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ON PUBLIC ADMINISTRATION**

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Public Assistance**

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**Employment and Unemployment
Consumer Price Index
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**ECONOMIC RESEARCH CENTER
DEPARTMENT OF COMMERCE, GOVERNMENT OF GUAM**

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The Quarterly Economic Review is published by the Department of Commerce, Government of Guam. This report includes narrative analyses of prevailing economic conditions, information and local and world events that may be of interest to the reader. Public input is welcome. Manuscripts and editorial correspondence should be addressed to: Quarterly Economic Review, Economic Research Center, Department of Commerce, Government of Guam, Suite 601, 6th. floor, GITC Building, 590 South Marine Drive, Tamuning, Guam 96911.

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Governor of Guam

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NOTES:

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* Calendar year is used unless otherwise specified.

* Figures may not add to totals due to rounding.

SYMBOLS AND ABBREVIATIONS:

P = Preliminary
R = Revised
N/A = Not Available
E = Estimate

HIGHLIGHTS OF THE RECENT 12TH ISLAND CONFERENCE
ON PUBLIC ADMINISTRATION

by

James T. Hutcherson

The 12th Island Conference on Public Administration was held on Thursday, November 14, 1991, at the Adelup Complex. The theme of this conference was "Managing Growth and Change in Guam, Micronesia and the Pacific". The following are some of the highlights of the speakers at this conference:

- a. "A Forecast of Life on Guam in the Year 2050" by Governor Joseph F. Ada. Governor Ada stated that the young generation will be the decision makers of the future. Today, we have access to everything but each parent's goal is to see that our children have the things we did not have. Today's children will be the future leaders and managers of Guam. The pursuit of policies which encourage island growth is very important to the island's future. Year 2050's economy will remain strong, dependent on Federal spending, tourism, or foreign investment. Guam must have the freedom to make its own decisions. How does Guam's economy stay strong today? It does so through hard work and determination by the people of Guam, through our free market system, and through local and foreign investment. As the United States, Japan and Asia grows, Guam will prosper, not by isolating itself from the rest of the world, but by opening up to the world.
- b. "Belau's Future Political Status vis-a-vis the United States and the World: What Do The People of Belau Really Want?" by Belau's Chief of Staff Mr. Bonifacio Basilius. The people of Belau favor the Compact of Free Association. Although Belau has been exploited by foreigners in the past, the people of Belau are confident that they will hold together. The Compact provides for the United States to be responsible for the Defense of Belau, for self government, and for free movement of its people to the United States. Belau can handle its own trade and can be a member of the United Nations. The Compact has not been accepted as yet. The objection to the Compact is the fact that the Belau Constitution prohibits nuclear materials in their waters and the United States ships carry nuclear weapons. In 1990, 72% of the voters

supported the Compact, however the Belau Supreme Court disallowed the vote as it did not attain the required 75%. The people of Belau desire democracy, economic development, and the development of a monetary system.

- c. "Is A Political Union of the Marianas (Guam and CNMI) Desirable and Possible in the Future?" by Governor Lorenzo I. DeLeon Guerrero.
1. Is it possible? Governor DeLeon Guerrero emphatically stated yes to the question, Unification of the Marianas Islands is possible because the people are united by family ties, by location, by common culture, by common economic prosperity, and by being a United States flag country. Politically and economically, both countries have come of age. A bicameral legislature would be necessary.
 2. Is it desirable? The people of both countries would be better off, however unification must produce a "State of the Marianas" of the United States of America to be successful. Statehood would advance the countries of the Marianas Islands.
 3. Do the people desire unification? In 1958, 1961, and 1963, the people of the Northern Marianas favored unification. In 1969, the people of Guam rejected unification with the Northern Marianas.
 4. How would people vote today? Governor DeLeon Guerrero believes that the people of the CNMI would favor unification for statehood. The United States would also like to see the Marianas Islands as a state. The islands north of Saipan are "money in the bank". Statehood would provide closer U.S. ties with the Asian Rim countries and this would be favorable to the United States.
- d. "Legislative Bodies on Guam and in the Western Pacific: Institutions for Positive Change and Development in the Region." by Senator Joe San Agustin. It is important to build regional ties with our neighbors. This is now

being accomplished through the Asian Pacific Parliamentary Union (APPU) and the Association of Pacific Island Legislatures (APIL).

1. The Asian Pacific Parliamentary Union consists of 19 Asian-Pacific countries whose priority is economic development. Their basic approach is to build relationships between nations and to encourage overseas investment and international flow of foreign capital. For example, Guam's political and economic framework provides stability and acceptance by investors. Nations are concerned over environmental waste and dumping in the Pacific Ocean.
 2. The Association of Pacific Legislatures consists of countries of the Pacific Basin existing for the purpose of promoting economic development. One of the successful ventures has been the Island Development Bank, however only 1/2 of those who agreed in its development have paid their share of the cost. Social issues such as hospitals, medical staff, and protection of our ocean resources are some of the questions asked. Senator San Agustin believes that we need to promote a Micronesian Common Market and develop greater cooperation of regional policies and strategies. Further, we should address social changes, i.e., drug abuse, society changes, transferring of another or nations' social problems to Guam.
- e. "Reforming the Philippine Bureaucracy to Support an Improved Quality of Life for the Filipino People: A Proposed Plan of Action by presidential Aspirant." by Mrs Miriam Defensor-Santiago. Dr. Santiago discussed statistics about the Philippines and some reforms necessary,, i.e., out of the 62 million people who live in the Philippines, 2/3's live at the poverty level, 27 million people are in the workforce.
- f. "The Increasing Effects of Surrounding Countries (Japan, Hong Kong, Korea, Taiwan, China, and the Philippines) on Guam." by Lt Governor Frank F. Blas. Some of the issues that effect Guam today is the easing of travel restrictions, new air routes to and from Guam, uncertainty in

the political status in countries surrounding Guam, the global village that exists today, and being a member of the world community. Why is there a concern over these issues? The island is a melting pot for many nationalities who call it their home. Longer life spans, capital inflow, better medical facilities, improved educational levels influence the outcome of economic prosperity. Although Guam works well with the rest of the world, we are vulnerable to outside influences, i.e., the Persian Gulf War, Japanese economic problems, etc. Guam must diversify its economy and not be dependent on Federal spending, tourism, or foreign investment. Guam must have the freedom to make it's own decisions. How does Guam's economy stay strong today? It does so through hard work and determination by the people of Guam, through our free market system, and through local and foreign investment. As the United States, Japan and Asia grows, Guam will prosper, not by isolating itself from the rest of the world, but by opening up to the world.

- g. "Casino Gambling: Anticipated Impact on the Future of Tinian and the CNMI: by Mr David Maritita. The island of Tinian has had very few developments over the years because of their limited funding and small population base. Historically, the population of Tinian are farmers and very little funding trickles down. There were 85% of the voters who voted for the casino operations. The voters wanted a world class casino gambling operation in Tinian. Since the island is 90 miles north of Guam and 3 miles off Saipan, the casinos will complement the tourist trade. All of the CNMI will share in the revenues, even the hotels in Guam will benefit, new airline operations will develop, banks will grow, and tourists will have an alternate destination to travel to.
- h. "Towards Less Government on Guam and in the Western Pacific: Is It Feasible? Is It Desirable?" by Senator Tommy V. C. Tanaka. The senator stated that the government that governs least governs best. Each person have their rights under the Constitution - a right to good health care, a right to have a good education, a right to have a home, and many other rights. His emphasis was on less government is the best government.
- i. "America's Failures in Micronesia" by Dr. Dirk A. Balendorf. Is Micronesia a Spoilt Child or a pawn of the United States? Spain, Germany, Japan, the United States all tend to induce a pattern of dependency on the mother country. The U.S. period was a more benevolent period others used Micronesia as a stop off point but the U.S. needed a military zone and therefore the control of Micronesia was for strategic military reasons. Micronesia was an embarrassment to the United States. Throwing money into an area to resolve its problems was not

successful.

- j. "The Importance of Citizens' Participation on Guam and in the Western Pacific: The Building up of Political Will and Consensus in the Islands" by Senator Martha C. Ruth. Historically, the Western Pacific has been faced with colonialism, militarism, racism, and authoritarianism. Recent years have given rise to a pattern of self government and a desire to control their future.
- k. "An Overview of Contemporary Trends in Public Administration Practices and Education in Asia and the Pacific" by Dr. Raul P. Guzman. Dr. Guzman divided his discussion into four (4) parts. They were:
 - 1. History. Developed countries have exploited developing countries as a way of life. The degradation of these countries resulted in damages to the environment and led to a concern towards economic conditions in these countries.
 - 2. Restructuring. The objective in restructuring a government is to reinforce democracy. There has been a move on to decentralize government power moving it to the grass roots. This has resulted in improving the self reliance of the people.
 - 3. Accountability in Government Service. Increased auditing programs and separation of powers minimizes the abuse of power through graft and corruption. Many countries have been faced with this dilemma.
 - 4. Summary. The generic term of the word Public refers to either people or government. The ethical standards expected of governments must be held in high esteem.
- 1. "Future Tax Policies and Revenue Alternatives for Guam: Anticipated Benefits (or, Taxation with Representation)" by Senator Carl T. C. Gutierrez. Guam mirrors the United States tax law and as such, any rewriting of the tax law must result in better conditions. Some of the conditions which must be met are: no double taxation, taxes must raise the same revenues in five years as it did in the previous five years, and taxes must not discriminate against any U.S. citizen. Guam will be allowed to tax income from whatever place the income is earned. In May 1990, A tax commission was established to develop a model of Guam's economy. The goals of this commission are to generate revenue, simplify the tax code, and provide equitable and efficient tax treatment at a minimum cost. Guam is desirous of "Taxation with Representation".

- m. "Federal-Territorial Relations: A Proposed Strategy for Enhancing Guam's Ability to Improve Federal Policies Impacting the Island" by Senator Marilyn Manibusan. She pointed out two (2) questions which need to be answered.

1. Why should Federal policies help us?
2. How should we consent to Federal policies?

Americans have the right to dissent. Should the Constitution be changed to give the people of Guam the full rights of the American people? The Commonwealth of Self Determination's goals are to: 1) end the Federal government's powers over Guam, 2) shift away from the paternalistic laws applied by the United States, 3) wrap these changes in a package, and 4) give the people of Guam the right to determine their own future. To generate changes in the Federal government's view of Guam will come about from our demonstration for better government.

- n. "Alternative Political Status Futures and Strategies for Guam" by Dr. Robert F. Rogers. Statehood was what the people originally wanted but the government realized that this was unattainable. It was realized that the avenue to statehood could be achieved through the Commonwealth route. In 1980, the then Governor Ricardo Bordallo, set the following direction to achieve the goal of Commonwealth status: 1) attain Commonwealth, 2) once achieved, write a Constitution for Guam to include those things not granted in the Commonwealth by the United States, 3) locally pass the draft of the Constitution and then send it to Congress for their approval. If the Congress did not approve the Guam Constitution, then seek the assistance of the Supreme Court of the United States, 4) once approved, seek reunification of the CNMI with Guam, and 5) become a state of the United States. Eleven years later, we have sidetracked from our original goal and pulled further away from the United States. Chamorro rights is a legitimate issue. The last administration did not follow the original Bordallo plan and consequently has encountered resistance from the United States. The current administration has given the United States government an ultimatum - accept what the Government wants or to reject the request.

- o. "An Assessment of Guam's Educational System and a Proposal for Reforms" by Senator Madeleine Z. Bordallo. Senator Bordallo pointed out that annually over \$5,000 is allocated per student in the Public schools and

\$8,000 is spent per student in the University of Guam. Yigo and Dededo have increased in population by 40% over the last few years. Guam will need 6 new schools by year 2000. The Department of Education must computerize [link] their operations, they must centralize funds, schools must be upgraded, dropouts reduced and they need an elected Board of Education wherein the Department of Education Director reports to the Board. Guam's educational problems have become more acute over the years.

- p. "The University of Guam's Expansion Plans in the Western Pacific and Asia" by Dr. Wilfred P. Leon Guerrero. With the large foreign investments in the island, Guam has entered the era of prosperity and is a member of the international world economy. Today foreign investment has exceeded Federal expenditures in the island. As a result, employment has risen, land prices have increased, and we have developed greater economic freedom from the outside world. The University's \$80 million expansion of the campus is scheduled to be completed by 1995. Today, we have improved our curriculum along with the faculty to teach it.
- q. "UOG's Role in Managing Growth and Change in Guam and the Western Pacific" by Dr. Robert A. Underwood. Dr. Underwood's theme was to confront issues and problems from a position of strength.

NEWSBRIEFS

The Department of Commerce receives a wide variety of publications for departmental use. These publications are available for public review. Publications are received periodically and filed in our library. The following is a listing of Directories that may be reviewed upon request.

1. 1989 BRISBANE-Telecom Yellow Pages
2. 1990 WORLDWIDE GOVERNMENT DIRECTORY
3. 1984 Directory of Offices and Affiliates of Japanese Companies in the U.S. and Canada
4. 1989 National Directory of Addresses and Telephone Numbers
5. Western Samoa National Trade and Investment Directory-1986
6. 1988 White Pages Brisbane
7. GTE Hawaiian Tel Yellow Pages-1989
8. GTE Hawaiian Tel-1989
9. 1984 Fifteenth Edition U.S. Italy Trade Directory
10. 1984 California Manufacturers Register
11. 1990 Pacific Business Telephone Directory
12. FORTUNE-Investment Information Directory
13. 1984 SINGAPORE MANUFACTURERS' ASSOCIATION DIRECTORY
14. 1990 National Directory of Addresses and Telephone Numbers
15. Hong Kong Trade Development Council-1988
16. FIJI Products Directory 1986/87 3rd Edition
17. FIJI Products Directory 1990-91
18. 1990 Korea Directory
19. 1988 Singapore Exporters
20. 1986 New Zealand Export Yearbook
21. AMERICAN EXPORT REGISTER 1990 Vol. I Indices/Products & Services
22. AMERICAN EXPORT REGISTER 1990 Vol. II Products & Services (Con't)/Company Profiles
23. Exports of the Republic of China 1988-89
24. Exports of the Republic of China 1989-90
25. U.S. Export Opportunities to Japan-1978
26. 1989 Hawaiian Agricultural and Food Products Export Directory
27. Investment New Zealand 1990
28. Buy & Sell in Spain-An industrial power. A market of endless possibilities 1988-89
29. Exports from South Australia 6th Edition 1990
30. Export Directory of Columbia 1989 Edition
31. ASIA 1990

For further information and a more complete listing, please feel free to contact the Department of Commerce, Business and Overseas Affairs Division at 646-5841/4.