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Northern Mariana Islands

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her cause, she subsequently served as the long-time administrator of the Department of Education's Chamorro Studies division. Recipient of numerous awards for her achievements in the areas of Chamorro language and culture promotion, her "Juan Malimanga" cartoon, placed prominently in the right-hand corner of the *Pacific Daily News* cartoon page, will remind generations into the distant future of Auntie Ding's contributions to Chamorro culture and history as a dramatic and humorous weaver of stories.

ANNE PEREZ HATTORI

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NORTHERN MARIANA ISLANDS

The year in review was another one for the books. A four-way election for governor, a major local bank going belly up, the tragedy of September 11th, and a variety of other incidents and events combined to make this year typical of recent ones in the Northern Marianas.

First there were five and then four sets of gubernatorial candidates: Juan Babauta and Diego Benevente, Ben Fitial and David O Sablan, former Governor Froilan Tenorio and public school administrator Rita Inos, and

finally former Lieutenant Governor Jesse Borja and legislator Bridget Ichihara. Outgoing Lieutenant Governor Jesus Sablan kept everyone guessing as to his intention to run even after losing the primary. He finally announced his withdrawal from the race. The campaign was pointed, to say the least. A new party was born, the Covenant party, led by Fitial. Froilan Tenorio ran under his own Reform party banner. Babauta ran as Republican, while Borja ran as a Democrat. Much of the campaign revolved around how much money each side spent and how much garment magnate Willy Tan donated to the various campaigns. In addition, the issue of whether to rehire lobbyist Jack Abramoff in Washington DC was a subject for all candidates to discuss. Interestingly enough, Ben Fitial, former employee of Willy Tan and a controversial Speaker of the House of Representatives, was the strongest advocate for Abramoff, who, it appears, actively assisted in the campaign of Fitial. Fitial's campaign was peppered with endorsements from right-wing congressmen in Washington DC, friends of Abramoff.

For once, money did not determine the election outcome. The Babauta/Benevente team won handily with 44.9 percent of the vote. The Fitial/Inos team came in second at 25.5 percent. Surprisingly, the Borja/Ichihara team came in a distant third with only 18.0 percent. Not too surprisingly, the Tenorio/Sablan pair came in last, attracting only 11.5 percent of the votes cast.

In addition to the gubernatorial race, there was a very heated dispute over the office of Washington repre-

sentative. There were three contenders for the office: Pedro A Tenorio, Agnes Manglona McPhetres, and Herman Guerrero. The results indicated that Tenorio, the former lieutenant governor and covenant negotiator, was preferred over the other two. He took 44.4 percent of the votes cast. Political newcomer McPhetres came in a respectable second with 34.2 percent followed by Guerrero with 21.4 percent.

In a very unusual exercise of the democratic process in the commonwealth, Virginia Sablan Onerheim, a judge in Superior Court (the first indigenous woman judge), was voted out by a surprising 61.8 percent of the voters. The constitution requires that every judge be reconfirmed in the first general election after the first four years to his or her first six-year term. In the previous general election, Judge Timothy Bellas was also voted out. In Onerheim's case, however, a very determined citizen mounted a well-coordinated campaign against her reconfirmation. The citizen had been extremely upset at a decision made by Onerheim concerning a child abuse case in which the woman accused her Nepalese housekeeper of mistreating the woman's baby. Based on expert testimony at trial, Onerheim decided that the babysitter was not guilty and dismissed the case. The angry mother used posters, videotapes, public meetings, and other media to persuade the voters to reject Onerheim.

The process was modified for this election, using scanning equipment for the first time. Machine counting created some new problems in terms of candidates' placement on the ballots. Given the large number of candidates,

both sides of the ballot paper had to be utilized. This led to much confusion, particularly among older voters, and kept the precinct workers busy explaining procedures. In addition, for some time, rumors were floating around that since party candidates were listed together on one side of the page, a voter had to vote along straight party lines. In the end, however, the new procedure went very smoothly and the results for all races were known by early the next morning. Added security from the office of the public auditor ensured that proper voting procedures were followed, and the election could be said to be the most representative (and probably the most expensive) in the history of the commonwealth.

Following its election, the Babauta/Benevente campaign team formed specialized committees to plan for the transition into office. This process came under heavy fire from various quarters because the transition teams frequently included employees of the departments they were supposed to evaluate. This gave rise to accusations of revenge for real or perceived problems in the past, where a lower-level employee could give a poor evaluation of his or her superiors. This process was completed by the inauguration in January 2002. The next phase was also highly criticized because the new governor made appointments to various offices that were already filled with civil service employees, or appeared to be simply political rewards. The governor ignored ceilings on salaries established by law and gave several key aides significantly higher salaries than those permitted by law. The new secretary of Health Services,

for example, is apparently receiving \$140,000 annually, the salary of a full-time physician. The salary of the secretary of Health Services is \$80,000. The attorney general has advised the governor (who appointed him) that he must address this issue soon before the public auditor cites the administration for violation of public law.

As far away as the commonwealth is from New York City, the impact of the September 11th attacks was felt immediately. All commercial airline flights were cancelled, leaving thousands of tourists stranded on Saipan. Most hotels and restaurants attempted to compensate for the travelers' inconvenience by giving them free meals and accommodations until their flights were arranged. For security reasons, commercial airlines were no longer allowed to carry mail on passenger flights. There was no mail for several weeks, before planes were chartered from Hawai'i to Guam, with mail then transported to Saipan on a barge twice a week. Today, packages frequently take a month or more to reach Saipan from the US mainland.

A new mandate that all airport security inspectors be US citizens and federal employees means that there will be a whole new class of local citizens who will be federal employees in the commonwealth and earning a federal wage. This system is supposed to be in place by the end of 2002. In late June 2002, a team of federal inspectors came to Saipan to oversee security operations, including at airports on Rota and Tinian. This should be especially interesting on Tinian, where direct flights are expected to come in from mainland China bringing

high-rolling gamblers to the casino. A Chinese airline has already reopened charter service to the casino, but via Saipan.

New federal guidelines restricted entry to the commonwealth. While the Northern Marianas continued to control immigration, it could not issue visas. As a result, except for customers for the casino and garment workers, mainland Chinese citizens no longer have unrestricted entry. Citizens of approximately forty countries who wish to visit the commonwealth, including the Philippines and China, the two countries supplying the majority of contract workers, must now apply in advance for a document called A Letter to Board, issued by the secretary of the Department of Labor and Immigration. This letter will be sent to the individual and must be presented to Immigration on arrival in Saipan.

In early May 2002, it was announced that the Bank of Saipan, founded by Larry Hillblom and deliberately non-FDIC insured, would be closed and a receiver appointed. This caused a run on the bank amid rumors (which he denied) that Willy Tan had already withdrawn his money and advised his workers to withdraw theirs. In the panic that followed, the doors were locked and Judge Manibusan appointed attorney Randall Fennell to assess the bank's condition. It appeared that criminal activities had resulted in a bogus sale of the bank. As result, four individuals, including its manager, were indicted and placed under arrest. One pled guilty to being involved in the more than \$6 million scam that involved fraudulent borrowing from the bank, as well as an individual claiming to be extremely

wealthy. That individual was possibly involved in a similar scam in Cayman Islands. Before the trial began on 1 July, major stockholders, among them members of the Calvo family and attorney David Lujan of Guam, attempted to block the receiver's investigation into the bank's assets and liabilities. Attempts have also been made to get both Fennell and Judge Manibusan pulled off the case, citing improper behavior and conflict of interest. As of this writing, both remain the prime authorities for the government. It is worth noting that, in addition to the individual savings of about 6,000 garment workers, the Bank of Saipan housed government deposits worth around \$16 million. Under the regulations presently operating, all private depositors must be taken care of before the government agencies will be allowed to withdraw their money—if there is any left.

Verizon, a multinational telephone company, attempted to sell its Saipan operations to private companies. A bid was submitted by a consortium owned by Tan Holdings (30 percent), a Philippine telecommunications corporation called Citadel Corporation (60 percent), and other investors (10 percent). The sale came under strong criticism by the commonwealth legislature as well as the Guam government, who feel that it could result in poor service to the islands as well as possible security problems. The federal government is looking into the transaction as well.

During the year, Tan Holdings continued to diversify, purchasing the Saipan and Guam Dai Ichi hotel resorts. The corporation now has garment factories, several hotels on Saipan and Guam, an ocean freight

system, several franchises including Federal Express and Baskin-Robbins ice cream, and an air-freight system using its own Boeing 727 aircraft to haul fresh tuna to Japan.

The World Trade Organization's new trade regulations, which go into effect on 1 January 2003, have been the subject of much comment in the commonwealth. It is widely believed that most of the garment factories operating on Saipan will lose the economic advantage offered by "duty-free" rights to the American market under the terms of the covenant. The garment industry is already threatened by pressure to increase the minimum wage, possible federal control of immigration, as well as a downturn in the global economy. The drop in orders can be partly attributed to the anti-Saipan garment industry campaigns waged on the US mainland in recent years. The latest shots were fired by Oprah Winfrey's Oxygen Network. A one-hour video aired in October 2002 cited civil and human rights abuses against particular factory workers, and implicated the whole industry. In fact the program concentrated on a single unrepresentative factory, which has since gone out of business. In addition, Senator Edward Kennedy posted a bill in Congress to raise the national wage to \$6.15 an hour, adding a specific provision that would raise the CNMI minimum wage to that level over three years. While it is unlikely that this bill will pass in 2002, efforts to bring the commonwealth in line with federal wage and immigration standards continue unabated.

One of the more unfortunate side effects of the recent economic downturn have been increased levels of vio-

lent crime, including armed robbery and murder. There were many robbery attempts at the twenty-four-hour poker palaces scattered throughout the island. The government of Bangladesh is reported to have filed a request with the State Department in Washington to investigate the death of one of their nationals, an employee of one of these establishments. Saipan also experienced its first armed bank robbery, when a small savings and loan establishment was robbed of several thousand dollars. A warning shot was fired, but there were no injuries.

On the positive side, a new high school opened in the Kagman Homestead area and another one is nearing completion in the southern part of Saipan. This will relieve much of the pressure leading to social problems at the only public high school on Saipan. In addition, a contract has been issued to build a new prison. The construction of the 300-plus-bed facility will get under way shortly. It will be in compliance with federal standards and be completely funded by the federal government.

The saga of Larry Hillblom, the founder of the DHL air-freight empire presumed killed in an aircraft accident off Saipan in 1995, continues unabated. Two more children, this time from New York City, were brought to Saipan in 2001 to claim a share of Hillblom's large estate. Although their cases were quickly dismissed because the statute of limitations had expired, this brought the number of putative heirs to eleven. Only four of the claimants, who hail from the Philippines, Vietnam, and Palau, have been certified as legal heirs. Each received approximately

forty million dollars from the estate. Several others received money in return for not taking the DNA test and dropping their paternity claims.

SAMUEL F MCPHETRES

PALAU

During the period under review, President Tommy E Remengesau, Jr, into his second full year as the Republic of Palau's chief executive, established himself as a proactive leader. His agenda was full with international and domestic matters.

Given the special political relationship of free association which Palau and the United States established in 1994, the island nation responded to the September 11th terrorist attacks on the United States by issuing messages of condolence, conducting memorial services, sending monetary contributions, and flying the national flag at half mast. President Remengesau informed the US government that Palau's airport and harbors would be available for mobilization efforts in the war against terrorism.

In August, Remengesau made a mark for himself and Palau at the Pacific Islands Forum conference held on Nauru. He signed two trade agreements with the other sixteen heads of Pacific Island states but, more importantly, led the group of chief executives in urging all nations to support ratification of the Kyoto Protocol, which addresses global climate change by establishing measures to reduce the emission of greenhouse gases.

Prior to the Forum meeting on Nauru, Remengesau made his second state visit to Japan, where he met with