

# Summit planned on Air Micronesia accords

KOLONIA, Pohnpei - The presidents of the FSM, Marshall Islands and Palau are scheduled to hold a summit meeting May 3-7 in Washington, D.C., to follow up on the San Francisco Accords to reorganize Air Micronesia and to discuss operational funding commitments for a unified College of Micronesia, according to President Tosiwo Nakayama.

Nakayama and President Amata Kabua of the Marshall Islands jointly invited Palau President Haruo I. Remeliik in a summit, after the FSM President's March 26-28 visit with Kabua in Majuro on his return trip from San Francisco where he attended the March 20-22 U.S. Bankruptcy Court settlement conference on suits rel-

ated to the proposed Air Mike reorganization and signed the San Francisco Accords for the FSM.

Nakayama was accompanied by FSM External Affairs Deputy Secretary Asterio Takesy, Attorney General David Nevitt and Senator Pedro Harris of Pohnpei in the Majuro visit.

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# Solarz sees Compact action in May

KOLONIA, Pohnpei - U.S. House Asian and Pacific Affairs Subcommittee Chairman Stephen Solarz of New York said here April 12 that he expects the Foreign Affairs Committee to report the Compact of Free Association to the full

House by mid-May.

Solarz also said during a reception in the Village Hotel here hosted by President Tosiwo Nakayama that he and two other U.S. congressmen in his delegation were "prepared to go back to be

champions" for the Compact.

In a toast, Solarz compared Nakayama with leaders he has met around the world, calling him "a very rare person," who has "a sense of dignity, of judgement, of balance and understanding" which has made him valuable to the FSM and to the U.S. as an interlocutor.

Solarz, a Democrat, led the visiting delegation, including New York Republican Rep. Gerald Solomon of his subcommittee and New Mexico Democratic Rep. William Richardson of the House Interior Subcommittee on Public Lands and National Parks, which came April 12 from Majuro to Pohnpei to hold hearings on the Compact and left April 13 for Palau.

The U.S. congressmen and their staff members held separate meetings in the Pohnpei State Legislature with Speaker Bethwel Henry and members of the FSM Congress; representatives of the Yap, Kosrae and Pohnpei state governments; Pohnpei state officials, and the President and his staff.

In the meeting with the Speaker and FSM Senators Isaac Figir of Yap, Raymond Setik of Truk and Peter Christian and Elias Thomas, both of Pohnpei, Solarz said that the Interior Committee is expected to vote on the Compact resolu-

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**PRESIDENT ADDRESSES HOUSE PANEL** - FSM President Tosiwo Nakayama, left, is addressing U.S. House Foreign Affairs and Interior committee representatives during a joint hearing April 12 in the Pohnpei State Legislature. Clockwise, from left are Nakayama; Micronesian Affairs Deputy Chief Gabriel Ayin; FSM Attorney General David Nevitt; Interior Committee Minority Counsel Tim Glidden; Ambassador Peter Rosenblatt, a former special representative to Micronesian status negotiations; New Mexico Democratic Rep. William Richardson of the Interior Subcommittee on Public Lands and National Parks; Asia and Pacific Affairs Chairman Stephen Solarz, a New York Democrat, and New York Republican Rep. Gerald Solomon of the Asia and Pacific Affairs Subcommittee.

# Texts of San Francisco Accords, MOU on Air Mike

## THE SAN FRANCISCO ACCORDS

WHEREAS The Governments of the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands (the Governments) seek to ensure that their citizens not only receive essential air service, but also enhance air service to support the political, social and economic development of their countries and Micronesia as a whole.

NOW THEREFORE, The Governments agree as follows:

1. The Governments agree to seek control of Air Micronesia Inc. (Air Mike), through the transfer of the ownership of Air Mike shares owned by Continental Air Lines, Inc. (Continental), and Aloha Airlines, Inc. (Aloha), to the Governments, as may be mutually agreed.

2. To obtain control of Air Mike, the Governments shall seek to secure control of the United States Micronesia Development Association, Inc. (UMDA), through the transfer of the ownership of UMDA shares listed in Exhibit A, attached hereto and made part hereof, to the Governments and their citizens, as may be mutually agree. Such ownership and control being without prejudice to the rights of those private shareholders of UMDA who are not citizens of the Governments, including their right to retain their shares.

3. In regard to the above, the Governments agree that their participation in negotiations on any agreement with Continental for the operation of air service within their territory and their participation in the ownership of any shares of Air Mike and UMDA that any of them receive and accept from Continental, Aloha, Mr. Hillblom or POM, shall be as mutually agreed. The Governments also agree that a mechanism shall be established to insure that equity participation in UMDA shall be available to Guam and the Commonwealth of the Northern Mariana Islands, such participation being in the form of ownership by their citizens.

4. In recognition and furtherance of their desire to ensure essential air service, and obtain enhanced air service within the Micronesia/Pacific area, the Governments shall seek to create a regional transportation commission in consultation with the Governments of Guam and the Commonwealth of the Northern Mariana Islands to identify issues of mutual concern regarding air transportation with the Micronesia/Pacific area, and recommend appropriate action.

5. After any acquisition of Air Micronesia shares of Continental or Aloha, there shall be a revision to the By-Laws of the corporation that shall reflect a 9 member Board of which, subject to the agreements of the Government of Guam and the CNMI, the Territory of Guam shall have one voting member and the remaining board members shall be chosen by UMDA or the Freely Associated States

6. In addition to paragraph 3 the Governments shall consult with Government of Guam and the CNMI concerning any distribution of any additional issued shares of UMDA and fair consideration shall be given to distribution of any new shares issued to citizens of Guam and the CNMI.

IN WITNESS WHEREOF, the Governments have executed

this Memorandum of Understanding this 22nd day of March, 1985.

THE FEDERATED STATES OF MICRONESIA - Tosiwo Nakayama, President.

THE REPUBLIC OF PALAU - Victorio Uherbelau, President's Legal Counsel.

THE COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS - Pedro A Tenorio, Lieutenant Governor

THE REPUBLIC OF THE MARSHALL ISLANDS - Oscar de Brum, Chief Secretary.

THE GOVERNMENT OF GUAM - John Gilliam, Special Assistant to the Honorable Ricardo J. Bordallo and Carl Gutierrez, Speaker, Guam Legislature.

## MEMORANDUM OF UNDERSTANDING AMONG THE GOVERNMENTS OF MICRONESIA IN RE REGIONAL TRANSPORTATION

WHEREAS, the Governments of the Federated States of Micronesia, Republic of Marshall Islands, the Commonwealth of the Northern Mariana Islands, and the Territory of Guam (the Governments) have a common desire to ensure essential air service and enhance existing air service in order to support regional political, social and economic development; and

NOW THEREFORE, the Governments agree:

1. The Chief Executives of the Governments shall convene a meeting to discuss establishment of a regional transportation commission.

2. This regional transportation commission shall seek to coordinate, guarantee and enhance air service in the Micronesia/Pacific area.

3. The scope of the Commission's power, authority and responsibility shall be as mutually agreed and determined, by the participating Government.

4. In addition, at the organizational meeting the Governments shall consider whether the scope of the Commission's responsibilities shall include other regional transportation issues or tourism.

5. The Governments also agree that a mechanism has been established pursuant to the San Francisco Accords to insure that a direct stock interest in UMDA may be held, as appropriate, by the Governments (which shall be done in consultation with the Governments of Guam and CNMI) signatory to the San Francisco Accord or their citizens and by the citizens of the Territory of Guam and the Commonwealth of the Northern Mariana Islands.

### SIGNATURES:

JOHN GILLIAM, Special Assistant to the Governor of Guam.

CARL T.C. GUTIERREZ, Speaker, 18th Guam Legislature.

FRANKLIN J. GUTIERREZ, Senator 18th Guam Legislature.

PEDRO A. TENORIO, Lieutenant Governor, Commonwealth of the Northern Marianas.

PEDRO R. GUERRERO, Representative, CNMI Legislature.

OSCAR DEBRUM, Chief Secretary, Republic of the Marshall Islands.

VICTORIO UHERBELAU, Republic of Palau.



**PINGELAP CONVENTION OPENS** - Pohnpei State Conservation and Resource Surveillance Director Kikuo Apis is addressing the opening session April 8 of the Pingelap Municipal Constitutional Convention. Apis was elected president of the convention.

## Work continues on constitutions

KOLONIA, Pohnpei - Madolenihw will implement May 1 its municipal constitution which was ratified April 2 by 87.1 per cent of the votes cast and Uh municipal officials are conducting an education program on their draft constitution for an April 26 referendum.

Pohnpei State Legal Affairs Director Quirino Mendiola was elected president of the Nett Municipal Constitutional Convention which was convened April 2 and State Resource Surveillance and Conservation Director Kikuo Apis was elected president of the Pingelap convention, the first outer island constitutional convention, which was convened there April 8.

Kolonia Town and Kitti municipality were the first to ratify

and implement their constitutions under the provisions of the Pohnpei State Constitution which went into effect Nov. 8.

The Sokehs convention was scheduled to vote April 15 on first reading of its preliminary draft constitution, according to its president, Hilary Conrad, who said the draft is expected to be completed by the end of April.

A preconvention conference is scheduled for April 18 for the Ngatik convention which is to begin there April 24 with 20 delegates, including the chief magistrate, five council members and 14 appointed by the chief magistrate and confirmed by the council, according to Wendolin Sue, the chief magistrate's representative.

The outer islands of Mokil, Nukuoro and Kapingamanrangi had not scheduled their delegate elections and constitutional conventions.

Other officers in the Nett convention, are State Legislature Vice Speaker Joanes Edmund, vice president, and State Senator Francis Simeon, floor leader.

Congress Speaker Bethwel, Gov. Resio Moses and State Chief Justice Edwel Santos, who swore in the delegates, attended the opening session of the Pingelap convention which elected State Senator Job Micah vice president and Congress Chief Clerk Sintaro Ezra floor leader.

The Pingelap organized 10 standing committees, including Administration with Apis as its chairman; Social Services, Kidsen Iohp, chairman, and Morry Solomon, vice chairman; Style and Arrangement, Henry Riza, chairman, and Makir Keller, vice chairman; Government Structure and Function, Alenson Solomon, chairman, and Deniong Jack, vice chairman, and Finance and Taxation, Danny Leopold, chairman, and Stenson Solomon, vice chairman.

Also, General Provisions, Weld-en Welbert, chairman, and Perdus Samson, vice chairman; Customs and Traditions, Weldis J. Welley, chairman, and Suhsan Elmes, the only woman delegate, vice chairperson; Civil Liberties, Edigar Isaac, chairman, and Midion Iohp, vice chairman; Economic and Resource Development, Timothy Jerry, chairman, and Semesin James, vice chairman, and Transition, Ianser Edward, chairman, and Ieske Iehsi, vice chairman.

## Summit planned to implement accords

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It was Nakayama's first official visit to the Marshalls, since becoming FSM President in 1979. He visited Palau in December to attend Remeliik's second inauguration.

After the summit, Nakayama will head the FSM delegation to the U.N. Trusteeship Council meeting which begins May 13. He will be in Chicago May 17-19 and will return to the UNCT meeting in New York.

FSM Senator Isaac Figir, Takesy, FSM Washington Representative Epel Ilon, Washington attorney James Stovall, Status Commission legal counsel Greg Swartz and secretary to the President Melody Bertancini are scheduled to accompany the President to New York.

Vice President Bailey Olter will lead a delegation leaving April 19 to attend May 1 and 3 budget hearings in the House and Senate appropriations committees.

The March 29 letter to Remeliik, jointly signed by Nakayama and Kabua, said that in order to implement the accords and memorandum of understanding with Guam and Northern Marianas on establishing a regional transportation commission "it is desirable that the three chief executives of the Freely Associated States come together for a meeting as soon as is conveniently possible."

The presidents will determine how to divide up the 30 per cent of Air Mike shares held by Continental Airline and discuss a formula to distribute United Micronesian Development Association (UMDA) shares with part of the shares to be made available to

the private sector in the Northern Marianas and Guam, Nevitt said, noting that UMDA owns 60 per cent of Air Mike.

The FSM entered an agreement with Continental in November for Continental to buy on behalf of the FSM controlling interest in UMDA and transfer its 30 per cent interest in Air Mike. Palau and the Marshall Islands were invited to participate in the transaction which would give Air Micronesia 20 per cent and Continental 80 per cent of the profits under a new joint venture.

The UFA board of directors approved agreement during a Dec. 21 meeting in Pohnpei, after which Aloha sued to block the transaction. Larry Hillblom of Saipan filed an additional suit against the transaction, after he was sued by Continental for his attempts to stop its purchase of UMDA stocks.

The San Francisco accords were reached during the settlement conference called by U.S. Bankruptcy Judge T. Glover Roberts of Biloxi, Mississippi.

In their letter to Remeliik, Nakayama and Kabua said, "We may also find it useful to discuss the issue of consolidating our joint efforts on surface shipping with our joint efforts on air transportation," referring to the proposed transportation commission.

"We would further propose to add to the agenda for discussion the issues involved in the termination of U.S. financial support for the College of Micronesia," they said.

# President warns U.S. House members against 'breach of faith'

(Continued from Page 1)

tion this month, that his subcommittee would hold an April 23-24 hearing and he expected the full Foreign Affairs Committee to report the Compact resolution by mid-May.

He invited Nakayama to attend the April 23 hearing in Washington, D.C., and the others to present written testimony in response to questions which would be forwarded to the FSM.

All four groups urged the continuation of U.S. federal programs for a transition period to avoid a crisis, with the President stating that in addition to losing essential health and education programs, more than 2,000 jobs, or about 25 per cent of the FSM monetized sector work force would lose jobs, if all federal programs were cut off on Oct. 1, the beginning of fiscal 1986 and anticipated Compact implementation date.

Pohnpei Gov. Resio Moses led the appeal to continue federal programs, citing the prospective loss of certain programs as one reason the state voted against the Compact in 1983.

"We should have time to broaden our tax base to take care of these things," Moses said.

Kosrae Lt. Gov. Moses Mackwelung and former Vice President Petrus Tun, representing Gov. John Mangefel of Yap, endorsed transitional funding for all federal programs.

The President cited the estimated \$16 million shortfall in operations funding in fiscal 1986, if all federal programs were terminated Oct. 1 and Budget Officer Del Pangelinan said the FSM requested funding from the Interior Department to conduct a federal programs loss impact study.

Pangelinan said a three-five year transition period would be needed for some programs.

Richardson indicated his support for the proposed new Community College of Micronesia campus at Palikir, suggesting that the FSM should give it priority over the new national capitol at Palikir.

"If you get together a cost-sharing arrangement with the Marshall Islands and Palau, you will have people supporting the college," Richardson said.

Nakayama responded that a summit meeting with presidents Hurao Remelik of Palau and Amata Kabua of the Marshalls is being arranged for the first week of May in Washington, D.C., and cost

sharing for the College of Micronesia is one item on the agenda.

The President said that he would like to isolate the proposed new \$12 million campus from the issue of the \$24 million capitol which was promised by the U.S. government "when it wanted to have separate negotiations with the Northern Marianas," forcing the Federated States to relocate its capitol from Saipan.

Pohnpei State Legislature Vice Speaker Ioanes Edmund cited provisions of the Compact and supplementary agreements authorizing transit for nuclear powered ships and nuclear weapons and extended U.S. military denial rights as the reasons most talked about before and after the plebiscite in Pohnpei which voted 51 per cent against the Compact while the FSM as a whole voted 79 per cent for it.

He said the official state government position is to support the Compact and seek extended U.S. federal funding.

Richardson said during the hearing in the Pohnpei State Legislature chamber that amendments are being considered in the two committees to 1) add a "buy America" requirement, 2) reduce the tax advantage for U.S. citizens working in Micronesia, 3) modify tax and trade provisions to protect U.S. territories, 4) repeal free emigration to the United States and 5) amend the territorial waters provision to protect U.S. tur-

na fishermen.

Nakayama indicated in response that the FSM has made all of the compromises it intends to make, stating during the hearing, "Any change that would reduce any benefit would be considered a breach of faith."

If any of these amendments were

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VISIT OCM CAMPUS - U.S. House Asia and Pacific Affairs Chairman Stephen Solarz, New York, fourth from left, and New Mexico Rep. William Richardson, third from left, are talking to Community College of Micronesia students, during an April 12 tour of the OCM campus led by College of Micronesia Executive Director Singero Singeo, center.



STATE LEADERS TESTIFY - Pohnpei Gov. Resio Moses is addressing the U.S. House Foreign Affairs and Interior committees panel during its April 12 hearing in the Pohnpei Legislature. From left, clockwise at the center table are Foreign Affairs staff member Stanley Roth, former FSM Vice President Petrus Tun representing Yap Gov. John Mangefel, Moses, Kosrae Lt. Gov. Moses Mackwelung, Interior Minority Counsel Tim Glidden, Foreign Affairs staff member Theresa Curran, former U.S. special representative to the Micronesian status negotiations Peter Rosenblatt, New Mexico Rep. William Richardson of the Interior Committee, Asia and Pacific Affairs Chairman Stephen Solarz of New York and New York Rep. Gerald Solomon of the Solarz subcommittee.

# 'ith' in reducing FSM benefits by amending Compact

(Continued from Page 4)

passed, he said, "My government would not be favorably disposed," and it would be seen here as the U.S. government not negotiating in good faith.

On the "buy-America" provision which Richardson said he would introduce, the President cited earlier testimony that it would increase overall import and construction costs by 25-30 per cent which would mean further reduction of Compact funding benefits and said, "Personally, I would have problems with a 'buy America' provision, though I am pro-American."

The increased costs involved with buy America were not part of the Compact negotiations, Nakayama said.

He said the provision exempting U.S. citizens who reside in the FSM more than 183 days a year from U.S. federal income taxes is needed to attract people who have skills needed here.

On the U.S. tax exemption on American investments in the FSM which flag territory officials have opposed, Nakayama said, "The territories are far ahead economically....(so) if you give us a chance to catch up economically, it would prevent emigration to look for jobs."

Micronesians are not waiting to migrate in mass to the U.S. territories and states, as "home is home," he said, adding, "Only if we are desperate economically, could I imagine a situation where

significant numbers emigrate, say to Hawaii."

Even then, he said, the FSM has only 85,000 people and 1 per cent migration would have not impact.

On fishing rights, the President said that the Compact recognizes the FSM Constitution which provides for FSM jurisdiction over its 200-mile offshore economic zone, thus any amendment would cause a constitutional problem, so it would be better to negotiate on a commercial basis with U.S. tuna interests to license more boats to fish FSM waters.

Thomas noted that the American Tunaboat Association agreed to train FSM citizens in purse-seine fishing technology and Christian said the ATA has not been forthcoming in providing data on its catches in FSM waters as required under current fishing agreements.

The House panel requested comments on amendments to the Compact resolution which was approved March 21 by the Senate Energy and Natural Resources Committee, including,

1) "To clarify that the Compact is a domestic law that cannot be changed, modified, or altered without the passage of legislation."

2) To continue transition funding to fulfill such U.S. obligations as capital infrastructure programs, health and education needs and unforeseen disasters, such as typhoons.

3) To continue U.S. Public Health Service, National Legal

Services Corp. and Farmers Home Administration programs under the Compact.

4) To permit the U.S. President to continue any federal program beyond the effective date of the program for up to three years to facilitate transition.

5) Designates the Interior Department as the administering authority over Compact funds and programs, instead of transferring it to the U.S. State Department as designated in the Compact.

On behalf of the FSM Status Commission, legal counsel Greg Swartz said that the FSM would have no comment on the first amendment because it involves internal U.S. government procedures, feels that the transition funding is necessary, the three programs designated by the Senate committee are "valuable" and "encouraged" but are not necessarily main FSM priorities for federal

programs and that the FSM is making a serious effort to analyze which federal programs should be continued, but "to cut them off in October would cause a crisis."

On the State versus Interior issue, the President said, "We do not want to dilute our ability to deal with other South Pacific nations."

"We do not want to be involved in this discussion," he said, "but keep in mind our desire to achieve this position."

The House delegation was accompanied by the congressmen's wives and Ambassador Peter Rosenblatt who served as President Carter's special representative to the Micronesian status negotiations.



VIEW MODEL OF CCM PALIKIR CAMPUS - New Mexico Rep. William Richardson, left, of the U.S. House Interior Committee and FSM President Tosiwo Nakayama, right, are listening to explanation of plans to build the proposed the Community College of Micronesia campus during a tour April 12 of the present CCM campus. They are standing beside a scale model of the proposed Palikir campus in the CCM Library.

## Mormons to meet

KOLONIA, Pohnpei - Strengthening family ties through weekly home evenings and keeping genealogical records are the themes of the annual Pohnpei District Church of Jesus Christ of Latter-day Saints conference which will begin at 9:30 a.m. April 27 in the Mormon chapel at the Sokehs and Kitti roads intersection, according to D. Willard Paxman, district president.

Guest speakers will be Micronesia Guam Mission President Joseph B. Keeler and his wife, Katherine, of Raymond, Alberta, Canada, and President Philip T. Sonntag of Salt Lake City, Utah, second councilor in the South Pacific area presidency headquartered in Australia.

# Palikir pre-bid meet attracts 33

KOLONIA, Pohnpei - The April 10-11 pre-bid conference here for the national capitol complex construction at Palikir was "very successful" and attracted 33 representatives of 20 construction firms, according to FSM Construction Chief Amos E. Coffelt.

Bids are due May 30 for the project which includes the first work estimated at some \$13 million and the second phase work divided into four alternates.

Bidding was open for international participation and attracted contractors from Australia, New Zealand, the United Kingdom, Japan, South Korea, the Philippines, Guam and the United States.

The first morning session included presentations by the Office of Planning and Statistics, Architects Hawaii and Austin Tsutsumi and Associates, engineers, on technical details and specifications of the plan, followed by a field trip that afternoon to the capitol site in Palikir.

FSM and Pohnpei state officials discussed labor and immigration

regulations, taxes, availability of aggregate or gravel for construction, power, dock authority and equipment rental, during the second morning session.

"The remoteness of the location and problems here make it imperative that contractors be familiar with the site to make realistic bids," Coffelt said.

"We were fortunate to have good weather on the day of the field trip," he said.

The base bid will provide for construction of the government complex suitable for occupancy upon completion within 600 days after the construction begins, Coffelt said, adding, "We reserve the right to postpone award of the contract for up to 120 days after bid opening.

"Thus, at the latest, if all goes according to schedule for the new capitol, government facilities will be ready for use in May, 1987," he said.

If the base bid for the first phase construction is low enough, or additional funds become available, the bids for alternate units of work will be considered and contracts awarded for 1) executive housing; 2) extension of utilities to the proposed Community College of Micronesia campus site; 3) a permanent waste water sewage treatment facility, and 4) paving the road between Kolonia and Palikir, on site access roads and parking areas.

## Ag extension Workshop held

KOLONIA, Pohnpei - Thirty two participants from throughout Micronesia took part here in the April 1-10 College of Tropical Agriculture and Science workshop for agricultural extension agents, according to CIAS Associate Director Ruben Dayrit.

The workshop included training in principles and methodology of cooperative extension services, tropical soils and soil fertility management, tropical vegetable production and plant pests control and management.

The participants also reviewed the FSM states' agricultural development plans, Pohnpei state agriculture projects, COM Extension Service, the introduction of the 4H youth program and food and nutrition education programs.

It featured speakers from the University of Guam College of Agriculture and Life Sciences, College of Micronesia Cooperative Extension Service, FSM Resources and Development Department and Pohnpei State Agriculture Division.

In addition to Dayrit who coordinated the workshop and CIAS Director Ismael Lebehn, the participants included:

Harold Jbecklick, Isamo Rakin and Carlos Lejkam of the Marshall Islands Agriculture Department; George M. Ngiralemau, Ebais Sadang and Augustus Kadoi, Palau, and Frank Barcinas and Leon Masga, Northern Marianas.

Takami George, Andrews Palik and Glasstine Cornelius, Kosrae; Kesner Hadley, Claudio Panuelo, Elper Hadley, Marcelino Martin, Augustine Primo, Albert Augustine, Aluis Ehpel, Kadalihno Lorenz, Pensis Etse, Aurelio Soswe, William William and Simeon Johnny, Pohnpei; Ismael Mikel and Innocente Penno, Truk, and Peter Tairuwpuy and Kevin Sog, Yap.

## Permen gets post

KOLONIA, Pohnpei - Former Pohnpei State Community Services Director Francisco M. Permen was appointed FSM Postal Services Finance Officer, effective April 1, according to Postmaster General Leo A. Falcam.

Permen is responsible for developing and implementing FSM Postal Service financial policies, procedures and regulations to ensure adherence to applicable laws, according to Falcam.

His appointment completes all authorized positions for the Central Office here of the FSM Postal Service which went into effect July 12, 1984.

Permen was appointed director of the state Community Services Department which administers state utilities in 1980 by Falcam who was serving as the first elected Pohnpei governor.

A native of Sokehs Municipality, Permen, 47, served 1962-79 as a Ponape District finance officer and was elected to serve 1979-80 as Sokehs chief magistrate.

He is married to the former Judy Shoniber and they reside in Sokehs with five of their seven children while two are attending school in Hawaii.



PERMEN

## COM seeks proposals

KOLONIA, Pohnpei - The College of Micronesia is seeking proposals for the preparation of a long-range master plan based on the manpower and economic development needs of the FSM, Marshall Islands and Palau, according to COM Executive Director Singero Singeo.

The U.S. Interior Department Office of Territorial and International Affairs is providing \$30,000 in technical assistance funding in accordance with a memorandum of understanding signed by Assistant Interior Secretary Richard Montoya and FSM President Tosiwo Nakayama to contract a consultant to analyze the national development plans of the three Micronesian governments and prepare the COM Master Plan within six months from the date the consultant is hired.

Proposals for preparation of the plan must be submitted by May 17 to the COM Executive Director, Drawer F, Kolonia, Pohnpei FSM 96941.

## Kosrae bank opens

LELU, Kosrae - Kosrae First Lady Antelise George cut the ribbon to officially open April 4 the Bank of Hawaii branch, the first commercial bank in Kosrae, according to a State Information Office release.

Bank of Hawaii Pohnpei Branch Operations Manager Justina Oltter was the mistress of ceremonies for the program which included comments by national Finance Secretary Al Tuuth, a member of the FSM Banking Board, and Pohnpei Branch Manager Don Holland.

# Trade mission explores processing Indian wood in FSM

KOLONIA, Pohnpei - A U.S. sponsored trade mission exploring the possibility of processing American Indian wood products in the FSM began arriving here April 2 for a four-day visit, before departing April 6 for Truk and China, a potential market for the products.

The 16-man American Indian and Micronesian Timber and Wood Products Trade Mission is sponsored by the Intertribal Timber Council and the Micronesia Institute, headquartered in Washington, D. C., under the auspices of the U. S. Commerce Department, according to Louis G. Sleeper, a former U. S. State Department official who organized the mission.

It is partially funded by a grant from the U.S. State Department's Trade and Development Program to the Micronesia Institute, according to Sleeper who first visited Pohnpei in March, 1984, to explore FSM public and private development funding possibilities as a Trade and Development Program official.

After the visit, Sleeper was loaned by the State Department to the President's Commission on Indian Reservation Economies staff. He left the government in January to become a private trade consultant in Alexandria, Virginia.

The primary purpose of the mission is to explore prospects of trade with China in logs and wood products from American Indian and Micronesian sources, according to Sleeper, who said the secondary purpose is to identify prospects for expanded trade in other agriculture and marine products.

The project was cited in a Nov. 30 report by the Presidential Commission on Indian Reservation Economies and is a means to meet three of President Reagan's objectives: 1) Increase trade with China, 2) strengthen American Indian reservation economies and 3) contribute to FSM economic development as it "attains political independence in free association with the United States," according to a brochure on the mission.

"We are trying to identify the prospects and constraints on establishing wood processing plants in Micronesia," Sleeper said, referring to the Pohnpei and Truk visits.

One type of processing would be to bring wood chips from the Pacific Northwest and Alaska to the FSM to manufacture medium density particleboard, or fiberboard to be exported to China for manufacturing furniture and other structural components, he said.

Another possibility would be establishing sawmills in the FSM or on the reservations to cut Indian and Native Alaskan timber to Japanese and other East Asian measurements, according to Sleeper.

"We don't want to raise any expectations, because for such a plant to be possible in a place like the FSM, there has to be a firm market in a place like China," he said, adding, "it very much depends on the Chinese making major purchases over a long period of time."

Sleeper said, "We would hope the three parties (Micronesians, Indians and Chinese) would enter into joint venture investments for plants which might be located in Micronesia, in China and on Indian reservations in the Northwest United States."

The location of major wood processing facilities will depend mainly on such factors as transportation costs, availability of large and secure electrical power supplies, telecommunications and a site adjacent to good harbor and port facilities, he said.

"We are looking at a one and one-half to three-year time horizon, until such capital investment is made," Sleeper said, citing the mission being at a definitive stage which would be followed by a feasibility study and engineering designs which would take six-eight months each.

## New church unwelcome

LEIU, Kosrae - The Kosrae State Legislature adopted March 29 a resolution calling upon Church of Latter Day Saints officials "to defer attempts to establish a church and to proselytize within the state," according to a State Information Office release.

The resolution introduced by Speaker Thurston Siba cites an Oct. 20, 1983, resolution by the First State Leadership Conference stating that attempts to introduce new religions "would be unacceptably disruptive to Kosraean society and family life."

The legislature resolution cites efforts of Mormon church representatives to procure a location for a church building and states that "it is the legislature's hope that responsible officials of the Church of Latter-Day Saints will place the good of Kosraean family life ahead of any sense of missionary duty."

Copies of the resolution were transmitted to Mormon and Kosrae Congregational Church officials, in addition to Gov. Yosiwo George.

Seven members of the mission arrived April 2, including Sleeper; Intertribal Timber Council Treasurer Truman Picard, Colville Tribal Forestry Director, Nespel-em, Washington, and Secretary George Bowe chop, Makah Tribal Council Chairman, Neah Bay, Washington; U.S. Commerce Department International Trade Administration Honolulu District Director Stephen K. Craven; Bureau of Indian Affairs Portland, Oregon, Area Forester George E. Smith; developing countries forest products consultant Malarkey Wall of Longford Hamilton Corp., Aloha, Oregon, and FSM Washington, D.C., attorney Barry Israel.

They were to be joined April 4 by transportation consultants Donald Hannah of Chicago, president of Hannah Marine Corp., and Howard Zeder of its Washington, D. C., office.

FSM External Affairs Deputy Secretary Asterio Takesy, Senator Pedro Harris of Pohnpei and Pohnpei State Resources Conservation and Surveillance Director Kikuo Apis will join the group which will visit Truk through April 9 when it will leave for Guam and arrive April 10 in Tokyo where they will be joined by Samuel B. Thomsen, Deputy U.S. Representative for Micronesian Status Negotiations in Washington, D.C., and representatives of the Quinault, Yakima and Lummi Indian tribes in Washington state.

The mission will go April 11 to Beijing (Peking) where it will be divided into two teams with each to visit two other cities and assemble in Guangzhou (Canton) for its April 22 departure from China.

In Pohnpei, the group met April 3 with President Tosiwo Nakayama, Congress Speaker Bethwel Henry, FSM Resources and Development Secretary Bernard Helgenberger, the External Affairs deputy secretary and FSM Telecommunications Corp. officials and were hosted by the President to a dinner at the Little Micronesia Restaurant.

It met April 4 with Gov. Resio Moses and Legislature Speaker Salter Etse, before visiting PATS high school and the Nan Modal ruins.

The group toured April 5 the Pohnpei State Agriculture Station, power plant, port facilities and Nanpil River site of a major hydroelectric power plant to be constructed in the near future, and attend a traditional reception at the Pohnpei Nahs.

In Truk, the group met with the governor and his staff to discuss the prospects of locating a wood processing facility there.

# FSM chides State on failing to forward entry request

KOLONIA, Pohnpei- The FSM will file a formal protest to the U.S. State Department for its failing to relay a request for clearance for three Israeli airplanes which stopped over here March 24-26, causing confusion and criticism between state and national government officials, according to External Affairs Deputy Secretary Asterio Takesy.

The three 20-passenger turbo-prop STOL (short take off and landing) aircraft were being delivered to Papua New Guinea which reportedly paid Israel Aircraft Industries \$2 million each for them.

FSM Washington Representative Epel Ilon reported to External Affairs that the Papua New Guinea government requested clearance for the three planes by TELEX in January to the U.S. State Department, but State Department officials said they did not know what procedures to follow and forgot to inform the FSM.

Immigration authority was transferred to the FSM national government from the Trust Territory government in a Jan. 15, 1980, memorandum of understanding and function agreement, not under the Compact of Free Association as reported by the Pacific Daily News, according to Assistant Attorney General Larry Bertoncini who said the Papua New Guinea government should have notified the FSM to request clearance.

The FSM Telecommunications Corp. Pohnpei Communications Center reportedly received a message that the planes, piloted by nine Israelis, were coming, 40 minutes before they landed and called the Pohnpei State Radio Station, WSZD, to notify state and national government officials.

FSM Immigration Inspector John Sproat said that he responded to a 12:30 p.m. announcement on WSZD requesting immigration, customs and quarantine officials for the 1 p.m. arrival of the planes, and that he was told by a WSZD official the announcement was made at the request of the State Trans-

portation Office.

Sproat said that he cleared the nine pilots for a two-day transit period, because no Mobil Oil Micronesia employees were available that Sunday afternoon to refuel the planes, and he directed the chief pilot, Hagai Koren, to report March 25 to the FSM Immigration Office to be interviewed for possible legal action.

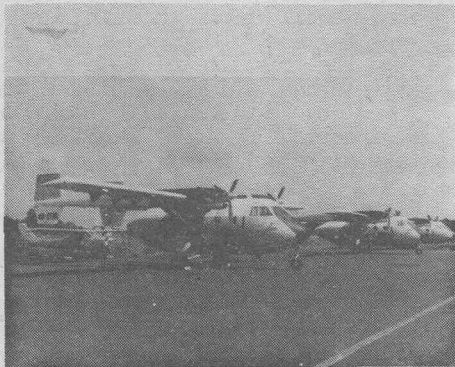
Most of the nine pilots had U.S. visas, he said.

Pohnpei State Ports Chief J.D. Lowe reported to State Community Services Director Benmin Weilbacher that national Immigration Officer Lucio Romoket cleared the pilots through immigration at the request of an FSM Transportation Division employee, according to a March 27 State Information Office release.

Romoket said that he was fishing at the time and nowhere near the airport.

Following Lowe's report, Gov. Resio Moses criticized the FSM for not having "the courtesy to inform the state government" when the planes landed, according to the state release.

And Weilbacher declaring U.S. and FSM actions "unprofessional,"



**ISRAELI AIRPLANES** - Three 20-passenger turbo-prop STOL (short takeoff and landing) aircraft being delivered from Israel Aircraft Industries to Papua New Guinea are shown during their March 24-26 stopover at the Pohnpei International Airport.

according to the release.

Lowe said that he learned after making the report that Sproat, not Romoket, handled the immigration procedures, but that neither he, nor his staff were aware of the three planes until they arrived at work on March 25.

The state collected landing and parking fees determined by the weight of the airplanes from the Israelis who Lowe described as courteous and cooperative.

"The national government was under the impression that (State) Transportation knew about the planes," Attorney General David Nevitt told Lowe, citing Sproat's report and the fact that the state government radio station broadcast the announcement.

"In the future, as a matter of courtesy, we will make it a point to contact Transportation," Nevitt said, adding, "The State Department is the agency to blame."

Takesy said the incident was discussed verbally with State Department Senior Status Liaison Officer Michael Wygant of Saipan, who was in Pohnpei at the time of the incident, and "we will file a protest," with suggestions for procedures to use in the future to handle third country entry requests.

Lowe said that U.S. Federal Aviation Administration officials were here about six months ago to discuss possible teletype service to the airport to receive flight plans in an international network.

He said the Transportation Office is ordering four portable VHF radios to pick up air to ground signals from incoming aircraft.

## Kosrae starts 4H Club

LELU, Kosrae - Kosrae Community Action Agency Executive Director Truman Wakuk announced March 28 that a 4H Youth Leadership Club for children and teenagers, 9-19, is being established here and that a public meeting would be called to explain its purpose, according to a State Information Office release.

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