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Most Favored Nation Ruling Gone Today

SAIPAN (MNS) — The Trust Territory's most-favored-nation clause, a regulation which has restricted foreign investment in the TT in the past, is no longer in effect, as of April 1, and the future for foreign money in the territory could bring major changes in the economy as well as the lifestyles of the people who live there.

"I believe that foreign capital investment can play a much needed role in Micronesia in enhancing the prosperity of our people, through an increase in the production of goods and services, increase in employment opportunities outside government and generally raising the standard of living," said Eusebio Rechucher, TT director of resources and development.

"I feel that all efforts of economic development should be based on the needs, desires, capabilities and abilities of the Micronesian people. However, Micronesia should not be reluctant to benefit from capital, technology and skills that are available outside the territory so long as they will serve the interests of the Micronesians," said Rechucher, commenting on the lifting of the most-favored-nation clause.

The announcement made by Interior Secretary Rogers C.B. Morton earlier this year removed the restrictions of the trusteeship agreement's most-favored-nation clause which was interpreted to mean that citizens or companies of the United States were the only foreigners that could apply for permits to do business in the Trust Territory. Now, with the lifting of that clause, individuals or companies from any nation can submit an application and, if approved, can do business in the district to which they apply.