

Only physical economy methods will solve Saipan's problems

by Carl Osgood

On May 24, Global Survival Network, a Washington, D.C.-based human rights non-governmental organization (NGO), released the results of an undercover investigation into the garment industry and forced prostitution on the island of Saipan, the largest island in the Commonwealth of the Northern Marianas Islands (C.N.M.I.), a U.S. territory. That evening, ABC's "20/20" program aired a 15-minute story that drew heavily on GSN's report, including segments of an undercover video that GSN released earlier that day. These salvos were the latest in a campaign to pressure Congress to close the legal loopholes that have allowed a sweatshop-based garment industry to flourish, a campaign which began with the filing of several class-action lawsuits last January (see *EIR*, Feb. 26, 1999).

Since the lawsuits were filed, the battle to end the horrendous conditions on the island has escalated. In March, members of a Congressional delegation led by House Resources Committee Chairman Don Young (R-Ak.) were confronted by immigrants who had been brought to the island by job-recruiters, protesting working conditions and the failure of the local administration to address their plight. In April, bipartisan legislation was introduced in both Houses of Congress to prohibit the use of the "Made in the U.S.A." label in garments manufactured with immigrant labor on Saipan. Also in April, the law firm of Milberg, Weiss, Bershad, Hynes and Lerach, the lead firm in the class-action suits, issued more than 150 subpoenas to 17 U.S.-based retailers, seeking "full disclosure" of the retailers' involvement in producing garments "under intolerable work and living conditions" on Saipan, and all documents "relating to the consideration, determination or decision" by the retailers to purchase apparel made in Saipan.

On May 13, Frank Murkowski (R-Ak.), the chairman of the Senate Energy and Natural Resources Committee, introduced legislation to require the Department of Justice and the Immigration and Naturalization Service to develop and impose appropriate immigration standards for the C.N.M.I. Murkowski expressed concern about a "fragile economy that is becoming ever more dependent on a system of imported labor," at a time when unemployment among local U.S. citizens is 14.5%. He added, "The recent downturn in tourism as a result of economic problems in Asia has only served to aggravate the situation in the Marianas, increase the pressures on public sector employment, and tighten the dependence on

imported labor for the private sector, mainly garment manufacturing."

Slave labor on videotape

The most explosive development so far, however, has been Global Survival Network's undercover video and report that was released on May 24. GSN executive director Steve Galster, who conducted the investigation, described the C.N.M.I. as a "major center" of human trafficking by a syndicate ranging all over East and South Asia that is profiting from its trafficking to Saipan by about \$4,000 a head. "With nearly 40,000 victims now on Saipan," he said, "that represents \$160 million in profits to this syndicate." This syndicate not only supplies the demand for workers of the garment, hotel, and construction industries, but there is also a thriving sex trade, that primarily serves vacationing Japanese businessmen. The women are mainly Filipino and are recruited to be waitresses, hotel workers, and the like. When they arrive on Saipan, they discover a different reality.

Both the GSN report and the "20/20" broadcast featured the role of House Majority Whip Tom DeLay (R-Tex.). Positing as a garment buyer, Galster interviewed Hong Kong businessman Willie Tan, the owner of at least three of the garment factories on the island and the most dominant figure in local politics. In the interview, Tan boasted of his relationship with DeLay: "I have a real good friend of Tom DeLay, and Tom tell me, say, Willie, as long as we [Republicans] are in power, they can't even see the light at the end of the tunnel. . . . So now, it going to be two years, because Tom become real powerful this Congress, because Tom is the one who basically do—is the peacemaker. So guaranteed next two years, no problem. Now, it look like George Bush son will become next President. . . . Quite possibly. If we are Republican, we have no more problem again, so we are going to have six years."

Tan later added that DeLay promised him that because he controls the House schedule, no legislation addressing minimum wage and immigration problems in the Marianas will get to the floor. He also credited DeLay with pressuring Young not to hold hearings on the islands' labor and immigration situation.

Galster, as have 13 other NGOs including Global Exchange and the American Bar Association's East European Law Initiative, has sent a letter to Attorney General Janet

Reno summarizing the investigation. "We urge you to make available whatever resources are necessary to bring to justice those in Saipan who would so brazenly traffic in labor of fellow human beings," the letter reads. "And we ask that you also investigate whether Congressman Tom DeLay may have improperly promised the use of his elective office to protect and defend criminal enterprises on the island of Saipan."

DeLay, through a spokesman, has defended his actions as "above board," and he continues to oppose any Federal legislation intended to address Saipan's problems. DeLay's friend, Tan, filed a lawsuit against GSN within hours after the video was released, charging defamation and "violation of privacy." A spokesman for C.N.M.I. Gov. Pedro Tenorio called the ABC "20/20" report "pathetic" and not worth responding to.

Economics and human dignity

However, all of this avoids the real issues, not only of what constitutes sane economic development of the Marianas, but also the C.N.M.I.'s relationship to the United States, and by implication, the relationship of the United States to the Asian nations that are the sources of Saipan's imported labor. One of the problems in the approach of the human rights NGOs and some members of Congress is that the slave-labor issue on Saipan may become a wedge between the United States and China. For example, Rep. Bob Franks (R-N.J.) blames the situation almost entirely on China, because most of the garment factories are owned by Chinese or Hong Kong businessmen.

Unfortunately, the human rights NGOs involved in exposing the sweatshop conditions on Saipan, and the C.N.M.I.'s critics in Congress, oppose the very economic measures that would provide the long-term solutions to Saipan's dilemma. For example, GlobalExchange outlines a plan on its website for an alternative to globalism, that not only rules out further development of nuclear energy as an energy source, but also calls for its phase-out, along with the phase-out of fossil fuel energy sources. The C.N.M.I.'s critics also refuse to abandon free trade policies, such as those that have caused so much havoc in Mexico. For example, Al Meyerhoff, the lead attorney in the class-action lawsuits, argued in a commentary in the April 10 *San Francisco Examiner*, that closing the legal loopholes, that is, imposing Federal minimum wage and immigration standards, "is not the solution, but it is a step toward implementing the true principles of free trade." Congressional critics of the C.N.M.I. also are strong defenders of free trade.

Not only must the question of sensible economic policies for the C.N.M.I. be taken up, but also a new relationship between the United States and the nations of East and South Asia whose national economic development has always been limited by external conditions, most notably by the forces of globalism. The Philippines, for example, has exported 6 million of its workers, and in Cambodia, where Tan has just set up another garment factory, most of the people have never

held jobs because of the wars that have ravaged that country since the 1960s. Only government-to-government economic cooperation based on infrastructural development and export of U.S. capital goods, will begin to address the problems of these nations.

As for Saipan itself, or any similar island economy, a comparable approach must be taken. In 1968, the engineering firm of Hawaii Architects and Engineers, Inc. developed a master plan for the development of Saipan. Elements of the plan included transportation, land use, community facilities, utilities, community appearance, and implementation. The plan calls for the expansion of existing harbor and airport facilities and upgrading of the road system. It proposes residential development for a population in the range of 30,900 to 58,000 people, all to live in single-family dwellings or apartments. It includes plans for commercial development and municipal facilities, such as shopping centers, schools, and government buildings, designed to be both functional and pleasing in appearance.

The plan places great emphasis on agriculture as part of Saipan's future. The plan would set aside 45% of the islands' 46 square miles, and suggests that fruits and vegetables and dairy farming would be highly profitable. Agriculture, it says, "is a prime economic potential for Saipan and other islands in the Marianas, including Tinian and Rota." It adds, "Intensive cropping of areas of good soil as small as 10 acres can be highly profitable."

Such intensive development of agriculture would have implications for the water supply. A 1985 U.S. Geological Survey water resources report provides evidence that suggests that the naturally available groundwater resources might be insufficient to support the kind of development envisioned in the master plan of 1968, but this problem could be overcome by the addition of nuclear-powered desalination—as similarly proposed by Lyndon LaRouche in his Oasis Plan for the development of the Middle East. Such a development approach, with the inclusion of nuclear power and high-technology light industry, would provide the basis for transforming the Marianas' economy from dependence on a low-skilled, imported labor force which produces largely for the benefit of a handful of businessmen, to one which demands a highly educated, highly skilled labor force producing to raise the average per-capita living standard of the entire population.

The purpose here is not to provide a detailed plan for developing Saipan, but rather a model for how it can be done rapidly, since, for strategic reasons, other parts of the world are demanding greater attention in the near term. Only LaRouche's proposals for reorganizing the global financial system, however, can provide the framework under which both the economic development of Asia as a whole, and the local problems of the C.N.M.I., can be addressed. However, this requires jettisoning both the Malthusian assumptions of environmentalism and the anti-government assumptions of free trade.