

On My Mind

11/28/08

There are some interesting stories in the recently released report "Economic Impact of Federal Laws on the CNMI," which the *Saipan Tribune* has been reporting on over the last several days. The story, for instance about future jobless locals taking on, in desperation, jobs in the tourism and hospitality sector which, given the increase in minimum wage, they don't find all that objectionable anymore, and the consequent departure of foreign workers, whose jobs the locals would be taking. I'd take that as a positive outcome, rather than the negative outcome the report considers it. The report, initiated by the governor using a grant from the Department of Interior, was released last month.

Particularly interesting were the pages following the conclusion, in which the authors discuss current economic thinking on development and what leads to economic growth - especially in smaller or isolated areas; note the recognition of that problem by organizations such as the U.N., Commonwealth Secretariat and World Bank; describe the role that "founding" nations play; and define what they think the U.S. - particularly its Department of Interior - could and should do to help its territories achieve greater economic development.

Nonetheless, one should be aware that the language of the report is biased, as when it talks of an inevitable "devastating" depression, or claims that at will federal "intervention" causes instability in the CNMI economy, forgetting that it is the CNMI's failure to impose its own controls - despite repeated assurances that it would - that led to the so-called "intervention."

The biggest flaw in the report, however, is its assumption - on which all its statements of what is to come are based - that after 2014, there will be no foreign workers in the CNMI except those that can qualify under existing U.S. immigration law. It totally ignores the provision in the federal immigration law that the five-year transition period - which offers a separate CNMI-only permit, and which ends in 2014 - may be extended as often as necessary to meet the labor needs of the CNMI.

Nor does it consider any other scenario - except for a total undoing of both the federal minimum wage law and the federal immigration law - a most unlikely scenario!

What is not said in the report, and what I'd be concerned about, is that the CNMI is back to sitting on a one-legged stool, unless one counts government employment as a leg.

Not a very stable position; the CNMI desperately needs a replacement for the garment industry. There appears to be some progress in the education field. Maybe there should be more focus on how to build this into a sturdy third leg?

The CNMI's Department of Land and Natural Resources apparently thinks that selling fishing rights in waters around the CNMI to foreign fishing fleets might contribute toward that third leg of the stool. It has come up with a marine conservation plan that

would have the governor negotiating with interested foreign countries for the right to fish in CNMI-adjacent waters, with the negotiated agreement then being referred to the U.S. Secretaries of State and Commerce for a formal bilateral agreement giving the foreign country the right to fish in U.S. waters surrounding the CNMI, and with the fees and penalties apparently all going directly to the CNMI.

The first question that comes to mind is: who will patrol those waters? monitor the foreign fishing fleets? make sure they observe all the conditions of their permit? make sure that they stay within their boundaries, take only mature fish, limit by-catch, don't exceed their quotas? The CNMI doesn't begin to have the ability to do all of that.

The second question is: what effect will those foreign fishing fleets have on local fish stocks? on the catch local fishermen will find, bring in? on the regional and world stock of fish and marine life? The plan doesn't seem to consider that either.

At first it was announced that the income - from fees and penalties - would fund the final stages of the Puerto Rico dump, turning it into a park open to the public. Now it has been announced that the fees and penalties would also fund development of a monitoring system for commercial fish harvests (*after* permits have been granted to foreign fisheries???) and for local subsistence and recreational fish harvests. One wonders just how lucrative the DLNR thinks those permits will be!

There's also the optimistic assumption that all of the fees and fines would be turned over to the CNMI.

The parade of CNMI foolishness, short-sightedness continues. This week, there's been notice that yet another group visited by our illustrious governor - or one of his spokes-persons - has voted unanimously to oppose the idea of declaring the federal waters around the CNMI's northern islands a national monument. **It should be noted that in each case, the objection is not based on the merits (or lack thereof) of the monument itself, but on the false impression that the majority of people in the CNMI are opposed to the idea** - information these groups have been given by the governor. Their objections do not speak to the desirability of a sanctuary in this area of the Pacific; they ignore the monetary benefits the CNMI will receive; they apparently do not understand how the monument sanctuary might benefit them as well.

The truth of the matter is that while many government officials do object to the monument, as do a number of elected officials, these people are as often as not protecting their jobs and the jobs of family members by not publicly going against the biased position that powerful lobby groups have persuaded to the governor and his minions to take. It has been shown again and again that once people understand just what the monument declaration will do for the CNMI, they are eager to see it come to fruition.

The monument offers a chance to build a solid third leg for the CNMI economy. Yet the governor persists in blocking its realization. One has to ask why, particularly since it is now clear that neither protection of traditional practices of local fishermen, nor control over local waters - as Wes Bogden so eloquently reasoned in his letter to the

editor in both papers this week - appears to be the real issue.

Short takes:

Those interested in helping the Ballesteros family can drop contributions off at the Bridge Capital office, located in what was the HongKong Bank in Puerto Rico, at the taxi station behind DFS in Garapan, or by calling Irene Tantiado at 285-7717, who has said she is willing to go out and pick up contributions. Effren Ballesteros is the security guard who was killed during a robbery at MHS on November 17th. The money will be used, in part, to bring his body to the Philippines, and the remainder given to his two children, according to a report in the *Tribune* earlier this week.

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The same issue of the *Trib* had a big story about the Marianas Visitors Authority and Japan Travel Association training Japanese travel agents about the CNMI. When will MVA start working with Korean travel agents to do the same? or, until at least next June, Chinese and Russian tour agents? It is in those areas that tourism is increasing. Shouldn't MVA be expending some of its efforts and funding in those directions?

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Nasty note number 76: Did anyone notice that that big group picture of the administration that was issued as Education/Thanksgiving Day earlier this week did not include the Lt. Governor?

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Question of the week: Would crime rates go down if the pawn shops all closed? Who makes most use of the pawn shops, to begin with? Is there any data available on legitimate borrowers? on how often items are reclaimed? Are there rules that dictate how long an item must remain available for reclaiming? The coconut wireless says that so few burglary and theft items are ever recovered because the pawn shops send them off island right away. If that's true shouldn't the law be changed - for other than just copper?

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On a brighter note: Thanksgiving was yesterday, and there is much to be thankful for: for one's health, for one's family, for the pleasant days of this season, for the beauty of the CNMI, as well as for the hope offered by our president-elect in his recent state-statements, in the well-reasoned and deliberate appointments he has already made, in the aura of positive change that surrounds him and his family.