

Reviews of Kiribati and Nauru are not included in this issue.

FEDERATED STATES OF
MICRONESIA

The period under review ushered in a new administration for the nation as major economic issues were negotiated in the ongoing discussion of sections of the Compact of Free Association. The state of Pohnpei was hit by cholera, making matters unstable for the nation's capital and producing ripple effects at home and abroad. A movement for statehood within the biggest state, Chuuk, and old issues of state versus national control of economic resources, continued.

FSM President Leo A Falcam (Pohnpei) and Vice-President Redley Killion (Chuuk) assumed office early in 1999. In his inaugural address the president outlined a new reform package for the nation, with three major themes. First, the national government must work diligently toward balancing its finances because the compact will no longer be the main source of income. Second, there is a need for the federation to concentrate more on the private sector to stimulate the domestic economy and further integrate the nation into the current global economic structure. Third, Micronesians must realize the importance of maintaining their unique cultural values and identity, as that in itself would place them on the international stage.

To fulfill one of his ambitions before being elected president, Falcam

took the time to meet people in all regions of the country before facing the international stage. Immediately after his inauguration, he traveled widely to different parts of the nation with the aim of reinforcing that his foremost priority is the people. During his meetings, he reminded them to be proud of being Micronesians, as no one can steal that reality away from them. Micronesian people need to strive together to better the nation, both economically and culturally, before they can stand firmly in the international arena. Thus the doctrine of "think globally but act locally" was at the heart of the president's domestic meetings.

Falcam's first political challenge came in October 1999. The Congress proposed certain bills for so-called capital projects, which many saw fell within the interests of the incumbents. The money was for pork-barrel funds to be distributed among the current members of Congress. The president vetoed the bills, citing inappropriate spending, especially at a time when the nation was reevaluating its economic policy. Many of the incumbents saw the president's act as nothing more than a rubber stamp and moved to use Congress's constitutional right to veto Falcam's wishes. This was a political blow to the president and the nation alike. The "might" of Congress continues to hamper the Federated States' future and creates a climate of political mistrust. However, according to many political observers, this act of

Congress did not (and will not) sway positive public opinion toward President Falcam.

On the international scene, the president's first trip was to the People's Republic of China, the first ever by a president of the federation. The purpose was to strengthen the relationship between the two nations. China has been a great friend of the Federated States of Micronesia and has assisted the nation in many ways, including development aid. The trip highlighted the widening of the nation's stance in the world and reflected the president's vision for the future.

The legislative arm of the national government remained intact despite two new figures, Resio Moses and Manny Mori, both of whom have spent many years in government and the banking sectors. Their presence in Congress raises new hopes that they are breaking new ground and paving the way for more new faces in the assembly. The blazing battle within Congress, for now and the foreseeable future, will be between the new members and many of the incumbents concerning the pork-barrel appropriations that have been handicapping the nation for many years. Only time will tell whether any major changes will be attributed to Moses and Mori.

As 1999 came to a close, the State of Pohnpei woke up to a new era when its own change in government took place. Johnny David was victorious in unseating Del Pangelinan to be the new governor, while Jack Yakana replaced Dion Neth as lieutenant governor. Unlike Pangelinan and Neth, who squabbled and worked separately, David and Yakana sought to

form a new political partnership. The main thrust of the new government is to rebuild its image and restore public trust.

The Department of Education responded to that thrust when it initiated new requirements for all secondary teachers to possess at least a bachelor's degree in their respective fields in order to teach in the public high schools. The new requirements prompted many teachers to seek further training. Already there is a steady influx of teachers attending college courses and the workshops offered by both community college campuses in Pohnpei. This will eventually improve the quality of the state's secondary education. The police, along with other departments, also responded to the new government and upgraded the force through more training in the areas of public relations and the administration of criminal justice. Amalgamation of other departments, with new directors, was undertaken to cut spending and promote efficiency in government administration.

Representatives of the United States and the Federated States of Micronesia continued meeting in attempts to renegotiate economic sections of the Compact of Free Association before the current provisions expire in 2001. The United States signaled a hard stance in July, as key congressional figures insisted that the Federated States, along with the Republic of the Marshall Islands, show accountability for the three billion dollars spent under the current compact agreement. The United States has also indicated that it might introduce immigration status as an item for negotiation. The impact of the immigration of large

numbers of FSM citizens to Guam and the Northern Marianas has given rise to financial claims against the federal government by those entities. The Federated States articulated its stance in May 2000, when the two sides met for the second round of talks, requesting an annual assistance package of US\$84 million for twenty years, plus an annual contribution of US\$20 million to a trust fund. The focus on economic issues in the compact renegotiations appears to be loosening up, with issues such as health and fisheries slated for future discussions. In the meantime Guam and the Northern Marianas continue to seek Compact Impact fund assistance from the US government. While Guam's claim was being considered by President Bill Clinton, Governor Pedro P Tenorio complained that his government had sent a bill for US\$28 million to cover the cost of the freely associated states' citizens living in the Northern Marianas and benefiting from the host government's services. Currently, the Commonwealth of the Northern Mariana Islands and the State of Hawai'i are awaiting the outcome of claims submitted to the federal government for Compact Impact funds.

In related news, the Asian Development Bank, which has been assisting the Federated States in its economic reform plans, has been critical of the nation's assessment of the effectiveness of these reforms. In a report issued in November 1999, the bank claimed that although the government downsizing and privatization of some services had worked, there was ambivalent support from the state legislatures for the reform process and fear that it may have lost momentum.

In April a cholera outbreak was the main focus of political, health, and social concerns on the main island of Pohnpei. A task force was formed immediately after the outbreak to monitor the situation. As the statistics rose, the governor declared a state of emergency and moved to close down all schools, *sakau* bars, uncertified restaurants, and food outlets, and put certain areas of the island under quarantine. Social gatherings were banned, and funerals were restricted to only a few hours. According to official statistics, at the beginning of the outbreak 2,641 people were treated for suspected cholera. Since the outbreak, 15 deaths have been attributed to the epidemic, according to a news release. The hospital bore the burden of dealing with the affected population as the disease took its toll. Many people were admitted to hospital as the number of cholera cases increased. A team of health professionals from the US Military Services, the Red Cross, and the United Nations flew in to assist in the eradication of the disease. The Red Cross Society was very active, with teams of volunteers going door-to-door distributing leaflets, lecturing, and assisting those in need of transportation to the hospital.

The impact of the cholera epidemic on the local economy was felt in many sectors. Foreign markets for the tuna industry grew uneasy over the health crisis, and fishing vessels off-loaded their catches at transshipment facilities in other states. Although official numbers for the visitor industry have not yet been released and assessed, popular opinion expects a significant drop in tourism numbers for the State of Pohnpei since April. Locally, the

Pohnpeiian *sakau* market, a thriving business, and local food service businesses suffered tremendous losses. Most services to the outer islands of Pohnpei were cut. The other states of the federation, such as Yap and Chuuk, restricted imports of food and betel nuts from Pohnpei and required all travelers to have health clearance on their arrival. Pohnpei is still trying to shake off the negative impact of the cholera epidemic. The governments of Guam and the Northern Marianas banned the import of food items from Chuuk State, even though no case of cholera had been officially confirmed there. The ban was short-lived, but it took the intervention of high political power and the promise by the state government that it would follow a number of guidelines outlined by the Guam health director before it was lifted.

The statehood movement by the Faichuuk region of Chuuk State is gaining momentum. Since the first administration of the nation, that region has appealed to the national leadership to consider statehood for Faichuuk. A series of public hearings in the voting constituencies is under way in preparation for the much-anticipated constitutional referendum by the people of Faichuuk. The issue is to be included on March national election ballots, as preparations get under way for the next national constitutional convention, to be held in 2001. The Faichuuk movement may be an interesting development to watch.

GONZAGA PUAS AND
JOAKIM PETER

GUAM

No loss of life or serious damage resulted from two earthquakes in early 2000, but the fractures caused by the island's political quakes are all too evident. After nearly fourteen months of tension, the US Supreme Court swept away the uncertainty regarding the reelection of Governor Carl T C Gutierrez and Lieutenant Governor Madeleine Z Bordallo, which was disputed by former governor Joseph Ada and his running mate, former senator Felix Camacho. The Ada-Camacho team claimed that the winning margin in the 1998 election was not "a majority of the votes cast in any election" as required by the Organic Act of Guam, because blank ballots and improperly marked ballots should have been included in determining a majority. This was the narrow opinion of both the US District Court of Guam as well as the Ninth Circuit Court of Appeals.

Gutierrez-Bordallo successfully appealed to the US Supreme Court, which ruled unanimously in their favor in January 2000. The court stated that "any election" must mean, in the context of the entire section of the relevant portion of the Organic Act, an election for governor and lieutenant governor only, rather than the "general election." Therefore, blank ballots and ballots on which candidates cast votes for both gubernatorial teams were not to be included in determining a majority. The court drew a clear distinction between the total number of persons who actually voted for governor and lieutenant governor and the total number who went to the polls. Obviously, Gutier-