awareness of the problem has been high since a joint UNICEF–Marshall Islands study in 1991 reported that 70 percent of the children were poorly nourished. The Ministry of Health has a range of active prevention programs but, like education, now faces substantial funding cutbacks.

Meanwhile, the government is attempting to get the long-stalled economy into gear. It has placed its hopes and its money on the development of a viable tuna export industry. Air Marshall Islands launched a jet service to Hawai‘i in January 1990. It lost US$7 million in 1991, but this was a significant improvement over 1990. The fisheries operation has been unable to attract the number of longline fishing vessels needed to fill the cargo holds of the DC8 that at one time flew four weekly flights to Honolulu. However, a Honolulu business group is confident that the export operation will live up to its potential and has already sunk about US$2 million into ice-making and related shoreside equipment for the tuna facility.

A joint venture tuna cannery with Z Fishing Company of Guam is also being contemplated for Majuro, following the signing of a letter of intent in mid-March. The major constraint for a cannery is the lack of fresh water. During the five months from January through the end of May 1992, Majuro experienced its worst drought in ten years. Barely an inch of rain fell during that time, and city water was tightly rationed to several hours every third day—not the best environment for a water-intensive tuna-canning industry. The government moved with dispatch to purchase from Israel a multimillion-dollar desalination plant (similar to the one located on Ebeye Island, the other urban center in the Marshalls) that is expected to be in operation by early 1994.

The Marshalls is now facing many of the tough decisions that its neighbors to the south were confronted with at independence. Though the financing from the United States puts the Marshalls well ahead of most Pacific islands on a per capita basis, the aid has yet to translate into sustained development.

GIFF JOHNSON

NAURU

Nauru will face considerable difficulties when the economic life of phosphate is exhausted, leaving a financial void once kept replete by this stable and dependable source of income. The government is taking steps to adjust present methods of economic, financial, and social management to prepare for the post-phosphate economy.

In his national address marking the twenty-fourth anniversary of independence on 31 January 1992, President Dowiyogo stated that the government was investigating alternatives for Nauru that would avoid wasteful expenditures and achieve maximum benefits for the Nauruan community. He reported that both the Nauru Phosphate Royalty Trust (NPRT) and the Nauruan Landowners Royalty Trust Fund (Ronwan) had yielded modest increases in 1990–91 despite the prevailing economic climate. NPRT was valued at A$125.5 million, while Ronwan had generated a net income of A$1.45 million. Additional income had come from the successful sellout of
condominium and penthouse units in stage one of the Nauru Tower development in Honolulu. In September 1991 Nauru became the fifty-second member of the Asian Development Bank, which will allow Nauru to share fully in the bank’s regional programs and should allow access to funds for fundamental tasks such as the rehabilitation of mined phosphate lands. A favorable outcome of the rehabilitation court case before the International Court of Justice will also relieve Nauru of a substantial financial burden in the future.

According to President Dowiyogo, Nauru will withdraw from two joint ventures, Paradeep Phosphate Ltd (India) and Philiphos (Philippines), releasing a significant sum of money for NPR to invest more profitably. Closer to home, the government intends to take a 30 percent equity in Australia Nauru Shipping Line, a new line that will keep Nauru supplied with consumer goods every thirty-to-forty days. The government expects to participate less in economic enterprise, and to promote more private sector activity. At the same time, the government is instituting a price surveillance body to ensure reasonable costs to consumers.

Local administration has not escaped government scrutiny. The Nauru Local Government Council (NLGC) was effectively divested of all powers and functions by the Nauru Local Government Council Dissolution Act 1992, certified on 2 March, became the new local government apparatus.

The NLGC was abolished primarily to arrest its financial activities in Nauru and overseas. With the present economic climate and the impending end of primary phosphate mining, NLGC and government aspirations were in conflict. In particular, the NLGC’s spiraling debts threatened to become a cumbersome legacy for the people of Nauru faced with cessation of mining revenue and very limited nonphosphate resource options. Accumulated debt is conservatively estimated to represent between A$60,000 and A$90,000 for each and every Nauruan man, woman, and child. Moreover, in 1990 the NLGC was purported to be in debt to the Republic of Nauru Finance (Ronfin) to the amount of A$220 million. With interest accumulated over the last two years, the amount now stands at A$280 million. As the Nauru Council, Cabinet will continue to operate the NLGC network until its affairs are reconciled with government objectives, or further legislation is enacted.

The NLGC controls an extensive network of activities. On the commercial side, it operates the Nauru Corporation, which runs the Nauru Corporation Supermarket and acts as buying agent for the government, manages Nauru Air and Shipping Agency and Nauru Pacific Line, Nauru Fishing Corporation, Nauru Insurance Corporation, Meneng Hotel, Nauru Corporation Motors and Garage, and various overseas investments and real estate ventures. In local administration, it is involved in such activities as a social service scheme, a district constabulary, plant tending, garbage collection, livestock control, housing, and land plan-
ning. As well, it administers activities associated with land ownership. For example, it determines citizenship, considers marriage compatibility and postmarital rights according to traditional norms, distributes phosphate landowners’ royalty payments, and oversees land rights and ownership through the Nauru Lands Committee.

The bulk of funding for NLGC activities comes from two main funds vested in it: the Nauru Royalty Fund, used for purposes authorized by the Nauru Local Government Council Ordinance; and the Nauru Development Fund, used for promoting the economic development of Nauru. Both funds receive statutory payments directly from phosphate revenues.

There are historical reasons for the extraordinary powers vested in the NLGC. In the early 1950s the NLGC replaced the Council of Chiefs, a largely hereditary body with no powers, and became the driving force for local self-government and independence. The struggle for political independence, achieved in early 1968, was underpinned by the desire to control phosphate, Nauru’s single, yet very valuable economic resource. Economic independence followed two years after independence, when the partner governments (Australia, Great Britain, and New Zealand) handed over control of the phosphate industry to the Nauruans for A$21 million. The very extensive powers of the NLGC are now seen as anachronistic and a hindrance to government efforts to prepare for the post-phosphate future.

The Nauru Island Council (NIC) is charged with dual objectives: to “rejuvenate” local government by concentrating on activities “more relevant to Nauruans and to bring positive meaningful improvements in the lives of Nauruans”; and to “ensure that [the] serious shortcomings of the old Council are not repeated for the sake of [the] nation.”

Unlike the NLGC, the NIC has very limited powers. It will advise the government on local matters and is bound to concentrate its efforts on local activities: “to be involved far more closely and effectively than in the past with such matters as Nauruan culture, district cleanliness, water conservation and the control of animals.” It is not authorized to carry out any activity outside Nauru, nor to engage in business. It is further required to submit an annual budget to parliament. An elected member of the NIC cannot simultaneously be a member of parliament. In general, and in contrast to the NLGC, the NIC is devoid of a traditional stronghold, bereft of infrastructure, and lacks the capacity for autonomous economic activity.

Despite the public furore triggered by the dissolution of the NLGC, the results of the first NIC general elections held on 2 May 1992 indicate that local confidence has not been materially impaired. There was an increase of 5.8 percent in the total number of registered voters, compared to those registered for the eleventh and final general elections for the NLGC, held on 16 November 1991. Seventy percent of the voting population participated, an increase of 20 percent. Overall, there was an increase of 17 percent in formal votes cast.

A civil action filed by the NLGC on 3 March 1992 seeking a declaration that
the NLGC Dissolution Act is unconstitutional is set for hearing at the next Supreme Court session in mid-1992. Meanwhile, an application for an interim injunction restraining Cabinet and the secretary for justice from seeking to enforce or implement the NLGC Dissolution Act “until the hearing of the action or until further order” was dismissed by Chief Justice Sir Gaven Donne on 22 March following three days of hearings.

The NLGC contended that the transfer of its assets (to Nauru Council) deprived the NLGC of property and permitted the abolition of the Nauru Lands Committee, thus interfering with certain rights and freedoms guaranteed to Nauruans under Article 3 of the constitution. However, the court decided that the parliament had acted in good faith when it entrusted cabinet with the powers and functions of the NLGC, and concluded that “to halt the NLGC Dissolution Act in the interim could not serve the public interest.” The court stated that “there is no reason to believe that Cabinet will administer the property in any worse way than the Council.”

JULIE OLSSON

KIRIBATI

The newly elected president (or Beretitenti), the Honorable Teatao Teannaki, was sworn in on 3 June 1991. The new government was formed on the basis of party politics, and to maintain regional and religious equilibrium. The stalwart members of the National Progressive Party were retained in the new Cabinet, with the important portfolios of vice president for Finance and for Economic Planning assigned to Taomati Juta. Members of the Protestant church from the southern island constituencies, Boanareke Boanareke (Tamana), Inatoa Tebania (Onotoa), and Tiwau Awira were appointed ministers. The central islands are represented in the government by the members from Abemama and Maiana, both of whom are Catholics. Representing the northern Gilbert Islands are the members from Betio, North Tarawa, and Makin, as well as the Beretitenti himself, who is from Abaiang. All these members are Catholics, with the exception of the member for North Tarawa.

The new members of parliament from the southern islands of Onotoa and Tabiteuea North were probably appointed ministers because of their support for the new president. Binata Tetaeka, from Makin in the north, has always been a strong supporter of the National Progressive Party, and therefore deserving of a ministerial appointment, in spite of the president’s electoral defeat in his constituency. The non appointment of the members from Butaritari and Marakei was due to the low level of support for the incumbent political executive among voters there. The member for North Tarawa, Baitika Toum, probably cemented his ministerial claim on his reputation as a supporter of the ruling party. Remuera Tateraka and Anterea Kaitake, from Maiana and Abemama respectively, were appointed ministers to boost the numbers on the government’s side, as well as to provide for ministerial representation from the Central Islands.

The first meeting of the Maneaba ni Maungatabu did not take place until