

Reviews of Marshall Islands and Nauru are not included in this issue.

BELAU

Primary and general elections, the beginning of the Nakamura administration, progress on the political status issue, and the trial of John O. Ngiraked, were the major events of 1992–93 in Belau.

The primary election of 22 September 1992 signaled a dramatic shift from an older to a younger generation of political leaders. This was the first primary race since the constitution was adopted in 1981, and its purpose was to avoid the possibility of candidates winning with less than a majority of the votes. There were three candidates for president, four for vice president, and 8490 voters (74 percent) turned out to vote. In the presidential race, Johnson Toribiong (3191 votes) beat outgoing vice president Kuniwo Nakamura (3138) by a mere 53 votes, with incumbent Nagiratkel Etpison (2089) in third place. Tommy Remengesau Jr polled highest with 2832 votes in the vice presidential race, with Sandra Pierantozzi (2038) beating out Minoru Ueki (1861) and Moses Uludong (1632) for second place. The first two finishers in each race were eligible to contest the election proper.

The finalists had just five weeks before the general elections to reevaluate their strategies. Nakamura's campaign team established satellite headquarters sites in nearly every major

village area in an effort to reach the grass-roots voter. Pierantozzi, the first woman to run for high executive office in Belau, invested enormous energy and about US\$50,000 into her campaign. On election day, eighty percent of voters turned out, and the results in each race were very close. Nakamura emerged victorious over Toribiong by a margin of 134 votes in the presidential race, while Remengesau defeated Pierantozzi by 320 votes for vice president.

There were a few minor surprises and numerous close finishes in the race for the thirty *Olbiil Era Kelulau* (Palau National Congress) seats. For example, in Airai State, incumbent Hideo Tell beat his main challenger by just eleven votes; S. Tudong beat incumbent L. Ngiraiwet by eight votes in Ngardmau State; and in Peleliu State H. Kebekol defeated incumbent Joe Kintol by fifteen votes. The closest race of all was on the distant southwest island state of Sonsorol with an electorate of ninety-seven voters, many of whom live in Koror. There Flavian Carlos defeated Marcellino Xavier by just two votes.

Belau voters were also asked to decide whether to amend the constitutional provisions regarding the transit of US nuclear powered and armed ships and aircraft. Ibedul Gibbons and others challenged the way the issue was presented on the ballot, but the Belau Supreme Court upheld the referendum results. Voters approved the amend-

ment, making it possible to override the nuclear provisions in the constitution with a simple majority of voters, rather than the previous 75 percent. This helped clear the way for the eighth, and probably last, referendum on the Compact of Free Association, likely to be held in November 1993.

The arrival of the Nakamura administration represented an important turning point. Nakamura was elected by a majority vote, slim though it was, is articulate in both Palauan and English, and knowledgeable of local traditions and customs. He graduated from the University of Hawai'i with a degree in economics, and has been very successful in both private business and political office. He is dedicated to improving government services, a superb planner, has keen interpersonal and political insight, and is an effective leader.

Nakamura quickly negotiated a solution to the long-standing problem of the IPSECO power plant loan default. The debt would be settled by a payment of US\$20 million over five years to the consortium of British banks. The plant had an estimated value of US\$19 million, and the original loan made to Belau in 1983 was supposedly for US\$32.5 million. The consortium also agreed to dismiss its suit against Belau filed in 1985 with the US District Court of New York.

Nakamura also made substantial progress on the political status issue. As vice president, he had negotiated the 1989 Guam Accords, which gained a half dozen important modifications to the compact from the Bush administration. Soon after taking office, Nakamura attempted to build on these ear-

lier concessions, working closely with local leaders, as well as State Department officials in Washington. In a 6 May letter to Nakamura, US Secretary of State Warren Christopher outlined six major assurances regarding the compact. This development cleared the way for the passage of Public Law 4-9, the Compact Implementation Act of 1993, which recognized these changes, and gave the president authority to establish a date for a further referendum on the compact. If everything goes according to plan, Belau will finally exchange its Trust Territory status for that of a Freely Associated State in late 1993 or early 1994.

Perhaps the most important of Christopher's assurances concerned the two issues that probably prevented passage of the compact in the previous seven referenda. Regarding the land issue, the Christopher assurance reads: "It is the intention of the United States Government, other than during periods of crisis or hostilities, not to exercise its rights . . . to train or maneuver in Palau." In addition, "the United States Government will not designate additional defense sites in Palau under the Compact unless such sites are necessary for the purposes contemplated . . . in the Compact," that is, activities and operations directly related to the security and defense of Belau. It was agreed that two defense sites, Malakal Harbor and Airai Airport, would be used by the United States.

Christopher also indicated that the United States would take full responsibility for any nuclear accidents:

In peacetime, the United States would respond to a nuclear incident or toxic

accident in Palauan territorial waters caused by United States forces as we would if the incident or accident were to take place in United States territorial waters . . . the United States would assume no-fault liability coverage, with no limit in compensation for nuclear damages. The United States will also ensure that our allies who possess nuclear capabilities, and who may exercise in Palauan territorial waters, provide similar assurances.

On 29 April 1993, John O. Ngiraked, a prominent figure in Belau and former candidate for the presidency, and his wife, Emerita Kerradel, were found guilty of aiding and abetting the murder of Haruo I. Remeliik, Belau's first president (*Pacific Daily News*, 30 Apr 1993). They were sentenced to life in prison, and began serving their sentences on 15 June.

Patrick Ramarii, the confessed gunman in the Remeliik murder was given a lesser sentence of fifteen years because of the plea bargain arrangement he had made with the government prior to the long trial. Ramarii testified that Ngiraked, his wife, and a close associate, the late Heinrich Ngowakl, offered him gifts and up to US\$1 million in cash if the assassination propelled Ngiraked into the presidency. A fourth defendant, Sulial Heinrich, was acquitted on the basis that he was coerced into involvement in the crime by his stepfather, Heinrich Ngowakl. It appears that Ramarii, who was imprisoned on an unrelated assault charge in 1992, admitted to the murder and agreed to plea bargain only after Ngiraked could no longer make payments to him.

DONALD R. SHUSTER

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

The year 1992-93 was one that most residents would probably like to forget. There were setbacks for the government, a serious blow to private enterprise, and social problems such as illegal drugs began to have a very serious impact on society. Little that could be considered positive occurred.

Governor Larry I. Guerrero became embroiled in impeachment proceedings during the year. In September 1992, he paid the Mitsubishi company US\$2 million against a US\$5 million debt for the purchase of a new generator. There was no appropriation. On 19 September he made a further payment of US\$3 million, again without any appropriation. He claimed at the time that these were available and unencumbered funds. At this time, Shell Oil was unsuccessfully seeking some US\$4 million in past due bills for fuel deliveries to the utilities corporation.

On 26 September, Representatives Heinz Hofschneider, Stanley Torres, and Tom Villagomes openly discussed impeaching the governor for his actions. That night their houses were shot at from a passing vehicle. The police investigation revealed that the shots were fired from a nine-millimeter weapon, a type of gun that only the police were authorized to use. Tests conducted with the help of a forensic specialist from Guam failed to locate the weapon in the police arsenal, and no arrests were made.

On 23 October the governor ordered his cabinet to get their families to lobby the legislators regarding the impeachment proceedings. Meanwhile, he

appointed the brother of the senate president to a position on the Commonwealth Trial Court. The appointment was confirmed without a public hearing, much to the chagrin of the local bar association.

On 2 November the House committee dropped impeachment proceedings against the governor, stating that he was not guilty of treason or felony. Members did, however, feel he was guilty of other less important infractions. On 5 November the new judge was sworn into office.

Another significant issue during the year involved the Commonwealth Utilities Corporation. Controversial Executive Director Ray Guerrero tendered his resignation (again) on 17 July 1992, saying that he did not need the harassment he was getting from the legislature and others. The board of directors accepted his resignation, but then reversed its decision after receiving a letter from the governor citing the possible results of Guerrero's departure, and implying that essential service might be interrupted.

In October, following the governor's payments to Mitsubishi and others, Representative Heinz Hofschneider attempted an audit of the corporation's finances. He asked for about US\$90 million worth of canceled checks signed only by Guerrero. He did get photocopies of the checks, and allegedly found some discrepancies. When Guerrero refused to supply the originals, Hofschneider issued a subpoena which Guerrero refused to honor. Hofschneider then hired Dennis O'Shea, a private lawyer, as a special prosecutor to bring charges of contempt against Guerrero.

Then in February 1993, when Shell Oil was threatening to stop deliveries of fuel to the government because of unpaid bills, Guerrero (and Governor Guerrero) asked some of the biggest businesses on island for advance payments of future utilities charges. They were able to raise enough cash to persuade Shell not to interrupt service. The private businesses were skeptical about the utilities corporation's cash flow situation, and afraid that they might have to foot the bill again the next time around.

The legislature was unable to press charges against Guerrero because of a technicality (there was no representative of the Public Auditor's office present when the subpoena was served). Threatening a counter suit for defamation of character, and as Hofschneider considered another subpoena, Guerrero then proceeded to provide the requested original checks.

Relations with Washington were more strained than ever. In June 1992, US Congressman Lagomarsino ordered the CNMI to provide information concerning tax rebate payments. He was acting on information that the CNMI was rebating 95 percent of taxes collected by government over and above the local tax on wages and salaries, while at the same time negotiating for additional funding from the United States under Section 702 of the covenant. After initially refusing on the grounds of "internal sovereignty," Governor Guerrero surrendered the rebate records in July when Lagomarsino threatened a congressional subpoena.

At congressional hearings on 30 July in Washington, chair Miller and subcommittee chair Ron deLugo blasted

the government of the CNMI and raised serious questions about local immigration policies, labor conditions, tax policies and social problems. Miller's committee then gave the CNMI a stern warning about possible federal actions if the situation was not resolved swiftly. Miller later sought answers to a list of sixty-one questions about the situation in CNMI.

Following these hearings, Governor Guerrero's public relations office released a press statement saying that many of the issues had been resolved in a private meeting with Congressman Miller. Miller was most upset, and claimed that no such meeting had taken place. He wrote to Guerrero stating that this was a serious breach of trust which undermined the credibility of the CNMI government.

In October, Miller warned the CNMI again about reported labor abuses in the garment industry and threatened to cancel the duty free access to the United States of the garments if conditions did not improve. Representative Luis Payne of West Virginia introduced a bill in congress which would require that at least 50 percent of CNMI garment workers be US citizens or local hires, and earn the US minimum wage of US\$4.25 per hour. The "Payne Bill" was introduced too late in the year to be passed by the current congress, but served as a warning to the CNMI. Five thousand workers are employed in the industry, mostly from China and Thailand.

At another hearing in early March, the governor and his staff were "stunned" by the tongue-lashing they received from Miller and other congressmen. According to them, the

CNMI had not dealt satisfactorily with the immigration, tax reform, labor abuses, and other matters raised the previous year. Later in the month, Miller expressed his opposition to continued funding of the CNMI under Section 702 of the covenant.

To complicate matters, California Congressman Gallegly introduced two bills that would alter the nature of the commonwealth. One would require federal control of immigration, and the other would immediately apply the federal minimum wage to all sectors of the economy. For better or worse, if passed, these bills would close down the present economic system of the commonwealth.

Perhaps the most heated internal issue in recent years concerns the 1992 CNMI Supreme Court decision that the purchase of land by an otherwise qualified local citizen using money from an outside source was in violation of the constitution. This interpretation led to a series of lawsuits by original landowners attempting to recover property on the grounds that the original transaction was unconstitutional. Twenty-one cases were filed, mostly by one lawyer, challenging the legal status of some major investment properties, including the US\$100-million Nikko Hotel and related properties, the Pacific Islands Club, and the Duty Free Shoppers store. The owner of the Nikko Hotel, Japan Airlines, made it clear that if it loses the property, it will withdraw all of its interests from the commonwealth, including the airline, and a major tour agency.

This issue is extremely complex, and has created a great deal of uncertainty about all land transactions. All

but one title insurance company has pulled out in frustration, and investors now seek public land for their investments. Most major resort and other construction activity has come to a halt, leading to the repatriation of between three and five thousand construction workers.

Social issues were also of concern during 1992–93. Three non-resident workers were murdered, and all the cases involved the use of “ice” (crystal methamphetamine), which reached epidemic levels in the Commonwealth. There were about one hundred sixty patients (the youngest eight years old) at the hospital seeking voluntary detoxification.

A World Health Organization report on the sex industry estimated that there were up to three thousand prostitutes on Saipan, mostly Filipinas. Women working in bars and restaurants boycotted a newspaper that published the report, on the grounds that it implied that they were all prostitutes. They filed an unsuccessful defamation suit. Another group of women, led by the Tinian Women’s Association, successfully pushed legislation banning prostitution in the Commonwealth. However, the law was not being enforced because Public Safety (police) did not have the necessary resources.

Elections were also a feature of 1993. Following a May primary, only incumbent Larry Guerrero and Benjamin Manglona for the Republicans, and Froylan Tenorio and Jesus Borja for the Democrats, were eligible to run for governor in November 1993. In the primary, Guerrero narrowly survived a strong challenge from Juan Babauta,

thought to be the golden boy of the reformers in the CNMI.

SAMUEL F. MCPHETRES

FEDERATED STATES OF MICRONESIA

After “long and rigorous” congressional confirmation hearings, President Olter swore in the last six of his cabinet officials. He noted that another milestone had been achieved with the appointment of Camilo Noket of Chuuk State as the first Micronesian attorney general, meaning all cabinet positions were filled by “our own capable FSM citizens.”

During an August 1992 special session, the FSM Congress approved legislation to establish a College of Micronesia—FSM, approved the presidential nominations to the board of regents for the college, and confirmed Dr Catalino Cantero, of Pohnpei, as the secretary of the newly created FSM Department of Education. The legislation replaces a treaty between the Republics of Palau and Marshall Islands and the FSM, which expired on 1 March 1993.

The national congress was divided over the issue of membership of the International Monetary Fund (IMF) and the World Bank. Chair of the Ways and Means Committee Claude Phillip of Kosrae State challenged his colleagues to overcome personal differences and vote for IMF membership, and Senator Phillip pointed out that membership would make financial assistance available for education. The legislation was subsequently approved by congress in another session.

A divided congress also deferred

action on the so-called Westpac proposal to a later session. The proposal would allow the national government to lend US\$10 million for fisheries development to Westpac, a joint venture between FSM and some US citizens. The money would come from a business development fund established under the Compact of Free Association, and be used to purchase three fishing vessels. Chair of the Committee on Resources and Development Senator Redley Killion of Chuuk State argued that the project would produce jobs, train local people in the technical and managerial aspect of the tuna industry, generate revenue and foreign currency, and boost exports. However, Senator Moses Mackwelung of Kosrae pointed out that the proposal was for vessels alone, and was contrary both to the advice of fisheries consultants and common sense. He argued that shoreline developments, such as canneries, dry docks, and freezers, should come first in a fisheries development project. President Olter subsequently submitted a bill to congress which would facilitate the Westpac proposal by altering the rules governing business loans to foreign-owned companies.

Meanwhile, another FSM joint venture with an outside company went US\$1.66 million into debt. Caroline Fisheries Corporation is a joint venture between the National Fisheries Corporation, the Economic Development Authority (an agency of Pohnpei State Government), and an Australian partner, Tuna Development Company. Initially, the joint venture purchased three old and small purse seiners from the Australian partner, which then re-

ceived a fee to operate the vessels from its base in Australia. After the company incurred a substantial deficit in the first year of operation, the two FSM partners injected more than US\$1 million in fresh capital to purchase a system of *payaos* 'fish aggregate devices' to save the company from shut-down. The recovery was successful but short-lived, as Japanese and Taiwanese fishing fleets licensed by the FSM sabotaged all the *payaos* units. In addition, the aging fishing vessels needed dry-docking and refitting, and tuna prices dropped well below their projected levels. Late in 1992, the directors of the Tuna Development Corporation, the Economic Development Authority, and the executive director and chair of the board of National Fisheries Corporation resigned or were replaced.

All ten two-year term members of the Seventh FSM Congress were re-elected on 2 March 1993 (the other four members represent the states of Kosrae, Pohnpei, Chuuk, and Yap for four-year terms). In May, congress decided to seat Senator Kalisto Refalopei of Faichuk, Chuuk State, despite a controversy over his reelection. National Election Commissioner Bob Mori initially denied a request for a new special election for Faichuk voters on Guam, but a panel of three judges of FSM Supreme Court overruled his decision. Speaker Jack Fritz argued that the constitution gave congress jurisdiction in such matters, and defended the decision to seat the senator without a special election. Congress failed to act on the president's request to appropriate US\$38,000 for the special election.

President Olter's election as chair of the two-day conference of FSM states governors and national leaders in May was seen as a favorable response to his administration. He advocated unity of purpose through goodwill among leaders, and urged agreement on an action plan to develop an integrated and viable commercial fishery.

If the June 1992 departure of expatriate Chief Justice Edward C. King created a void, the proposed US\$20,000 special services contract for his return created an uproar. Senator Leo A. Falcam of Pohnpei State questioned the manner in which the contract was made, calling it an "underhanded deal," and urging the congress to investigate the actions of the judicial branch.

One of issues that ignited flames between the national legislative and judicial branches was the arrest of Martin Jano of the municipality of Kitti, Pohnpei, in connection with a money-laundering scam in the United States. The arrest warrant was signed by then Chief Justice King. The arrest was followed by a US sponsored motion to extradite Jano to face charges on the US mainland under the terms of a subsidiary agreement negotiated under the Compact of Free Association. The process was put to the test when the Honorable Iso Nahnken Salvador Iriarte of Nett Municipality, Pohnpei State, championed Jano's cause. Jano is a member of Iriarte's late nahnmwarki father's Sounkawad clan. Iriarte publicly attacked FSM and Pohnpei State leaders, and the general public, for their apparently lukewarm attitude toward protecting Microne-

sian interests, and declared that Jano's constitutional right to due process was being denied. In June 1993, the FSM Supreme Court determined that Jano would willingly face the charges in the United States.

The nomination of Associate Justice and former Secretary of External Affairs Andon Amaraich as FSM chief justice was still pending before congress at the end of the review period. The delay was allegedly connected to Amaraich's involvement in the approval of Justice King's proposed special services contract, and in the Jano extradition case.

On 17 September 1992, the FSM celebrated its first anniversary as a member of the United Nations, and on 25 June 1993 became a member of the International Monetary Fund. In February 1993 France became the seventh European nation to formally establish diplomatic ties. Meanwhile, Japan awarded us\$8.5 million to upgrade the electrical utilities in the State of Pohnpei.

During the period under review, President Bailey Olter represented the South Pacific Forum on an official visit to Japan, and at the historic Earth Summit in Rio de Janeiro, Brazil. As president of the Federated States of Micronesia he made his first state visit to the People's Republic of China, where he declared FSM's "one China" policy. The policy prohibits formal and official contacts with the government of Taiwan, but allows for free commercial contacts between the two countries.

KETSON JOHNSON

GUAM

Intense activity along the north Pacific's tropical convergence zone brought Guam six typhoons (including three direct eye passages) between August and November 1992. While Guam residents are among the best prepared in the world for such occurrences, the continuous impact of the storms stressed not only the population (including nearly a thousand citizens of the freely associated states of Micronesia, who spent two and a half months in the "Camp Omar" tent city), but also the island's economic sector. In addition to a significant decline in visitor arrivals during the latter half of 1992, other local business activity was hampered by continuous power outages, as well as loss of property.

While the visible effects of the storm season of 1992 remained, concerted efforts to bring the island back to normalcy were largely successful, and included one hundred megawatts of new power generation facilities. The US government appropriated approximately US\$30 million dollars for civilian losses (with an additional US\$150 million for the US military), and work crews from the US Virgin Islands, the Commonwealth of the Northern Mariana Islands and the Republic of Palau assisted the government of Guam and volunteer organizations in recovery efforts.

On the political front, brief periods of calm were offset by an energy that nearly matched the excitement and tribulation of the typhoon season. The "political season" began with a typhoon-delayed election, which saw newcomer and Democrat Robert A.

Underwood win over Republican incumbent and retired General Vicente G. Blaz in the race for Guam's congressional delegate seat. Underwood, an indigenous rights activist since the 1970s who retired from his post as the academic vice president of the University of Guam in early 1992, ran a grass-roots campaign that brought him almost 56 percent of the votes. In the legislative elections, the Democrats won fourteen of the twenty-one seats, with another newcomer who ran a grass-roots campaign, Tom Ada, garnering the most votes in the island-wide election. Incumbent Speaker Joe T. San Agustin was selected by his colleagues to continue in his post and to serve as the titular head of the island's Democratic Party. Mayoral elections (conducted every four years) were also held with five of Guam's nineteen municipalities selecting new mayors.

Guam's relationship with the United States continued to be a focus of attention and a source of frustration. After three-and-a-half years of discussions with Guam's multibranch, bipartisan Commission on Self-Determination, the Bush Administration Task Force on Guam (BATFOG) released its report on the island's electorally endorsed Commonwealth Act. The discussions themselves had been too long and frustrating for many Guamanians, with the US government more often than not opposing such central tenants of Guam's proposal as indigenous rights, mutual consent, and land return. BATFOG's final report retracted support for most of the few remaining areas of agreement, such as immigration and the Chamorro Land Trust.

Reaction in Guam to the report was

harsh. In a late January letter to the new president and key members of the US House and Senate, members of the Commission on Self-Determination noted that they had engaged in good faith discussions with BATFOG, despite being “frustrated by the neocolonial views that we often confronted.” They noted further that the report “releged on signed agreements . . . ignored relevant judicial decisions . . . misrepresented joint discussions and was generally mean-spirited in its consideration of the legitimate aspirations of the people of Guam.” The commission also called on the president to appoint a personal representative to head his administration’s review of Guam’s commonwealth proposal, a recommendation that was supported by Guam’s new congressional delegate and the island’s legislature.

In early February, Guam leaders had the opportunity to let the new administration know firsthand its views on the drive for political status. In meetings at the White House with the recently-confirmed secretary of interior (who is charged with oversight of US island territories), and at the National Conference on United States–Insular Areas Relations, island leaders took a straightforward approach.

Governor and Chair of the Self-Determination Commission Joseph F. Ada introduced himself at the conference as the “Governor of the American colony of Guam.” In an hour-long speech, which summarized the island’s ninety-year political struggle and the offense given by BATFOG, Ada compared the situation in Guam with Britain’s relations with its thirteen American colonies. He noted, however, that

“no self-respecting people would make the loss of their liberty the price of their gratitude. We are not ungrateful,” Ada said of the people of Guam, “but we are unwilling to remain a colony.” Other Guam participants joined Ada in calling for the US government to abandon colonialism, and to move forward with a constructive policy of mutual respect.

While some federal bureaucrats took offense, principals of the Clinton administration gave Guam’s leaders a warm reception. Secretary of Interior Babbitt eagerly agreed to pursue the appointment of a representative of the president to deal with the political status issue. This support was subsequently reiterated by the assistant secretary for the Office of Territorial and International Affairs (the post that was held by the chair of BATFOG). The “Team Guam,” bipartisan approach—which incorporated the Commission on Self-Determination, the congressional delegate, and the Guam legislature—certainly helped make the new administration aware of the seriousness of Guam’s quest for status.

“Team Guam” was together again in March on a different issue, this time the closure of the US Naval Air Station at Agaña. When Agaña failed to show up on the US secretary of defense’s list of bases to be closed, Guam’s leaders appealed to the Defense Base Closure and Realignment Commission to put the base on the list. Given the consternation of most US communities about the economic impact of base closings, Guam’s request seemed odd and caught the attention of the US press. The US military maintained that it could relocate the air station to Anderson Air

Force Base at a cost of more than US\$300 million, but on 30 June the commission recommended that it be closed. Extensive work by "Team Guam," as well as reviews by the General Accounting Office, helped demonstrate the cost savings involved. The commission also noted the absence of any justification for two military air bases in Guam, and local calls for the return of property held by the United States.

The US State Department's insistence that Guam play a subordinate role in regional organizations whipped up political winds to a frenzy in the June Plenipotentiary Meeting of the South Pacific Regional Environmental Program in Western Samoa. The meeting was called to confirm the independent status of the program, recently separated from the South Pacific Commission, and focused primarily on the role that possessions of metropolitan powers would play in the new organizations. State Department representatives held to their long established course in objecting to US territories being full members of the new body. After nine hours and thirteen votes, in which the United States was the sole dissenter, agreement was finally reached to establish the treaty organization with territories as nonvoting members. This was only after Guam's Governor Ada stepped down from voting. He subsequently withdrew Guam from the organization, citing US imperial attitudes and his government's unwillingness to accept second-class status. In a letter of protest to President Clinton, Ada noted that the only basis for US participation in the new organization was its offshore possessions,

and pointed to the irony of the United States denying full participation to those possessions.

The government of Guam increased its participation in another international forum, the United Nations Decolonization Committee. In 1992, representatives of the governor made statements before both the decolonization committee and the Fourth Committee of the General Assembly. In 1993, representatives appeared before the Subcommittee on Small Territories and participated in the committee's Regional Decolonization Seminar in Papua New Guinea. The government of Guam wished to provide factual information on the situation in Guam, and to note conditions there *vis-à-vis* international decolonization norms, especially since the United States had ceased to provide such information.

The spring of 1993 was a time of action for some former landowners whose property had been taken by the US government in the 1940s but not actively used. Led by Chamorro activist Angel Santos, several families set up residences on their ancestral properties and refused to move or answer court summons. In June, Congressional delegate Underwood, citing the possibility of violence, wrote to US Attorney Janet Reno suggesting that any attempts to remove the families be carefully considered. Underwood also called on the US government to conduct a "land summit" to address myriad issues concerning property controlled by the United States.

Guam's economy began to slow down in 1992-93 after a decade of exponential growth. The island's visitor industry was slow to recover from

the effects of the 1992 typhoon season, and the downturn in the Japanese economy slowed visitor arrival growth. However, June 1993 visitor arrivals were substantially up, and a "visa waiver" program for visitors from Taiwan was imminent. This was good news for the visitor industry, which has added five hundred rooms in the past year. In order to adjust government expenditures to the lower projected revenues, the government implemented an 8 percent across-the-board budget cut in June.

As the island readies for the 1993 typhoon season, meteorologists are suggesting that this year's phenomena may be as intense as last year's. With gubernatorial elections scheduled for late 1994, the political storms are assured to be even stronger.

LELAND BETTIS

KIRIBATI

The period under review marked the second anniversary of Beretitenti Teanaki's ascendancy to political leadership. Notwithstanding the prevalence of unusually wet and cool weather, the political and economic environment caused considerable turbulence for the government. It lost its majority in Parliament with the defection of four backbenchers to form a new political party, *Te Mauri, Te Raoi ao Te Tabomoa* 'Good Health, Peace, and Prosperity'. Their departure was compensated by the addition of the twin seats of Banaba and Rabi to the government side. After years of benign neglect by the Kiribati government, the Banabans were hopeful that there would be a

more sympathetic approach to their problems if they joined the ruling party. By the end of the review period, the government and opposition were evenly poised at twenty members each. The resignation of a former government minister, the Member for Arorae, necessitated a by-election in the southernmost constituency, resulting in a rather surprising victory for Tanieru Awerika ahead of the popular female candidate, Teima Onorio. Both the government and the opposition tried hard to win his party allegiance to ensure their single majority for the August 1993 meeting of Parliament. The drastic drop in the copra price, the mainstay of low-income earners in the outer islands, and the ever-increasing cost of living did not help alleviate President Teannaki's political predicament.

The 1993 Budget session was notable for the A\$1 million contribution to the country's National Reserve Fund, made possible by the windfall payment of fishing license fees from the United States; the imposition of extra custom tariffs on selected luxury items, including an increase of one cent per liter on gasoline products; and the proposed assessment of custom tariffs on the CIF value of goods instead of the current FOB valuation. The last issue was the "hot potato," and it almost catapulted the government out of power.

The May 1993 session saw a political deadlock as each side had twenty members. The government's Seventh National Development Plan was withdrawn since it could not receive legislative blessing and endorsement. It was a severe blow for the government as it implied a clear loss of confidence by

the majority of members of Parliament. The important Income Tax Amendment Bill, moved by the government to rectify loopholes in the existing income tax legislation and strengthen its hand in a series of legal tax cases, was defeated.

In a secret ballot, Roniti Teiwaki was appointed leader of Te Maneaba party, the biggest opposition party.

A conference of *unimane* 'elders', council presidents, and clerks, was convened by the government on the island of Abaiang in early June. It was an opportunity for government and outer-island participants to confer and discuss matters of national and local importance. The conference was funded jointly by the Kiribati and British governments on the rationale that it provided local government training and education. There was resentment regarding the Abaiang venue, because it is the home island of the incumbent Teannaki and it was seen as an attempt to shower benefits on his constituency. The participants had to pay half of their per diem (A\$27.50) to the Abaiang Council for services provided. Previously, the biennial conference was held on South Tarawa, and participants were able to save their subsistence allowances by staying with friends and relatives in the capital. The next *Mororo* will be held on the island of Nikunau in southern Kiribati in 1995.

The drop in world market price forced the Copra Society to reduce its copra price from 35 cents per kilo to 29 cents, a most unwelcome decision to the rural population. The copra price has always been subsidized by the Copra Society using its reserve fund

and government contributions from the European Community's Stabex Fund. Government's policy has been to guarantee a copra price of at least 22 cents per kilo, regardless of world market price. The general opinion was that government should support the Copra Society to maintain a reasonable copra price of 35 cents per kilo. With the majority of the population dependent on copra income, it is no wonder people were crying about their abysmally low incomes and the escalating cost of living.

The Revenue Equalization Reserve Fund is estimated to contain over A\$200 million. The government's annual drawdown since 1979 has been a conservative A\$7.5 million, despite inflation and the increase in population. The fund's estimated annual income is slightly over A\$20 million, of which A\$12.5 million is reinvested. Although it has been splendidly handled by reputable United Kingdom stockbroker James Capel Limited, there was growing concern regarding the Reserve Fund's role in the economic development of the country, and improvements in the general standard of living. There was a general feeling that these funds should be used to help increase the dwindling per capita income of I-Kiribati, which has plummeted from A\$600 per year to less than A\$400 since independence.

The 1992-93 period has been pleasantly cool with plenty of tuna and copra, but poor prices and the rising costs of living turned out to be the hot issues for a rather lukewarm government.

RONITI TEIWAKI