

Budget to dominate Congress session

KOLONIA, Ponape--(CONGRESS RELEASE)--The fiscal 1985 national budget will dominate the Third Regular Session of the Third Congress, according to Speaker Bethwel Henry, who will open the session on May 14.

"We are expecting to receive the President's budget request soon and will spend a great part of the session on it with the appropriate committees reviewing their subject matters and the Com-

mittee on Ways and Means coming up with a budget for the entire FSM," Henry said.

Henry also hopes that the Congress will receive a report on the progress of the national plan. A technical working group, headed by Dr. Peter Corbin, UNDP advisor, and Donald MacDonald, a development planning specialist from Washington, D.C., has been established by the Joint Task Force on the National

Plan and has begun data collecting.

The Congress will also examine the national capital plans as they pertain to congressional structures.

In addition, Henry said State project appropriations will be considered.

"As with any budget session, the budget will receive the most attention, but any other business can be considered," Henry said.

Senators are expected to begin arriving for the session on May 10.



The National Union

Peace Unity Liberty

AN OFFICIAL PUBLICATION FOR THE PEOPLE AND THE STATES OF THE FEDERATED STATES OF MICRONESIA

Volume 5

Kolonia, Ponape, April 30, 1984

Number 8

REAGAN PRAISED FOR SUPPORT

KOLONIA, Ponape--FSM President Tosiwo Nakayama said that he is "encouraged" by the support and commitment that U.S. President Reagan gave the Compact of Free Association during his April 25 stopover in Guam enroute to China.

In his speech at the Guam International Airport, Reagan said, "Because the Compact reflects the will of the people, I hope that both the United States Congress and the international community will recognize that complete self-government for the peoples of the Trust Territory should not be delayed."

Nakayama said, "I was moved when he quoted the preamble of the FSM Constitution."

Reagan closed his speech by stating, "Let me echo the noble sentiment expressed in the Constitution of the Federated States of Micronesia. 'The Micronesian nation is born in an age when men voyage among stars; our world itself is an island. We extend to all nations what we seek from each--peace, friendship, cooperation and love in our common humanity.'"

President and Mrs. Nakayama met with President and Mrs. Reagan during a reception which the Reagans hosted for heads of Pacific governments in the Runway West Restaurant at the airport terminal, following the welcoming ceremony.

On his meeting with Reagan, Nakayama said, "The initial contact that I had with him and his wife made me feel that I have known them for a long time.

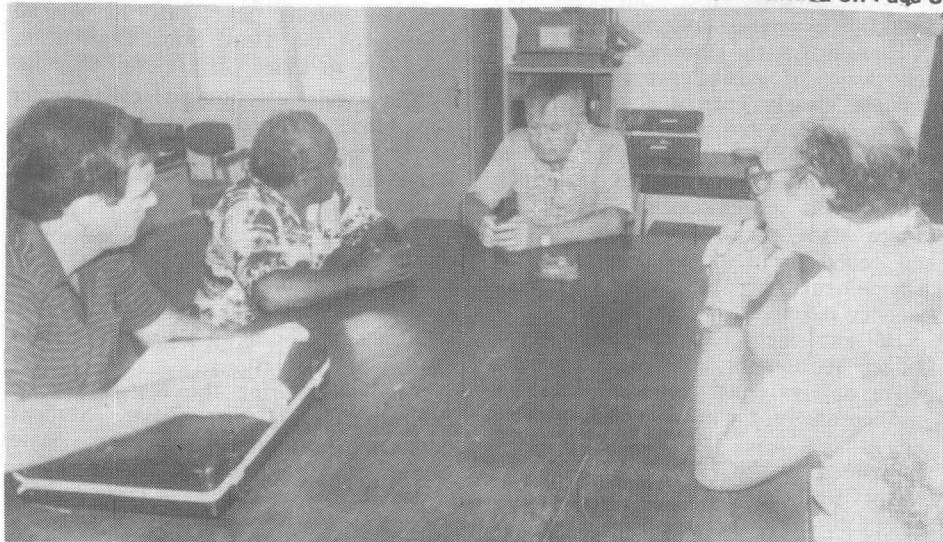
"They were warm, courteous and considerate," he said.

"I thanked Mr. Reagan for all he did to support the Compact when I shook

hands with him at his reception after the airport welcoming ceremony," Nakayama said.

He is scheduled to go to Yokohama, Japan, to attend the Nanyo Gunto Kyokai and 19th Zenkoku Nanyo-kai Convention of former Japanese residents

(Continued on Page 3)



ZEDER BRIEFS FSM OFFICIALS--U.S. Ambassador Fred M. Zeder II, third from left, President Reagan's special representative to the Micronesian status negotiations, is briefing FSM officials on the status of the Compact of Free Association in the U.S. Congress during an April 20 stopover in Ponape enroute to Guam for Reagan's visit here. From left are Office of Micronesian Status Negotiations attorney Howard Hill, Vice President Bailey Olter, Zeder and FSM Status Commission counsel Gregg Swartz.

URGES TAX HIKE TO PROTECT GOODS

COLONIA, Yap—Gov. John Mangefel urged the Yap State Legislature to increase excise tax rates to protect local products and encourage import substitution during his fifth State of the State Message on April 18, according to State Information Officer Henry Muthan.

Addressing the legislature, Mangefel said that he would soon be submitting the excise tax legislation, in addition to bills to create a Yap State Development Plan Act, provide for resources and environment management and protection and provide for scholarship administration by the Manpower and Employment Services Division and Manpower Board, as recommended in the Manpower Plan before the legislature.

The proposed legislation, he said, is

"designed to assist implementation of our five-year plan."

Other legislation being developed, the governor said, would 1) establish a grant-in-aid program for municipalities, villages and other communities; 2) establish a Development Incentive Act for local and foreign investors with regulation of foreign investment in coordination with FSM law, and 3) establish a Development Finance and Investment Act for commercial investment of public funds to raise revenue and promote economic development projects.

Mangefel devoted most of the message to the Yap State Five-Year Development Plan, recommending that all funds received by the state during the Compact of Free Association be used in line with the

plan; that the plan should never be revised to fit spending patterns, as "the tail should not be allowed to wag the dog," that all projects should be carefully screened before being funded; that the plan should be amended and improved, and that local projects should be consistent with the plan and involve local labor and materials contributions.

Mangefel said that "problems cannot be solved by throwing money or laws at them," and urged all individuals and groups in the state to cooperate in making the plan work and solving the state's complex problems.

"There will be change, of course, but there will also be continuity (in reinforcing 'positive' traditional ways)," he said. "I consider that positive development."

Under social development, Mangefel said, "We cannot say we want to teach young people about the benefits of village life, and then model our educational programs on a U.S. style system which will produce young people unhappy with the village life."

He said that the Health Services Department plans this fiscal year to provide a doctor on all field trips for preventive care, expand its communicable disease program, conduct a cholera prevention program, increase village visits, provide for a 24-hour emergency clinic system and obtain two U.S. Public Health Service corps specialists.

In education, the state plans to improve financial accountability and efficiency in the department; emphasize decentralization, including plans for a Woleai junior high school; provide for greater citizen participation; make the curricula more appropriate to Yap needs, and reduce truency, drop-outs and juvenile delinquency.

The Attorney General's Office plans to establish law enforcement representatives in each municipality to reduce crime, train new recruits in Guam and Hawaii and continue its public education program, Mangefel said, adding that "this office has effectively prosecuted a large backlog of criminal cases, and is now up to date."

"I feel that this is partially responsible for the 25 per cent reduction in criminal activities last year," he said.

Economic development programs this year include plans to plant an additional eight acres of fruit orchards by Agriculture; developing ocean resources development infrastructure by Marine Resources; implementing small industries projects by the Resources and Development Department; developing a tourism master plan by the Tourism and Commerce Division, and seek legislative approval of the Draft State Manpower Plan.

Moses submits budget

KOLONIA, Ponape—Gov. Resio Moses transmitted a \$12.9 million executive budget request for fiscal 1985 to the Ponape State Legislature, according to an April 20 State Information Office release.

The proposed fiscal 1985 budget is six per cent more than the executive budget for fiscal 1984.

In his transmission message to Speaker Salter Etse, Moses said that the need to absorb cost of public services and economic development projects makes it necessary to enact a law that would strengthen compliance, and enhance collection of local taxes.

He said if that is realized, the state government can expect an additional \$500,000 in revenue collections.

He said that the state needs to explore new ways of raising revenues and to evaluate closely current state tax laws.

Moses reiterated his administration's policy of efficiency and effectiveness with the available financial resources. He said his administration intends to reduce state employees where possible and called for a unified budget in the management of the state's limited financial resources.

He explained that the fiscal 1985 budget request is a balanced budget, where outlays equal projected incomes.

Accordingly, the number of employees and funding level for fiscal 1984 were maintained in the 1985 budget request, except for the State Court and the Sport Council's office.

The governor said that "the project revenues are in a small excess of the budget outlays the difference is to be construed as a reserve to accommodate the reorganization of the executive branch, a matter which is pending before the legislature."

He asked the legislature to consider

the concept of unified appropriation legislation to provide comprehensive transactions of public funds which would enhance the state's decision-making processes.

Moses asked the Legislature to consider increasing his reprogramming authority from the current 10 per cent to 20 per cent and to allow reshuffling of 10 positions within and among departments and offices.

Briefs

KOLONIA, Ponape—Incumbent State Senator Job Micah of Pingelap was sworn-in and seated by Vice Speaker Joanes Edmund during an April 13 special meeting of the Third State Legislature, according to Chief Clerk Henry Saimon.

The special election was called, after Gov. Moses declined to certify the results of the Pingelap race in the Nov. 12 legislative elections, due to reported ballot-counting irregularities.

LELU, Kosrae—The Kosrae State Student Services Office is accepting applications for loans from Kosrae students studying in postsecondary institutions, according to State Information Officer Alex Phillip.

Applications for the loans may be submitted to Cainer Tosie, Student Services Coordinator, Kosrae State Government, Lelu, Kosrae 96944.

KOLONIA, Ponape—The Ponape State Department of Administration announced that it is promulgating regulations pursuant to the Pacific Service System Act to govern personnel reduction-in-force, according to a State Information Office release.

A public hearing on the regulations is scheduled for 3 p.m. May 11 in the State Training Center near the Aging Office.

Reagan backs Pact in Guam

(Continued from Page 1)

of Pacific Islands, and may go to Washington from there, if the Senate Energy and Natural Resources Committee begins its Compact hearings on May 21.

U.S. Ambassador Fred M. Zeder II, Reagan's special representative to the Micronesian status negotiations, briefed Nakayama, External Affairs Secretary Andon Amaraich, Deputy External Affairs Secretary Asterio Takesy, FSM Liaison Officer Wilton Mackwelung and Palau Ambassador Lazarus Sali, April 26, on the status of the Compact in the U.S. Congress.

Zeder said during an April 20 stopover in Ponape enroute to Guam that the "first really meaningful" Compact hearings would begin April 27 in the House Parks and Public Lands Subcommittee and that the Senate hearings were tentatively set for late May.

"There is no question that the Compact is going through," Zeder told Vice President Bailey Olter. "It is a matter of how fast.

"I can't see any organized opposition to the Compact (in the U.S. Congress)," he said.

Nakayama, who was accompanied in Guam by his wife, attended a dinner hosted April 24 by Trust Territory High Commissioner Janet McCoy for the three Micronesian presidents, Northern Marianas Gov. Pete Tenorio, Zeder and Assistant Interior Secretary Richard Montoya, Commodore and Mrs. Dale Hagen, commander of Naval Forces Marianas.

He also had a private meeting April 24 with Montoya to go over what the Office of Territorial and International Affairs chief discussed April 3 with FSM officials in Ponape.

"Montoya was concerned about medical referral costs and I presented to him the latest FSM position on the division of Economic Development Loan funds," Nakayama said, adding that the

Northern Marianas had turned down an offer of \$300,000 while demanding at least \$1 million.

The Nakayamas attended the reception hosted April 25 by Guam Gov. Richard Bordallo.

"The Guam governor's and first lady's hospitality was simply superb," Nakayama said. "They made us feel at home in Guam by making hotel arrangements and providing transportation with chauffeurs."

PLAN SCHEDULE SET

KOLONIA, Ponape--The FSM National Plan Task Force agreed on a work program for revising the national economic development plan and submitting it to the President by the end of August, according to task force coordinator Greg Swartz.

The task force elected FSM Senator Pedro Harris of Ponape vice chairman and agreed to utilize Dr. Peter B. Corbin of the U.N. Department of Technical Cooperation for Development in New York and Donald MacDonald, senior development planning specialist with Development Associates, Inc., Washington, D.C., during its April 20 session. MacDonald's participation is being funded through a U.S. Interior Department technical assistance grant.

Vice President Bailey Olter, task force chairman, presided over the April 20 session and left Ponape on April 22 to attend U.S. Congress budget hearings in Washington.

The FSM Congress reviewed the draft national plan prepared by the Office of Planning and Statistics during its February special session and then asked President Tosiwo Nakayama to appoint a joint executive-congressional task

force to make necessary revisions to the plan.

"The President has made this project his top priority, along with approval of the Compact of Free Association by the United States," Swartz said.

"In addition to providing a guide to government officials for economic development for the next five years and for obtaining external assistance, the plan is required by the Compact to specify the use of Compact development funds," he said.

"It is hoped at this point in time that a new draft would be ready in late August for review and approval by the President and submission to the FSM Congress for approval during its October session," Swartz said.

The task force named a technical working group to assist in revising the plan, according to Swartz who said the group includes Corbin, MacDonald, Congress economist W. Kwami Biddier, Acting National Planner John Sohl and Resources and Development economist Daniel Twum-Barimah.

The technical working group met April 23-27 with state planning representatives, including U.N. Economic Planning Advisor Nico Wit, State Statistician Timothy Semuda and State Economist Aren Palik of Kosrae; R & D Director Redley Killion and Roger Mori of Truk, and U.N. Economic Planning Advisor Jean Pierre Reymondet-Commoy of Ponape and Rainer Warren, statistician specialist of Ponape.

National government departments and offices have been assigned the task of drafting sectoral plans, based on the four state plans, and proposing national government policies and strategies in the economic, social and government sectors. The technical working group met with department and office representatives on April 24.

Wit is scheduled to stay in Ponape for one month and Semuda for two weeks to join Reymondet-Commoy in assisting the technical working group. Corbin is expected to remain through May 12 and MacDonald through the first week in June. Both Corbin and MacDonald are expected to return to Ponape later in the plan revision process.

In addition, the UNDP will be asked to send short-term consultants to work on such areas as taxes and national accounts, according to Swartz, who said that the first consultant will be Dr. William Bartsch, and ILO manpower development planning advisor who is scheduled to arrive during the first week of May.

The task force will meet again May 11-12, to discuss overall national development policies, Swartz said.

Fishing data sought

KOLONIA, Ponape--(CONGRESS RELEASE)--Senator Sasao Goulard, Truk, was reelected chairman of the Micronesian Maritime Authority during its recent meeting in Tokyo where MMA members gathered to conduct a fish price study.

Goulard was reelected to his second two-year term under the new approved Rules and Procedures adopted by the Authority in Tokyo.

Bernard Helgenberger Resources and Development Secretary was chosen vice chairman replacing Vice Speaker Joab Sigrah, Kosrae.

The six-day price study, which was conducted to gather statistical data and price information to determine the landing value of fish caught in FSM waters, was agreed to by the MMA and the four Japanese fisheries associations in February when the current fishing agreement was signed.

The MMA delegation also met with representatives from the Japanese fisheries associations to discuss general terms under which a new fishing agreement might be reached," Mike McCoy, MMA executive director, said.

The current agreement will end on Aug. 9. Negotiations for a new agreement are scheduled for late July in Honolulu.

FSM DEVELOPMENT AUTHORITY BACKED

KOLONIA, Ponape—Creation of a Federated Development Authority requested by President Tosiwo Nakayama to manage capital account funds and provide development assistance under the Compact of Free Association was endorsed during the April 9-13 State-National Internal Budget Procedures Conference here.

Addressing the conference during its April 9 opening session, the President said that a "national development authority must be established.

"The FSM cannot afford to lose an estimated \$1 million per year in additional revenue that would result from the investment that the national development authority makes possible," Nakayama said.

Delegates to the conference which was chaired by FSM Budget Officer Del Pangelinan adopted a resolution calling for the establishment of an autonomous Federated Development Authority, chartered to coincide with the first five years of the Compact and financed by the state and national governments.

The authority would be created by the state and national governments "for the purpose of receiving Compact capital account funds on an annual basis as provided in the Compact and to provide technical assistance and advice to the governments on identification, formulation and implementation of their develop-

ment projects," according to the resolution.

The authority would have a governing board comprised of the state and national chief executives and a small permanent staff which would draw on state and national technical resources on a project-by-project basis.

It would set investment policies and rules to ensure that state and national government shares of the funds "are both safe and secure," while the FSM Finance Secretary would be responsible for the accounting and investment of the funds.

"As approval of the Compact is imminent and the capital account funds will become available very soon thereafter, it is strongly recommended that the creation of the Federated Development Authority be given priority consideration by the state and national governments," the resolution said.

The conference delegates adopted another resolution declaring that "the allotment and financial management of Compact funds should be in accordance with the Compact and its related agreements," by recognizing the President's authority to make Compact funds allotments which specify the use of the funds.

The President, or Budget Officer could withhold funds allotment determined to be in violation of the Compact and related Fiscal Procedures Agreement, and

the FSM Finance Secretary would be responsible for investing by Compact current and capital account funds, according to the resolution.

It called for a working committee to draft a financial management act for enactment by the state and national governments.

In his address, the President said that the subsidiary Fiscal Procedures Agreement signed last year with the U.S. "was deliberately limited to external procedures; it was not intended to specify the procedures to govern our own internal budgeting, authorizing, appropriating, accounting for and reporting on Compact funds."

He said that in addition to the Compact and Fiscal Procedures Agreement, FSM internal budget and finance procedures "must recognize the fact that the FSM is a loose federation in which the individual states should have the responsibility for determining their use of funds and spending those funds without undue interference.

"However, it is equally important that the procedures recognize that Compact funds are national funds," the President said.

"Lack of accountability in use of Compact funds, if that happened, would not be an individual state problem, it would be a national problem," he said, calling for safeguards "to ensure that the actions of one state do not influence the funds of another state, or damage the integrity of the entire federation."

Chairman of the national and state delegations signing the resolutions are Pangelinan, FSM; Lt. Gov. Moses Mackwelung, Kosrae; Simiram Sipenuk, Truk; Tony Ganngiyan, Yap, and Dison Gideon, Ponape.

"There are still some issues to be resolved which we will take up in another conference which is tentatively scheduled for June in Kosrae," Pangelinan said, citing 1) whether the FSM financial management system would apply to Compact funds; 2) the role of state and national governments in borrowing money; 3) Federated Development Authority funding; 4) the relationships between the FSM Office of Planning and Statistics and the authority and the National Economic Development Plan and internal budget procedures and 5) the question of possible state, or national government deficits.

"The resolutions addressed the most critical issues that need to be resolved before we can move on to organize our procedures and policies," Pangelinan said, citing the intensity of state delegations' interest and participation in the conference.

Ocean resource plan urged

KOLONIA, Ponape—President Tosiwo Nakayama urged FSM state and national resources and development officials to develop plans and skills necessary to tap the nation's ocean resources, during their conference, April 2-5, in Truk.

The President, returning from his March 22-31 trip to a Namonwito-Western Islands leadership conference, said, "I think we have the potential to produce enough fish to meet our own local consumption needs and even more for export.

"As the people responsible for development, I think you should also concentrate on the development of skills necessary for tapping our own ocean resources," he said.

"Before we could do this, however, we need to set goals and development plans and programs consistent with our resources," Nakayama said.

The first FSM State-National Resources and Development Conference, held in the Christopher Inn, Moen, was organized by FSM R and D Secretary Bernard Helgenberger and chaired by Truk R and D Director Redley Killion.

In addition to state R and D directors

Gerson Jackson of Kosrae, Kikuo Apis of Ponape and Sam Falanruw of Yap and their staffs, the conference was attended by Congress Speaker Bethwel Henry of Ponape, R and D Chairman Sasao Goulard of Truk and Ways and Means Chairman Raymond Setik of Truk, Truk Gov. Erhart Aten, Legislature R and D Chairman Chotaro Lika and Ways and Means Chairman Simiram Sipenuk, and Ponape Legislature R and D Chairman Annes Lebehn and committee member Simiron Jim.

The participants discussed: Nationwide coordination of R and D programs, training opportunities, state and national development plans and Compact-funded project criteria, private business development efforts, FSM Development Bank activities, project funding coordination and development concerns in the areas of agriculture, fisheries, marketing, tourism, manufacturing, commerce, labor and land use.

A second R and D conference is tentatively scheduled for October in Yap to continue the coordination process, Helgenberger said.

Immigration

Division moved

KOLONIA, Ponape—President Tosiwo Nakayama announced April 16 amendments to Presidential Order No. 1, dividing the Immigration and Labor Division into two separate agencies and putting the new Immigration Division in the Attorney General's Office.

The April 16 amendments keep the Labor Division in the Resources and Development Department and abolish the Communications Division in that department.

Other changes include reestablishing the Litigation Division with Carl Ullman as its chief in the Attorney General's Office, transferring the Federal Programs Division from the Office of Planning and Statistics to the Budget Office and creating Press and Broadcast divisions in the Information Office.

All Immigration facilities and seven Ponape staff members were moved April 16 to the Attorney General's Office, and Uriel Hadley was named Acting Immigration Chief by Attorney General David Nevitt. The division also retains three employees in Truk, and two each in Yap and Kosrae.

Former Immigration and Labor Chief Gideon Doone continued as Labor Division chief, until April 30 when he became Supreme Court Director of Administration. Simon Poll was expected to be named Acting Labor Chief and former Communications Chief Henry Hickey was named coordinator in the division of the Trades Training and Testing Program sponsored by the U.N. through its International Labor Organization.

The Labor Division will continue to issue foreign workers' permits and enforce the conditions for those permits, in addition to conducting national manpower surveys and need analysis, according to R and D Secretary Bernard Helgenberger.

In the Information Office, Broadcast Officer Esikiel Lippwe became the Broadcast Chief and Information Officer Ketson Johnson heads the Press Division, as well as the office.

PALIK ELECTED

LELU, Kosrae — The Kosrae State Board of Education elected Aren Palik its chairman and Hanson Sigrah, secretary, during an organizational meeting held during the week of Jan. 23, according to a Jan. 25, Kosrae State Release.

Other members of the board are Mitchell Aaron, Nena W. Benjamin and ex officio member Singktichy George, State Education Director.

POLICE TRAINING SET

KOLONIA, Ponape—Citing an increase in organized crime, Micronesian police chiefs agreed to continue public safety training and development on a regional basis, during their April 9-13 conference in Palau, according to FSM Security and Investigations Chief Joe Race.

Race was elected president of the Association of Micronesian Chiefs of Police which was created during the conference. Other officers are Kauru Bell of Palau, vice president; Paul Kim, Truk, secretary, and Dick Keatley, Kosrae, treasurer.

Attorneys named

KOLONIA, Ponape—Attorney General David Nevitt announced the appointment of three assistant attorney generals, including former FSM Congress legal counsel Jack Warndof.

Nevitt also announced the designation Jan. 3 of assistant attorney generals Lawrence Bertoncini as Law Division chief and Carl "Bud" Ullman as Litigation Division chief.

Joe Race is the Security and Investigations Division chief and Uriel Hadley, the Immigration Division acting chief.

Warndof returned March 6 to Ponape to serve in the Law Division. David Brown is scheduled to arrive May 11 from San Anselmo, California, to serve in the Litigation Division, and Kristin Henderson, May 11 from Seattle, Washington, to serve in the Law Division.

Warndof, 40, who was born in Waynesboro, Pennsylvania, was graduated from Arkansas Technological College, Russellville, and American University Law School, Washington, D.C.

He practiced law six years in Little Rock, Arkansas, including service as an Arkansas State Labor Department attorney, before going to Truk in 1978 as a Peace Corps volunteer serving as a public defender. He served from August, 1980, to April, 1983, as Congress Judiciary and Governmental Operations Committee counsel.

Brown, 29, a 1976 Phi Beta Kappa honors graduate of Cornell University, Ithaca, New York, and Stanford University Law School, California, 1980, graduate, has been serving since April, 1981, as a Marin County, California, deputy public defender.

Ms. Henderson, a native of Tacoma, Washington, was graduated in 1976 from Brown University, Providence, Rhode Island, and in 1981 from the University of California at Los Angeles Law School. She has been with the Ferguson and Burdell law firm, Seattle, since November, 1982, practicing general civil law.

treasurer.

The conferees adopted a four-year training plan and scheduled their third annual conference for March 19-22, 1985, in Ponape. The first conference was held in March, 1983, in Guam.

The training program includes continuing the Micronesian Basic Police Training program at the Alaska State Police Academy in Sitka this year and moving it to the Micronesian Occupational College, Palau, in 1985 and 1986. Thirty-four Micronesian police officers completed the 12-week program last year in Sitka.

In addition, the FSM state and national governments, the Marshalls and Palau will send one trainee each to the FBI National Police Academy, Quantico, Virginia, for a 12-week program, July-September, in basic police management training. They will be accompanied by Race and TT Public Safety Officer William Stinnett.

DSI will be represented by Deputy Chief Jack J. Jack, who is participating in a two-month fishing surveillance training program with the Alaska State Division of Fish and Wildlife Protection, Kodiak; Yap by Police Chief Liyab Mirey; Truk by Lt. Kerson Rizal; Ponape by Lt. Berney Martin; Kosrae by Deputy Chief Bill Tosie, and Palau by Brell, with the Marshalls to name their participant.

The FBI also will conduct simultaneous finger-printing, firearms and crime scene investigation courses May 7-18 in Ponape, Truk, Palau and the Marshalls and a fire-fighting training program May 7-11 in Ponape.

Three firefighting representatives, including one each from Kosrae, Truk and Yap, will participate in the National Fire Academy program, July-September, in Emmitsburg, Maryland.

The four-year program calls for continuation of these programs and special law enforcement training to create mutual aid capability within Micronesia and special training in narcotics control, white collar crime, marine and wildlife protection and police management.

The police chiefs agreed to seek technical assistance for marine and wildlife surveillance, boat acquisition and narcotics investigations, narcotics control, police records, computer software and data collection, mutual aid capability and drafting customs, postal and fisheries enforcement laws and regulations.

The recommendations adopted by the police chiefs state their concern about increasing organized crime activities, such as narcotics smuggling, gun running, con operations and attempts to influence local legislation, in addition to attempts to legalize gambling in most areas of Micronesia.

FSM SEEKS EXTRADITION

KOLONIA, Ponape---The FSM is seeking extradition from Hawaii of Charles Wolfe charged with the Feb. 3, 1983, theft of \$45,000 from Truk International Development Co. shareholders in the alleged sale of bogus airline shares, according to Attorney General David Nevitt.

Charges were filed March 2 in the FSM Supreme Court in Truk and Associate Justice Richard Benson issued an arrest warrant March 3. Wolfe was arrested March 29 when Nevitt and Security and Investigations Chief Joe Race went to Honolulu to assist in the arrest. Wolfe has been jailed since, in lieu of \$45,000 bail, after being arraigned.

Extradition proceedings are being initiated in Hawaii at the request of FSM President Tosiwo Nakayama through Trust Territory High Commissioner Janet McCoy, according to Nevitt who said that until the Compact of Free Association goes into effect, the FSM has no extradition agreement with the United States and must rely on the TT extradition statute.

A governor's warrant was to be issued and a preliminary hearing held during the week of April 16, according to Nevitt who said that extradition proceedings were expected to be completed by the end of the month.

Wolfe is charged with two counts of theft by deception and one count of theft by failure to make the required disposition of funds received.

In an affidavit submitted March 2 to the Supreme Court, Nevitt said that Wolfe met with TIDC shareholders Feb. 3, 1983, in Truk and offered to sell 40 per cent of Trans-Pacific Airlines, for \$60,000 which would be used to purchase an amphibious airplane to provide service between Moen and the Mortlock Islands. Wolfe represented that he was president of Trans-Pacific and claimed it to be licensed and registered to do business in Hawaii.

The \$45,000 was paid to him at that time and an additional \$15,000 presented to him a week later in Honolulu. Twelve TIDC shareholders, including FSM Congress Ways and Means Chairman Raymond Setik of Truk, reportedly paid \$750 each for 800 shares.

Wolfe, who claimed that he was operating airline service in the Marshall Islands, reportedly told the TIDC shareholders that he arranged to purchase the aircraft from CAN-AIR of Canada which would begin service in March, 1983.

REVISED RULES DRAFTED

KOLONIA, Ponape---The FSM Supreme Court issued revised rules of evidence to go into effect June 1 for public and legal profession comment by May 15, according to Chief Clerk Emeliana J. Kihleng.

Trans-Pacific was not incorporated until Oct. 26 with an authorization to issue 100,000 shares, according to the affidavit which said that Wolfe issued 51,000 shares at \$1,020 each to himself and 800 shares, representing only 8 per cent, instead of 40 per cent of the firm, which was promised to TIDC.

Wolfe reportedly did not make significant contact with TIDC until Aug. 3 when he wrote to Setik, asking for a stronger commitment from the FSM, including a fishing surveillance contract with the Micronesian Maritime Authority and promising to deliver the aircraft "in 10-14 days."

In a Jan. 6 letter, Setik asked Wolfe to provide a disclosure of the status of the \$60,000 and a financial statement of his business and personal assets and liabilities, which Wolfe did not comply with, according to the affidavit.

Subsequent investigations by the FSM Attorney General's Office disclosed that Trans-Pacific did not exist on Feb. 3, that Wolfe briefly discussed leasing an aircraft from CAN-AIR, but cut off the talks when its officials stated they wanted to go to Truk first, and that he never operated an airline in the Marshall Islands.

Robes designed

KOLONIA, Ponape---FSM Supreme Court justices will soon wear judicial robes designed by Guam artist and author Barbara Moon Boertzel to reflect the solemnity of the court and Micronesian heritage, according to National Justice Ombudsman Nickontro Johnny.

Two robes and neckpieces, also designed by Mrs. Boertzel, are scheduled to be completed in June, according to Johnny. The light-weight mid-thigh blue-black robes with sleeves that end above the elbow combine the look of the traditional judicial robe with cloak-like clothing once worn in Truk.

Over the robes, the justices will wear Micronesian-style neckpiece with a traditional star-point design to be woven by an FSM citizen from hibiscus and banana leaf fibers collected from Kosrae, Ponape, Truk and Yap. The star-point represents the path followed by Micronesian navigators and is the symbol of the court system charting its future legal course, according to the designer.

The justices have not worn robes since the court began functioning in 1981, because they did not want to adopt the traditional heavy black U.S. robe, wishing instead to have robes that reflect Micronesian heritage and the court's mission to support FSM self-government, according to Johnny.

Santos sets

Gilmete terms

KOLONIA, Ponape---Ponape Chief Justice Edwel Santos, sitting as the first state court justice to serve as a temporary FSM Supreme Court justice, deferred April 10 acceptance of a guilty plea to assault with a dangerous weapon by Quirino Gilmete.

Gilmete was charged with robbery, aggravated assault and assault and battery with a dangerous weapon in an alleged Dec. 31, 1983, attack in Awak, Uh municipality, on Albert Helgenberger, a former FSM Supreme Court staff member.

Gilmete pleaded guilty to assault with a dangerous weapon and Santos deferred acceptance of the plea for one year, ordering Gilmete not to consume, purchase, nor possess alcoholic beverages anywhere in the FSM.

He further ordered Gilmete not to leave Ponape state, except in the case of medical emergencies, and to appear for a hearing on April 6, 1985, when the court will dispose of the deferred acceptance of the guilty plea.

The sentence provides that if Gilmete violates any of the conditions, the court will accept his plea and impose a sentence for the crime of assault with a dangerous weapon.

Santos was designated a temporary judge by Supreme Court Chief Justice Edward King to avoid appearance of conflict of interest in a case involving the court staff. Truk State Chief Justice Soukichi Fritz previously served on a Supreme Court appellate panel while he was presiding district court judge.

DOONE AT COURT

KOLONIA, Ponape---Former FSM Immigration and Labor Gideon Doone became Supreme Court Director of Administration on April 30, according to Chief Justice Edward C. King.

Doone replaces Jack Yakana, the court's first administrator who is leaving to take a position with the FSM Public Auditor's Office.

Doone, 45, is a native of Truk and a graduate of Xavier High School there who attended the University of Hawaii and University of Guam.

He served in the Trust Territory Personnel Office, as personnel administrator in Ponape and the Marianas, as a Micronesian Legal Services Corp. legal counselor in Truk and assistant director in Saipan, as a 1975 Micronesian Constitutional Convention interpreter and as assistant chief and acting chief of the TT Labor Division, before becoming an FSM Labor Officer in 1980 and Immigration and Labor Division chief in 1983.

TELEX service ILO SKILLS TRAINING SET

Set for FSM

KOLONIA, Ponape--The FSM Telecommunications Corp. completed negotiations with RCA Global Communications, Inc., for worldwide TELEX service for the FSM which will begin about May 10 in Ponape, according to Telecom Technical Manager Bill Banta.

"As soon as the Ponape facility is operational, the installation of TELEX will follow in the state centers of Moen, Truk; Colonia, Yap, and Tofol, Kosrae," Banta said.

"This new service for the FSM will connect the Federated States with each other and provide international service through the worldwide TELEX network," he said.

The four-state network is expected to be completed in mid-July, he said.

The TELEX system will replace the present radio dispatch system for sending and receiving telegrams and record copy messages, after the network is completed, he indicated.

"The initial capacity of the FSM network will accommodate approximately 40 subscribers," Banta said, adding, "An expansion of the network to increase its capacity to 90 will be done, if there are customer needs beyond the initial 40 available connections."

Businesses and government offices will be able to lease TELEX terminals to send written messages to and receive them from other TELEX terminals within the FSM and throughout the world, he said. TELEX terminals also will be placed at the communications centers for individuals to send and receive messages worldwide.

Applications for TELEX service may be obtained from the Telecommunications station managers in the four states, Banta said.

FmHA VISIT SET

KOLONIA, Ponape--The public is invited to meet May 18 with Farmers Home Administration State Director Robert W.F. Choy of Hawaii who will arrive here May 15 for his annual tour of offices under his jurisdiction, according to FmHA Ponape Area Supervisor Shelton G. Neth.

Requests for appointments with Choy on the morning of May 18 will be accepted up to 4 p.m. May 9, according to Neth.

During his visit, Choy will conduct a review of the Ponape office and meet with President Tosiwo Nakayama, Gov. Resio Moses and speakers of the FSM Congress and Ponape State Legislature.

KOLONIA, Ponape--The FSM Congress is being asked to fund and the states to provide facilities for an U.N. International Labor Organization-sponsored program to upgrade skills and train uneducated and unskilled workers, according to Acting Labor Chief Simon Paul.

President Tosiwo Nakayama approved FSM participation in the Trade, Training and Testing Program which is being conducted by ILO in Fiji, Niue, Solomon Islands and Marshall Islands, and Resources and Development Secretary Bernard Helgenberger appointed former FSM Telecommunications Advisor Henry Hickey to be program coordinator.

The TTT, or T-Three program is scheduled to start in June when electrical instructor Frank Lunn, the first of three ILO instructors, arrives to set up the program with electrical and construction counterparts from Ponape. He will later bring counterparts from Vanuatu and Majuro to assist in the training.

The construction instructor will arrive in July and the mechanical instructor in August. The construction and electrical counterparts from the other states and the mechanical counterparts from all four states will be needed in July, according to Hickey.

The Congress will be asked in its May session to provide funds for the counter-

parts' salaries and travel expenses, while the ILO will pay all expenses of its instructors, Hickey said.

The four governors were asked to provide a building in each state with an office, storeroom and a room at least 30 by 50 feet for the training, according to Hickey who said that Ponape Gov. Resio Moses offered the former Maeda Construction Co. site and Truk Gov. Erhart Aten part of the high school Vocational Education Building.

The trainees in the states will be tested and awarded National Trade Test certificates upon completion of three training levels, basic, intermediate and final, or skilled, he said, adding that uneducated and unskilled workers may enter at the basic level to obtain work skills and semi-skilled workers at the higher levels to upgrade their skills.

The states will benefit from the training, as the trainees will be renovating buildings, building furniture, salvaging automobiles and repairing heavy equipment, he said.

"These vocational, or blue collar skills are urgently needed in the FSM and the T-Three program is expected to provide them at relatively little expense, in addition to giving many of our unemployed and underemployed people an opportunity to work, or increase their productivity and earnings," Hickey said.

Health plan features set

KOLONIA, Ponape--The FSM Health Insurance Committee is to develop the specific features of a proposed nationwide mandatory health care plan for the consideration of the FSM state and national leadership, according to FSM Budget Officer Del Pangelinan, committee chairman.

Although the recommendations will be tendered to the leadership as a proposal, it is desired that the recommended plan be adopted, with tendering for bid to a variety of insurance companies identified by the committee.

Basic features to be included in the proposal include: 1) A trust fund set up as a public corporation autonomous from the governments, 2) national and state legislation adopted and implemented which would require all heads of households in the FSM to contribute towards the trust fund, 3) limited benefits for medical referrals and coverage for qualified expense claims from state hospitals and dispensaries and 4) tighter control of medical referral utilization through identifying certain tertiary health care providers in Guam, Hawaii and elsewhere as qualified to submit claims to the trust fund.

If a nationwide health insurance plan is implemented, governments' overall health care expenditures, especially in the area of medical referrals, would be reduced.

HOUSING BIDS SOUGHT

KOLONIA, Ponape--The FSM Office of Planning and Statistics is inviting bids from qualified and experienced contractors for the construction of five rental houses in the Panuelo Housing Project, Dolonier, Nett Municipality, Ponape.

The project includes three three-bedroom, one four-bedroom and one two-bedroom units. It is being financed by the FSM Development Bank and will be owned by Bernard Panuelo.

Bid packages are available and may be secured by submitting a request and a \$25 deposit in the form of a U.S. Postal Money Order, or a cashier's check made to the order of "Federated States of Micronesia, Bid Package, Panuelo Housing Project" to the OPS above Ambros Store.

Bids will be opened and read at 2 p.m. May 30 in the OPS headquarters. The six to eight-month contracts will be awarded on or about May 30.

POSTAL SERVICE, STAMP ISSUE SET

KOLONIA, Ponape—The inauguration of the FSM Postal Service and its first stamp issue are planned for July 12, Micronesia Day, Postmaster General Leo A. Falcam announced after returning from the March 14-18 International Philatelic Exposition (INTEPEX) '84 in New York.

Falcam announced the date, the anniversary of the FSM Constitution ratification in 1978, for the first FSM postage stamp issue during the signing of the official philatelic agency contract with Crown Agents Philatelic Corp. of New Jersey and Crown Agents for Overseas Governments and Administration of England which was held March 15 at a dinner and reception in the New York Penta Hotel hosted by the agent.

More than 200 stamp dealers, collectors and media representatives attended the reception, according to Falcam who said that the FSM Postal Service was assigned Booth No. 1 among more than 200 booths at the exposition in Madison Square Garden.

The booth included FSM state flags flanked by the national flag and U.S. flags with a large sign over the flags, stating, "Federated States of Micronesia, formerly part of the Trust Territory of the Pacific Islands."

About 400 private collectors signed cards to get further information about FSM stamps and others received pamphlets describing the procedure for ordering the first issue from Crown Agents Philatelic Corp., 115 Main Road Montville, New Jersey 07045.

The booth also included a sign, "July 12, 1984," to draw attention to the date of the first stamp issue, and an FSM map, Falcam said.

"The stamp collectors went bananas in the booth," he said.

Falcam and FSM Congress Judiciary and Governmental Operations Chairman Jack Fritz of Truk, who also attended the exposition, visited the Crown Agents headquarters in Montville, before the exposition.

"We found their facilities excellent and I'm convinced they can handle our agency program quite well," Falcam said,



SIGN STAMP CONTRACT—FSM Postmaster General Leo A. Falcam, right, is signing the FSM stamp agents contract March 15 in the New York Penta Hotel with John Van Emden, president of Crown Agents Philatelic Corp., New Jersey, during the International Philatelic Exposition '84 in New York City.

noting that the stamps will be printed in England and Europe and distributed outside of the United States by Crown Agents, London.

Falcam also went to Washington, D.C., to meet with Walter E. Duka, Assistant Postmaster General for International Affairs, to discuss the 120-day transition period, which began with the notification by Falcam that the FSM is ready to begin its postal service in a March 12 letter to Duka.

Falcam arranged to attend a postmaster training course, Aug. 6-17, at the U.S. Postal Service Management Academy, Potomac, Maryland.

Before returning to Ponape on April 8, Falcam met briefly with U.S. Postal Service officials in Honolulu and arranged a meeting with their operational personnel on April 25 in Guam.

He also plans to visit postal officials in Yap and Truk after that meeting to brief them on the takeover and discuss a pro-

posed Christmas stamp issue.

If FSM Stamp Review Committee members agree to have the issue, "we will have a Christmas issue contest," he said.

Falcam said that he is planning to move this month into the new facilities for the FSM Postal Service central office on the second floor of Francisco Perman's motion picture theater, across the Main Street from the Ponape Post Office, downtown Kolonia.

"I gave Personnel the go ahead to hire an assistant and an executive secretary," he said. "After that, I am going to be looking for a finance officer and an accountant, then postal inspectors and a philatelic bureau chief."

Falcam briefed the FSM President and his cabinet April 16 on his trip and plans for the first stamp issue and Postal Service inauguration.

Budget hike sought

KOLONIA, Ponape—The FSM is asking the U.S. Congress to provide \$42,156,000 more than the \$59.8 million requested by the Reagan administration for fiscal 1985 operations and capital improvements, according to Budget Officer Del Pangelinan.

The FSM is requesting an additional \$22,156,000 for operations and CIP projects, plus full funding of \$25 million for construction of the national capital and \$8 million for construction of a new College of Micronesia campus, both in Palikir.

Hearings are scheduled for April 30 in the Senate Appropriations Committee and May 2-3 in the House Appropriations Committee, he said.

Pangelinan left Ponape on April 14 to go to Washington to meet with Congress staff members and testify in the hearings.

The FSM budget proposal is subject to revision, after Pangelinan arrives in Washington.

"We are putting emphasis on the budget document itself to get the U.S. Congress to resolve outstanding transition issues, such as war claims, indefinite land use compensation and prior service benefits," he said.

THE NATIONAL UNION

Published by: FSM Information Office
P.O. Box 490, Kolonia, Ponape
Federated States of Micronesia 96941
Telephone: 548

Ketson Johnson, Information Officer
Tom Bryan, Information Advisor
Esikeli Lippwe, Broadcast Division Chief
Elieser Rospel, Graphic Artist
Angie Mualia, Administrative Assistant
Mary Allen Manuel, Clerk Typist
Marcella Padock, Clerk Typist