

On My Mind

3/03/06

Even the Saipan Chamber of Commerce says CNMI's minimum wage should be raised. The theory is that if people had more money to spend they would buy more, which would mean stores would sell more, which means stores would have to hire more people - all of whom would pay more income taxes - and that stores would pay a higher business gross receipts tax, and in the end, the result would be a significant increase in government revenue - all because of an increase in the minimum wage.</P>

Though the Chamber qualifies its support - it wants a tiered system, and maybe there's nothing wrong with that - the question is, if increased wages do increase revenue, what impact on the CNMI's economy will it have if, instead, Governor Fitial cuts government salaries, as he has said he intends to do? Another question: will that affect revenue more or less than cutting the size of the government work force?</P>

It is true that the increase in the minimum wage would affect the private sector, whereas the cuts in pay proposed by the governor would affect the public sector. And again, the question is, which has more effect on the economy? Does anyone have an answer?</P>

Seems as though the government would benefit from the services of an economist. Not your text- book economist, with theories and high-falutin' language, but a pragmatic, down-to-earth economist who understood statistics and knew how to analyze them, who understood local market forces and knew how to apply them, who was willing and able to speak out on where problems were and knew how to identify solutions.</P>

What the CNMI seems to be getting instead is a fair amount of knee-jerk reaction - sort of a band-aid approach - to admittedly severe problems - with no attention to longer-term impacts.

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The announced intent of the governor to scrap the concept of the former Garapan fishing base as a community fish and produce market, as a venue for arts and crafts and related ventures, in favor of another big hotel seems an equally short-sighted, band-aid approach. Hotels don't really need beach access. Oahu is full of thriving hotels that bus their guests to Waikiki beaches, and the CNMI should follow its example - there's plenty of land in cooler uphill areas that could be used and that would give guests a great view of the lagoon, Managaha, or whatever.</P>

That would leave the fishing base available for the plan that has been developed for it, which would not only meet local community needs, and but also leave a much-needed open vista in the Garapan area, as well as become a major tourist attraction on its own merits. Much has been said of late of the need to bring the local culture, indigenous ways, closer to the tourists, to develop something unique to the CNMI that other tropical areas do not have. The fishing base plan would have done exactly that.</P>

The Governor might want to think again about whether or not he isn't "cutting off his nose to spite his face" as the saying goes, by throwing out the idea of a cultural center and replacing it

with another vista-blocking, infrastructure-consuming, environmentally-disruptive, huge, ungainly, commercial hotel or other development.</P>

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According to press reports the new public land agency board members will now have only advisory powers, rather than the policy-making powers granted the previous board. But if the board won't be making policy, who will? Putting such power in the hands of a single individual - that is, the governor - runs the risk of ignoring the voice of the community, the interests of those directly affected.</P>

On the other hand, finding board members capable of developing policy isn't so easy. Not for MPLA, not for the Commonwealth Utilities Corporation, not for the several other boards and commissions charged with policy-making. Policy-making isn't a skill taught in school. It's difficult to learn on the job. Locally, there aren't many good examples. Which may explain why so many boards tend to micro-manage the organizations they serve. It's much easier, more familiar territory, to debate hiring practices and decisions, contract conditions and awards, job performance and outcomes, than it is to develop policy.</P>

One solution would be to require all newly-appointed agency board members to attend a course in policy development, just as newly-appointed judges are required to attend a school for judges, and legislators are beginning to attend orientation sessions on legislative issues and functions before they take office. While new judges and justices go off-island, there is no reason why Northern Marianas College, or some other educational institution could not offer an on-island or distance-learning course for new board members.</P>

A law could be passed making it mandatory that all board members take such a course within the first few months of taking office. Or maybe the law could require that such a course be developed, and go on from there.....</P>

At which point, one could also amend the law establishing the present version of MPLA, and return policy-making powers to its board.</P>

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While the new law was passed with astounding speed, as Senator Frica Pangelinan said earlier this week, there did not seem to be any alternative for halting the MPLA board's outrageous behavior. And given attorney Howard Willen's participation in the matter, one has to conclude that if there had been one, he would have been able to find it. Since that was the only solution he apparently was able to come up with, so be it. MPLA's board had to be stopped. And as was pointed out, the law can be amended if need be.</P>

It was, nonetheless, unsettling to observe the steam-roller in effect.</P>

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The governor's tasteless statement that perhaps Garapan's prostitution activity could be moved to Tinian to entertain the U.S. troops that may eventually be transferred there is now being passed off as a jest. It was still an insult to the troops, in my opinion, and not very friendly to the people of Tinian either.</P>

Given, however, that the governor seems to have shown a willingness to take on difficult tasks, perhaps he will be willing to acknowledge that the prostitution will not go away, and that the best thing to do about it is to clean it up and legalize it. Require business licences, require regular periodic health tests, collect taxes on the revenue. I still like the idea of putting it in Marpi somewhere, so that tourists who want to take advantage of sex for sale will have to go seek it out, and those tourists who do not will no longer be pestered by the "ladies of the night."

Taxi drivers would have to be closely monitored, though, to make sure that they don't take unfair advantage of their customers. The funds to provide such monitoring - for the taxis and the Marpi area - would come from the revenue generated by the sector.

Here's a project for one of those environmentally-oriented consultants out there: how about tallying the frequency with which certain shorelines show up on the Division of Environmental Quality's "red flag" beach report?

Seems to me that the Tanapag beach shows up pretty consistently. I'm not so sure about the other northern beach sites - Public Works beach seems to appear quite often - though not the Aqua Resort or Nikko Hotel beaches. So what is there out there - if my perception is correct - that is causing all the pollution? Is there a sewer outfall that's too close to shore? Or broken? Or? And, more importantly, what can be done about it?

At one point there was promise from CUC that the sewer lift station in Tanapag would be moved.

But the billboard that announced the project - though without a start date (how's that for false advertising, raising expectations?) - has long since disintegrated, and the lift station is still there. If that is the problem, why isn't it getting fixed?

Short Takes:

- Did anyone catch the short paragraph in Monday's *Pacific Daily News* that Japan's Liberal Democratic Party was considering legalizing gambling parlors in an effort to attract more foreign tourists? Sounds familiar, doesn't it? Wonder if it will work any better for the Japanese than it has here.

I've yet to find anyone willing to tell me how much money has to be put into CNMI's poker machines to generate the \$35 million in revenue said be produced by the industry. Would it be double, or triple the revenue? More? How much more? Nor have I found anyone willing or able to tell me what it would do to the economy if that sum were instead put into the economy directly - into food and clothing and medicines and education and other services. Worth pondering!

- Patrick Guerrero of the Water Task Force reported at the Chamber of Commerce meeting earlier this week that some 5,000 smart water meters have now been installed - but only about 1,000 are tied into the accounting system. The other 4,000 customers are still paying on an estimated-use basis. There's another source of revenue that's sitting idle.

- The CNMI Attorney General's Office web page still carries only October's *Common-*

wealth Register. Whose responsibility is it to make that available to the public, anyway?
- There must be 20 cars parked across from the Kristo Rai Church in Garapan with for sale signs in their windows, while normally there are one three or four. It's been said that the number of cars there is an indicator of the economy.....</P>

Movies this week: 2 R's, 3 PG-13's, 3 PG's. I'd recommend "Eight Below," "Memoirs of a Geisha."</P>