and Labor

Division was divided into two divisions and the Immigration Division was moved from the Resources and Development Department to the Attorney General's Office when Nakayama amended Presidential Order No. 1 on April 16.

The Truk State Court became the third FSM state court to begin operating, after being recognized April 20 by the Trust Territory High Court.

President and Mrs. Nakayama met President and Mrs. Reagan during an April 25 reception in Guam where the U.S. chief executive stopped over en route to mainland China.

The U.S. House Public Lands and National Parks Subcommittee began April 27 hearings on the Compact.

MAY

The first FSM State and National Legislatures' Speakers Conference was held May 3-4 in Ponape.

The first FSM commemorative stamp issue, featuring the four state centers, was announced for release on July 12 with the inauguration of the FSM Postal Service.

The first Micronesian Area Media Training Workshop was held May 7-24 in Ponape and the participants organized the Micronesian Information and Broadcast Association (MIBA) with Fred Pedro of the Marshall Islands as its chairman. Funds for the workshop were provided by the U.S. Office of Territorial and International Affairs and the Australian Foreign Affairs Department which provided two instructors from Mitchell College of Advanced Education, Bathurst, New South Wales.

President and Mrs. Nakayama visited Japan, May 13-18, to attend the Nanyo Gunto Kyokai convention in Yokohama, before his going to Washington, D.C., to testify on the Compact.

FSM Status Commission Chairman and External Affairs Secretary Andon Amaraich testified May 14 before the U.N. Trusteeship Council, urging it to get ready to help the process of terminating the 1947 trusteeship agreement, authorizing the United States to administer the Trust Territory of the Pacific Islands.

The President told the U.S. Senate Energy and Natural Resources Committee on May 24 that the Compact would allow the FSM to join the community of nations and maintain its sense of dignity.

Also testifying in the Senate hearing were the FSM Congress Speaker, Yap Gov. John Mangefel, Ponape Gov. Resio Moses, Truk Legislature Speaker Kisande Sos,

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FSM Postal Service inaugurated in July 12 ceremonies

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Kosrae Legislature Speaker Gaius Nedlic and Ponape Legislature Speaker Salter Etse.

JUNE

The President reported that the Compact has the support of key U.S. Congress leaders in a June 11 briefing for the FSM Congress.

The Third FSM Congress trimmed the executive branch fiscal 1985 budget request from \$14 million to \$10.5 million, during its third regular session which ended June 12.

Ponape Gov. Resio Moses urged the Community College of Micronesia to expand its role in serving the FSM in his June 18 address to the 14th CCM graduating class in Kolonia.

Deputy South Pacific Affairs Chief Ira Akapito became the first FSM External Affairs Department official to completed June 29 a three-month Australian Foreign Service Training Course. It was one of a number of training programs sponsored by Australia, the U.N. Development Program and others for FSM citizens.

JULY

U.S. House Foreign Affairs Committee Chairman Dante B. Fascell of Florida introduced the Compact legislation in the House during the first week in July and it was jointly referred to the Interior and Foreign Affairs committees.

Former External Affairs Deputy Chief for Asian Affairs Jesse Raglmar arrived July 11 in Tokyo to serve as the first FSM Economic Liaison Officer in Japan.

The FSM Postal Service was inaugurated July 12, the anniversary of the beginning of the former Congress of Micronesia and the ratification of the FSM Constitution, with simultaneous ceremonies at the four state post offices and the signing of the transfer of facilities by FSM Postmaster General Leo A. Falcam and U.S. Postal Inspector Robert Bidwell in Ponape.

The Trust Territory government transferred five capital improvement projects totalling \$10.47 million to the FSM for administration under the CIP agreement signed in December, 1983, by the President and High Commissioner. The first 24 projects were underway in the Rural Yap Sanitation Project; the Southern Yap Water System construction contract was awarded to Black Construction Co.; the Moen-Dublon Water System design was 80 per cent complete; the Moen Road Improvement projects design was awaiting Trust Territory approval, and the Pohnpei circumferential road Phase V

is 80 per cent complete as of December.

Charles Wolfe arrived June 6 in Truk after being extradited from Hawaii on \$45,000 bogus airline stocks sale theft charge and was jailed pending \$45,000 bail. He was found guilty July 27 to one of three counts of theft by deception by FSM Supreme Court Associate Justice Richard Benson.

FSM and U.S. officials began discussions during the week of July 23 in Washington, D.C., on Compact transition procedures when Status Commission Chairman Amarai, Transition Committee Chairman Jack Fritz and commission member Isaac Figir met with Ambassador Fred Zeder, President Reagan's personal representative to the Micronesian status negotiations, and Assistant Interior Secretary for Territorial and International Affairs Richard Montoya.

The FSM launched a five-and-one-half-year leprosy control program in July with the arrival of the first three-month supply of medicines provided by the World Health Organization, according to national Health Services Coordinator Kiosi Aniol who said the program will include a systematic leprosy survey in the four states, beginning with Ponape which has the highest number of known cases.

AUGUST

Exploratory well drilling completed Aug. 3 at Palikir tapped more than enough water for the proposed national capital and CCM campus, and cleared the way for funding Kolonia Water System Improvement Project drilling, according to FSM Construction Chief Amos Coffelt.

The Third FSM Congress approved Aug. 9 during the second day of its third special session the new per vessel per trip fishing and goods and services agreements with Japanese fishing associations which went into effect Aug. 10.

The Congress also approved \$2.5 million in state public projects and \$130,655.44 in national government supplemental budget requests, during the session which ended Aug. 17.

FSM state education directors were urged to develop a plan for the use of Compact funds for education, during the Aug. 16-17 Educational Leadership Conference in Ponape.

A 49-ton Taiwanese long-line fishing boat, CT3-3182, was apprehended Aug. 20 about 180 miles southwest of Yap proper while fishing without an FSM permit and

escorted by the FSM surveillance vessel, Arctic, to Colonia where criminal charges against the captain for trying to escape and \$150,000 in penalties, plus forfeiture of the boat, its equipment and catch were filed in the FSM Supreme Court.

The President attended the 15th South Pacific Forum, Aug. 27-28, in Tuvalu. He was accompanied by Ponape Lt. Gov. Strik Yoma, Deputy External Affairs Secretary Asterio Takesy and South Pacific Affairs Deputy Ira Akapito.

The President told the Forum that the proposed Pacific nuclear free zone is consistent with the Compact and the FSM, as an observer member, supported the decision to form a working group headed by Australia to draft a treaty to ban nuclear testing, dumping, manufacture, or stationing of nuclear wastes in the South Pacific.

SEPTEMBER

State and national government officials agreed during an Aug. 30-Sept. 1 Transition Conference in Ponape, called by Status Commission Transition Chairman Jack Fritz of Truk to compile transition funding needs for the FSM Chief Executives Conference in October.

Ponape Lt. Gov. Strik Yoma, 47, was found dead Sept. 2 in a Honolulu hotel, during his return trip from the South Pacific Forum in Tuvalu. A state funeral was held Sept. 8 in Ponape for the former Trust Territory Public Affairs Director.

The Pohnpei Constitution was ratified by 59 per cent of the voters in the Sept. 24 referendum.

Ponape State Education Director Damian Sohl was nominated by Gov. Moses to replace Mr. Yoma on the CCM Board of Regents and was confirmed by the state legislature, before the Regents met Oct. 2-5 in Ponape.

The President and Speaker met Sept. 28 with Japanese Prime Minister Yasuhiro Nakasone at his residence in Tokyo and hosted with the presidents of the Marshall Islands and Palau a Sept. 29 reception at the Keio Plaza Hotel in Tokyo for 240 members of the diplomatic corps, Diet members and Japanese businessmen. The President officially announced the opening of the FSM Economic Liaison Office in Tokyo during the reception.

OCTOBER

The CCM Regents approved a permanent media training program at CCM to begin in the 1985 fall semester, if funding is obtained, and deferred action on selecting

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Chief Executives approve Development Authority in '84

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a new COM executive director and personnel officer, during their Oct. 2-5 meeting in Ponape.

A second Taiwanese long-line fishing boat was apprehended during the week of Sept. 24 by the Arctic in Yap state and was escorted to Moen, Truk, where the catch was confiscated and sold and the captain and three crew members were jailed and arraigned Oct. 5 in the FSM Supreme Court.

An Agreement on Internal Budget and Finance Procedures under the Compact which includes creation of a Federated Development Authority to administer Compact funds was approved by the FSM Chief Executives during the sixth conference Oct. 10-17 in Ponape.

The chief executives also approved the first Micronesian Olympics to be held May 10, 1985, the sixth anniversary of the implementation of the FSM Constitution, at a site to be determined.

The 1984 lobbying campaign for the Compact in the U.S. Congress paved the way for its enactment early in 1985, according to FSM Washington officials who told the chief executives, FSM Congress and Status Commission during the week beginning Oct. 15 that more lobbying will be needed next year to deal with the new Congress.

Reagan signed into law Oct. 12 a U.S. Interior Department appropriations bill which includes \$40,342,000 for FSM fiscal 1985 operations, \$15.42 million for capital improvement projects and \$3.92 million to begin construction of the new FSM capital at Palikir. The CIP funds include \$600,000 for Truk, \$2.98 million for Yap, \$2.55 million for Pohnpei and \$5.37 million for Kosrae.

NOVEMBER

Robert Wuyoch of Yap was named Nov. 5 the first place winner and winner of a trip to a New York stamp show in the first FSM Christmas Stamp Design Contest.

The FSM Banking Board issued Nov. 6 a six-month permit to the Bank of the Federated State of Micronesia to organize. The bank, headed by former Vice President Petrus Tun of Yap as its board chairman, is the first to be organized by FSM citizens.

The Third FSM Congress ended its fourth and final regular session by approving on the final day, Nov. 7, 16 bills, including a national Medical Licensing Act which will create a licensing board. Earlier the Congress approved a bill to create an FSM Environmental Protection Board.

Ponape became Pohnpei on Nov. 8 when its first state constitution

was implemented officially changing the spelling. All elected and appointed officials in the executive, legislative and judicial branches were sworn in as the first Pohnpei state officials, during a ceremony in the legislature chamber.

The Office of Planning and Statistics began the planning process for the first FSM Census targeted for August, or September, 1985.

Gov. Moses called Nov. 13 special elections on Dec. 21 for lieutenant governor and new three legislative seats, one each in Madolenihmw, Kitti and Sokehs, created by the new state constitution.

State and national resources and development directors recommended reorganizing FSM foreign investment permit procedures, during their second conference Nov. 16-22 in Yap.

The National Fisheries Corp. board of directors was organized Nov. 17, during the State and National Resources and Development Directors Conference in Yap, and Pohnpei Conservation and Resource Surveillance Director Kikuo Apis was elected chairman.

The FSM Telecommunications Corp. Technical Training Center in Pohnpei was dedicated Nov. 28 to serve as a regional facility in a network of six other training centers established by the International Telecommunications Union under the U.N. Development Program.

Truk was declared cholera free and the FSM lifted restrictions on travel from that state.

DECEMBER

Kolonia Town became the first local government to complete a draft municipal constitution mandated under the new Pohnpei State Constitution during a signing ceremony held Dec. 1 in the FSM Congress Chamber.

The joint FSM-Truk-Trust Territory task force on the Truk State Hospital agreed to the release of funds for repairs and cholera-related operations, during its first meeting Dec. 4-6 in Moen.

The Can-Air PBV 5A amphibious airplane arrived Dec. 6 in Pohnpei to begin scheduled air service between Moen and the Mortlock Islands in Truk under charter by the Truk International Development Co. from Can-Air Services, Ltd., of Alberta, Canada.

The Dec. 8-23 Pacific Festival of Arts was postponed due to political violence in New Caledonia and French Polynesia is expected to host the festival next year.

The SS Thorfinn, a 170-foot

converted Norwegian whaler, arrived Dec. 12 in Pohnpei to begin adventure cruises Dec. 22 between Pohnpei and Moen with stops in the outer islands.

The President joined Truk Gov. Erhart Aten and other state and national government officials flying Dec. 13 to Lukunor on the Can-Air air boat for the dedication of the air service, a new copra warehouse and an elementary school.

Speaker Henry called a 10-day fourth special session of the Third FSM Congress to be convened Jan. 7 to consider the draft National Development Plan.

FSM leprosy cited

KOLONIA, Pohnpei - The U.S. House Public Lands and National Parks Subcommittee focused on the FSM "leprosy epidemic," during its Dec. 12 hearing on Micronesian health services under the Compact of Free Association, according to an Associated Press report.

Dr. John R. Trautman, U.S. Health and Human Services Department national Hansen's disease program director, told the subcommittee that during the last four, or five years, "it has been pretty well determined...there is what could be considered an epidemic of Hansen's disease (leprosy), particularly in Pohnpei state."

Trautman cited more than 1,000 leprosy patients in the FSM and said the number to rise to 2,000, and 40 per cent of the Kapingamarangi population of 1,100 could develop the disease which "would be considered the most significant epidemic, percentage-wise, in the history of the world."

Subcommittee Chairman John F. Seiberling of Ohio said that \$200,000 was earmarked for fiscal 1985 by the U.S. Congress for leprosy detection and treatment in Micronesia.

FSM Health Services Chief Elieuel Pretrick told the subcommittee that \$400,000 was needed for one year to produce a good, comprehensive leprosy program in the Federated States.

FSM Washington Representative Epel K. Ilon, on the overall Compact, proposed that the U.S. President be authorized, at the request of the Micronesian governments, to continue any federal program currently in effect for a transitional period of up to three years.

Bank of FSM Board to meet

KOLONIA, Pohnpei - The Bank of the Federated States of Micronesia board of directors will meet Jan. 18 in Kosrae to determine its schedule for opening branches throughout the FSM, beginning with Kosrae, according to Pohnpei attorney Fred Ramp.

The bank is the first privately owned commercial bank to be organized by FSM citizens, Ramp said, noting that it was granted Nov. 6 a six-month permit to organize by the FSM Banking Board.

Former FSM Vice President Petrus Tun of Yap is chairman of the board which includes Donald Jonah of Kosrae; Bernard Helgenberger, Ambros Senda, Peter Christian and Leo A. Falcam of Pohnpei, and Sasao Gouland, Raymond Setik, Shegeto Hashiguchi and Taka Mori of Truk.

All except Tun and Falcam owned businesses in their states, Ramp noted adding that the bank has \$750,000 in stock subscriptions, including \$250,000 by two foreign investors, D.W. Campbell, a Dallas, Texas, banker and insurance executive, and F. J. Phillips of San Diego, California.

The bank has submitted its documents to incorporate to the FSM Registrar of Corporations and has filed for a U.S. Federal Deposits Insurance Corp. permit to insure individual deposits, according to Ramp who said, "We won't open without FDIC coverage."

The bank hired Texas banker Ricardo Alba to manage the Kosrae branch and he is in the FSM assisting in obtaining office space, equipment and staff, Ramp said.

"As soon as we get FDIC coverage and our stocks registered, there will be an initial \$250,000 in stocks available and within a few months additional stocks available for sale to the public," he said.

The bank is planning to provide regular banking services, plus real estate loans not provided by existing banks in the FSM, and to reinvest deposits in the FSM, Ramp said.

Kosrae opens LNO

KOLONIA, Pohnpei - A Kosrae State Liaison office opened here on Dec. 10 to assist medical referral patients and acquisition of supplies, according to Ilai Abraham, first Kosrae Liaison Officer.

Abraham said that the office will also assist students traveling through here abroad and to the Community College of Micronesia campus in travel arrangements and related needs.

Moses says FSM partially responsible

KOLONIA, Pohnpei - Gov. Resio Moses released Dec. 19 a letter which raises questions about an FSM audit report and an accompanying letter from a national government official concerning FSM involvement in the construction of the Community College of Micronesia dormitory, according to a Pohnpei State Information Office release.

An FSM Public Auditor's report released last month declared that the college "cannot evade ultimate responsibility" for poor management of the dormitory construction project.

The results of the audit report were published in the National Union, along with a statement by FSM Construction Chief Amos Coffelt who was quoted as saying, "the FSM had no part either by choice or agreement in the review, approval, or authorization of payments to the contractor."

Auditor resigns

KOLONIA, Pohnpei - John E. Dye, the first FSM Public Auditor, submitted his resignation Dec. 17 to President Tosiwo Nakayama effective Dec. 21 to join the U.S. Energy Department Inspector General's Office.

Dye, 48, was nominated to the position by Nakayama in May, 1982; was confirmed by the FSM Congress, and took office on Oct. 4, 1982, at the beginning of fiscal 1983.

In the two years he has served as Public Auditor, Dye expanded his staff to one senior auditor, Dallas Weyland who is expected to be named acting Public Auditor; two staff auditors, and one administrative assistant.

Thirteen audit reports have been issued under his name.

Dye spent much of his time in office working to defining its relationship to the state governments. It has audited Yap state accounts at the request of that government.

Dye is a certified public accountant who came to the FSM from the Trust Territory government in Saipan where he served as Management Support Administrator.

He was detailed May 1, 1982, by High Commissioner Janet McCoy to the FSM to study the functions of the Public Auditor under the FSM Constitution and to prepare legislation to implement the office.

Dye is a former journalist who worked for three major U.S. newspapers and as a corporate public relations director.

The FSM was to provide construction inspection assistance for the purpose of quality control."

The governor, who was CCM president when the construction began, said that payments to the contractor were on the basis of the FSM architect's certification as called for in the contract.

Moses told Coffelt in a Nov. 26 letter that the contract "prepared by the FSM Office of Construction Contracts and Review" provided that the FSM office—and not CCM—was responsible for "general administration of the contract" for "inspection, opinions and progress reports, access to work site for inspection, rejection and stoppage of work" and "payment certification."

Moses said, "CCM's responsibilities were minimal, compared to the FSM office," noting that according to the contract "all communications to Ponape Builders (the contractor) were through FSM."

In fact, the contract provided that the FSM office architect "is CCM's representative during the entire period of construction."

CCM's minimal responsibility under the contract include: 1) furnishing surveys for the work, 2) securing and paying for easements and 3) cutting payment checks based on the (FSM architect's certification, Moses told Coffelt.

Moses told Coffelt that his statement "must be drastically corrected to reflect the fact that the FSM Office of Construction Contracts and Review and CCM were both accountable for the failure of the project..."

The audit report, signed by FSM Public Auditor John Dye, was requested by the College of Micronesia Regents.

The dormitory, "despite expenditures of at least \$303,457" is still not completed, the report noted.

The contract, which provides that "the architect for this project is the Office of Construction Contracts and Review" of the FSM government, was signed July 24, 1981, by CCM and Ponape Builders.

It provides that "contract documents are to be separately executed by the FSM Office of Construction Contracts and Review on behalf of CCM."

Because the FSM Construction Contracts office apparently never executed the contract documents, the FSM position is that the national government had no responsibility for the construction project, the release said.

Weital, David go to runoff

KOLONIA, Pohnpei - FSM Education Chief Daro Weital who led with 1,634 votes in the Dec. 1 special election for Pohnpei lieutenant governor will face a Jan. 18 runoff election with State Housing Authority Director Johnny David who was second with 1,548 votes, according to unofficial results reported by State Election Commissioner Samson Alpet.

The apparent winners of the three new legislative seats created by the Pohnpei State Constitution which went into effect Nov. 8 were Datchuo Johnson, Madolenihmw; Mitchuo Daniel, Kitti, and John D. Walter, Sokehs.

Some 87 per cent of the Kolonia Town residents of who went to the polls approved the town's draft constitution, with 623 of 714 votes cast for and 91 votes against it.

Returns for the six other candidates in the race to replace former Lt. Gov. Strik Yoma, who was found dead Sept. 2 in Honolulu, were: Yasuo I. Yamada, 1,-

406; Quirino Mendiola, 1,405; Herman P. Semes, 1,189; Dr. Burton Jano, 1,037; Kikuo Apis, 983, and Daniel Lopez, 494.

The state constitution sets the runoff election between Weital of Madolenihmw and David of Kitti 28 days after the date of the initial balloting, or Jan. 18, according to Alpet.

The results in the Madolenihmw legislative race were: Johnson, 512; Constantino Solomon, 445; Petrus Silbanuz, 342, and Singuo Hadley, 332.

In Sokehs, the returns were: Walter, 590; Ferdinand Fredrick, 491; John Edward, 348, and Peter Lohn, 84.

Kitti returns were: Daniel, 273; William Eperiam, 271; Heinrich Stevenson, 253; Lutik Santos, 215; James Abraham, 188; Solpasio Salvador, 140; Francis Zarred, 136; Leon Joel, 115; Akio Martin, 86; Yuser Anson, 71, and Venansio Alfons, 37.

Municipal voting held

LELU, Kosrae - Sapino Sigrah was elected to a two-year term as Lelu chief magistrate; Kemwek Tilfas, secretary, and Albert Welley, Kosaky William, Likiaksa S. Likiaksa, Tatchuo Sigrah and Teddy John, councilmen in the Nov. 6 Kosrae municipal elections, according to a State Information Office release.

In Malem, Barton Musrasrik was elected chief magistrate; Milson Tolenna, secretary, and Shiro Timothy, Hemul Timothy, Sephine Shrew, Taldon Langu and Aaron Phillip, councilmen.

In Tafunsak, Alik K. Palsis was reelected chief magistrate; Kun S. Caleb was elected secretary; Inus K. Albert, treasurer, and Maxmiller Mongkeya, Barnabas Palsis, Gray Tolenna, Webster George, Kun P. Joe, Wilson Allen, Samuel George and Hamlet Jim, councilmen.

In Utwa, Makoto Edmund was re-elected chief magistrate and Tad-ao M. Waguk, John Andrew, Printon P. Nena, Tadasy Andrew, Maxson P. Nena, Aliksa Killin, Alik N. Liva and Madison Nena, councilmen.

Customs to check Postal packages

KOLONIA, Pohnpei - FSM Postmaster General Leo A. Falcam directed all state postmasters to report packages which look like resale merchandise to local FSM Revenue offices and allow customs officials to check packages.

"In order for the FSM customs officials to properly assess import taxes on all merchandise imported through the mails, it is essential that each postmaster (Pohnpei, Truk, Yap and Kosrae) immediately advise the local FSM Revenue Office when suspected taxable imports arrive," Falcam said in a Dec. 14 memorandum to the postmasters.

"No cigarettes, tobacco, alcoholic beverages, or any product imported 'for resale' should be released by the postmaster until the addressee presents an invoice or other document stamped 'cleared' by customs," he said.

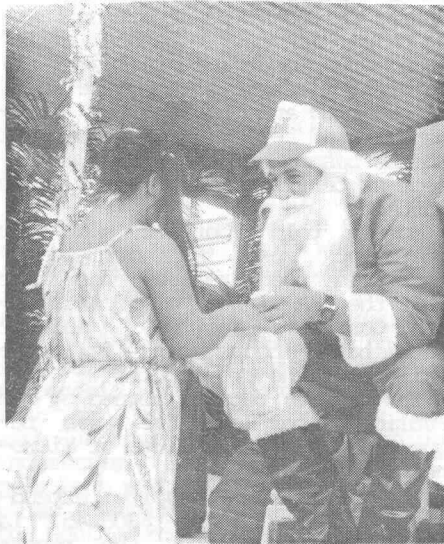
"Under certain circumstances and with specific approval from the Postmaster General, postmasters should also allow customs officials into the post office in order to check for packages which look like imports 'for resale,'" Falcam said.

"For example, it should be assumed that all packages address to local businesses are taxable," he said.

President sends greetings

KOLONIA, Pohnpei - President Tosiwo Nakayama issued Dec. 20 the following holiday greetings to the people of the FSM:

"My family, staff and I wish to extend to the people of the Federated States of Micronesia and our friends throughout the world our greetings and best wishes during this holiday season and conclusion of year which brings us another step closer to our destiny as a sovereign and self-governing people. We will continue to strive with you to make 1985 a fruitful and rewarding year for all of our people. Merry Christmas and Happy New Year!"



SANTA VISITS POHNPEI - A U.S. Army Civil Action Team volunteer is playing Santa Claus for handicapped children at the Dec. 20 Pohnpei State Special Education Center Christmas party.

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