



PACIFIC SMALL ISLAND DEVELOPING STATES
United Nations Member States

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House Foreign Affairs' Subcommittee

on Asia, the Pacific and the Global Environment

“Ushering in Change: A New Era for U.S Regional Policy in the Pacific”

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Mr. Chairman The Honorable Eni Faleomavaega,
Honorable Committee Members,
Distinguished Ladies and Gentlemen:

Thank you for this opportunity to address the House Foreign Affairs' Subcommittee on Asia, the Pacific and the Global Environment regarding the current state of U.S. – Pacific relations. I have the honor to speak to you today as the Chair of the Pacific Small Island Developing States (PSIDS), comprising Fiji, Marshall Islands, Micronesia (Federated States of), Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and as a representative of my home country of Nauru.

Mr. Chairman, relations between the United States and the people of the Pacific extend back over two centuries to when the first American missionaries set foot on our islands. The early 19th century marked a major turning point in our respective histories as the time when the United States became the most important Western influence in the Pacific, taking the place of Europe. In 1822, the U.S. began the systematic defense of its Pacific interests and our paths have been inextricably linked ever since. This relationship, however, has not always benefitted both sides equally.

During the 19th and early 20th century, our islands became an integral part of America's strategic presence throughout the Pacific and Asia, both economically and militarily. The critical importance of this relationship became abundantly clear during World War II, when we opened our homelands to the Allied Forces in a global struggle to defend democracy. The Pacific remained a key ally of the U.S. during the Cold War, united by the principles of peace, democracy, and respect for human rights. The first thermonuclear device was tested on one of our islands. The Pacific has also long been a reliable voting bloc at the United Nations, supporting the democratic principles advanced by the United States therein.

However, principles do not provide us with jobs or feed our children, and the Pacific has suffered from neglect in recent decades. The South Pacific Region, in particular, has witnessed the gradual withdrawal of American support to the point that the U.S. now maintains no more than a token presence. American diplomacy in the region has too often been by proxy through Australia and New Zealand rather than through direct bilateral dialogue. The Pacific Island Conference of Leaders convened in Washington in 2007 was notable only because of its rarity, and even then, we were only granted a short statement by then Secretary of State Condoleezza Rice. We greatly appreciate the benefits provided to three of our sister countries under the Compact of Free Association and hope that this relationship will continue long into the future. However, there are eight other countries in the Pacific that must not be forgotten.

One of our few remaining ties comes in the form of the Multilateral Treaty on Fisheries between Pacific island countries and the U.S., commonly referred to as the 'U.S. Treaty'. While this year's annual consultation resulted in agreement on a range of outcomes, a number of issues still remain unresolved. Most importantly, the U.S. has resisted the application of the Vessel Day Scheme (VDS) to the U.S. fleet and has

objected to the number of fishing days it would subsequently receive. The VDS is intended to ensure the sustainable exploitation of tuna, but U.S. fishing boats continue to reject the plan, thereby jeopardizing the long-term viability of our most valuable fisheries. The renegotiation of the Treaty will take place in late October and would represent an ideal opportunity for the Obama Administration to address one of our most pressing concerns.

Operating in an interdependent and changing international system, the Pacific has survived by adjusting their respective foreign policies and broadening their international engagement to fill vacuums left by traditional partners. We have seen the rise of certain donor countries and the emergence of new partners in our region. These relationships compliment our longer-standing ties with Australia, New Zealand, Japan and, to a lesser extent, the EU. The PSIDS—do not have many strong historical allies to call upon for assistance. These new entrants come to us with generous offers of financial assistance and mutually beneficial relationships at a time of great need. This changing state of affairs is also a reflection of the emergence of new powers on the world stage. The growth and maturation of the PSIDS and other developing nations may have been missed by the U.S., but it is something of which we are keenly aware. It is indeed a new era, one driven by globalization and the hope of shared prosperity. We also believe that it should also be an era of support for democracy and hope that the U.S. will take notice. To redress this changing dynamic, it is our hope that the U.S. will directly re-engage the region in a visible way by bringing both financial and human resources. The latter should include a renewed commitment to Peace Corps operations in the Pacific. Relying on our two largest neighbors to look after the region is no longer a workable solution.

The American departure from our region comes precisely at a time when our need is greatest. Our countries are among the most vulnerable to the twin challenges of economic globalization and climate change and it is unlikely that we will be able to meet them without support from our partners. It is rarely appreciated that five of our members are in the group of Least Developed Countries. I hope it is not too harsh to suggest that, as the global champion of economic liberalization and also the world's largest carbon emitter, the U.S. bears some responsibility for the impacts of its policies on its historic allies.

Mr. Chairman,

Economic globalization

The United States has been an unqualified beneficiary of the current global economic regime. The same cannot be said of the PSIDS. With small populations and a modest resource base, we struggle to capitalize on economies of scale and mass production. Our isolation raises the cost of inputs like fuel and also makes our exports much more expensive than those with easier access to major trade routes. As a result, our economies have been based on the export of natural resources, but this strategy too has brought us mixed results. While these exports provide vital revenue for some of the PSIDS, they also jeopardize the fragile island ecosystems that provide subsistence for large majorities of our population.

Our disadvantage is magnified by the trade preferences that the U.S. selectively grants to other countries and other regions. For example, Fiji's garment industry has collapsed because of the preferential access to American markets granted to competitors.

Our economies are also very small and tend to rely on official development assistance to fund vital services like health care and education. Global financial crises and economic downturns, like the situation we find ourselves in today, can cause huge negative impacts on the economic health of our countries as well as the health and well-being of our people.

Many of our countries depend on remittances from our citizens working abroad. Labor mobility is therefore a high priority for us. It was announced to our Leaders that the relocation of the American military base from Okinawa to Guam would be a boon to regional economic development, however, there is little evidence to suggest that our workers will benefit from these projects. Increased access to the Guam labor markets for other Pacific islanders was once discussed but has not materialized.

Mr. Chairman,

Climate change

This same economic system, based almost entirely on the consumption of fossil fuels, has created the greatest threat to our small islands: climate change. Recent scientific estimates project sea levels to rise by a meter or more by the end of this century. For the United States, with its vast territory and bottomless financial resources, this may seem like a manageable situation. For small islands, this will threaten our very existence.

Average global temperatures have risen less than one degree Centigrade since pre-industrial times, but already our islands are dealing with the repercussions. Storm surge and inundation are contaminating our water supply and sterilizing our soil, coastal erosion is threatening vital infrastructure, and vector- and water-borne illnesses are on the rise. For the Pacific, climate change is an issue of national security that threatens the lives of our people and the stability of our governments.

The Pacific Small Island Developing States note current US investment in renewable energy and hope US renewable energy programme could also be extended to the Pacific.

To us it is clear that mitigation strategies available that hold the prospect of prolonging climate cooling in the term must be implemented. We have called upon the Administration to join us in support of proposals currently pending by Federated States of Micronesia and Mauritius in the Montreal Protocol and the UN Framework Convention on Climate Change (UNFCCC). The United States must take the lead.

Mr. Chairman,

Smart diplomacy

Throughout history, the people of the Pacific islands have been among the most resilient and adaptable on the planet. For thousands of years, we have built our societies in locations plagued by violent tropical cyclones and limited natural resources. Perhaps our quiet doggedness in the face of adversity has not served us as well in the fight for international aid. I have been told more than once, partly in jest but with a grain of truth that the PSIDS need to build a nuclear weapon if we are to attract the attention of the Americans. The PSIDS are, by and large, peaceful, democratic, and well governed. Are these not virtues to be encouraged through effective support?

Mr. Chairman, your country is currently grappling with the reform of your health care system. Health care is a very complicated issue, but there is one thing that everyone can agree on: good preventive care is always the cheapest option. The same principle applies to international relations. It is much cheaper and mutually beneficial to invest in your allies during times of peace than it is to quell tensions after conflict has erupted. This principle is consistent with the vision of “smart diplomacy” promoted by Secretary of State Clinton and can pay dividends for all sides.

Our internal struggles are rarely aired on the international stage, but that does not mean we do not grapple with our fair share of conflict. Solomon Islands and Fiji are both in the process of healing internal divisions that sometimes erupt into violence. Climate change will only make these episodes more frequent. Many respected authorities, including your own Pentagon, have stated that climate change is a clear threat to international peace and security. Now is the time when a renewed partnership with the U.S. can provide the most good for our region.

Consular Issues

The absence of US diplomatic and consular presence in many of the Pacific states has resulted in visitors from the islands travelling to third countries to be interviewed and have their visas processed. This expensive process is having a negative impact on our long historic relationship especially with the younger generation.

**Mr. Chairman,
Recommendations**

The first Americans came to our islands over 200 years ago with the Good Book in hand. One lesson in particular comes to mind:

Do not withhold good from those to whom it is due, when it is within your power to grant it. Say not to your neighbor, “Go, and come again tomorrow, for then I will give”; when you are able to give today.

Changes that must seem small relative to the totality of American activities can have enormous impacts on our countries. The withdrawal of American support from our region has been keenly felt and the time to begin a new era in U.S. – Pacific relation is long overdue. Repairing the bridges that connect us will take time, but there are several

things that can be done in the short term that would have profound benefits for our peoples.

- Open the Millennium Challenge Account to countries with populations of under 100,000. Several PSIDS, including my home of Nauru, are ineligible for assistance under the program because of this restriction. I recognize that officials responsible for the allocation of foreign assistance might think that they ought to spend their time on countries with large populations rather than small populations. We hope that you, members of Congress, will suggest that countries that are close friends of the United States do deserve attention even if they are small.
- Schedule a Congressional visit to the region so that you can see for yourselves the struggles of our peoples. The perception of the Pacific for most people is that of pristine beaches and exotic coral reefs. We hope you will agree that it is important for policy makers in this country to travel farther to see how we the people actually live.
- Increase US diplomatic presence in the Pacific.
- Restart Peace Corps operations in the Pacific. Not only did the presence of Peace Corps provide valuable services to our countries, but it also forged strong bonds between the people of our respective countries.
- Re-energize the Joint Commercial Commission with adequate budgetary and administrative support, so that its potential for significant contributions to our economic advancement can be realized.
- Diabetes is a serious problem throughout our region. Our own resources are insufficient to deal with that problem. We need assistance both for treatment of this illness and for prevention. We thank you, Mr. Chairman, for having proposed a fund allocation for this purpose to be included in the Foreign Operations Authorization bill and we thank the members of this Subcommittee for having supported that proposal. I need to point out that assistance to us in helping us deal with diabetes would not only be beneficial from a purely humanitarian point of view, but would also benefit our economy. Too many of our people are incapacitated by this illness.
- Support the implementation of the Vessel Day Scheme under the Multilateral Treaty on Fisheries. The lease of fishing licenses to foreign vessels is an important source of revenue for many of our countries. It is critical that we take steps to ensure the sustainability of these fisheries.
- We recommend granting preferential worker status to the residents of the Pacific to participate in projects associated with the relocation of the American military base to Guam. Our workers are ready to provide their services. We hope that you will not let bureaucratic obstacles stand in their way.
- Your proposal, Congressman Faleomavaega, also calls for help to meet our need for pure drinking water. Here, too, we truly need help. Rain water is insufficient to meet our needs. Desalination plants, powered by solar energy, would be an ideal solution.

For the reasons that I have just laid out, and against the background of our close friendship, I want to express my sincere hope and that of my colleagues that the United States will increase its financial assistance to our region. Our countries are small and located in one of the most remote parts of the world, but I would hope that this comes to be seen as a reason for, and not against, increasing your commitment to the region. We hope that the Subcommittee will consider taking the needed steps that would enable the hard-working people of our twelve sovereign nations to meet the economic and environmental challenges that face them today.

In the long run, there is also the need to build a solid foundation for our economies. Congressman Faleomavaega has pointed to the merits of aquaculture for providing just such a foundation. This is an excellent suggestion, but here too, we need help to get things off the ground, and, I suppose, into the water.

Mr. Chairman,

I greatly appreciate the opportunity that you have given me to present the concerns that my country shares with the others in the Pacific. Let me repeat. We are small countries, but for 200 years, we have looked to the United States as our friend, and as an ambassador to the United Nations, I can say we do what we can to reciprocate. We welcome the opportunity to usher in a new era and hope it leads to our friendship becoming even stronger.

Thank you.