hardship, and loss of land use (M I J, 21 April 1999, 1). The current compensation package under the compact is consistently shown to be inadequate to address both health and land loss claims.

In other foreign affairs, the republic’s Korean consul, “Mr Big” Mo Haeng Yong, was arrested for swindling $88 million from followers of his doomsday cult (M I J, 4 Feb 2000, 1). Yong had planned a $6 million resort on Mili that was never constructed.

Marshall Islands relations with Taiwan were enhanced by the acceptance of Taiwanese funds that had been put on six-month hold after the elections while the new government investigated rumored Taiwanese campaign involvements. A supplementary budget of $27.9 million (two-thirds from Taiwan) was passed in the first special session of the Nitijela in June 2000 (M I J, 23 June 2000).

In sum, the year has witnessed a turn of the tides in the politics of the Marshall Islands. A new government that promotes accountability, transparency, and fiscal responsibility has taken charge. Young, educated students are returning to work in the government and a youthful hopefulness and optimism is in the air, as long-term opposition leaders and new public servants step into office. Fisheries, tuna transshipment, pearls, and a top-performing maritime registry are generating revenues. Previously marginalized outer-island communities are receiving attention and resources. Citizens are being approached for their ideas, asked about their needs, and having them addressed.

While Imata Kabua and Tom Kijiner (6th term senator) are the sole survivors of the past cast of major players, their allies still represent a threat to the new government. President Note has prohibited his cabinet from traveling during the Nitijela session, perhaps because of the precarious majority his party maintains; the potential for a backlash vote of no confidence is carefully measured (M I J, 11 Feb 2000, 24). The fact that this possibility even exists, and that both parties are in the position of struggling to earn or maintain a majority, marks the development of a true parliamentary system.

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NORTHERN MARIANA ISLANDS

The garment industry continued to receive heavy criticism and negative actions in the course of the year under review. As noted in last year’s report, class-action lawsuits targeting retail outlets inside the United States were filed against the garment industry in Saipan, Washington DC, and San Francisco. The Saipan lawsuit was filed on behalf of some 22 anonymous garment workers. In July an attempt was made in state and federal court to throw out the case because the work-
ers were not identified. Their lawyers claimed that identifying plaintiffs would subject them to harassment and possibly serious danger, both on Saipan and in their countries of origin. Judge Munson found that the fairness doctrine required the defendants to know who the plaintiffs are, and ruled against the garment workers. Their lawyers appealed the case to the Ninth Circuit Court, which overturned Judge Munson’s decision.

As a result of the class-action suit, many garment retailers agreed to an out-of-court settlement, which included money to pay for monitoring the garment factories where they buy their products, attorney fees, and compensation for the workers. A $1.5 million fund was established by the retailers for this purpose. The decision was not welcomed by the Saipan Garment Manufacturers Association, which wanted to go to trial to prove the charges were false. In order to compromise with federal enforcement agencies, however, the association made an arrangement with the Occupational Safety and Health Administration and other federal agencies to provide workshops and other educational activities in the factories.

In February 2000 Speaker Ben Fitial introduced legislation to raise the ceiling on the number of contract workers and garment factories allowed in the commonwealth. Known as the Western Pacific Economic Council to keep lobbyist Preston Gates working in Washington to prevent a federal takeover of immigration and minimum wage in the commonwealth.

Efforts to bring the Northern Marianas into the federal immigration and wage system continued. The US Senate adopted by unanimous consent Bill 1952, which provided for a ten-year gradual implementation of the Immigration and Naturalization Service and federal minimum wage laws. However, the bill languished in the House Committee on Natural Resources, whose chairman, Representative Don Young, has adamantly opposed attempts to federalize these issues. It is not expected to come to a vote before the November 2000 elections.

In a related series of events of major significance Representative Young’s committee received information that the director of the Office of Insular Affairs (OIA) and a few of his staff members were engaged in possibly illegal activities. Young’s committee subpoenaed the hard drives of all the computers in that office. Public Information Officer David North was found to have been feeding the Democratic national committee with negative information about Republican candidates who were opposing the administration’s position on federalization. North had been using his office computer and working time to carry on this campaign. The Saipan Tribune newspaper suggested that the OIA campaign involved deliberately issuing negative information about the living conditions and treatment of the garment workers on Saipan. As soon as subpoenas were issued for
the computers, North resigned. As
the story was breaking, OIA Director
Alan Stayman transferred to the State
Department as chief negotiator for
talks with the Republic of the Mar-
shall Islands and the Federated States
of Micronesia concerning the renewal
of the compacts of free association
with the United States. A hearing was
held by Young’s committee, but an
official report has not been released.

In local elections, former governor
Froilan Tenorio fielded a slate of can-
didates for the legislature under the
banner of the new Reform Party. To
nearly everyone’s surprise, Ramon
Guerrero defeated all candidates for
the single seat in the Senate open for
Saipan. He did this without the sup-
port of either of the traditional par-
ties. He also garnered the largest num-
ber of votes of any single candidate in
the commonwealth. Using his new-
found political strength, Guerrero
asked the public auditor to audit how
members of the legislature spent their
$30,000 discretionary funds. The
commonwealth budget officer has
refused to fund or to reimburse legis-
lators for some of their expenditures.
In return, some members of the legis-
lature asked the public auditor to
reopen the case against Guerrero relat-
ing to the audit report that showed he
had dispensed some thousands of dol-
lars illegally when he was the director
of the Utilities Corporation.

Only one of three legislative ini-
tiatives to amend the constitution
passed. This would limit future voting
on issues relating to public land to
persons of Northern Marianas
descent. However, it is highly ques-
tionable whether it will stand up in
the courts in light of the Rice versus
Cayetano decision in the US Supreme
Court.

Although the Democrats won the
election and a majority in the House
of Representatives and held a caucus
to select their next Speaker, Republi-
can Benigno Fitial was elected to the
position instead. Fitial had resigned
the top management position in Tan
Holdings, owned by garment factory
magnate Willy Tan, to run for the
House of Representatives. He lobbied
several Democrats, especially those
from Tinian and Rota, and with the
“moral support” of two staffers from
Congressman Tom Delay’s office in
Washington DC won the office. Fitial
was able to convince enough Demo-
crats to vote for him on the promise
of greater support for the Tinian and
Rota budgets, and with the idea that
only he had the connections with
Congressman Young’s committee in
Washington to maintain the defensive
position against a federal takeover of
minimum wage and immigration. The
new Speaker then commenced to take
very strong hold of the House of Rep-
resentatives and to challenge anyone
who differed with his position. He led
a large delegation to Washington and
introduced legislation on the first day
to repeal all laws on the books that
were perceived as anti-garment and
anti–private sector. He appointed only
his supporters to committee chair-
ships. He has also taken a very vocal
position against the current Washing-
ton representative, Juan Babauta
Babauta, who is considered one of the
front runners in a large field of candi-
dates for governor in the 2001 elec-
tion.

There is much concern in the com-
monwealth about the outcome of the
2000 federal elections. If George W Bush wins the presidency and Republicans retain control of the House of Representatives, the general consensus is that the status quo will be retained as far as minimum wage and immigration control are concerned. However, if the Democrats become the majority in the House and Al Gore wins the presidency, most observers believe that the current administrative position on federalization of minimum wage and immigration will be implemented. If there is a change in the House it is assumed that Representative Young, chairman of the Natural Resources Committee, will be replaced by a Democrat and Tom Delay of Texas, presently the majority whip, will no longer be in a position to block legislation affecting the commonwealth.

The results of the census, which got underway on 1 April 2000, will have far-reaching effects on the relationship between the commonwealth and the federal government. Although no one is quite sure how many people there are in the Northern Marianas, the latest CNMI Department of Commerce figures suggested a population of around 79,000, the vast majority of whom are contract workers, many of them illegal. However, the governor's office disputes that number, citing instead the 1995 figure of 66,000. The higher figure is frequently used by federal officials to demonstrate how out of control immigration is in the commonwealth. The lower figure preferred by the local administration is used show that everything is under control. The census results should put this dispute to rest.

In April, one of the most ambitious recreations of traditional voyaging took place under the overall supervision of Master Navigator Mao Piailug. Three canoes assembled on Satawal and three more on Pulusuk (Chuuk State). They met at a central islet and some sixty people, including one woman, made the long voyage to Saipan. Although two of the canoes developed leaks and had to stop at Rota for forty-eight hours, they all participated in a masterfully choreographed sail-in at Tanapag village harbor, where they enjoyed a day of Carolinian dancing and a welcome feast.

The Commonwealth Utilities Corporation has been trying to get a decision on a new generator for Saipan, at an estimated cost of $80 million. When the Board of Directors began reviewing the bids, Representative Delay wrote to the corporation threatening to withdraw his opposition to federalization if he felt the review was not conducted fairly. He was supported by Representative Helen Chernowith, who also wrote the directors. Enron, a Texas company, was finally selected. That selection is being challenged by the unsuccessful bidders and examined by the commonwealth’s attorney general. In the meantime negotiations are under way with Enron to revise their bid to meet new specifications.

The probate hearings on the fortune of Larry Hillblom, whose plane disappeared at sea in 1995, finally came to a close in the year under review. Each of the children claiming paternity received some $40 million in final payments, as well as certain properties. The University of California received some $60 million, and the lawyers most of everything else.
There is still some infighting going on over the distribution of the funds and the management of the children’s assets. But Judge Castro closed the books on the overall case, and most of the lawyers have packed their bags and returned to their homes. In a controversial decision, the judge also distributed some of the assets to people who had made significant contributions to the conduct of the proceedings. A law allowing the courts to retain the interest on trust funds under their care for their own use was challenged in federal court and found to be unconstitutional. The Superior Court lost some $800,000 in interest accrued from the Hillblom trust.

SAULM F. MCFETRES

PALAU

President Nakamura, in his eighth and last year in office, was particularly busy in foreign relations during the period under review. After some considerable waiting—at least four years—he established formal diplomatic relations with the Republic of China (Taiwan) and received its first ambassador to Palau, Clark Chen. In May, the president led a large delegation sponsored by Taiwan to the inauguration of the newly elected Chen Shui-bian and Annette Lu as Taiwan’s president and vice president, respectively. Coming on the heels of the new diplomatic recognition was a grant to Palau of $10 million, with references to another $90 million “in the pipeline” (Tia Belau, 16–22 April 2000, 14).

Nakamura also chaired both the Palau meeting of the South Pacific Forum and the Pacific Islands Leaders Meeting in Japan and performed superbly at both as chair.

In mid 2000, Nakamura traveled to Japan to attend the funeral of former prime minister Keizo Obuchi. It was Obuchi’s government that provided Palau with some $33 million for a new Koror-Babeldaob bridge and a coral reef research center now under construction. Nakamura continued to cultivate the generosity of the Japanese in recent requests for aid to construct a new air terminal building; a national capital facility in Melekeok State, located in central east-coast Babeldaob; a coral reef road for Koror town, which now confronts work-day traffic jams; and the establishment of a Koror-Tokyo sister-city relationship. The Japan International Cooperation Agency agreed to fund yet another development study to determine the best ways to expand Palau’s local economy. In the role of statesman, President Nakamura made a plea for international leaders to pressure the Fiji coup leaders to end the crisis that began on 19 May.

Despite these considerable achievements in the international arena, Nakamura could not escape the snags of local politics and problems. He indicated that he would announce the “anointed one,” the presidential candidate he supported as his successor, but this took some time. Given that campaign politics are Nakamura’s specialty, subtleties emerged, such as the first lady’s attendance at Vice President Remengesau’s first big campaign rally prior to the announcement in favor of him in late June. What is worrisome is the perceived abuse of power and alleged illegality that cast gray clouds over the Nakamura presi-