

Reviews of Tonga, Tuvalu, Wallis and Futuna, and Western Samoa are not included in this issue because of unforeseen circumstances.

AMERICAN SAMOA

The continuing government financial crisis, failure of the administration and *fono* (legislature) to effectively implement measures to rectify the problem, and incumbent Congressman Faleovavega Eni Hunkin's impressive reelection to the US Congress were the highlights of the period under review.

The territory's recovery from Cyclone Ofa of February 1990 proved only a temporary respite, as the budget deficit continued to mount. By mid-1990 the executive and *fono* were again gridlocked over Governor Coleman's proposed 5 percent excise tax. The tax bill was passed by the House of Representatives, but delayed in the Senate. Senators expressed strong opposition to its potential impact on consumers, and concern that public hearings on the tax had not been announced. Extensive lobbying by the administration combined with threats of layoffs, salary cuts, and reduced department budgets turned the senate vote in favor of the excise tax, which went into effect in early October 1990.

The government's apparent inability to make good on revenue saving and generating measures (the governor's financial recovery plan was issued in October 1989) was exacerbated by unauthorized spending, while the *fono* continued to pass appropriation bills for which there were no funds. The

revenues generated by the new excise tax fell short of projections by almost US\$2 million. In March 1991, the *fono* passed a bill increasing the personal expense funds for legislators from US\$5000 to US\$10,000. In April, the governor sought *fono* authorization for a US\$10 million loan from the government retirement fund. Government Treasurer Ace Tago, one of three challengers to Congressman Hunkin in the recent elections, announced that huge layoffs could result if the *fono* failed to approve the loan request. With the government payroll account US\$1.8 million dollars overdrawn, the government workforce was saddled with yet another reduction in wages, which became effective on 29 April.

The loan was approved by the *fono* and signed by Acting Governor Galea'i Poumele during the first week of June. The amount was reduced to US\$5 million, with the office of communications responsible for making annual payments of US\$600,000 dollars over a ten-year period to pay it off. The bill requires that the loan be used for payroll only, allowing the government workforce to be restored to normal working hours. With the overall government deficit greater than US\$18 million, the government disbursing office closed since the first week of May, and local businesses owed nearly US\$4 million, the Coleman administration was no closer to a solution to the financial crisis than it was three years ago.

Overshadowing the stopgap measures of the administration and *fono* was growing public doubt regarding

the government's credibility. The Concerned Citizens for Honest Government committee, formed in 1991, together with numerous public outcries in the local media over government corruption, waste, and fiscal abuse, brought unprecedented criticism to bear on the government. The simple fact remained that the government of American Samoa had not demonstrated a sound policy of fiscal responsibility, and continued to spend more than it earned.

Incumbent Congressman Hunkin's resounding reelection to the US Congress in November 1990 was widely viewed as a popular statement of dissatisfaction with the Coleman administration and the candidate whom he openly supported, government treasurer Ace Tago. Hunkin garnished more than twice the votes of Tago, sweeping the majority in all seventeen districts except Tago's home district. Immediately following the election, the governor was quoted as saying that Tago "would have made a better and more effective delegate . . . because of his respect for the Governor and the Fono leadership" (SN, 9 Nov 1990).

Although the governor asked for the congressman's cooperation in a televised address one week after the elections, his personal clash with Hunkin resurfaced in a letter to the *Samoa News* in February. In it he concurred with former congressman Fofu Sunia's observation that "Eni has not accepted the reality that American Samoa has but one governor who heads the system that provides services directly to the people" (SN, 20 Feb 1991). Despite the repeated efforts of Hunkin to "bury the hatchet" and work in a "spirit of recon-

ciliation" with the administration, the administration continued its attempts to publicly discredit him.

Prior to the November elections, there was notification of an official US General Accounting Office investigation of the territory's finances as requested by Congressman Hunkin. The representative has expressed his concern over the government's financial problems and, due to the lack of cooperation from Interior Department officials, requested the investigation.

Significant malfeasance could come to light under General Accounting Office scrutiny. Interior Department officials have declared illegal the use of US\$700,000 of federal grant monies for the purchase, transport, and repair of a government vessel instead of for a harbor project in Manu'a. Illicit, no-bid contracts, such as a US\$885,000 award to Creative Design Consultants to evaluate and renovate the public school bathrooms, also require careful consideration.

Governor Coleman's allusions to the "Pacific Way" of cooperation through consensus among island leaders could prove the political undoing of his administration in light of the demoralized workforce and mounting deficits. Many American Samoans feel that honesty, public responsibility, and moral leadership have been sacrificed by a cadre of leaders who have done well for themselves at the expense of the territory's present and future well-being.

BILL LEGALLEY