

State made significant progress in its quest for statehood by finalizing its proposed constitution and having it ratified in a regional election. The region's first push for statehood was unsuccessful, despite being passed by congress in the early 1980s. A traditional leader in Pohnpei has voiced similar sentiments, making some strong points for Pohnpei to separate from the nation.

President Leo A Falcam made a significant trip to Israel that led to an agreement for open access for FSM citizens traveling to Israel. He completed appointments to his cabinet by replacing Epel Ilon as secretary of external affairs with Ieske K Iehsi from Pohnpei.

Finally, as if to maintain the theme of facing up to the challenges of the New Year, over eight hundred athletes converged on the westernmost state (Yap) for the Third FSM Games in July 2001.

JOAKIM PETER

GUAM

The Guam legislature's biennial general elections took place amid tension between Governor Carl T C Gutierrez and the legislators. At issue were the attempt to remove the governor from office via recall, and control of the Guam Election Commission. Much of this tension was a carryover from the legal challenge of the gubernatorial results mounted by former Governor Joe Ada and his running mate, Felix Camacho, who lost to the Gutierrez-Bordallo ticket in the 1998 election. Their legal challenge went all the way

to the US Supreme Court, which rendered a decision in favor of Gutierrez, but the whole appeal process took fourteen months. Because of the delay, the Gutierrez-Bordallo team was denied the outpouring of good wishes, adulation, and community confirmation that traditionally accompanies an outdoor, public inauguration.

In the legislature's November election, 33 candidates vied for 15 seats, 2 stood for the national congress, and 5 entered the first race for the position of public auditor. Village mayoral and vice mayoral seats were contested as well.

For the twenty-sixth legislature, 13 of the 15 incumbents were seeking reelection, and candidates were looking to raise and spend some \$40,000 for the typical campaign, which included roadside billboards; newspaper, radio, and television ads; donations to other campaigns; and fundraising parties. Only 5 of the 33 candidates were women; all but 1 candidate identified with either the Democratic or the Republican party, and 4 reported a net worth in the millions of dollars. Interestingly, of the 3 who reported net worth at zero or in the negative, 2—Angel Santos and Mark Charfauros—were elected.

The race for the 15 legislative seats was in many ways a contest of influence and will. Governor Gutierrez was intent on breaking the Republican "super-majority," which held 12 of the 15 seats in the Twenty-fifth Guam Legislature. He announced his list of 14 favorites, but only 3 of them garnered enough votes to win. The losing group included Cliff Guzman, Angel Sablan, and Rick Unpingco, Gutierrez cabinet members, and former senator

Ted Nelson. Of the 7 nonincumbent Democrats who won, many are not Gutierrez supporters, notably Angel Santos and Mark Charfauros. Among the Republicans, several multi-term senators lost: Simon Sanchez, Tony Blaz, John Salas, Carlotta Leon Guerrero, and Alberto Lamorena. The top vote-getter was Tom Ada (23,047 votes) who earned that distinction for the third or fourth time. Only 3 women won seats: Joanne Brown (incumbent), Lou Leon Guerrero, and Judy Won Pat, the last 2 being former senators. Former governor and legislative Speaker Joe Ada won, coming 14th in the 15-seat race.

Several curious dynamics were at work in the legislative race, some of them deriving from past skirmishes such as the court fight over the 1998 gubernatorial election. In August, Governor Gutierrez had appointed an election commission not in conformance with the new election law, which had been written to prevent the documented irregularities of the 1998 race. Gutierrez essentially chose whom he wanted, claiming that those appointed would be above partisan politics and that he was acting in accord with his powers under the Organic Act. The Republican party and the legislature filed suit, arguing that the law required the governor to choose three individuals from each of the lists provided by the two political parties. The case was decided in their favor, and Gutierrez appealed. This tug-of-war led Senator Tony Blaz to begin a recall movement in late September 2000, ratcheting up the pressure. The recall petition alleged that the governor had not submitted various reports to the legislature

as required by law, had instructed executive-branch employees not to assist the legislature in its budget work, had not followed the law in his appointments of election commission members, and had misspent government resources. In early October, the tension spilled over into the street near the legislature building, where a large group of No Recall individuals confronted the few Recall advocates. A lot of angry shouting and intimidation took place, but no physical violence. For the next six days, Gutierrez supporters collected over nine thousand signatures on a petition opposing a recall referendum. The Mayors' Council also opposed the recall effort. Gutierrez termed the legislature's recall resolution "phony baloney" and Lieutenant Governor Bordallo went out on a limb, stating that if the recall referendum were successful she would appoint Gutierrez as her lieutenant governor because "we're a team" (*PDN*, 3 Oct 2000, 1).

Meanwhile, with the November election looming, Speaker Tony Unpingco and several of his colleagues met with the governor regarding the election commission issue. After the exchange of several versions of a bill and a Gutierrez veto, they agreed to establish a temporary three-person election commission, and legislation was passed on 6 October. But the recall effort had not faded away. On 9 October, it was finally debated by the senators but failed by eight to seven; ten votes were necessary to put it on the November ballot. Five key Republican senators had not supported the recall (along with two of the three Democratic senators), and after the floor debate and vote on

recall they signed an agreement to get the governor's cooperation in nine areas. Termed a "peace and reconciliation proposal," the areas covered were full and free disclosure of information; input from the senators on government reorganization, an economic recovery plan, an educational reform plan, and assistance to the University of Guam; appointment of a board of trustees for the Guam Memorial Hospital; full consideration of the governor's veto messages; and a request by the governor to the United States for an additional \$1.5 million in compact-impact aid for the Guam Memorial Hospital. After several months of tension, the Guam political waters were calmed. But three of the five Republican senators who had signed the "peace and reconciliation" agreement lost their seats in the November election. Ironically, the leader of the recall movement, Senator Tony Blaz, also lost his seat. The "super majority, veto-proof" twenty-fifth legislature was broken; the twenty-sixth would be made up of eight Republicans and seven Democrats.

Because the emotional and political chemistry was not good between Governor Gutierrez and the Guam Legislature, the battles over control of the election commission and the recall initiative dominated the first half of the period under review. For the governor, the rest of the year appears to have presented more uncertainties and problems than progress. His much-touted trust initiative, whereby a US-based trust would deposit its assets into a Guam bank under a tax-free arrangement, was quashed by the US Treasury Department as an "abusive tax shelter."

Perhaps some of the governor's biggest headaches have concerned a few of his cabinet and subcabinet officers and staff. A J "Sonny" Shelton, deputy director of the Department of Administration and former territorial auditor, was indicted in early February on fourteen charges of wire fraud, money laundering, and bid rigging in connection with infrastructure repair work done to sports facilities after Typhoon Paka of 1997. At that time Shelton had been serving in the governor's cabinet as director of the Department of Parks and Recreation. The investigation that led to the indictment was carried out by the Federal Bureau of Investigation (FBI). Federal agents accepted plea agreements relating to the alleged bid-rigging activities from four individuals (*PDN*, 1 Feb 2001, 1-4).

The FBI also visited Guam's Power Authority offices to seize papers related to an ongoing investigation (*PDN*, 17 Feb 2001, 1, 4). This had also happened in 1999, when the Department of Public Works was raided by FBI agents, who removed computers and documents, including contracts and bids. This material possibly served as a basis for the recent charges against Shelton.

Guam's attorney general, John Tarantino, stated he would pursue charges against Shelton and hoped to get the FBI's evidence files. He later changed his mind, stating he could not "prosecute anybody who might be construed as my client" (*PDN*, 6 Feb 2001, 4). He did not get any files from the FBI. Tarantino's statement brought criticism from Speaker Tony Unpingco, who asserted in response to Tarantino, "All suspected criminals within the government must be prosecuted by

the AG's office" (*PDN*, 6 Feb 2001, 4). Tarantino left the attorney general position in early May. He was the sixth attorney general of the Gutierrez administration since it took office on 1 January 1995.

Other problems Gutierrez faced during the year were less personal, but still difficult. In late June he declared the Guam Memorial Hospital in a state of emergency and took control of its operation because the hospital's board of trustees was short of members and could not establish a quorum. Similarly, the power and water authorities suffered board resignations that left them without quorums. In these cases, the top executives in the two authorities took over both policy and operational matters. In March, the governor submitted names for confirmation as hospital board members to the twenty-sixth legislature, and the hospital now has a fully functioning governing board.

At the beginning of 2001, raw sewage was pouring out of utility covers in the middle of Tumon, Guam's tourist center. Sewage pump stations had broken down in Harmon and Tumon. In March the governor declared the water and sewer systems in bad shape. He urged the legislature to pass bills allowing for strategic partnering (private-public) to replace the two systems. Further, he issued Executive Order 2001-13, a full two-page statement in the *Pacific Daily News* stating that the beaches and drinking water in several island locations had become dangerously contaminated and that Guam's tourism industry could be in jeopardy if the situation were not reversed (*PDN*, 18 Mar 2001, 8-9). Fortunately, it was.

Toward the end of the period under

review, Governor Gutierrez declared the Guam Housing Corporation in default on its \$12 million government loan. Although it was called a "smudge" on the government's credit, the default will provide time for the corporation, with new and competent executive leadership, to get on its financial feet.

During the year Governor Gutierrez and the Twenty-sixth Guam Legislature debated the size of Guam's annual budgets for 2000-01 and 2001-02. The governor argued for a higher level, and the legislators, claiming prudence, pushed a lower estimate. By June, financial reality had set in and the Gutierrez administration suggested a 10 percent across-the-board pay cut for all government employees in order to balance the budget for fiscal year 2002. With a severe revenue shortage, administration officials stated, a pay cut of this size would reduce spending by \$21 million (*PDN*, 27 June 2001, 2). Other suggestions for reducing the budget were made by the governor, who claimed some \$90 million needed to be slashed from the 2002 budget. Urging everyone to pull together with respect to the budget problem, the governor stated he was working with the legislature's Ways and Means Committee and was hopeful about Guam's financial future, given a marked increase in military presence, location there of a global fiber-optic system and a corporate-jet leasing business, as well as construction on the island of a rocket-tracking station by Japan.

Concerns over the government's budget for 2001 led the legislature to push for executive-branch reorganization as a way to substantially reduce the cost of government. This effort was scratched when Governor Gutier-

rez issued an executive order stating that his office was the only one with legal authority to reorganize the government. The order also set up the Executive Reorganization Plan, which was unveiled in October 2000 and by some observers was called a plan for a plan. It consisted of a set of goals and five new executive boards under which the eighty government departments and agencies would be placed. A performance-based budget was being developed but was delayed because of difficulties with new financial management software. As this problem was being worked out, the governor announced that reorganization would take five years and could not be completed until the legislature had prioritized the many government mandates. The reorganization effort appears to be stalled and may become a new source of friction between the governor and the legislature.

Governor Gutierrez's relations with the federal government saw more progress than his work with the Guam Legislature. Negotiations with the Federal Emergency Management Agency (FEMA) finally yielded a positive result for Guam: The \$8 million of FEMA funds used to clean up Guam after typhoon Paka would not have to be returned.

The governor signed documents with Admiral Fellin to return 2,800 acres of excess navy land on Nimitz Hill, the naval magazine area, Radio Barrigada, and the former naval air station. This is the largest single land transfer to date. Additionally, the governor had discussions in Washington DC with Secretary Bruce Babbitt of the Department of the Interior regarding land at Ritidian Point. Because of a conflict between the original owners

and the federal Fish and Wildlife Service, Gutierrez, in an ongoing effort, is attempting to trade the Ritidian land for similar land elsewhere on Guam.

In March, Gutierrez sat down with Admiral Vernon Clark, chief of naval operations. Guam was back on the navy's radar screen, and Clark was impressed by what he saw and the welcome he received while visiting. The governor described the military as half of Guam's economic centerpiece and good for Guam. The welcome mat was put out by a new "Team Guam," a group of government, business, and community leaders who clearly see the dollars-and-cents effect a larger military presence will have on Guam.

Because of the Bush administration's \$5 million reduction in compact impact aid for Guam, the governor wrote to the House Subcommittee on Interior in June, requesting \$10 million in impact aid. He stated that the "unfunded federal mandate exacerbates our tough economic situation." Earlier in the year, and in accord with the Guam Omnibus Opportunities legislation, the governor filed a report with the Department of the Interior, stating that since 1986 the social impact of over ten thousand freely associated citizens coming to and residing on Guam has cost the territory about \$180 million. In contrast, the federal government has reimbursed Guam a total of \$30 million.

Governor Gutierrez's second term is nearing an end. In January, his wife, Geraldine ("Geri"), announced her intention to run for his job in 2002 (*PDN*, 10 Jan 2001, 3). Since September 2000, dozens of colorful, neon Geri signs have been erected on private land all over the island. Geri's

announced intention was not unexpected. However, with the current disenchantment with the Gutierrez administration and very formidable opposition from the likes of Congressional Delegate Robert Underwood and Senator Ben Pangelinan, the 2002 Democratic party race will be a severe test for a pleasant, inexperienced candidate such as Geri Gutierrez.

One of the best things Governor Gutierrez has done to shore up his governorship and his wife's political chances in 2002 has been his regular radio addresses. These began in January and have covered a host of topics: the increase in military presence, the island family, strategic private-public partnering as a way to rebuild infrastructure, the JFK Silouettes as national champion singers, cooperation to overcome perceived crisis, and pulling together to face tough economic times. Delivered with sincerity, optimism, and confidence, these talks belied the existence of budgetary or political problems.

Another important step the governor took was to appear before the United Nations Special Committee on Decolonization in Cuba in May 2001. Gutierrez stated very clearly, "Guamanians are Americans and we generally view our citizenship and the U.S. military interests in Guam as integral parts of our lives. Our goal is more meaningful participation in our relationship with the United States, to have more say in the laws, rules, and regulations that govern us. . . . I stand before you as the Governor of 'America in Asia'."

The governor's pro-American stand has led one pundit to speculate that Gutierrez has positioned himself and Geri at the Pro-American end of the

status-change spectrum, which has Free Association at the middle and Chamorro First at the other end. His stance and defense of it so bothered Antonio Sablan, chairman of the Independence Task Force, that he publicly resigned in protest. Whether political status change will be an issue in the 2002 gubernatorial campaign is yet to be seen.

In July 2000, Lieutenant Governor Madeleine Bordallo appeared before the Special Committee on Decolonization. Her message was a "soft" one, urging the committee to facilitate dialogue between Hagatna and Washington on full self-government. At the end of the period under review, both Bordallo and Senator Judy Won Pat announced their intentions to run in 2002 for Guam's lone delegate seat in the US House of Representatives. Robert Underwood will apparently vacate that seat to run for governor in 2002.

As reported last year, Senator Frank Murkowski, chairman of the influential Energy and Natural Resources Committee of the US Senate gave to former President Clinton, Governor Gutierrez, Congressman Underwood, and Speaker Unpingco a twenty-point draft proposal for status change consisting of a series of amendments to Guam's 1950 Organic Act. Essentially, the plan would set up a series of mechanisms for consultation to provide Guam more say in actions of the federal government affecting Guam. There was no movement on the Murkowski proposal during the year under review.

In November 2000, Robert Underwood won his fifth consecutive term in the US House of Representatives by defeating the Republican party candi-

date, Manuel Cruz, with 29,098 votes to 8,167. The winning total represents 78 percent of the vote. In a match-up of the same two candidates in 1998, Underwood also came out on top, taking 70 percent or 34,179 votes. He has won more votes than anyone in any race since elections began on Guam; this bodes well for the congressman concerning the 2002 gubernatorial race, for which he is, at the time of writing, an unannounced candidate.

In mid-2000, Delegate Underwood had the distinction of being tapped for membership on the Democratic National Party Platform Committee, and in that capacity wrote the party's platform plank regarding the insular territories. Because of his good work and considerable speaking skill, he was invited to address the national convention audience in August and did so with vigor and thoughtfulness.

Another major accomplishment for Underwood was the response made by the Department of Labor to his request for a wage study of former federal civil service employees working for Raytheon, which had based its wage scale on outdated schedules in winning a bid to take over from the civil service. Many of these individuals complained of wages lower than under their previous civil service status. Not only had large numbers of Raytheon employees been underpaid, but the Wage Determination Law required that they be paid at higher rates—as much as \$5 per hour higher for some classes of employees. Underwood became an instant hero for many of these workers, who received larger pay checks as well as increases in the employer's share of health benefit payments.

Although territorial delegates do not vote on the House floor, Underwood has become very adept at building personal friendships and in enlisting support for Guam measures. The Guam Omnibus Opportunities Act had some rough sailing in the Senate during the period under review, but was finally passed in a slimmed-down version and signed into law in mid-November. The land provision of the law—the Guam Land Return Act—is a companion measure to the Guam Excess Lands Act (Public Law 103-339), which Underwood got passed during his first term in 1993. The new measure provides Guam the right of first refusal in getting back land declared excess by the US military and outlines a negotiating process the government and the US Fish and Wildlife Service will follow regarding the ownership and management of the Ritidian land that has been in contention for many years. The new law also continues certain federally funded programs for the Federated States of Micronesia and the Marshall Islands during the compact renegotiation process; requires the Interior Department to conduct a census of Micronesians at the request of a state or territorial governor; requires eligible US citizens on Guam to receive preference for federal housing assistance over immigrants from the Federated States or the Marshall Islands; and finally, allows federal judges in Guam and the Northern Marianas to request help in the form of magistrate judges to assist with their heavy caseloads. The provision of this law, which puts Guam at the front of the line for receiving federal land declared excess, has been described by Underwood as another step—"the beginning of a new set of

negotiations” between Guam and the federal government, which controls nearly one-third of Guam’s land. He plans to continue work in the 2000–2002 term on facilitating the return of more military excess land by developing legislation that provides for a comprehensive land return process.

A topic that called on Underwood’s considerable skill and tenacity at pushing issues in the federal bureaucracy concerned toxic waste left on Guam by the US military and imported in electrical transformers decades ago by the civilian power authority. Underwood got the attention of the federal Environmental Protection Agency regarding the PCBs (polychlorinated biphenyls), both military and civilian, that had to be shipped off-island for proper disposal. But in meetings held by the agency on a rule change to allow the move, the influential Sierra Club testified against it. Underwood had some serious discussions with club leaders, getting them to understand Guam’s predicament as a territory outside the US customs zone and with little clout in the federal bureaucracy. The rule change was approved without a legal challenge by the club, and the shipments of PCBs to off-island locations began in May 2001.

The PCBs were not the only toxic waste issue Guam faced during the period under review. Small vials containing deadly mustard gas from military chemical weapons training kits had been found on Guam in 1999, unexploded ordinance continues to be found, and it was even rumored during the year that mustard gas bombs were buried on the island (*PDN*, 4 Oct 2000, 5). As a consequence, Underwood began work on legislation to

require the military, under certain circumstances, to produce documents and maps concerning all toxic waste storage sites on Guam. He also persuaded the General Accounting Office to agree to audit the military’s procedures for maintaining records about environmental cleanup and for managing its data to determine if and where cleanup is necessary.

An important matter that required the joint effort of Congressman Underwood and Governor Gutierrez concerned the abuse of the Guam Only Visa Waiver Program. While both leaders stated they understood and sympathized with the plight of Myanmar’s political refugees, they worked with federal officials to remove Myanmar (formerly Burma) from the list of nations that had Guam visa-waiver arrangements, and this was accomplished by the end of 2000. For the hundreds of Myanmarese refugees who had remained on Guam by overstaying their fifteen-day tourist limit, the University of Guam, church organizations, civic groups, and government agencies provided educational and health care services at low or no cost to them. However, many of the refugees were held in Guam’s Department of Corrections. By the end of the period under review, many of them had been granted political asylum by the United States and relocated to the US mainland.

Since the compact of free association agreement (Public Law 99-239) was signed between the United States and the Federated States of Micronesia and the Republic of the Marshall Islands in 1986, over ten thousand citizens from those jurisdictions—mainly the FSM—have migrated to Guam under a “nonimmigrant habit-

ual residence” provision of the agreement. PL 99-239 also states that the US Congress is committed to redressing any adverse consequences to the US territories of implementation of the compact, and that “the Congress will act sympathetically and expeditiously to redress those adverse consequences.” Such consequences have been termed “compact impact” but the Congress has not shown much commitment to redressing such impact.

For Underwood, the issue of compact impact redressment has been an uphill fight, particularly when the Bush administration recently cut compact impact funding. The social services impact of over ten thousand freely associated states citizens living on Guam is estimated by the US Office of Insular Affairs to be about \$16-17.7 million annually. In 1995, Underwood persuaded the Congress to provide \$4.58 million in impact aid annually until the compacts expire. At his urging, and with the help of then President Clinton, that was increased to \$7.58 million, and increased a second time to \$9.58 million for fiscal year 2001. However, after this considerable progress, the Bush administration cut the impact aid by \$5 million, back to the 1995 level. In response, Underwood asked the House Subcommittee on Appropriations to increase compact aid by \$1 million; he got \$800,000. The compact impact issue has been a tough one for Guam because the federal government has been relatively unsympathetic to the territory’s dilemma in spite of obligatory language in PL 99-239.

Underwood reintroduced three important pieces of legislation that

had not passed the 106th US Congress. The first is the Guam Judicial Empowerment Act, an amendment to Guam’s 1950 Organic Act, to create a Guam Supreme Court as a separate and distinct branch of government. In March the House passed Underwood’s Guam War Claims Review Commission Act, to investigate, document, and estimate the costs of paying claims for losses that people of Guam alive today sustained during the Pacific War. The measure would establish a temporary five-member commission, a budget, a schedule of compensation payments, and a nine-month work period. Underwood does not expect opposition from the administration on this legislation.

The third piece of legislation is the foreign investment equity act, which would allow Guam to tax foreign investor income earned on Guam at the same rate as is allowed by US treaties with foreign nations. These rates are lower than the 30 percent mandated in Guam’s Organic Act. Seen as giving a significant boost to Guam’s private sector, this measure passed the House in May 2001, and Underwood has lined up support for it in the Senate. It seems the Treasury Department, which vetoed Guam’s trust initiative, is also in favor.

At the end of the period under review, Underwood reintroduced his Insular Areas Oversight Avoidance Act as a way of getting the federal government to pay greater attention to the island jurisdictions. Unfortunately Guam was not overlooked with regard to President Bush’s tax-reduction plan, which became law in June. Ever since January, Underwood had been pushing for some form of special consider-

ation for Guam because the tax cut would immediately reduce its annual government revenues by some \$30–50 million. Unlike the federal government, the Guam government has budget deficits rather than surpluses, and a cut in revenue will negatively affect its ability to deliver services. Underwood made his concerns known to the White House, the Treasury Department, and congressional leaders. Although Guam is directly affected by the tax-reduction legislation because its tax system “mirrors” that of the federal system, it had no input into the discussions or decisions that led to the tax-reduction law. Besides a call for special consideration or a direct offset, Underwood has proposed that the federal government endorse his “proposals for addressing unfulfilled federal obligations to Guam that include tax equity of foreign investors in Guam; federal payment for the child tax credit; federal payment for the earned income tax credit; supplemental security income for US citizens in Guam; lifting the Medicaid cap for Guam and adjusting the federal matching rate; and increased compact impact aid for Guam” (Underwood in *PSN*, 10 June 2001, 18, 19).

Accomplished before the end of 2000 was Underwood’s delightful legislation establishing the Chamorro Standard Time zone. America’s westernmost time zone has had no name since it was established decades ago. The new time zone designation honors for the first time one people’s history and culture. It passed the House by voice vote and gained unanimous passage in the Senate. Underwood is working to get Washington DC, Guam, and the other insular territo-

ries included in the commemorative coin act as another way to bring attention to these jurisdictions.

Guam has always been in the military orbit, given its size and strategic location. Both Governor Gutierrez and Congressman Underwood have been keen to announce a buildup in military activity on Guam in the form of homeporting nuclear-powered fast-attack submarines. The USS *City of Corpus Christi* and the USS *San Francisco* will arrive at Guam in 2002, and as many as seven submarines and possibly an aircraft carrier will be located there over the next decade. This will be an economic shot in the arm for Guam, not only for retailers but for the construction industry, which will see \$50 million in projects over the next two years. Additionally, the Rand Corporation, a Washington DC think tank, has recommended that Guam be built up as a major military hub so that the United States can project its power throughout Asia. Among other things, the Rand study suggests an increase in air force equipment to 50 bombers and 150 jet fighters. Concerning these changes, Underwood observed, “We recognize that we live in an important neighborhood where global stability and economic growth will hinge on the delicate regional interplay of security, trade and peaceful resolution of conflicts. If the next hundred years is indeed the Pacific Century, the people of Guam stand ready to contribute to the strategic stability of the Pacific as we participate in the economic, political and cultural advancement of our region” (Underwood in *PSN*, 17 Sept 2000, 15).

During the year, Guam lost three of its most distinguished senior citi-

zens, members of its greatest generation, as Congressman Underwood has described the prewar Chamorros. Monsignor Oscar Lujan Calvo was a holy and simple man loved by all on Guam. He miraculously survived the three-year Japanese occupation and fierce fighting in mid-1944. As beacons of hope and faith, Father Calvo and Father Jesus Duenas ministered to the Chamorro people during the painful war years. Monsignor Calvo was the inspiration and driving force behind the South Pacific Memorial Park and monument that honor and revere the souls of all those who suffered and died during the war.

Cynthia Johnston Torres passed away at age eighty-nine. She served in the Third Guam Legislature and was a teacher and school administrator on Guam for thirty-six years. In retirement, she served on numerous boards, including the Guam Memorial Hospital Board of Trustees, and the University of Guam's Board of Regents.

Adrian Sanchez, who died at age eighty-one, was one of the first Chamorros to serve in the US Navy. After a twenty-six-year navy career, he served three terms in the Guam Legislature, as a government administrator, and private businessman.

DONALD R SHUSTER

Special Thanks to Cathy Gault, Leland Bettis, and Robert Rogers for comments on an earlier draft of this review.

References

Bordallo, M Z. Statement of the Honorable Madeleine S Bordallo, Lieutenant Governor of Guam on behalf of H E Carl T C Gutierrez, Governor of Guam, to the

United Nations Special Committee on Decolonization on the Question of Guam, 11 July 2000.

Gutierrez, C T C. Statement of the Honorable Governor of Guam, H E Carl T C Gutierrez, to the United Nations Special Committee on Decolonization Regional Seminar, La Habana, Cuba, 23-25 May 2001.

PDN, Pacific Daily News. Hagatna.

PSN, Pacific Sunday News. Hagatna.

MARSHALL ISLANDS

The Republic of the Marshall Islands coasted into the new millennium on a wave of change that brought with it a new government, high expectations, and hope for the future. President Kessai H Note, the first commoner to be elected president, and his cabinet promised accountability, transparency, and reform. The time-consuming task of transforming campaign promises into action frustrated supporters of the new regime and fueled its opponents. By July 2000, it was clear that change would come only with great effort. In the following year, the president and his cabinet faced political, economic, and social challenges that tested their leadership and power.

The new administration inherited a financial mess that forced its attention to the immediate problem of stabilizing the economy. The Asian Development Bank (ADB) reported that medical referral payments, tax cuts, and soaring fuel prices contributed to the government's budgetary crisis (*MIJ*, 26 Jan 2001, 9). A glut of tuna on the market and record low copra prices did not help matters. Making payroll and providing basic services became top priority. In a policy shift, the gov-