accident in Palauan territorial waters caused by United States forces as we would if the incident or accident were to take place in United States territorial waters... the United States would assume no-fault liability coverage, with no limit in compensation for nuclear damages. The United States will also ensure that our allies who possess nuclear capabilities, and who may exercise in Palauan territorial waters, provide similar assurances.

On 29 April 1993, John O. Ngiraked, a prominent figure in Belau and former candidate for the presidency, and his wife, Emerita Kerradel, were found guilty of aiding and abetting the murder of Haruo I. Remeliik, Belau’s first president (Pacific Daily News, 30 Apr 1993). They were sentenced to life in prison, and began serving their sentences on 15 June.

Patrick Ramarii, the confessed gunman in the Remeliik murder was given a lesser sentence of fifteen years because of the plea bargain arrangement he had made with the government prior to the long trial. Ramarii testified that Ngiraked, his wife, and a close associate, the late Heinrick Ngowakl, offered him gifts and up to US$1 million in cash if the assassination propelled Ngiraked into the presidency. A fourth defendant, Sulial Heinrick, was acquitted on the basis that he was coerced into involvement in the crime by his stepfather, Heinrick Ngowakl. It appears that Ramarii, who was imprisoned on an unrelated assault charge in 1992, admitted to the murder and agreed to plea bargain only after Ngiraked could no longer make payments to him.

DONALD R. SHUSTER

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

The year 1992-93 was one that most residents would probably like to forget. There were setbacks for the government, a serious blow to private enterprise, and social problems such as illegal drugs began to have a very serious impact on society. Little that could be considered positive occurred.

Governor Larry I. Guerrero became embroiled in impeachment proceedings during the year. In September 1992, he paid the Mitsubishi company US$2 million against a US$5 million debt for the purchase of a new generator. There was no appropriation. On 19 September he made a further payment of US$3 million, again without any appropriation. He claimed at the time that these were available and unencumbered funds. At this time, Shell Oil was unsuccessfully seeking some US$4 million in past due bills for fuel deliveries to the utilities corporation.

On 26 September, Representatives Heinz Hofschneider, Stanley Torres, and Tom Villagomes openly discussed impeaching the governor for his actions. That night their houses were shot at from a passing vehicle. The police investigation revealed that the shots were fired from a nine-millimeter weapon, a type of gun that only the police were authorized to use. Tests conducted with the help of a forensic specialist from Guam failed to locate the weapon in the police arsenal, and no arrests were made.

On 23 October the governor ordered his cabinet to get their families to lobby the legislators regarding the impeachment proceedings. Meanwhile, he
appointed the brother of the senate president to a position on the Commonwealth Trial Court. The appointment was confirmed without a public hearing, much to the chagrin of the local bar association.

On 2 November the House committee dropped impeachment proceedings against the governor, stating that he was not guilty of treason or felony. Members did, however, feel he was guilty of other less important infractions. On 5 November the new judge was sworn into office.

Another significant issue during the year involved the Commonwealth Utilities Corporation. Controversial Executive Director Ray Guerrero tendered his resignation (again) on 17 July 1992, saying that he did not need the harassment he was getting from the legislature and others. The board of directors accepted his resignation, but then reversed its decision after receiving a letter from the governor citing the possible results of Guerrero's departure, and implying that essential service might be interrupted.

In October, following the governor's payments to Mitsubishi and others, Representative Heinz Hofschneider attempted an audit of the corporation's finances. He asked for about US$90 million worth of canceled checks signed only by Guerrero. He did get photocopies of the checks, and allegedly found some discrepancies. When Guerrero refused to supply the originals, Hofschneider issued a subpoena which Guerrero refused to honor. Hofschneider then hired Dennis O'Shea, a private lawyer, as a special prosecutor to bring charges of contempt against Guerrero.

Then in February 1993, when Shell Oil was threatening to stop deliveries of fuel to the government because of unpaid bills, Guerrero (and Governor Guerrero) asked some of the biggest businesses on island for advance payments of future utilities charges. They were able to raise enough cash to persuade Shell not to interrupt service. The private businesses were skeptical about the utilities corporation's cash flow situation, and afraid that they might have to foot the bill again the next time around.

The legislature was unable to press charges against Guerrero because of a technicality (there was no representative of the Public Auditor's office present when the subpoena was served). Threatening a counter suit for defamation of character, and as Hofschneider considered another subpoena, Guerrero then proceeded to provide the requested original checks.

Relations with Washington were more strained than ever. In June 1992, US Congressman Lagomarsino ordered the CNMI to provide information concerning tax rebate payments. He was acting on information that the CNMI was rebating 95 percent of taxes collected by government over and above the local tax on wages and salaries, while at the same time negotiating for additional funding from the United States under Section 702 of the covenant. After initially refusing on the grounds of "internal sovereignty," Governor Guerrero surrendered the rebate records in July when Lagomarsino threatened a congressional subpoena.

At congressional hearings on 30 July in Washington, chair Miller and subcommittee chair Ron deLugo blasted
the government of the CNMI and raised serious questions about local immigration policies, labor conditions, tax policies and social problems. Miller's committee then gave the CNMI a stern warning about possible federal actions if the situation was not resolved swiftly. Miller later sought answers to a list of sixty-one questions about the situation in CNMI.

Following these hearings, Governor Guerrero's public relations office released a press statement saying that many of the issues had been resolved in a private meeting with Congressman Miller. Miller was most upset, and claimed that no such meeting had taken place. He wrote to Guerrero stating that this was a serious breach of trust which undermined the credibility of the CNMI government.

In October, Miller warned the CNMI again about reported labor abuses in the garment industry and threatened to cancel the duty free access to the United States of the garments if conditions did not improve. Representative Luis Payne of West Virginia introduced a bill in congress which would require that at least 50 percent of CNMI garment workers be US citizens or local hires, and earn the US minimum wage of US$4.25 per hour. The "Payne Bill" was introduced too late in the year to be passed by the current congress, but served as a warning to the CNMI. Five thousand workers are employed in the industry, mostly from China and Thailand.

At another hearing in early March, the governor and his staff were "stunned" by the tongue-lashing they received from Miller and other congressmen. According to them, the CNMI had not dealt satisfactorily with the immigration, tax reform, labor abuses, and other matters raised the previous year. Later in the month, Miller expressed his opposition to continued funding of the CNMI under Section 702 of the covenant.

To complicate matters, California Congressman Gallegly introduced two bills that would alter the nature of the commonwealth. One would require federal control of immigration, and the other would immediately apply the federal minimum wage to all sectors of the economy. For better or worse, if passed, these bills would close down the present economic system of the commonwealth.

Perhaps the most heated internal issue in recent years concerns the 1992 CNMI Supreme Court decision that the purchase of land by an otherwise qualified local citizen using money from an outside source was in violation of the constitution. This interpretation led to a series of lawsuits by original landowners attempting to recover property on the grounds that the original transaction was unconstitutional. Twenty-one cases were filed, mostly by one lawyer, challenging the legal status of some major investment properties, including the US$100-million Nikko Hotel and related properties, the Pacific Islands Club, and the Duty Free Shoppers store. The owner of the Nikko Hotel, Japan Airlines, made it clear that if it loses the property, it will withdraw all of its interests from the commonwealth, including the airline, and a major tour agency.

This issue is extremely complex, and has created a great deal of uncertainty about all land transactions. All
but one title insurance company has pulled out in frustration, and investors now seek public land for their investments. Most major resort and other construction activity has come to a halt, leading to the repatriation of between three and five thousand construction workers.

Social issues were also of concern during 1992–93. Three non-resident workers were murdered, and all the cases involved the use of “ice” (crystal methamphetamine), which reached epidemic levels in the Commonwealth. There were about one hundred sixty patients (the youngest eight years old) at the hospital seeking voluntary detoxification.

A World Health Organization report on the sex industry estimated that there were up to three thousand prostitutes on Saipan, mostly Filipinas. Women working in bars and restaurants boycotted a newspaper that published the report, on the grounds that it implied that they were all prostitutes. They filed an unsuccessful defamation suit. Another group of women, led by the Tinian Women’s Association, successfully pushed legislation banning prostitution in the Commonwealth. However, the law was not being enforced because Public Safety (police) did not have the necessary resources.

Elections were also a feature of 1993. Following a May primary, only incumbent Larry Guerrero and Benjamin Manglona for the Republicans, and Froylan Tenorio and Jesus Borja for the Democrats, were eligible to run for governor in November 1993. In the primary, Guerrero narrowly survived a strong challenge from Juan Babauta, thought to be the golden boy of the reformers in the CNMI.

SAMUEL F. MCPHETRES

FEDERATED STATES OF MICRONESIA

After “long and rigorous” congressional confirmation hearings, President Olter swore in the last six of his cabinet officials. He noted that another milestone had been achieved with the appointment of Camilo Noket of Chuuk State as the first Micronesian attorney general, meaning all cabinet positions were filled by “our own capable FSM citizens.”

During an August 1992 special session, the FSM Congress approved legislation to establish a College of Micronesia—FSM, approved the presidential nominations to the board of regents for the college, and confirmed Dr Catalino Cantero, of Pohnpei, as the secretary of the newly created FSM Department of Education. The legislation replaces a treaty between the Republics of Palau and Marshall Islands and the FSM, which expired on 1 March 1993.

The national congress was divided over the issue of membership of the International Monetary Fund (IMF) and the World Bank. Chair of the Ways and Means Committee Claude Phillip of Kosrae State challenged his colleagues to overcome personal differences and vote for IMF membership, and Senator Phillip pointed out that membership would make financial assistance available for education. The legislation was subsequently approved by congress in another session.

A divided congress also deferred