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.

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

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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-
ernment reestablished a close working relationship with the bank, negotiating a loan of nearly $12 million to address the short-term money crisis and help in implementing longer-range reforms. Government finances were on shaky ground until the loan was approved in June 2001 (MIJ, 24 Nov 2000; 22 June 2001, 3). The government will gain firm financial footing only in October 2001 when annual debt payments, currently about $20 million, end and US assistance increases under the two-year compact extension period.

A US General Accounting Office audit highlighted the lack of accountability for compact funds, and strengthened the government’s resolve to reform. Government agencies scrambled to get their books in order. The Social Security Administration pulled the most dramatic turnaround, bringing books up-to-date for the first time in three years. The overdue audit identified fifty-two problems and hundreds of thousands of dollars in questionable expenses in the late 1990s before the Note government took office (MIJ, 30 March 2001, 4). President Note appointed a Task Force on Accountability to investigate these and other abuses. Although the task force submitted the first two in a series of reports to the cabinet in March 2001, the public release of the reports was delayed to allow for more investigation.

After just one year in office, President Note faced a new challenge, this time on the political front. Backed by former President Imata Kabua and led by former Minister Justin DeBrum, the opposition party staged a vote of no confidence. High winds and waves hit the capitol even as the no confidence proposal hit the floor. People were forced from their homes as Majuro endured its worst flooding since the early 1990s (MIJ, 1 Jan 2001, 4).

In the parliament two days later, the no-confidence motion failed by a vote of 19–14. The opposition party appeared poorly organized and offered no concrete improvements on the status quo. In comparison, a politically savvy cabinet used procedural rules to ensure that the vote be conducted by roll call instead of by secret ballot. Senators tempted to switch sides now had more reason to stay with the governing United Democratic party. Senator Ataji Balos from Kwajalein surprised everyone by voting to support the president’s party against fellow Kwajalein senator, Imata Kabua. The break in ranks underscored the administration’s victory. Nevertheless, as President Note said after his victory, the proceedings were a “wake-up call” for his administration (MIJ, 1 Jan 2001, 6).

The cabinet still faced the criticisms that contributed to the vote of no confidence. While the vote failed, opposition senators did succeed in pointing out the administration’s slow progress on a host of issues, including health, education, transportation, compact renegotiation, and accountability. However, the president’s affiliation with the Reverend Sun Myung Moon proved to be the administration’s hottest political potato. The Reverend Moon is criticized for leading a cult-like religious organization, the Unification Church, and using its well-funded related organizations to promote church membership. In October, Moon flew to the Marshalls at the personal invitation of the president,
leading to an agreement between the two men to cohost a regional conference on world peace. The personal relationship drew heavy criticism from church groups, concerned community members, and even one of the president’s own cabinet ministers, who called Moon a “fascist and a liar” (PIR, 3 April 2001). President Note weathered the storm of criticism, but his approval ratings suffered.

The cholera outbreak in December on Ebeye in Kwajalein Atoll added to the overall sense of crisis. By mid-January, when the epidemic subsided, cholera had claimed six lives, spread to one outer island, and affected an estimated 506 Marshallese (MIJ, 19 Jan 2001, 6; 26 Jan 2001, 4). A swift response by local health officials kept the disease from spreading further. However, the outbreak weighed heavily on an already beleaguered health system.

Hospitals on both Majuro and Ebeye began running out of numerous drugs and supplies in January. Supply vendors would not ship new orders to the Marshalls without payment of $750,000 in bills. The nation’s costly medical referral program stands at the root of the problem. Since taking office, the government has injected millions into the health fund to pay off referral debt and keep the referral program running. However, no money was left for drugs and supplies (MIJ, 12 Jan 2001, 2). By pooling resources, the hospitals and the Marshall Islands Social Security Administration, which administers the national health fund, resolved the crisis in the short term. A long-term solution appeared when the government made a commitment to devote substantial subsidies beginning 1 October 2001 to the medical referral program and for much-needed supplies at the hospital (MIJ, 29 June 2001, 3). In the meantime, off-island referrals have been restricted to emergency cases only.

In education, progress has been slow but steady. The minister and the newly appointed secretary of education are attacking old problems with an energetic grassroots approach. The two have attended parent-teacher association meetings from Head Start to high school, a move that boosted parent attendance and signaled a genuine interest in improving the public schools. Funds are being poured into renovating schools for the first time in years. A $9 million ADB loan for vocational education has revitalized interest in a national skills-training program (MIJ, 6 Oct 2000, 6). The grassroots approach is paying off. In June, the US Department of Education awarded the Marshall Islands $2.7 million over the next three years for after-school programs, in large part because its grant proposal demonstrated collaboration between the government, community-based organizations, and the private sector (MIJ, 29 June 2001, 4).

Transportation services to the outer islands improved after an initially turbulent year. In October, Air Marshall Islands was grounded for a week when pilots and staff went on strike over poor management and plane safety issues (MIJ, 13 Oct 2000, 1). The strike was only the second of its kind in the Marshall Islands. However, unlike the strike of hospital staff under the previous administration, the airline strike received a prompt government response: The attorney general’s office
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launched an investigation that resulted in the dismissal of the general manager. New management has helped restore confidence in the airline. Shipping services also improved with the help of millions of dollars from Taiwan to purchase new inter-atoll vessels. Reliable transportation helped revive copra production on the outer islands, and contributed to a record year for tourism in the Marshall Islands.

Pressures from abroad combined with internal challenges to further test the new government. In response, the Note administration is working cooperatively with foreign partners, particularly the United States, to address issues of mutual concern. At the same time, the government has not shied away from asserting the nation’s sovereignty on issues that affect the well-being of the Marshallese people.

The Marshall Islands took its case against US tobacco companies to trial despite strong opposition from members of the US Congress. Senator Jesse Helms, chairman of the powerful Senate Foreign Relations Committee, weighed in with a letter to the US State Department, questioning the independence of the Marshall Islands judiciary (MIJ, 22 Dec 2000, 1). The irony is that the high court decided the case in favor of the tobacco companies. The case is currently on appeal. If anything, the judiciary is now stronger, with the recent appointment of an additional high court judge and a legislatively approved increase in judicial salaries.

When the US Government rejected the Kyoto Protocol as a means of addressing the effects of climate change, the Marshall Islands quickly lodged a protest. The Marshalls also protested its placement on a “tax-haven” blacklist by the Organization for Economic Cooperation and Development, commenting that the organization places unfair demands on developing countries to shape their tax laws to suit the needs of developed nations.

The Marshall Islands’ approach to compact renegotiations with the United States is decidedly different. The government cooperated with each of the US General Accounting Office’s investigations into the use and impact of federal funds, as well as the office’s analysis of options for future assistance. The nation also engaged in its own review and planning process. Over three hundred Marshallese—from government employees and business executives to nonprofit representatives, church leaders, and many others—gathered to take part in this process at the National Economic and Social Summit in March 2001. Recommendations from the summit will contribute to the Marshall Islands’ strategic development plan (MIJ, 30 March 2001, 6).

The newly appointed US Ambassador to the Marshall Islands, Michael Senko, praised the Marshallese for taking a “frank look at themselves” during the economic summit (MIJ, 6 April 2001, 18). A former resident of the Marshalls, Ambassador Senko is well liked for his enthusiasm and interest in helping. Fortunately, he assumes his post just as the United States and the Marshall Islands move into high gear on compact renegotiations.

The second round of compact talks commenced in Majuro on 12–13 July
2001, after a long delay to allow for elections in both countries, and necessary preparations on the Marshalls side. US Chief Negotiator Allen P Stayman remarked that the preparations paid off. “[The new government] is much more committed to planning . . . and is committed to better management in general” (PIR, 16 July 2001). The comment vindicates many of the changes and reforms that the government has struggled to implement over the last year.

While compact discussions focus on the economic provisions of the agreement, both sides are interested in raising other issues, including immigration provisions and the special needs of the Ebeye community living on Kwajalein Atoll. Bush administration support for a national missile defense system provides a special opportunity for the Marshall Islands to focus attention on Kwajalein. Improvements in living conditions on Ebeye over the past year—including a new hospital, reliable electricity and water, and repair of the sewage system—evidence the government’s commitment to the Marshallese at Kwajalein. In a major political shift, Kwajalein landowners, including former President Imata Kabua, appear to be slowly warming to the new government as President Note and his cabinet demonstrate that Kwajalein interests will be represented at the negotiating table (MIJ, 20 Apr 2001, 3).

It is possible that the US nuclear legacy in the Marshall Islands will also play a part in the next two years of negotiations. In September, the Marshalls presented a changed-circumstances petition to the US Congress arguing that the sixty-seven nuclear tests conducted at Bikini and Enewetak produced more injury and damage than was previously understood, and that compensation under the compact was manifestly inadequate. The Nuclear Claims Tribunal has issued virtually all of its compact-mandated compensation funding, and yet Marshallese claimants are still owed nearly $30 million in personal injury awards and over $1 billion in land damages (MIJ, 8 June 2001, 4). For the moment, changed circumstances and compact negotiations are being treated as separate issues.

In conclusion, the first year under a new regime was a difficult one for the Republic of the Marshall Islands. The nation faced financial crisis, natural disaster, a health emergency, political dissension, and pressures from abroad. However, the people of the Marshall Islands and their government not only survived each challenge, but also managed a few notable successes in the process. Compact renegotiations are finally on track, finances are stabilized, Kwajalein landowners are coming back into the fold, and the changed-circumstances petition is launched. The national dialogue is shaped by concepts such as transparency, accountability, and reform—a significant development in a tradition-bound society wary of change and unused to questioning its leadership. The changes that the new government promised at the beginning of the new millennium are starting to take hold.

KRIStINA E STEGE

Kommol tata to my friends and colleagues at home in the islands and in the United States for their suggestions and comments.
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Disclaimer

Kristina E Stege is the First Secretary at the Embassy of the Republic of the Marshall Islands in Washington DC. Although this article was written with the knowledge of the government, the statements and opinions expressed are entirely those of the author and should not be construed as representing or expressing the views of the Government of the Republic of the Marshall Islands.

Northern Mariana Islands

Among social issues for attention in the coming year are attempts to smuggle Chinese into Guam, prostitution in western Garapan, and rising crime rates.

In mid-2001, two of at least three small boats trying to reach Guam with illegal Chinese migrants met with disaster. One, containing four Chinese, had mechanical problems trying to leave Rota. Another, carrying six Chinese, capsized in the waters off Tinian; three people were lost and three rescued by fishers. Several of those rescued were employees of Tan Holdings. The owner of the boat was arrested for illegally overstaying in the commonwealth for four years. In the third incident, involving a thirty-foot boat in Saipan lagoon, sixteen passengers were arrested by the authorities.

The problem of prostitution has arisen largely because of garment workers moonlighting at night. The governor formed a special task force to clean up western Garapan, but so far it has not been particularly successful.

The rising crime rate involves domestic violence, assault, burglary, and robbery, especially of poker palaces; many people have been injured, and at least one died. An apparent increase in rape cases has not been thoroughly documented. Recent cases involved two women from Thailand, a Japanese tourist who was raped twice, and a Korean tourist, who was apparently gang raped. The last either jumped or was pushed from her fourth-floor hotel room and was taken to hospital in serious condition. Her husband claimed he was not in the room when the incident occurred.

The issue of child molestation made front-page news. A mainland American elementary schoolteacher was arrested in Honolulu by the FBI for sexual molestation of up to nineteen of his third-grade students at a Saipan elementary school. He is awaiting trial. In a separate and unrelated case, a great public outcry was heard when a convicted local child molester was assigned to community service mowing the lawn at another Saipan elementary school. He had previously assaulted another child while on parole.

As reported last year, four teams of gubernatorial candidates and three sets of candidates for Washington representative will compete in the November elections. In addition, the people will vote on several constitutional amendments, the legislature, mayors’