provided thirteen well-researched recommendations which, if implemented, could improve an extremely bad situation.

DONALD SHUSTER

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

The major events of the year 1990-91 included government “job actions,” two sessions of “902” talks, changes at the United Nations, and some major developments at the Commonwealth Utility Corporation.

Led by a group of disaffected principals, teachers and administrators declared in May 1991 that they would close down the schools if the director of the public school system was not immediately and unconditionally relieved of her position. The strike took place mainly on Saipan, and resulted in the removal of Ms Elizabeth Rechebei by the board of education. The strikers claimed that she had no qualifications for the job, and was insensitive to the needs of the teachers. Ms Rechebei is a Chamorro with an MA in educational testing, and former director of the Trust Territory Office of Education.

In June a group of government employees took umbrage at delays with a pay-raise bill in the legislature. The Public Servants Compensation Rights Committee was formed by Commonwealth Utilities Corporation Executive Director Ray Guerrero and Director of Personnel Jess Mafnas. The committee rallied many of the civil service employees to lobby strenuously for passage of the house of representatives’ version of the bill. At one time more than three hundred employees held vigils outside the legislature. The chair of the senate committee in charge of the legislation, Paul Manglona, claimed that his life was in danger, and moved the senate deliberations to Tinian. His office had been torched a few weeks earlier by unidentified persons.

Although no strike took place, a compromise bill was passed giving a 14 percent across-the-board raise to all employees. Guerrero and Mafnas announced that their committee would remain in existence to protect the rights of civil service and other employees.

For the first time since 1987 the Commonwealth of the Northern Mariana Islands (CNMI) did not send a delegation to the United Nations Trusteeship Council. This was because on 22 December 1990 the Security Council of the United Nations formally recognized the termination of the Trusteeship Agreement for the Marshall Islands, the Federated States of Micronesia, and the Marianas. Since this removed the last thread of the legal connection with the United Nations, CNMI leaders were strongly advised not to show up. Matters not pertaining to the last remaining trusteeship, Palau, were specifically excluded from the agenda of the Trusteeship Council.

When word reached Saipan that the Security Council was meeting to discuss termination, Governor Guerrero fired off a strongly worded protest to the president of the Security Council and the secretary general of the United Nations. Nevertheless, the council met and voted 14–1 (with Cuba casting the negative vote) to terminate the trusteeship. Delegates noted that Trusteeship
Council Resolution 2183 (LIU) of 28 May 1986 had found that the new governments were fully capable of self-government and no longer needed the tutelage of the United Nations. The Soviet Union voted with the United States on this question and even praised the United States for its development of the Trust Territory.

Casinos were very much in the news again in 1990-91. A casino commission received seven applications from American, Japanese, and Korean interests for the five slots available on Tinian for casino-hotel projects. Each application was accompanied by a US$200,000 non-refundable fee, supplemented later by an additional US$100,000. The fee was to fund the background investigation of the applicants. In late May 1991 it was announced that there were problems with all of the applications and that no preliminary selection would be made until further investigation had taken place. In the meantime, land transactions continue to be made on Tinian in anticipation of the casinos.

In a possible harbinger of things to come, a Tinian man was arrested in early June for importing nearly half a million dollars worth of “ice” methamphetamine. A few weeks later a Saipan man was arrested coming from the Philippines with a smaller quantity of the same drug.

Land issues remained important in 1990-91. In late 1990 the issue was whether to lease a large amount of prime agricultural land owned by the government to the Shimizu Corporation for hotel and golf-course development. The lease was granted after much discussion and some very heated exchanges. However, in late June 1991 it was revealed that the lease conditions Shimizu was operating under with the Marianas Public Land Corporation were not those approved by the legislature. Also in May-June 1991 Niizeki, another Japanese firm, embarked on a golf-course development on Saipan, reputed to involve more than five million dollars for private land purchase. The company was also seeking to lease government land.

A new sewer treatment plant was opened in April 1991 to support Saipan’s rapid development. This will permit the treatment of the two million gallons of raw sewage previously dumped in the Saipan lagoon, but will not be adequate to meet the needs of the hotels presently under construction. Contracts for more power generators were also signed, and legislation was pending to oblige developers to carry a greater share of the costs of new infrastructure.

During the period under review there were two sessions of the “902” talks provided for in the covenant establishing the CNMI. The first session was held in September 1990 in Rota and resulted in some agreement. However, talks broke down in Washington in May when United States spokesman Timothy Glidden informed CNMI group chairman Benjamin T. Manglona that he could not discuss such issues as control over the exclusive economic zone, aid from other countries, and “internal sovereignty.” Glidden suggested that the parties seek a resolution in the courts and Congress, while Manglona preferred to resume the 902 discussions at a later date. Manglona expressed concern
Federated States of Micronesia

A new president and a constitutional convention were the two most significant political events in the Federated States of Micronesia (FSM) during the period under review. Both could affect the future of the young nation significantly.

On 21 May 1991 Bailey Olter, a fifty-nine-year-old Pohnpeian born on the outer island of Mwoakilloa (Mokil), was inaugurated as the new president of the FSM. Jacob Nena, of Kosrae, was the new vice president. Olter is a gregarious, “can-do” businessman with a broad background in politics and finance. He served as vice president of the Senate in the first Congress of Micronesia, and subsequently chaired the Senate Committee on Ways and Means. He was vice chairman of the FSM Commission on Future Political Status and Transition. As chair of the status committee, he played a key role in negotiating the Compact of Free Association with the United States. He chaired the External Affairs Committee in the first and second FSM congresses, and served as FSM vice president from 1983 to 1987.

Olter’s chances of winning the presidency in 1987 were dashed when he was barely defeated by Leo Falcam in a three-way race for the Pohnpei at-large seat (the president and vice president are selected by Congress from among the four at-large senators, one from each state). However, Congress passed over Falcam and selected John R. Hagelgam, a thirty-seven-year old outer Islander from Yap state, to be the second president of the FSM.

In March 1991, Olter ran against Falcam again for the at-large seat and the presidency. This time, with only two candidates, the race was clear. Olter won narrowly, polling only 116 votes more than Falcam. He swept the outer islands, as well as Sokehs, Kolonia, off-island polling places, and...