

THE IMPACT OF THE COMPACTS OF FREE ASSOCIATION  
ON THE UNITED STATES TERRITORIES AND COMMONWEALTHS  
AND ON THE STATE OF HAWAII

Pursuant to Public Law 99-239  
Section 104(e) (2)

Submitted by the Office of Insular Affairs  
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## EXECUTIVE SUMMARY

The most significant adverse consequence of the Compacts of Free Association is the increased cost of providing housing, health, education, and other social services to Micronesians migrating to Guam and the CNMI pursuant to Section 141 of the Compacts. We estimate that 8,300, 1,450, and 1,200 Micronesians have migrated to Guam, the CNMI and Hawaii, respectively, since implementation of the Compact with the Federated States of Micronesia and the Republic of the Marshall Islands. To the extent that these migrants have created additional net costs to insular governments, this adverse impact has been somewhat mitigated by the eligibility of Micronesian migrants for certain Federal social programs and the availability of financial and technical assistance.

To further respond to this impact, we recommend:

(1) initiation of a coordinated Federal-insular review of Federal programs that affect Compact impact to make adjustments to mitigate the impact; (2) implementation of nondiscriminatory limitations on habitual residence of citizens of the freely associated states in Guam and the CNMI; and (3) support for continued availability of financial and technical assistance through OIA, including those funds mandated by P.L. 104-134.

## TABLE OF CONTENTS

Introduction	1
1. Background	3
a) Statutory History	3
b) Summary of Reports and other Actions of the Administration	4
c) OTIA/OIA Programs and Grants to Measure and Mitigate Impact	6
d) Actions of other Federal Agencies to Mitigate Impact of the Compact	7
e) Appropriations by the Congress to Cover Costs of Services	8
II. The Report	9
a) Immigration	9
b) Trade	13
c) Taxation	13
d) Labor Laws	14
e) Minimum Wages	14
f) Social Systems and Infrastructure	14
g) Environmental Regulation	14
III. Recommendations	15
Appendix A): Micronesians Migrants to Guam and the Commonwealth of the Northern Mariana Islands	
Appendix B): A Chronology of Significant Actions of the Department of the Interior regarding Impact of the Compact	
Appendix C): Letter from Governor Lutali of American Samoa regarding Impact of the Compact	

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**Introduction:**

Since 1987, the Office of Territorial and International Affairs (OTIA), now the Office of Insular Affairs (OIA), has been active in evaluating and helping to mitigate the impact of the Compacts of Free Association on the insular areas of the United States. Section 104(e)(1) of P.L. 99-239, established congressional intent to avoid causing adverse consequences for the United States insular areas and Hawaii. Section 104(e)(2) provided that the President should report to Congress on the adverse consequences of the Compact, with particular attention to trade, taxation, immigration, labor laws, minimum wages, social systems and infrastructure, and environmental regulation.

It has become apparent that the concerns of the insular areas, particularly Guam, are focused on section 104(e)(6), which authorized the Congress to appropriate an unspecified amount to "cover the costs ...resulting from any increased demands placed on educational and social services..." In response to this concern, after submitting an impact report to Congress in 1989, OTIA began a major effort to provide technical assistance to Guam and the CNMI to improve their ability to determine the number of migrants under the Compact, and to help them evaluate the financial impact of these migrants on their governments.

Guam began to issue impact reports in 1991, using data based in part on OTIA statistical program assistance. Like any complex data gathering effort, these reports were subject to some errors and questionable assumptions. Some major problems with the data were identified by the Interior Department's Inspector General (working entirely independently of OTIA, as is required by law). In response to the Inspector General's recommendations and requests by the Government of Guam, OTIA prepared guidelines to help Guam's submissions better fit the requirements of the authorization in P.L. 99-239. The Government of Guam has utilized these guidelines in its recent reports. However, Guam and OIA have not reached complete agreement on the methodology for estimating financial impact; such agreement is not likely to be reached, given the complexity of the undertaking.

During the 1990's, congressional appropriations have been subjected to extremely strict rules that require, in effect, that an offset be identified for each new appropriation. Not until 1995 did the Administration find and recommend a way to institutionalize Compact impact assistance to Guam. Through the Omnibus Consolidated Rescissions and Appropriations Act of 1996, enacted as P.L. 104-134, \$4.58 million was appropriated for Guam in 1996 and mandated for each year through 2001, for a total of \$27.5 million. At the same time, infrastructure funding was continued at a level of \$11 million annually for the CNMI to meet the total amount negotiated in the 1992 Special Representatives Agreement on financial assistance.

Once it became apparent, by 1990, that there was a substantial financial impact on Guam (and, to a lesser degree, the CNMI), Interior Department testimony and correspondence with Congress frequently recognized that impact. Testimony by representatives of Guam, the CNMI, and the Department of the Interior played a role in Congress's decision to appropriate impact funds. It is also important to note that changes recently made by Congress in the eligibility of aliens for Federal social programs are likely to reduce or eliminate the availability of Federal assistance programs to Micronesians.

This report is directed at the specific reporting requirements of P.L. 99-239. It provides comments on those matters requiring "particular attention" under that law. Appendix A to the report contains the required detailed information about the numbers and characteristics of Micronesians who have moved to Guam and the CNMI since the Compact was implemented.

The financial impact of Compact immigration is not specifically dealt with in this report, but the information on numbers of immigrants should permit more accurate estimates of costs to be made by the insular governments. OIA will continue to gather and improve the quality of the data required for the completion of this and future reports.

**I. Background:**

**a) Statutory History:**

Public Law 99-239 of January 14, 1986, implementing the Compact of Free Association with the Marshall Islands and the Federated States of Micronesia, states in section 104(e)(1):

(1) STATEMENT OF CONGRESSIONAL INTENT.--In approving the Compact, it is not the intent of the Congress to cause any adverse consequences for the United States territories and commonwealths or the State of Hawaii.

In addition, paragraph (e)(2) of section 104 established the following reporting requirement:

(2) ANNUAL REPORTS AND RECOMMENDATIONS.--One year after the date of enactment of this joint resolution and at one year intervals thereafter, the President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii. Reports submitted pursuant to this paragraph (hereafter in this subsection referred to as "reports") shall identify any adverse consequences resulting from the Compact and shall make recommendations for corrective action to eliminate those consequences. The reports shall pay particular attention to matters relating to trade, taxation, immigration, labor laws, minimum wages, social systems and infrastructure, and environmental regulation. With regard to immigration, the reports shall include statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report. With regard to trade, the reports shall include an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia and the Marshall Islands.

Paragraph (e)(3) provides that the President should request the views of the Governments of each insular area and Hawaii and should transmit them as part of the reports.

Paragraph (e)(4) is directed at the Congress:

(4) COMMITMENT OF CONGRESS TO REDRESS ADVERSE CONSEQUENCES.--The Congress hereby declares that, if any adverse consequences to United States territories and commonwealths or the State of Hawaii result from implementation of the Compact of Free Association, the Congress will act sympathetically and expeditiously to redress those adverse consequences.

Paragraph (e) (5) defines U.S. territories and commonwealths to include Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands.

Paragraph (e) (6) authorizes the Congress to appropriate funds to help meet the commitment of paragraph (e) (4):

6) IMPACT COSTS.--There are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, such sums as may be necessary to cover the costs, if any, incurred by the State of Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands resulting from any increased demands placed on educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia.

Section 102(a) of P.L. 99-658 applied all of section 104 of P.L. 99-239, including the reporting requirement, by reference, to the Compact of Free Association with the Republic of Palau, which entered into force on October 1, 1994.

b) Summary of Reports and other Actions of the Administration:

The Department of the Interior's ability to issue formal reports has been hampered by the lack of adequate data. Nevertheless, since 1987, the Department has dealt with impact issues through a variety of reports, testimony, technical assistance grants, and support for congressional appropriations. A list of these actions is attached as Appendix B.

In 1987, OTIA entered into an agreement with the Pacific Basin Development Council (PBDC) to gather information and prepare a report on the impact of the Compact. After several visits to insular areas and meetings with Administration and congressional staff, the PBDC submitted a draft report in November 1987. The draft identified some specific problem areas but it concluded that the data and data-gathering systems in existence were inadequate to establish the number of freely associated states citizens availing themselves of the right to enter the United States.

In 1989, OTIA transmitted a report to Congress on the impact of the Compact, citing limited available data on Micronesians who had moved to Guam and the CNMI and it discussed the impact on each of the these areas. The report set in motion a major effort by OTIA, conducted primarily through its technical assistance program, to gather more information about the migration of Micronesians to U.S. insular areas. This report also transmitted the first of a series of annual impact reports by the Government of Guam to the Congress.

In each year from 1990 onward, Interior officials testified at hearings before the House Committee on Appropriations, Subcommittee on Interior and Related Agencies, regarding the impact of the Compact. On May 9, 1991, Assistant Secretary Stella Guerra stated to that subcommittee that Micronesian migrants "are also straining local government resources and programs for education, health care, housing and public safety." She supported technical assistance programs and additional assistance from other Federal agencies to help mitigate the impact.

On April 1, 1992, John Schrote, Assistant Secretary for Policy, Management and Budget, wrote to the Subcommittee, expanding on OTIA testimony. He summarized OTIA technical assistance grants to Guam and the CNMI for impact evaluation and mitigation. He also noted that Guam and the CNMI had submitted claims for reimbursement of financial impacts of the Compact in the amounts of \$27.9 million for Guam and \$16.4 million for the CNMI. These amounts were based on the assumption that there were no positive effects, but in fact both areas enjoyed significant benefits from the inflow of Micronesian citizens as workers and taxpayers in their growing and labor-short economies. Finally, Assistant Secretary Schrote stated the Department's willingness to continue its technical assistance programs to augment programs of other agencies and it invited insular governments to request additional budgetary assistance not available through existing programs.

In June 1993, the Interior Department's Office of the Inspector General (IG) issued a report critical of Guam's report on the impact of the Compact on the Government of Guam. It criticized Guam's methodology in failing to establish baseline data from which to measure increased Micronesian populations. The IG also criticized Guam's inclusion of costs covered by Federal programs and costs Guam is not required to pay, and for omitting positive impacts of Micronesian immigration. The report recommended that OTIA submit guidelines to the Government of Guam for preparation of its report.

The guidelines recommended by the Inspector General were submitted with a letter on January 10, 1994 to Governor Ada from Assistant Secretary Leslie Turner. They proposed that the costs of increased demands should be calculated from pre-Compact baseline data, that costs covered by Federal funding should be excluded, and that costs should be better documented. Specific guidelines were provided for major programs such as education. However, formulas for cost calculations were not included. Subsequent reports by the Government of Guam made use of some of the guidelines. The reports continued to show a major impact of Micronesian immigration on the Government of Guam, particularly on the Department of Education and the Department of Public Health and Social Services.

c) OTIA/OIA Programs and Grants to Measure and Mitigate Impact:

Technical assistance constituted a major part of the Department's efforts to measure and mitigate Compact impact. From 1989 through 1996, 11 grants totalling \$2.8 million were provided to Guam and 4 grants totalling \$1.2 million were provided to the CNMI for impact purposes, as follows:

Guam

Collection, analysis of migration data:	1989:	\$138,000
Census of Micronesians:	1992:	\$23,650
Census of Palauans:	1995:	\$45,000
Education and Information Program:	1991:	\$150,000
	1992:	\$301,000
	1993:	\$179,000
	1995:	\$72,000
	1996:	\$146,489
Compact impact mitigation:	1992:	\$592,440
	1993:	\$594,900
	<u>1994:</u>	<u>\$600,000</u>
	<u>Total:</u>	<u>\$2,842,479</u>

CNMI

Compact impact mitigation:	1992:	\$400,000
	1993:	\$396,600
	1994:	\$400,000
Census of Micronesians and Palauans:	<u>1993:</u>	<u>\$39,050</u>
	<u>Total:</u>	<u>\$1,235,650</u>

Guam received \$1,787,340 to mitigate impacts, \$848,489 to assist Micronesians in assimilating into Guam's society, and \$206,650 to collect migration data and conduct censuses of the Micronesian and Palauan populations on Guam. The CNMI received \$1,196,600 to mitigate impacts and \$39,050 for a Census of Micronesians and Palauans.

In addition, more than \$100,000 for Guam and nearly that amount for the CNMI in technical assistance for statistical training and enumeration assisted in improving the capability of Guam and the CNMI to measure impact. OIA also provided the services of Dr. Michael Levin and other Census Bureau experts to advise and train Guam and CNMI statisticians. Those programs contributed significantly to the ability of the Department and the insular areas to prepare migration data contained in Appendix A to this report. They also helped Guam to prepare

its annual report on financial impact and will permit the CNMI to do likewise if that Government chooses to prepare such a report.

d) Actions of other Federal Agencies to Mitigate Impact of the Compact:

The Office of Insular Affairs continues to work with other federal agencies to ensure that Federal programs and laws are applied in ways that will lessen the impact of Micronesian immigrants on insular areas. This activity will take on added significance as Federal laws and regulations are reducing or eliminating assistance to aliens. The primary forum for discussion of impact issues has been and will continue to be the Interagency Group on Freely Associated State Affairs (IAG).

Immigration and Naturalization Service (INS): In a series of IAG meetings, agreement was reached to change the system by which INS keeps track of Micronesians arriving on Guam. INS has changed from the use of multiple entry I-94 forms to single-entry forms for aliens arriving on Guam. The forms will be collected when the alien leaves Guam, thus permitting INS to keep a record of Micronesians remaining on Guam. Guam Customs also keeps a record of arrivals, making a useful cross-check. This improved system will not only provide an up-to-date count of the number of Micronesians on Guam, but will also provide a list of those who remain on Guam longer than one year.

In the CNMI, immigration is under local control. OIA has provided \$1.5 million in technical assistance funds to the CNMI to develop a computerized Labor and Immigration Identification system (LIIDS) to track and control the influx of alien workers and to manage the entry and exit of visitors. The prototype has begun to log labor and immigration data and the project is expected to be completed by December 1997.

Section 141(b) of both Compacts authorized limitations on the establishment of residence beyond one year. We will explore with Federal agencies and with Guam and the CNMI making greater use of this provision to limit Compact impact.

Health and Human Services (HHS): While not directly related to the impact of Micronesian migrants on insular areas, the 25 percent increase in the cap on HHS cash assistance programs for FY 1997 and succeeding fiscal years will increase the total funds available to Guam for provision of health, income support and social services to its residents. The President had supported this increase, as indicated in the June 7, 1996 letter from HHS Secretary Shalala to Governor Gutierrez of Guam. The increase was recently enacted in P.L. 104-193, the welfare reform legislation. While some of this increase may be needed to implement new statutory requirements, the increase

should mitigate some of the financial burden experienced by Guam in the financing of its cash assistance programs, including the impact of Micronesians. Secretary Shalala's letter also described other measures to improve administrative support for its programs in the Pacific and HHS willingness to work with Guam and Interior to resolve problems resulting from immigration from Micronesia.

Welfare Legislation: Recent welfare legislation restricts the availability of Federal welfare programs to most nonimmigrant aliens. We are exploring with other Federal agencies the possibility of mitigating any adverse effects of Micronesians present in the insular areas as a result of the Compacts.

Housing and Urban Development (HUD): HUD has issued a final ruling stating that freely associated state citizens are ineligible for section 8 housing assistance. When this ruling is implemented at the Federal level, the burden on Guam will increase if Guam decides to continue to provide housing assistance for these citizens. The Senate Energy and Natural Resources Committee has requested OIA to provide draft legislation that would allow section 8 housing assistance for citizens of the freely associated states in United States jurisdictions. We will be working, through the interagency process, on a response to this request.

e) Appropriations by the Congress to Cover Costs of Services:

Section 104(e)(6) of P.L. 99-239 authorizes Congress to appropriate "such sums as may be necessary to cover the costs ... resulting from any increased demands placed on educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia." Like several other sections of the Compact, this provision permitted the Appropriations committees of the Congress to deal directly with unforeseen effects of the Compact without the need for Congress to pass specific annual authorizing legislation. Nevertheless, Congress was required to act in order to appropriate funds to cover the costs resulting from increased educational and social services.

For fiscal year 1995, the Congress appropriated \$2.5 million for impact costs for Guam and earmarked \$1.6 million of the annual Covenant-related grant of \$27.7 million to the CNMI to be used for impact costs. The appropriation represented a response to testimony by representatives of Guam and the CNMI regarding the cost of providing services to Micronesian citizens. In the case of Guam, the testimony was supported by Guam's annual report on impact.

P.L. 104-134, the Omnibus Consolidated Rescissions and Appropriations Act of 1996, established multi-year mandatory

appropriations for Guam and the CNMI. Consequently, the OIA budget includes \$4.58 million for Guam's impact costs and will continue to allocate the same amount annually through the year 2001 for a total of \$27.5 million. The Department of the Interior's budget request, which assumed enactment of the Insular Development Act, was supported by testimony on March 27, 1996 by OIA Acting Director Allen Stayman: "While this migration provided Guam with an important source of labor, it also imposed significant costs on local social and education programs. The pending legislation [the Insular Development Act] attempts to mitigate this cost with \$4.6 million in annual guaranteed assistance for six years."

Although Congress did not appropriate impact funds for the CNMI for fiscal year 1996 and after, it should be noted that Covenant funding for the CNMI has covered most infrastructure expenses in the Commonwealth. Covenant funding under the second seven-year agreement, fiscal years 1986 through 1992, totalled \$228 million, including \$126 million for infrastructure. For 1993 through 1995, Covenant funding totalled \$79.16 million, all for infrastructure. For 1996 through 2002, funding of \$77 million will be provided, all for infrastructure.

## II. The Report:

The report shall pay particular attention to matters relating to:

a) Immigration: Both Compacts, in section 141(a) permit citizens of the freely associated states to "enter into, lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories..." Note that the Compact did not establish the right of such citizens to "immigrate" into the United States and insular areas.

Section 141(b) of the Compacts further states:

The right of such persons to establish habitual residence in a territory or possession of the United States may, however, be subjected to nondiscriminatory limitations provided for:

- (1) in statutes or regulations of the United States;
- or
- (2) in those statutes or regulations of the territory or possession concerned which are authorized by the laws of the United States.

Section 461(g) (subsection (e) in the Palau Compact) states:

"Habitual Residence" means a place of general abode or a principal, actual dwelling place of a continuing or lasting nature; provided, however, that this term shall not apply to the residence of any person who entered the United States for the purpose of full-time studies as long as such person maintains that status, or who has been physically present in the United States, the Marshall Islands, or the Federated States of Micronesia [or Palau] for less than one year...

Thus, the Compacts granted Micronesians the right to enter the United States or its territories to work and establish residence, but permitted nondiscriminatory limitations on their right to establish "habitual residence", defined to exclude persons either engaged in full-time studies or physically present for less than one year. In other words, citizens of the freely associated states are permitted to freely enter the territories, but after one year, non-students' rights under the Compact to remain in Guam or the CNMI may be limited. In the case of the CNMI, such persons can be repatriated under local laws and regulations. Because no such repatriation laws or regulations have been enacted or promulgated in the CNMI, that Government has made no effort to limit the number of Micronesians resident there.

In the case of Guam, however, because immigration is under Federal control, any repatriation action must be taken under Federal law or regulation. Guam authorities could limit the right of Micronesian citizens to remain after one year if it received authorization for such action from Congress.

The provision permitting immigration has given rise to virtually all of the identified impact and adverse consequences of the Compact (although the provision permitting limitation of habitual residence has largely been ignored). These consequences are discussed elsewhere in this report and, in more detail, in Guam's annual impact report and other reports.

With regard to immigration, the reports shall include statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report.

It has proven difficult to measure the numbers of persons entering insular areas under the Compact because there are no reliable baseline data for numbers of Micronesians resident in insular areas prior to the Compacts and no system of keeping track of Micronesians entering and leaving these areas after the Compacts were implemented. This situation was alleviated somewhat by analysis of data from the 1990 census. Additional data were provided by the censuses of Micronesians in Guam in 1992 and in the CNMI in 1993, and the census of Palauans in

Guam in 1995 (all under technical assistance grants). Finally, the complete CNMI census of 1995 and the Guam labor force survey of 1995 have added to our knowledge, so that better estimates of Micronesian immigration are now available and are included in Appendix A.

This report examines the impact of Compact migration on Guam and the CNMI. Until recently, these were the only two areas expressing any concern with the impact of such immigration. Just recently, Hawaii has also raised the issue of Compact impact, so preliminary statistics on Micronesians in Hawaii have also been included.

Guam: The 1990 census found that there were 2,964 citizens of the Federated States of Micronesia (FSM) and 88 citizens of the Republic of the Marshall Islands (RMI) on Guam, for a total of 3,052. Of these, 679 from the FSM and 25 from the RMI (for a total of 704) had entered Guam before 1987. The 1992 census of Micronesians found 4,954 from the FSM and 150 from the RMI for a total of 5,104. Based on the 1990-92 growth rate of about 1,000 annually, we estimate total FSM and RMI population at about 9,000 in 1996. Subtracting the pre-1987 base of 704 leaves about 8,300 who immigrated after Compact implementation. Because the censuses did not identify respondents by citizenship, some of these Micronesians may be U.S. citizens and not citizens of the freely associated states.

CNMI: The 1990 census counted 1,817 FSM citizens and 103 RMI citizens for a total of 1,920. Of these, 814 from the FSM and 67 from the RMI (for a total of 875) had entered before 1987. The 1995 CNMI census counted 2,141 from the FSM and 130 from the RMI for a total of 2,271; 1,386 of whom entered after 1986. Extrapolating to 1996 gives an estimate of 1,450 Micronesians who entered the CNMI after Compact implementation.

Hawaii: Data from the 1990 census show that there were 1,296 FSM and RMI-born persons in Hawaii in 1990. Of these, 700 arrived after Compact implementation. Extrapolating to 1996 would give about 1200 arrivals since the Compact. These numbers are probably too low and should be improved through a census of Micronesians.

Reports submitted pursuant to this paragraph...shall identify any adverse consequences resulting from the Compact and shall make recommendations for corrective action to eliminate these consequences:

As noted above, the most significant adverse consequences of the Compacts have been related to migration. Although the Compacts do not permit "immigration," there is no doubt that Compact provisions on entry have resulted in a significant increase in migration to Guam and the CNMI.

The amount of this migration is noted above and dealt with extensively in Appendix A. However, measuring the level of migration is only one step in determining "adverse consequences resulting from the Compact" Also to be determined are: to what extent the increase in migration has been "adverse" and to what extent this increase has been a "consequence" of the Compact.

There is no definitive answer to either question. There are reasons to believe that migration from Micronesia to Guam and the CNMI would have continued even in the absence of a Compact provision easing entry requirements. Both areas had a significant Micronesian population prior to the 1987 effective date of the Compact with the FSM and RMI. Both had growing economies with low unemployment and strong demand for immigrant labor, and both recruited labor from Asia as well as from Micronesia during the post-Compact period.

To the extent that Micronesians entered Guam and the CNMI in numbers additional to those who would have entered under normal immigration regulations, and to the extent that these Micronesians received services from local governments in excess of their contributions to local governments, the costs of these services are adverse consequences of the Compacts. In some cases, adverse consequences have occurred even when services have been provided by Federal programs. A significant example is in Federal housing programs, where Micronesians obtained access to subsidized housing that otherwise would have been available to local residents. Although this may not have created a direct cost to the local governments, it has been clearly perceived by housing applicants as an adverse impact. Moreover, a recent HUD ruling clarifying that non-immigrants are ineligible for Federal housing programs may help to solve this problem while creating another by leaving Micronesians in substandard housing or dependent on other locally funded programs.

Although both Guam and the CNMI have experienced considerable migration from the freely associated states, the impact on Guam is greater because the numbers of migrants are greater than to the CNMI. In addition, the CNMI had a large and well-established community of Micronesian residents prior to the Compact as headquarters of the Trust Territory of the Pacific Islands. This community has provided a familiar and supporting environment for new Micronesian immigrants. The CNMI has made more active efforts than has Guam to bring in alien workers, and has given preferences to Micronesians by treating them as local hires in the garment industry.

The larger base of Micronesian population prior to the Compact, the larger number of established Micronesian families, and the more active recruitment of Micronesians by CNMI companies suggests that the Compact played a smaller role in Micronesian

immigration to the CNMI than to Guam. This impression is supported by the fact that the rate of immigration from Palau to the CNMI was nearly equal to the rate of immigration from the FSM during the period in which the Compact with the FSM was in effect while the Compact with Palau was not. (See Appendix A.) Because the CNMI controls its own immigration, it could repatriate Micronesians under the Compact limitation on habitual residence, but it has not done so.

b) Trade: There has been no disruption or major change in trade or trading patterns attributable to the Compact. Changes made in the trade provisions of the Compact by P.L. 99-239 removed provisions that would have extended duty-free entry of all products into the United States under General Note 3(a)(iv). Thus, the freely associated states did not receive incentives to permit them to compete in products of interest to the U.S. insular areas, such as watches and garments. An exception was canned tuna, for which the freely associated states received a limited duty-free quota. However, they have not as yet made use of this benefit.

A dispute relating to trade in tuna has developed between Guam and the Federated States of Micronesia. The problem involves incentives of the FSM government to encourage foreign fishing fleets to transship tuna through their ports. This has reduced transshipment through the port of Guam, according to the Government of Guam. This dispute should not be considered an impact of the Compact because it is a result, not of free association, but of the exercise of FSM sovereignty. OIA has encouraged the Governments of Guam and the FSM to discuss the issue to reach a mutually satisfactory solution.

With Regard to trade, the reports shall include an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia and the Marshall Islands:

No canned tuna industry has been established in any of the freely associated states. As a result, no impact on the economy of American Samoa has occurred. This is confirmed by a letter from Governor Lutali (Appendix C) stating that there has been no impact on American Samoa.

c) Taxation: Provisions giving special tax treatment to incomes of American citizens residing in the freely associated states were likewise removed from the Compact. As a result, there has been no negative impact on U.S. insular areas of the taxation provisions of the Compact. Of course, immigration for purposes of employment did result in new tax collections. The net increase in tax collections is uncertain, but any additional tax revenues would offset the negative effects of migration cited by insular governments.

d) Labor Laws: No provision of the Compacts addressed labor laws in the freely associated states or the U.S. insular areas. No impact of the Compact on labor laws has been brought to our attention.

e) Minimum Wages: The Compacts did not address minimum wages, leaving them subject to local control in the freely associated states. Lower minimum wages in the freely associated states could be considered an incentive to migration to U.S. insular areas; however, this incentive has been less important than the availability of jobs in the booming economies of Guam and the CNMI. The minimum wage law in the CNMI has recently become a subject of controversy, but there is no apparent relation between this issue and the Compacts.

f) Social Systems and Infrastructure: The impact created by immigration under the Compacts has been expressed through changes in social systems and social infrastructure.

Guam, using OIA technical assistance grant funds, has conducted extensive studies of the social impact of integration of Micronesia citizens. One example is the "Guam Needs Assessment Study," issued in June 1994 by the Micronesian Language Institute of the University of Guam. The Study contains four parts: Impact of Migration on Public and Private Agencies of Guam; a Survey of Micronesian Immigrants (Coping and Access to Life Essentials); Attitudes of Residents of Guam toward Immigrants from Micronesia; and Impact of Compact Migration. The study summarizes the results of interviews with and surveys of both Micronesian migrants and local residents and contains useful insights into the social impact of the Compact.

The impact on social infrastructure, primarily schools and hospitals, has also been very significant. The most complete analysis of this impact is contained in Guam's annual report to the Congress on the impact of P.L. 99-239.

An analysis of the effects of FSM migration is contained in "New Trends in Micronesian Migration: FSM Migration to Guam and the Marianas, 1990-1993", by Francis X. Hezel, S.J., and Michael J. Levin, published in Pacific Studies, Vol 19, N. 1 - March 1996.

g) Environmental Regulation: Any in-migration, by increasing the population, has an effect on the environment and Micronesian migrants to Guam and the CNMI would be no exception. However, no impact on environmental regulation resulting from the Compact has been brought to our attention by Guam or the CNMI.

### III. Recommendations:

The most significant adverse consequence of the Compacts has been the additional burden placed on Guam and the CNMI to provide educational and social services for citizens of the freely associated states who entered those insular areas by virtue of Compact entry provisions, who have not provided offsetting benefits to the community and whose habitual residence has not yet been limited under section 141(b) of the Compact. This problem is being addressed through technical assistance from OIA, assistance programs from other agencies, and congressional appropriations covering a portion of these costs and a portion of similar costs to the CNMI Government. This approach promises some success; however, it is not likely to offset adverse impacts adequately.

Moreover, the reduction in Federal assistance program funding and the elimination of eligibility of aliens for such programs may well increase the financial difficulties of insular areas in providing services for Micronesians. This appears to be contrary to the congressional intent expressed in P.L. 99-239, section 104(e)(1) to avoid causing adverse consequences for insular areas and Hawaii. The solution that we recommend is to reduce the demand for and increase the supply of funding for programs assisting Micronesian migrants. This will require:

- 1) initiation of a coordinated Federal-insular analysis of existing Federal programs and the impact of new legislation which affects Compact impact in order to reconcile congressional intent to avoid having the Compacts cause adverse consequences for United States territories and commonwealths, and the State of Hawaii, with the new legislation;
- 2) implementation of nondiscriminatory limitations on habitual residence of citizens of the freely associated states on Guam under section 141(b) of the Compact laws;
- 3) local implementation of similar nondiscriminatory limitations on habitual residence in the CNMI; and
- 4) support for continued availability of financial and technical assistance through OIA, including those funds mandated by P.L. 104-134.

MICRONESIAN MIGRANTS TO GUAM AND THE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS:  
A Study of the Impact of the  
Compact of Free Association

by

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## TABLE OF CONTENTS

INTRODUCTION . . . . .	1
SOURCES . . . . .	4
ESTIMATES OF MIGRANTS . . . . .	4
FSM . . . . .	4
Marshall Islands . . . . .	9
Palau . . . . .	9
Guam Quarterly Labor Force Survey . . . . .	9
PROJECTIONS . . . . .	10
Projections based on 1990 Census . . . . .	10
CNMI based on 1995 Census . . . . .	12
Hawaii . . . . .	13
DEMOGRAPHY . . . . .	14
FSM . . . . .	14
1990 Census data organized by pre- and post-Compact migration . . . . .	16
Palau . . . . .	17
CITIZENSHIP . . . . .	18
SHORT AND LONG TERM MIGRATION . . . . .	19
Residence 5 years before the Census . . . . .	19
Parental birthplace . . . . .	20
HOUSING . . . . .	20
LANGUAGE USE . . . . .	23
EDUCATIONAL ATTAINMENT . . . . .	23
EMPLOYMENT . . . . .	26
Industry . . . . .	27
Occupation . . . . .	27
Class of Worker . . . . .	28
INCOME . . . . .	28
REMITTANCES . . . . .	30
CONCLUSIONS . . . . .	31
BIBLIOGRAPHY . . . . .	33

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## INTRODUCTION<sup>1</sup>

Compacts of Free Association<sup>2</sup> between the United States and the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) went into effect in late 1986, and with the Republic of Palau (ROP) in late 1994. The Compact, as a joint congressional-executive agreement, charts future relationships between the United States and the three island nations. Under the Compact, the United States funds the FSM, the RMI, and the ROP for a range of development programs, the use of United States currency, immigration privileges, federal processing of applications for air services, United States transportation of mail, and other benefits. In exchange, each Pacific nation guarantees the United States exclusive use of its land for military purposes.

Several key provisions in the Compact between the FSM, RMI, and the United States concern its impact on *United States areas*, discussed in Section 104(e) as follows:

(1) Statement of Congressional intent.

In approving the Compact, it is not the intent of the Congress to cause adverse consequences for the United States territories and commonwealths or the State of Hawaii.

(2) Annual Reports and Recommendations.

One year after the date of enactment of this joint resolution and at one year intervals thereafter, the President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii.

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<sup>1</sup> Much of the text for this report is freely adapted from *New Trends in Micronesian Migration: FSM Migration to Guam and the Marianas, 1990-1993*, written with F. Hezel, and recently published in *Pacific Studies*. Persons wishing to refer to the text should cite that document.

<sup>2</sup> Reprinted in Public Law No. 99-239, 99 Stat. 1770 (1985), amended by Public Law No. 99-396, 100 Stat. 844 (1986) and Public Law No. 99-658, Title I, Sections 103 and 104 (c), 100 Stat. 3672, 1675, 1676 (1986).

Reports submitted because of this paragraph will identify adverse consequences resulting from the Compact and shall make recommendations for corrective action to eliminate those consequences. The reports shall pay particular attention to matters relating to trade, taxation, immigration, labor laws, minimum wages, social systems and infrastructure, and environmental regulation. With regard to immigration, the reports shall include statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report. With regard to trade, the reports shall include an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia and the Marshall Islands.

(3) Other Views.

In preparing the reports, the President shall request the views of the Government of the State of Hawaii, and the governments of each of the United States territories and commonwealths, the Federated States of Micronesia, the Marshall Islands, and Palau, and shall transmit the full text of these views to the Congress as part of reports.

(4) Commitment if Congress to Redress Adverse Consequences.

The Congress hereby declares that, if any adverse consequences to United States territories and commonwealths or the State of Hawaii result from implementation of the Compact of Free Association, the Congress will act sympathetically and expeditiously to redress those adverse consequences.

(5) Definition of U.S. Territories and Commonwealths.

As used in this subsection, the term "United States territories and commonwealths" means the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(6) Impact Costs.

There are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, such sums as may be necessary to cover the costs, if any, incurred by the State of Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands resulting from any increased demands placed on educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia.

This study focuses on numbers and characteristics of Micronesian migrants to Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and, to a lesser extent, migration to Hawaii and the United States mainland.

The study will not look specifically at positive or negative "impacts". An impact is any effect on the receiving area caused by the adoption the Compact. An impact can be negative, such as

immigrants generating additional demands on public services, or positive, such as immigrants generating additional tax revenues. This project will not assess either type of impact nor will it look at *net effects* in the aggregate or by fiscal year. The study will not show the effects of the Compact in financial terms; such a study should be done, currently data are not available do to a full study.

The Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) implemented Compacts of Free Association with the United States in November, 1986. The Republic of Palau implemented its Compact in October, 1994. Before that these entities were "independent", then under Spanish control from the 1500s through 1898, then under a German regime from 1898 to 1914, then Japanese from 1914 to 1945, then under an American Administration from 1945. The FSM and RMI, together with the Commonwealth of the Northern Mariana Islands (CNMI), and the Republic of Palau were collectively the Trust Territory of the Pacific Islands (TTPI), administered by the United States for the United Nations as a strategic trust territory.

The Marshall Islands is made up of two parallel chains of islands, and has more than 50,000 persons. Most of the emigration from the RMI is to Hawaii and the U.S. mainland, so for this report, no further geographic differentiation is made. Palau is southwest of Guam and has about 18,000 people, about one-third of them foreigners.

Four states — Chuuk, Kosrae, Pohnpei, and Yap — constitute the Federated States of Micronesia. Kosrae is composed of a main island, a smaller island (Lelu), and a number of even smaller islands. Pohnpei and Yap both have main islands and inhabited and uninhabited atolls, creating easy geographic differentiation. Chuuk, because it is the most populated island, and because of its history, is divided into five geographic regions — Northern and Southern Namoneas, and Faichuk in the Chuuk Lagoon, the Mortlock Islands to the south, and Oksoritod to the north and west. Oksoritod itself is made up of the Western Islands (Pulusuk, Puluwat, Pulap, and Tamatam), Namonuito, and the Hall Islands.

The first significant emigration from the Micronesia began in the years following the implementation of the Compacts of Free Association in 1986, as hundreds of FSM citizens left for Guam and the Commonwealth of the Northern Mariana Islands (CNMI). Micronesians had settled in Hawaii and the mainland United States even before implementation, but always sporadically and in small numbers. The emigration was overdue, for the new island nations have been beset by high population growth and almost no job expansion. The beginnings of the outflow were first noted in an article that appeared three years after compact implementation (Hezel and McGrath 1989). In subsequent years a growing body of literature documents the migration and describes the evolution of migrant communities on Guam (for example, Rubinstein 1990, 1993; Rubinstein and Levin 1992; Connell 1991; Smith 1994; Hezel and Levin 1996).

The explanation for the outflow, at least in its earliest years, is simple. Micronesia-born persons, disappointed by the lack of employment at home, left in search of the many jobs available in Guam and the CNMI. These islands were enjoying an economic boom fueled by a surge in Japanese tourists. Guam was the preferred destination of migrants, but some moved to Saipan to join relatives and take work in its expanding garment industry. The proximity of

*Page 4, Micronesian Migrants to Guam and the CNMI*

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Guam and Saipan to the Micronesian islands allowed migrants to visit their home islands frequently. Some migrant laborers maintained such close social bonds with their families and communities that they were virtually commuters (Rubinstein and Levin 1992:351). Those who left had the freedom to return home permanently, with little or no rupture of kinship ties, if personal circumstances demanded. The compacts, with their free-entry provisions, removed the last immigration barricade. At the same time, the compacts signalled the beginning of the reduction of the large U.S. subsidies to which Micronesians had become accustomed since the 1960s. So it was that island peoples who had never in recent memory experienced a sizable outflow of population, peoples once described as possessing a "homing instinct," initiated their tentative, purposeful migration northward (Hezel and Levin 1989:43).

## SOURCES

The United States collected the 1990 Decennial Census on Guam and in the CNMI. These data sets are used here, in both published and unpublished form, to provide insight into the numbers and characteristics of pre- and post-compact Micronesian migrants. During the early 1990s, the Office of Insular Affairs, Department of the Interior, funded two surveys: the first is a 1992 census of Micronesians residing on Guam, supervised by Donald Rubinstein, an anthropologist at the University of Guam who has studied the new migration from the beginning. The second funded survey is a 1993 survey of Micronesians (from the Federated States of Micronesia, the Marshall Islands, and Palau) residing in the CNMI. Unpublished data from the 1995 Census of the Northern Mariana Islands are also being used, with the approval of the Central Statistics Division, Department of Commerce, CNMI. A survey of Palauans on Guam was collected on Guam by the University of Guam, and some data from that survey are used here; however, since preliminary analysis indicates an undercount, characteristics are stressed over counts. While the data for the CNMI are relatively current, the data for FSM migrants on Guam are no longer current, so may illustrate a social phenomenon that may have already changed.

## ESTIMATES OF MIGRANTS

*FSM.* As Table 1 shows, 4,954 FSM born were residing on Guam in 1992 and 2,141 in the CNMI in 1995. Hezel and Levin (1996) plotted the growth of the migrant community on Guam during its nascent years since they had four sets of data, derived from surveys conducted there between September 1988 and September 1992. The first was based on a partial household survey done in the fall of 1988. Estimates of the size of the migrant populations for each state were extrapolated from the sample on the basis of the ratio of the known number of college students to the total number of migrants. The estimates were checked against the emigration rate from sample FSM municipalities, as calculated by a gate count, and found to concur (Hezel and McGrath, 1989:49-51). The second set of figures, which recorded all residents of Guam who had been born in the FSM, was drawn from the decennial U.S. census conducted on Guam in April 1990 (and analyzed by Rubinstein and Levin 1992). The third set of data is derived from a household survey conducted by Father Kenneth Hezel, the head of the Catholic Micronesian Ministry program, about September, 1990. This survey, which was never published, included infants born on Guam as well as those born abroad (and may show an undercount of Pohnpeians). The fourth set of figures comes from the census of migrants to Guam from the FSM and the Marshall Islands that was probably the most thorough to date. This census, using

mid-1992 as the reference date, was conducted by a paid and trained staff of Micronesia interviewers, funded by the Office of Insular Affairs, under the supervision of Don Rubinstein (University of Guam 1992).

Table 1. FSM born residing on Guam and in the CNMI by State of Origin:  
Various years

Year	Total	Chuuk	Pohnpei	Yap	Kosrae
<b>GUAM</b>					
1988 (Sept)	1,700	1,100	300	150	150
1990 (April)	2,944	1,843	662	303	136
1990 (Sept)	2,973	2,143	377	318	135
1992 (Sept)	4,954	3,587	866	309	192
<b>CNMI</b>					
1990	1,754	1,063	522	152	17
1993	2,261	1,119	717	376	49
1995 (Sept)	2,141	1,128	621	307	55

Sources: Hezel and McGrath 1989; USBC 1992; Unpublished survey of FSM migrants on Guam, September 1990; University of Guam 1992; CNMI 1994; Unpublished CNMI 1995 Census data.

It should be noted that, in view of the methodological unevenness of the surveys, the internal consistency of the resulting figures is remarkable and should inspire greater confidence in these data than methodological considerations alone might warrant.

For the CNMI, we have three data points: the 1990 Census, the 1993 OIA funded survey of Micronesians (CNMI 1994), and the 1995 CNMI census. The 1990 data are taken from the U.S. decennial census, while those for 1993 come from a household survey done by the CNMI Central Statistics Division; the 1995 Census data also were collected by the Central Statistics Division in a census funded by the CNMI Legislature to obtain a mid-decade complete count. Although the figures are lower than for 1993, they are probably within statistical acceptability; the 1993 survey used all Micronesia enumerators which inevitably produces better results — the 1995 Census probably counted all of the Micronesians, but probably not at the same level of specificity.

The FSM population on Guam has grown rapidly, but not as alarmingly so as some seem to think. Early, wildly exaggerated guesses in the Guam press were shown by Rubinstein to be groundless, but his own 1991 figure of "5,500 Micronesia migrants in Guam" with an "increase by roughly one thousand per year" (Rubinstein 1991:2), while an honest guess, is still inflated. Rubinstein's figures would yield an FSM-born population of over 8,000 by the end of 1994, a figure that is widely quoted by Guam government authorities in addressing the issue of post-Compact immigration (for example, Territory of Guam 1995).

The FSM population on Guam, already about 1,700 two years after the Compact of Free Association was implemented, numbered 4,954 by 1992 and was estimated at about 6,330 in 1994 (see Tables 1 and 2). In the CNMI, the FSM born increased by 29 percent, from 1,754 to 2,261, between 1990 and 1993 (and remained at that level in 1995). Growth in the migrant

community there has been much slower than on Guam, and may have temporarily stopped. Table 2 shows the projected size of the migrant population from each state in Guam and the CNMI in 1994.

Table 2. Estimated FSM-born Population on Guam and in the CNMI by State of Origin: 1994

Place	Total	Chuuk	Pohnpei	Yap	Kosrae
Total	8,750	5,900	1,800	750	300
Guam	6,330	4,770	1,000	320	240
CNMI	2,420	1,130	800	430	60

Source: Hezel and Levin, 1996

The growth of FSM migration to Guam by state of origin between 1988 and 1992 shows very sharp increases for Chuuk, lesser increase for Pohnpei, and virtually no growth for Yap and Kosrae. Migrants from Chuuk State, who have outnumbered those from the other three states combined, constituted 72 percent of the total FSM population on Guam in the fall of 1992. The flow of Chuukese migrants to Guam has been linear, with the Chuukese population there growing by almost 600 per year.

The Pohnpeian community's growth, unlike that of the Chuukese, has not been steady and progressive. Table 3 shows that, while Pohnpeians have continued migrating to Guam, the number moving there each year did not increase between 1990 and 1992. Roughly 180 Pohnpeians per year first entered Guam during this period. Although Table 3 indicates 563 Pohnpeians first arriving on Guam during those three years, the Pohnpeian migrant community showed a net increase of only 204 persons during this period. The difference may be attributed to back migration, that is, the return of earlier Pohnpei migrants to their home islands. The data are not robust enough to determine a reliable growth rate, but it appears that the upward trend of migration from Pohnpei has slowed compared to that of the first 6 years following the compact implementation. A crude estimate of Guam's 1994 Pohnpei population would be about 1,000.

Table 3. Year of First Arrival on Guam for FSM-born Migrants by State of Origin: 1992

Year of Arrival	Total	Chuuk	Pohnpei	Yap	Kosrae
Total	4,953	3,586	866	309	192
Post-Compact	4,459	3,263	804	239	153
1992	1,191	894	184	63	50
1991	1,036	743	208	50	35
1990	920	658	171	61	30
1989	611	438	120	31	22
1988	425	308	87	20	10
1987	276	222	34	14	6
Pre-Compact	428	291	56	43	38
1986	155	119	16	17	3
Before 1985	273	172	40	26	35
Unknown	66	32	6	27	1

Source: University of Guam 1992, table 19.

The size of the Yapese migrant population on Guam has hovered at a little more than 300 between 1990 and 1992. The number of recent arrivals in more recent years has remained steady at 50 to 60 a year, with many of the new migrants presumably offset by those returning to their home islands. The Yapese community on Guam has shown no signs of expansion in the 1990s.

Similarly, the Kosraean population on Guam is growing slowly, as the survey data reveal and the arrival data confirm. Since 1986 the number of arrivals from Kosrae has been increasing each year. The data do not furnish a basis for reliable prediction of future growth.

The data for the CNMI are inadequate for the purpose of extracting migration rates, but some important inferences can be made. An average of 134 Chuukese a year arrived during the period 1990 to 1992 even though the Chuukese population in the CNMI had a net growth of only 56 people during the whole period. This substantial back migration among Chuukese may largely be the return of women who once held jobs in the garment factories on Saipan. By contrast, the other states had little back migration; the more recent arrivals from Pohnpei, Yap, and Kosrae, when added to the 1990 figures, roughly account for the increase in the migrant population between 1990 and 1993. Note again, that the 1995 Census data do not show continued immigration. Hence, we can assume that Chuukese migrants tend to drift in and out, much like Chuukese residing on Guam, while those from the other states move to the CNMI to stay.

Table 4. Year of First Arrival in the CNMI for FSM-born Migrants by State of Origin: 1993

Year of Arrival	Total	Chuuk	Pohnpei	Yap	Kosrae
Total	2,261	1,366	908	486	59
Post-Compact	1,370	756	425	157	32
1992	281	142	75	51	13
1991	226	117	81	24	4
1990	268	143	88	31	6
1989	235	133	69	31	2
1988	182	112	61	4	5
1987	178	109	51	16	2
Pre-Compact	558	247	191	110	10
1986	119	54	47	18	0
Before 1985	439	193	144	92	10
Unknown	333	116	101	109	7

Source: CNMI 1994, table 19.

Table 5 shows the resident population of each FSM state, as recorded in the 1994 Federated States of Micronesia Census, along with the total estimated size of its migrant population in Guam and the CNMI combined. The table also shows the percentage of the total population that has emigrated northward since the compact took effect and the approximate annual migration rate.

Table 5. FSM Resident and Migrants to Guam and the CNMI in 1994

FSM State	FSM Residents and Migrants	FSM Resident Population	Estimated Migrants		Annual Rate (1986 to 1994)
			Numbers	Percent	
Total	113,896	105,146	8,750	7.7	1.0
Chuuk	59,192	53,292	5,900	10.0	1.2
Pohnpei	35,172	33,372	1,800	5.1	0.6
Yap	11,878	11,128	750	6.3	0.8
Kosrae	7,654	7,354	300	3.9	0.5

Source: FSM 1995, Table 2

A full 10 percent of the entire Chuuk-born population was living in Guam and the CNMI in 1994, and the 1.2 percent annual emigration rate is likely to continue in the years to come. The preliminary 1994 FSM census figures show no evidence of a decline in Chuuk's fertility rate, and the state's economy is unlikely to make an upswing. The annual growth rate of the resident population in Chuuk for the intercensal period 1989 to 1994 was 2.3 percent despite the fact that its migration rate of 1.2 percent per year was the highest in the Federated States.

The annual net out-migration rates from the other states were lower, ranging from 0.5 percent for Kosrae and 0.6 percent for Pohnpei to 0.8 percent for Yap. These figures reflect the lower annual growth rates of the population in these states, and perhaps the slightly better economic conditions there as well.

An estimated 8,750 FSM citizens resided in Guam and the CNMI in 1994, representing 7.7 percent of the entire FSM-born population. The emigration rate for the FSM between 1986 and 1994 was about 1 percent a year.

*Marshall Islands.* The Republic of the Marshall Islands implemented their Compact at the same time as the FSM, but Marshallese have been much slower to migrate than have the FSM born. Most of the Marshall Islands migration, in fact, has been to Hawaii and the mainland rather than to Guam and the CNMI. Part of the reason for this flow is geographic — transportation is better to Hawaii than to Guam — and part is almost certainly economic. So, while at least 350 Marshallese were living in Hawaii in 1990, only 88 were recorded as living on Guam and 103 in the CNMI, based on the 1990 Census results. By 1992, 150 Marshallese were recorded in the survey of Micronesian migrants to Guam, and 177 were recorded in the 1993 Survey of Micronesian migrants to the CNMI. The 1995 Census of the CNMI reported 130 Marshall Islands born, so Marshall Islands emigration to the East is not strong (but differences in reporting preclude stating that the 1995 data show a reverse trend.)

*Palau.* Palauan migration has been much stronger. Both Guam and CNMI have attracted Palauan migrants since early in Trust Territory of the Pacific Islands (TTPI) times, from the early 1950s. Many Palauans came to Guam to study at the University of Guam, some enlisted in the U.S. Armed Forces (one was killed in Vietnam during the war) and returned to Guam to live and work, and others have simply migrated to work, even when doing so was illegal. Many Palauans went to Saipan to work in the TTPI government, and many of these stayed in Saipan

after the Commonwealth was formed; many Palauans have responsible positions in the CNMI government.

The 1990 Census showed 1,233 Palau born on Guam and 1,407 in the CNMI. In 1995, the CNMI Census recorded 1,594 Palau born, while the concurrent survey of Palauans on Guam reported 1,089, but this latter figure is likely an undercount.

*Guam Quarterly Labor Force Survey.* Another source of data for Guam is the quarterly labor force survey, which collects data from a 5 percent sample of all of the households on Guam. The survey is of the civilian non-institutional population, as in the United States, so many people are excluded from the sample. The sample is collected in March, June, September, and December of each year. The data in Table 6 show a general upward trend, at least for those born in the Federated States of Micronesia, from 1992 to 1995. The numbers for Palau and the Marshall Islands are probably too small to show very much, and all of the numbers are subject to sampling error. Also, as with the census, since the enumerators are usually not Micronesian, communication and mis-communication could be problems. Because the survey is not compulsory, refusals and just finding people at home are also problems.

Table 6. Birthplace, Current Labor Force Survey Reports, Guam: 1992 to 1995

Birthplace	1992	1993		1994		1995	
	Dec	June	Dec	June	Dec	June	Dec
Total	116,884	113,581	112,078	111,430	109,535	111,310	114,799
Guam	65,488	63,825	63,020	61,305	61,113	64,943	66,574
Philippines	24,747	24,706	24,649	25,118	23,651	23,152	23,863
United States	11,887	11,340	11,274	11,188	10,249	9,649	10,031
Freely Associated States	4,426	4,738	4,443	4,783	5,884	5,674	5,282
Feder. States Micronesia	3,265	3,608	3,773	4,126	4,803	4,581	4,423
Marshall Islands	278	340	49	114	220	150	148
Palau	884	789	621	544	862	943	711
CNMI	1,621	1,587	1,989	1,889	1,722	1,553	1,680
Japan	1,704	1,510	1,460	1,527	1,279	1,189	1,388
Taiwan	852	405	363	456	365	318	453
Korea	2,728	2,591	1,860	2,177	2,318	1,910	2,459
Other	3,358	2,868	2,989	2,903	2,878	2,851	3,035
Not Stated	73	12	32	84	75	72	33

Source: Current Labor Force Surveys, Department of Labor, Guam

Notes: The data presented are three-survey moving averages, centered on survey date shown.

## PROJECTIONS

*Projections based on 1990 Census.* Under the terms of the Compacts of Free Association, the government is to measure the impact of the migration of Micronesians to Guam, CNMI, and other U.S. Areas as a *result of the Compact itself*. That is, any migration resulting from the "free entry" provision of the Compact would be included, but any migration which would have occurred even if there had been no Compact — for example, migration for schooling, or because a person is married to a U.S. citizen — is to be excluded. Unfortunately, no data exist to

differentiate these two groups, and even if a survey or census could include "reason for migration" it would be difficult to assess the underlying reasons for migration given.

The data in Table 7 illustrate the problem. This table uses data from the 1990 Decennial censuses of Guam and the CNMI to show numbers of persons born in the Freely Associated States (FAS) and arriving in Guam or the CNMI before the Census. The data are divided into two groups — those arriving in years up to and including 1986, and those arriving in 1987 through April 1, 1990. About 7,600 persons arrived in these areas from the FAS; about 3,200 arrived before Compact implementation, and about 4,402 arrived afterward. These data include persons born in Palau; since Palau's Compact was not implemented until 1994, the 1,000 persons arriving between 1987 and 1990 were considered "foreign".

Table 7. Year of Entry by Freely Associated State: 1990

Year of Entry	Total	Federated States of Micronesia	Republic of Marshall Islands	Republic of Palau
Total	7,612	4,781	191	2,640
Before 1987	3,210	1,493	92	1,625
1987 to 1990	4,402	3,288	99	1,015
Guam	4,285	2,964	88	1,233
Before 1987	1,550	679	25	846
1987 to 1990	2,735	2,285	63	387
CNMI	3,327	1,817	103	1,407
Before 1987	1,660	814	67	779
1987 to 1990	1,667	1,003	36	628

Source: Unpublished 1990 Census data

For the FSM and RMI, about 1,600 persons reported arriving before Compact implementation and continuing residence until the 1990 Census, about 1/3rd of the FSM born and about half of the RMI born (Table 8). The two FAS showed markedly different migration patterns: only 23 percent of the FSM born and 28 percent of the RMI born on Guam arrived before Compact implementation compare to 45 percent of the FSM born in the CNMI and fully 65 percent of the Marshalls born. Hence, the Marshall Islands, which experienced little net migration to these Areas in any case, experienced about the same amount of migration pre- and post-Compact.

Table 8. Year of Entry by Freely Associated State: 1990

Year of Entry	Total	Federated States of Micronesia	Republic of Marshall Islands	Republic of Palau
Total	7,612	4,781	191	2,640
Percent	100.0	100.0	100.0	100.0
Before 1987	42.2	31.2	48.2	61.6
1987 to 1990	57.8	68.8	51.8	38.4
Guam	4,285	2,964	88	1,233
Percent	100.0	100.0	100.0	100.0
Before 1987	36.2	22.9	28.4	68.6
1987 to 1990	63.8	77.1	71.6	31.4
CNMI	3,327	1,817	103	1,407
Percent	100.0	100.0	100.0	100.0
Before 1987	49.9	44.8	65.0	55.4
1987 to 1990	50.1	55.2	35.0	44.6

Source: Unpublished 1990 Census data

Clearly, this was not the case for the FSM. About 3,288 FSM born persons migrated to Guam and the CNMI between 1987 and 1990, about 1,000 per year. About 2/3rds of the migration was to Guam, and the rest to the CNMI. Because of the strong flow, it is likely that Compact implementation was the impetus to the migration.

However, the data for Palau seem to obscure the issue. Even without the Compact, Palauans continued to migrate to Guam and the CNMI, although the percentages were lower (although a larger proportion of Palauans moved to the CNMI "Post-Compact" than did Marshallese). As noted, about 1,000 Palauans moved to Guam and CNMI between 1987 and 1990, about 1/3rd to Guam and about 2/3rds to CNMI — the CNMI apparently accepted Palau born as "U.S." after the Covenant.

Table 9 shows projected levels of migrants if the number of migrants at the time of Compact implementation is used as a base, and the number arriving in the 4 years following the implementation is used for subsequent 4 year intervals. This progression is a *very crude* linear extrapolation and should not be used in isolation by planners and policy makers. Nonetheless, the numbers are revealing because, if late-1980s trends continued, more than 20,000 FAS persons would be living in Guam and the CNMI in the early 21st century.

Table 9. Year of Entry by Freely Associated State: 1990

Year of Entry	Total	Federated States of Micronesia	Republic of Marshall Islands	Republic of Palau
<b>Total</b>				
Before 1987	3,210	1,493	92	1,625
1990	7,612	4,781	191	2,640
1994	12,014	8,069	290	3,655
1998	16,416	11,357	389	4,670
2002	20,818	14,645	488	5,685
<b>Guam</b>				
Before 1987	1,550	679	25	846
1990	4,285	2,964	88	1,233
1994	7,020	5,249	151	1,620
1998	9,755	7,534	214	2,007
2002	12,490	9,819	277	2,394
<b>CNMI</b>				
Before 1987	1,660	814	67	779
1990	3,327	1,817	103	1,407
1994	4,994	2,820	139	2,035
1998	6,661	3,823	175	2,663
2002	8,328	4,826	211	3,291

Source: Unpublished 1990 Census data

In looking at these numbers, it is important to remember that the pool of migrants is not infinite. Therefore, while it looks like the number of Micronesian migrants could increase indefinitely, only some Micronesians could afford to make the move — financially, socially, and/or culturally. The data do not reflect return migration for those who went to Guam or the CNMI but returned to Micronesia before the 1990 Census and would not return to Guam or the CNMI. Nor do the data account for possible economic development within the Micronesian areas which might encourage increased return migration and decreased out migration.

*CNMI based on 1995 Census.* Similar linear projections were made for the 1995 Census of the CNMI, for the CNMI only. As Table 10 shows, the flow of FAS born would be greater under both assumptions — the current migration rate in the right hand columns (based on an average of the three years preceding the 1995 Census) or a reduced migration rate in the left hand columns. In both cases, the migration at the time of the 1995 Census was probably unusual for the long term since CNMI is in the middle of a migration boom, started in the late 1980s and continuing into the 1990s, which encouraged many skilled and unskilled workers to come to the CNMI to work in the garment factories, in construction, and in other industries.

## Micronesian Migrants to Guam and CNMI, Page 13

Table 10. Estimates of FAS born in CNMI, based on 1995 Census:  
1986 to 2001

Year of Estimate	Estimates Using 8 Percent Annual Immigration Rate				Estimates Using 16 Percent Annual Immigration Rate			
	Total	FSM	RMI	Palau	Total	FSM	RMI	Palau
1986	1,039	534	37	468	1,039	534	37	468
1987	1,194	622	44	528	1,194	622	44	528
1988	1,363	723	45	595	1,363	723	45	595
1989	1,643	878	49	716	1,643	878	49	716
1990	1,940	1,048	64	828	1,940	1,048	64	828
1991	2,165	1,188	64	913	2,165	1,188	64	913
1992	2,456	1,366	68	1,022	2,456	1,366	68	1,022
1993	2,774	1,545	77	1,152	2,774	1,545	77	1,152
1994	3,210	1,811	105	1,294	3,210	1,811	105	1,294
1995	3,865	2,141	130	1,594	3,865	2,141	130	1,594
1996	4,178	2,314	141	1,723	4,491	2,488	151	1,852
1997	4,516	2,502	152	1,863	5,219	2,891	176	2,152
1998	4,882	2,705	164	2,014	6,064	3,359	204	2,501
1999	5,278	2,924	178	2,177	7,047	3,903	237	2,906
2000	5,705	3,160	192	2,353	8,188	4,536	275	3,377
2001	6,167	3,416	207	2,544	9,515	5,271	320	3,924

Source: Unpublished 1995 CNMI Census data

Note: Estimates in right columns based on three year average for annual FAS immigrant (16 percent); estimates on left assume rates will "immediately" decrease to half of current rate. See text for discussion.

*Hawaii.* Table 11 shows estimated and projected Micronesian migrants in Hawaii, based on 1990 census data. To make these estimates, data on year of entry to the United States were divided into two groups: persons recording they arrived before 1987 (before the implementation of the Compacts in the FSM and the Marshall Islands), and those arriving between 1987 and April 1990, when the Decennial Census took place. These data provide two "points" which were the basis of the extrapolation for 1994, 1998 and 2002. The data, of course, show an increase for all three country's migrants.

Table 11. Estimates of Micronesians in Hawaii: 1980s to 2002

Freely Associated State	Before 1987	1990	1994	1998	2002
Total	773	1,615	2,457	3,299	4,141
Palau	177	319	461	603	745
Marshall Is	191	345	499	653	807
FSM	405	951	1,497	2,043	2,589

Source: Unpublished 1990 Census data

Since the FSM resident population is largest, it also produces the largest numbers of migrants (increasing to about 2,600 in 2002 by these crude projections). Palau's migrant population in Hawaii is predicted to be about 750, and the Marshalls should have about 800. As noted above, almost no Marshallese migrate to Guam or CNMI, and we have not been able to measure the migration to California and the rest of the mainland yet, but the potential migration to Hawaii is large relative to the sending population of about 60,000 for that time period.

## DEMOGRAPHY

*FSM.* The earliest FSM migrants to Guam were predominantly young males in search of jobs. Many of the original households were inherently unstable, composed as they were of several young men in their twenties or thirties working at low-paying jobs and pooling their income to cover rent and other expenses (Hezel and McGrath 1989:58-60). In the absence of a viable authority structure and generational depth, such "peer-group households," as Rubinstein terms them, were continually "dissolving and reforming, with new arrivals coming in, others moving out" (Rubinstein 1993:260). Rubinstein went on to note the gradual evolution of this fragile type of household into more typically Micronesian forms. In the second stage of the pattern Rubinstein identified on Guam, two-generation households emerged around a nuclear family, but they contained a potpourri of loosely related kin and friends. In the final stages, the household members were selected according to the kinship principles normative back home, and grandparents or other older people were added, giving the household important generational depth (Rubinstein 1993:260-261).

Guam has had a broad range of migrant household types, extending from "peer-group households" to the much more stable types that mirror social organization in the migrant's home islands. Data on gender and age distribution of migrants in Guam and the CNMI offer strong hints about how far households in each place have advanced along Rubinstein's spectrum.

The overall ratio of males to females among the FSM migrants on Guam in 1992 was 132:100; that is, in 1992 about 4 FSM males were on island for every 3 females. Surprisingly, the preponderance of males on Guam had increased since 1990, when the ratio was 121 males per 100 females (Rubinstein and Levin 1992:354). Males outnumbered females on Guam among the migrants from every state but was greatest for Yapese and Kosraeans, an imbalance approaching a ratio of two males for each female. For Chuukese and Pohnpeians, the ratio was highest for those from the outer islands of both places and from Faichuk.

In the CNMI, on the other hand, the overall ratio was 88 with women outnumbering men (only 88 males for every 100 females). Only among Kosraeans and Yapese were males more numerous, and even among them the ratio was much lower than on Guam. Although the higher percentage of women in the CNMI might be attributed in part to employment that the garment industry offers, it could also indicate the relatively high degree of normality found in composition of the migrant households there. The data on age distribution in the CNMI support the latter interpretation. The assumption is that equal numbers by sex and a broader age spread reflect a normal demographic pattern and suggest that migrant households are beginning to resemble households back home.

Age distribution is a further index of the stability of migrant households, since the presence of children and older persons to fill out the normal family unit usually indicates readiness to settle into their new homeland for a long duration. By this index, migrants in the CNMI show a much greater degree of stability than those on Guam. As shown in Table 12, in 1993 the percentage of children (that is, persons under age 15) in the CNMI, at 30 percent of the total migrant population, was significantly higher than on Guam in 1992 (20 percent), although much lower than the 43 percent recorded for the FSM in the 1994 census (FSM 1995). A look at the other

end of the population tells much the same story, for elderly migrants (age 60 and older) represent about 8 percent of the CNMI population, as compared to less than 2 percent on Guam. This age group comprises about 5 percent of the total population of the FSM (FSM 1995).

Table 12. FSM Migrants in Guam and the CNMI by Age: 1990 and 1992/1993

Age Group	1990		1992/1993	
	Guam	CNMI	Guam	CNMI
Total	2,963	1,817	4,932	2,212
Percent	100.0	100.0	100.0	100.0
Less than 15 yrs	21.8	19.8	19.5	30.3
15 to 29 yrs	50.7	44.5	49.7	34.4
30 to 44 yrs	20.5	21.8	23.4	22.6
45 to 59 yrs	5.2	8.8	5.7	4.9
60 yrs & over	1.8	5.1	1.8	7.8
Dependency ratio	31.0	33.0	27.0	61.6

Sources: U.S. Department of Commerce 1992, table 46; University of Guam 1992; CNMI 1994

To gauge the extent to which migrant communities on Guam and in the CNMI have been normalized, we can look at the changes in the age structure in both places between 1990 and 1992/1993. On Guam no appreciable reduction occurred in the relative size of the 15 to 29 age cohort, the largest among migrant communities inasmuch as it comprised the students and many of the workers. This age cohort, which represented 51 percent of all migrants on Guam in 1990, still contained 50 percent in 1992. During the same two years, the size of the elderly population on Guam remained the same, while the percentage of children on Guam fell slightly — from 22 to 20 percent.

In the CNMI, the size of the 15 to 29 age cohort dropped from 45 percent to 34 percent over the 3 year period. During the same period, the percentage of children increased sharply from 20 to 30 percent, and the elderly age bracket showed a slight increase, from 5 to 8 percent.

Probably the most striking measure of the contrast between migrants to Guam and the CNMI is in the dependency ratio, that is, the number of dependents (children and elderly) per 100 workers. While Guam's dependency ratio dropped slightly during this period, from 31 dependents for every 100 workers to 27, the ratio in the CNMI nearly doubled. It rose from 33 to nearly 62 in three years, indicating a substantial increase in the number of nonworking members of FSM households.

The data in these tables convincingly show that the FSM migrant community in the CNMI was being rapidly transformed during these years, while the FSM community on Guam showed little evidence of parallel changes. It would appear that migrant households in the CNMI are much further along the road of normalization and stabilization than are Guam's.

*1990 Census data organized by pre- and post-Compact migration.*

Page 16, *Micronesian Migrants to Guam and the CNMI*

Table 13. Broad Age Groups by Pre- and Post-Compact Migration, FSM: 1990 Census

Age Group	Total FAS	Total-FSM		Guam-FSM		CNMI-FSM				
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Total	7,612	4,781	1,493	3,288	2,964	679	2,285	1,817	814	1,003
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 15 yrs	18.2	21.0	13.9	24.3	21.8	12.8	24.5	19.8	14.7	23.8
15 to 29 years	44.7	48.3	41.7	51.4	50.7	50.7	50.7	44.5	34.2	52.9
30 to 44 years	24.0	21.0	27.2	18.2	20.5	24.0	19.4	21.8	29.9	15.4
45 to 59 years	8.9	6.5	12.1	4.0	5.2	9.1	4.0	8.8	14.5	4.2
60 to 74 years	3.7	2.7	4.6	1.9	1.6	2.8	1.2	4.6	6.0	3.5
75 years and over	0.6	0.4	0.7	0.2	0.3	0.6	0.2	0.4	0.7	0.2
Median	25.8	24.3	28.6	22.6	23.9	27.2	22.9	25.2	30.4	22.1

Source: Unpublished 1990 Census data

For all of the FAS born living in Guam and the CNMI in 1990, the sex ratio was about even — that is, there were 99 males for every 100 females (the population was slightly more female than male (Table 14). For the FSM born, however, both the pre- and post-Compact migrants were more male than female, and the ratio did not change very much pre- and post-Compact, at least in the aggregate for the two Areas (remaining at 110 males for every 100 females).

Table 14. Sex and Age by Pre- and Post-Compact Migration, FSM born: 1990 Census

Characteristic	Total FAS	Total-FSM		Guam-FSM		CNMI-FSM				
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
<b>Numbers</b>										
Total	7,612	4,781	1,493	3,288	2,964	679	2,285	1,817	814	1,003
Males	3,784	2,500	782	1,718	1,625	359	1,266	875	423	452
Females	3,828	2,281	711	1,570	1,339	320	1,019	942	391	551
Males per 100 females	98.9	109.6	110.0	109.4	121.4	112.2	124.2	92.9	108.2	82.0
<b>Median Age</b>										
Total	25.8	24.3	28.6	22.6	23.9	27.2	22.9	25.2	30.4	22.1
Males	25.8	24.9	28.4	23.3	24.6	27.4	23.6	25.7	30.0	22.4
Females	25.9	23.8	28.8	22.0	23.1	27.0	21.9	24.8	30.7	22.0

Source: Unpublished 1990 Census data

However, when we look at the two Areas separately, we see vast differences. The sex ratio for Guam, at more than 120 indicates that Guam had 6 male FSM migrants for every 5 females. The ratio worsened after Compact implementation, with 124 males for every 100 females in the later period. For the CNMI, however, while the earlier migrants were more male (108 males for every 100 females in the pre-Compact period), after the Compact more FSM females than males went to the CNMI (a ratio of 82 males for every 100 females, or 4 males for every 5 females.) Many of these females presumably migrated to the CNMI to work in the garment and other factories.

In general, the median age of the pre-Compact migrants was higher than the post-Compact migrants, expected because of the length of stay in the new Area. The median age — that age that divides the population equally into those older and those younger than a certain age — was 25.8 years for all of the FAS born in Guam and the CNMI in 1990. The median age for all FSM born was about 1.5 years younger, with males about one year older than females. The pre-Compact migrants were about 6 years older than the post-Compact migrants. The difference

*Micronesian Migrants to Guam and CNMI, Page 17*

was about 4 years on Guam, but about 8 years in the CNMI, indicating that not only were the CNMI migrants more female, but they were also younger than those moving to Guam.

Table 15 shows median age for different groups of migrants recorded in the 1995 Census of the CNMI. The median age for the total FSM population in 1995 was 27.0 years; the pre-Compact FSM born population had a median age of 35.9 years but the post-Compact population was about 10 years younger.

Table 15. Age by Year of Migration to CNMI, FSM born: 1995 CNMI Census

Age Group	Total	Before 1987	1987-1990	1991-1992	1993-1994	1995
Total	2,141	534	514	318	445	330
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Less than 15 yrs	20.5	9.0	23.5	31.4	24.0	18.8
15 to 29 yrs	38.3	24.3	39.5	41.8	44.7	47.3
30 to 44 yrs	27.3	39.9	29.0	19.5	22.7	18.2
45 to 59 yrs	10.3	21.0	6.4	5.0	5.4	10.9
60 to 74 yrs	3.1	4.7	1.6	1.9	2.7	4.5
75 yrs & over	0.5	1.1	0.0	0.3	0.4	0.3
Median	27.0	35.9	26.4	22.2	24.0	24.3

Source: Unpublished 1995 CNMI Census data

*Palau.* The longitudinal data for Palau born is much better than the Federated States of Micronesia because we have data from 1990 and 1995 for Palau, Guam, and the CNMI. The 1990 data come from the decennial censuses, and the 1995 data come from complete censuses of Palau and the CNMI, and the 1995 survey of Palauans on Guam. As noted previously, the total for Palauans on Guam in 1995 was probably an undercount, but the distribution of characteristics should still be acceptable. For example, the median age for Palauans in the 1990 censuses was 25.3 years, but this increased to 27.5 during the 5 years to the mid-decade; fertility among Palauans is now fairly low, which causes the median age to increase over time. The median age in all three Areas increased. Guam had the highest median age in each year, Palau the lowest. While all three Areas had fairly low dependency ratios, the rates for Guam and CNMI were about 1/3rd those of Palau itself, showing the effects of selective migration.

Table 16. Palau born in Palau, Guam, and the CNMI: 1990 and 1995

Age	1990				1995			
	Total	Palau	Guam	CNMI	Total	Palau	Guam	CNMI
Total	14,961	12,321	1,233	1,407	15,076	12,395	1,089	1,592
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 15 yrs	29.9	33.7	8.0	15.8	29.2	33.1	7.9	12.9
15 to 29 years	28.6	26.6	35.3	40.3	25.1	23.4	30.3	34.4
30 to 44 years	21.2	19.4	30.9	28.9	23.5	21.4	33.9	33.3
45 to 59 years	10.8	10.2	17.8	9.7	12.7	12.0	18.4	14.1
60 to 74 years	7.1	7.4	7.1	4.3	7.0	7.2	9.6	4.0
75 yrs & over	2.4	2.7	0.8	1.0	2.6	2.9	0.0	1.4
Dependency ratio	65.0	77.9	19.0	26.8	63.2	76.1	21.1	22.4
Median	25.3	23.6	33.2	27.8	27.5	25.6	35.0	31.0

Sources: 1990 Decennial Censuses, 1995 CNMI Census, 1995 Guam Survey of Palauans

## CITIZENSHIP

Citizenship is collected in most censuses and population surveys, and, in the U.S. Areas, the focus is on U.S. citizenship. Since FSM born cannot be citizens by birth, they can only become U.S. citizens through Naturalization (or by having one U.S. born parent). About 14 percent of the total FAS born living in Guam or the CNMI in 1990 were citizens (Table 17). Clearly, the longer the residence in a U.S. Area, the more likely a person would be to become a citizen. While 6 percent of the FSM born in Guam and the CNMI were naturalized, 14 percent of those arriving pre-Compact were naturalized compared to only 2 percent of the post-Compact migrants — the latter not surprising since naturalization has a time requirement. About 12 percent of the pre-Compact FSM migrants were naturalized compared to 15 percent of those living in the CNMI.

Table 17. Citizenship by Year of Migration, FSM: 1990 Census

Citizenship	Total FAS	Total-FSM		Guam-FSM			CNMI-FSM			
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Total	7,612	4,781	1,493	3,288	2,964	679	2,285	1,817	814	1,003
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Born of US parents	4.6	5.1	6.2	4.6	5.3	5.3	5.3	4.7	6.9	3.0
Naturalized citizen	8.8	6.0	13.8	2.4	5.0	12.2	2.9	7.5	15.1	1.4
Noncitiz, Permanent	41.0	38.8	41.9	37.4	41.8	43.0	41.5	33.9	40.9	28.2
Noncitiz, Temporary	45.5	50.1	38.2	55.5	47.8	39.5	50.3	53.8	37.1	67.4

Source: Unpublished 1990 Census data

The 1990 census also collected self-reported information on whether the respondent considered him/herself to be a permanent or temporary resident — permanent residence indicating a desire to remain, that immigration is for the purpose of settling in and remaining over the very long term, and "temporary" residence being more like a "trip", as a transition from adolescence to adulthood (Levin 1976). Many young people in Micronesia, like their distant and recent ancestors use a trip as a method of moving from one extended family to the next. For the total FAS, about 41 percent of all migrants recorded in the 1990 Census were permanent residents, and another 45 percent were temporary residents.

About half of all the FSM born migrants were temporary residents in 1990, 38 percent of the pre-Compact migrants, and 56 percent of the post-Compact migrants. About half of the post-Compact migrants to Guam were temporary, compared to 2 out of every 3 of those moving to the CNMI post-Compact. Many of the temporary migrants, of course, will eventually become permanent residents.

## SHORT AND LONG TERM MIGRATION

The decennial censuses and many of the surveys in the Insular Areas collect data on short and long term migration. Basic long term migration data are obtained from the item on birthplace, which is used in this paper as the basic identifier and gives migration since birth. A second long term migration measure is *generational* migration which shows movement from one generation to the next. We have already discussed one of the short term migration variables — year of

arrival at the new destination. Another is to look at a specific point in the past, usually 5 years before the census or survey, but sometimes 1 year before.

*Residence 5 years before the Census.* In the 1990 Census, about 22 percent of the FAS born in Guam and the CNMI lived in the same house in 1985 as 1990. Only 14 percent of the FSM born lived in the same house — 9 percent for Guam and 21 percent for the CNMI. As would be expected, the pre- and post-Compact data are not very useful for this analysis (Table 18).

Table 18. Residence in 1985 by Year of Migration, FSM: 1990 Census

Residence in 1985	Total FAS	Total-FSM			Guam-FSM			CNMI-FSM		
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Total, 5+ yrs	7,281	4,545	1,486	3,059	2,791	675	2,116	1,754	811	943
Same house	1,638	638	557	81	262	208	54	376	349	27
Percent	22.5	14.0	37.5	2.6	9.4	30.8	2.6	21.4	43.0	2.9
Different house	5,643	3,907	929	2,978	2,529	467	2,062	1,378	462	916
Guam	764	392	222	170	369	210	159	23	12	11
CNMI	778	399	294	105	59	8	51	340	286	54
FSM	3,027	2,987	359	2,628	2,025	228	1,797	962	131	831
Percent	41.6	65.7	24.2	85.9	72.6	33.8	84.9	54.8	16.2	88.1
FSM general	13	13	0	13	13	0	13	0	0	0
Kosrae	66	65	5	60	59	4	55	6	1	5
Pohnpei	787	777	90	687	488	49	439	289	41	248
Yap	255	235	45	190	157	33	124	78	12	66
Chuuk	1,906	1,897	219	1,678	1,308	142	1,166	589	77	512

Source: Unpublished 1990 Census data

About 66 percent of the FSM born in Guam and CNMI had lived in the FSM in 1985. Only 24 percent of the pre-Compact migrants had lived in the FSM in 1985, presumably because many of them were already living on Guam or in the CNMI by 1985. Almost 86 percent of the post-Compact migrants were living in the FSM in 1985, indicating that most of the post-Compact migrants came, as expected, directly from the FSM.

The data also show that the flow to the CNMI has been much longer than the flow to Guam. Only about 1 in every 6 of the pre-Compact CNMI residents had lived in the FSM in 1985 compared to about 1 in every 3 of those moving to Guam. The table also shows little Guam to CNMI or CNMI to Guam movement during the mid-1980s.

*Parental birthplace.* One measure of long term migration is generational migration — the change in the distribution from parental birthplace to "own" birthplace. Table 19 shows that 91 percent of the FSM born in CNMI and Guam had fathers born in the FSM and 93 percent had mothers born in the FSM. The pre- and post-Compact migration percents differed considerably — only 81 percent of the pre-Compact migrant fathers were born in the FSM compared to 95 percent of the post-Compact fathers; similarly, 84 percent of the pre-Compact migrant's mothers were born in the FSM compared to 97 percent for post-Compact mothers. The data for Guam and CNMI were similar to the total for both.

Table 19. Parental Birthplace in 1985 by Year of Migration, FSM: 1990 Census

Parental Birthplace	Total FAS	Total-FSM		Guam-FSM		CNMI-FSM		Total	Pre1987	1987-90
		Total	Pre1987	1987-90	Total	Pre1987	1987-90			
<b>FATHER'S BIRTHPLACE</b>										
Total	7,612	4,781	1,493	3,288	2,964	679	2,285	1,817	814	1,003
FSM	4,395	4,336	1,205	3,131	2,740	559	2,181	1,596	646	950
Percent	57.7	90.7	80.7	95.2	92.4	82.3	95.4	87.8	79.4	94.7
<b>MOTHER'S BIRTHPLACE</b>										
Total	7,612	4,781	1,493	3,288	2,964	679	2,285	1,817	814	1,003
FSM	4,503	4,451	1,262	3,189	2,811	592	2,219	1,640	670	970
Percent	59.2	93.1	84.5	97.0	94.8	87.2	97.1	90.3	82.3	96.7

Source: Unpublished 1990 Census data

## HOUSING

The censuses and the surveys in Guam and the CNMI provide information on housing conditions. Housing variables give information in themselves for planning, but also serve as social indicators. By considering these items by themselves, and in combination with other variables, government agencies can assess changing housing conditions, energy consumption, water and sewer distribution and use, and so forth. For the FSM born, for example, the FSM census had 16,609 housing units compared to the 599 units in Guam and 440 units in the CNMI (Table 20).

About 1 in every 5 housing units in the Federated States of Micronesia in 1994 had concrete walls, and another 1 in 5 units were constructed of concrete blocks. While slightly less than half of the migrant housing units in the CNMI were built of concrete, either blocks or poured concrete. The percentage of units with metal walls was about the same in the FSM as the CNMI, but the percentage of migrant units on Guam with metal walls was much less. About 3 percent of the units in the FSM still had thatch walls. Hence, the quality of the walls on Guam was more substantial than those in the FSM and in the CNMI, which were about the same.

Similarly, almost 3 in every 5 migrant housing units on Guam had roofs made of concrete compared to about 3 in every 20 in the FSM, and 3 in every 10 in the CNMI. Most of the rest of the roofs in all three areas were metal — about 3 in every 4 in the FSM, 2 in every 3 in the CNMI, but only 2 in every 5 on Guam. Once again, Guam's housing was superior to that in the CNMI and in the FSM, more of the units were built of concrete and had concrete rather than metal roofs.

The average household in the FSM in 1994 had about 6.8 persons. The FSM citizens on Guam in 1992 were distributed in 599 housing units, with an average of 8.3 persons, while the average migrant housing unit in the CNMI held only 5.1 persons. Housing units in general in the CNMI tended to be physically larger than those on Guam and in the FSM, in part because many Guam migrants lived in apartments, while many more of the CNMI migrants and FSM residents lived in single-family houses (but the FSM units tended to be smaller.)

## Micronesian Migrants to Guam and CNMI, Page 21

Table 20. Housing, 1994 FSM residents &amp; FSM-born in Guam and CNMI

Housing	Numbers				Percents			
	Total	FSM 1994	Guam 1992	CNMI 1993	Total	FSM 1994	Guam 1992	CNMI 1993
Total Units	17,648	16,609	599	440	100.0	100.0	100.0	100.0
Concrete block walls	4,276	3,718	374	184	24.2	22.4	62.4	41.8
Metal roof	13,190	12,667	228	295	74.7	76.3	38.1	67.0
Public system water	3,944	2,963	593	388	22.3	17.8	99.0	88.2
Inside tub/shower	3,069	2,272	545	252	17.4	13.7	91.0	57.3
Public sewer	2,469	1,781	526	162	14.0	10.7	87.8	36.8
Hot/cold water	1,078	670	348	60	6.1	4.0	58.1	13.6
Cold water only	7,094	6,606	241	247	40.2	39.8	40.2	56.1
No flush toilet	11,116	10,895	37	184	63.0	65.6	6.2	41.8
Electricity	9,430	8,514	560	356	53.4	51.3	93.5	80.9
Electric stove	2,112	1,416	481	215	12.0	8.5	80.3	48.9
Refrigerator	4,676	3,899	525	252	26.5	23.5	87.6	57.3
Television	5,548	4,864	438	246	31.4	29.3	73.1	55.9
Video Cassette Player	4,505	3,958	350	197	25.5	23.8	58.4	44.8
Radio	8,503	7,740	476	287	48.2	46.6	79.5	65.2
Air conditioner	1,140	903	138	99	6.5	5.4	23.0	22.5
Telephone	4,900	4,455	296	149	27.8	26.8	49.4	33.9
No car	12,925	12,746	73	106	73.2	76.7	12.2	24.1

Source: 1994 FSM Census, 1993 Survey of Micronesians on Guam,  
1993 Survey of Micronesian Migrants in the CNMI

Source of water and plumbing differed between the three areas. While about 1 in every 6 FSM units was connected to a public water system, almost every unit in Guam had public water, and more than 7 in every 8 units in the CNMI. About 1 in every 10 units in the FSM had access to a public sewer compared to almost 9 in 10 on Guam but only about 4 in 10 in the CNMI. Similarly, only 14 percent of the units in the FSM had an inside bathtub or shower compared to 91 percent on Guam and 57 percent in the CNMI. Hence, migrants to Guam had the handiest access to water, followed by the CNMI migrants, with the FSM residents being least likely to be able to simply walk to a tap and have water.

Only 4 percent of the housing units in the FSM had both hot and cold running water, compared to about 14 percent in the CNMI, but about 58 percent of those on Guam. While hot water is a convenience for washing clothes and cooking, since the climate in all areas is so warm, hot water is not the necessity it is in other places in the world.

However, fully 2 in every 3 housing units in the FSM did not have a flush toilet, compared to only 2 in 5 units in the CNMI, and 1 in 16 among the Guam migrants. While flush toilets are big users of sometimes limited supplies of water, the FSM residents give up certain aspects of sanitation for the privilege.

About half of the FSM resident units were connected to electricity in 1994, compared to about 4 in every 5 in the CNMI, and most of the Guam migrant units. While electricity is usually considered a necessity in this day and age, and hence is expected in most societies, many of the outlying areas of the major islands, and almost all of the Outer Islands are ill equipped to maintain electrical systems, and, therefore, do not have them. Most of the households in Guam and Saipan, of course, do have access to electricity.

Because of the lack of electricity, many appliances could not be used in the FSM housing units. Only 8 percent of the FSM units had electric stoves compared to 80 percent of Guam's units, and about half of those in the CNMI. Many of the rest of the units used kerosene stoves, but others used the traditional methods — wood or coconut husks — at least in the outlying areas of the FSM. About 1 in every 4 FSM units had a refrigerator (compared to 88 percent on Guam and 57 percent in the CNMI), 3 in 10 had a television (compared to 3 in 4 for Guam and more than half for CNMI), and 1 in 4 had a Video Cassette recorder (compared to almost 3 in 5 for Guam and 2 in 5 for CNMI). All of these appliances are clearly more prevalent in Guam and the CNMI because electricity is available, and because the households, for whatever reason, are more readily able to afford them.

Radios and telephones are important for transmitting information, particularly in times of potential catastrophe. About half of the housing units in the FSM had a working radio, whether battery or electric, compared to about 4 in every 5 among the Guam migrants, and about 2 in every 3 units in the CNMI. Similarly, while about 1 in every 4 units in the FSM had a telephone, compared to about half of the Guam migrant's units and about 1 in every 3 units among the CNMI migrants.

Air conditioners, of course, provided a level of cooling unavailable from fans alone. And while the FSM, being equatorial, tends to be very hot and very humid, only about 1 in every 20 units had air conditioning (compared to about 1 in every 5 units among the migrants to both areas). Cost is a factor, as is maintenance. But energy consumption could also be greatly affected if many units suddenly had installed and used air conditioning units; among Guam's other current problems with electricity has been the enormous increase in air conditioning use in the last few years.

Finally, owning an automobile is important for transportation, but also is something of a status symbol. Automobiles, while giving greatly increased mobility, also often become a drain on housing financial resources, as well as contribute to various kinds of pollution in an already fragile environment. About 3 in every 4 FSM resident units did not have at least one car, compared to 1 in every 8 Guam migrant units, and about 1 in every 4 units.

So, Guam offers its migrants well-built but rather cramped housing with less living space per person than those in the CNMI (or in many places in FSM). Even recreational spaces and cooking areas were indoors, in marked contrast to Micronesian custom on their home islands (Levin and Mailos 1992: 5-7). On the other hand, the housing on Guam was equipped with all of the conveniences that a significant number of CNMI migrants lacked, and which most of the housing units in the FSM did not have. In short, the CNMI offers migrants a lifestyle that is very similar to what the FSM residents continue to have. Whatever the housing facilities the CNMI migrants may lack, the environment is more comfortable for the families that are gradually assembling there.

#### LANGUAGE USE

Guam and CNMI residents born in the FSM spoke English at home much less frequently than did the general population (Table 21). Only 6 percent of FSM born on Guam used English as

their only language, compared with 37 percent of the total Guam population. In the CNMI the difference between FSM migrants and the general population was not nearly as great, since a very small fraction (5 percent) of the local people use English as their only language, preferring instead the still widely used Chamorro and Carolinian languages and the newer Filipino languages.

It is not very remarkable that migrants as recent as those from the FSM should favor speaking their own language within their households or communities. More noteworthy is how slowly the migrants to Guam are entering the mainstream, as measured by language use, in contrast to those in the CNMI. Between 1990 and 1992, the percentage of FSM migrants on Guam recorded as speaking their own language more than English jumped from 72 to 87 percent, while the corresponding percentages for FSM citizens in the CNMI dropped from 76 to 60. Accordingly, the percentage of migrants to the CNMI who spoke English as much as their own language rose from 16 to 33 percent, with the figures for Guam falling from 19 to 10 percent. This finding is a surprising reversal of what we might have expected, for the FSM migrant population to Guam is still heavily young and male — and presumably relatively well educated. The FSM community in the CNMI, by contrast, shows a broader range of age and aptitude than that formed by the educated young men and women who first set out for employment.

Table 21. Language Use of FSM born in Guam and CNMI: 1990 and 1992/1993

Language Use	1990 Guam		1990 CNMI		1992 Guam	1993 CNMI
	Total	FSM-born	Total	FSM-born	FSM-born	FSM-born
Persons 5+ years	118,055	2,791	39,206	1,754	4,739	1,941
Speak English Only	44,048	180	1,878	38	139	294
Percent	37.3	6.4	4.8	2.2	2.9	15.1
Speak other language	74,007	2,611	37,328	1,716	4291	1512
Percent speaking:	100.0	100.0	100.0	100.0	100.0	100.0
More than English	35.6	71.5	65.4	75.6	86.9	60.2
Both equally often	36.2	19.4	17.4	16.1	9.8	32.5
Less than English	26.6	7.2	7.2	6.6	3.3	6.3
No English	1.6	1.9	9.9	1.6	NA	NA
Language not stated	0	0	0	0	309	135

Sources: U.S. Department of Commerce 1992, table 50; University of Guam 1992; CNMI 1994, table 12.

## EDUCATIONAL ATTAINMENT

The data in Table 22 reveal that the average education of the migrant sfrom the FSM was substantially poorer than that of the general populations in the CNMI and Guam in 1990. While 73 percent of the Guam population over the age of 24 had a high school diploma, only 62 percent of the FSM citizens on Guam did. The gap was slightly greater in the CNMI, where 66 percent of the general population had finished high school, compared with only 47 percent of FSM citizens. The difference in the college-educated was even greater: the percentage of the FSM-born with college degrees was only about 1/3rd that of the general population in both places. This relatively low level of educational attainment explains why FSM migrants have usually held entry-level jobs (for example, security guards, chambermaids, seamstresses, waiters, and cooks), even after several years abroad.

Table 22. Educational Attainment of FSM Migrants and Total Population in Guam and the CNMI: 1990  
[Cumulative percents]

Level Completed	Guam & CNMI		Guam		CNMI	
	Total	FSM-born	Total	FSM-born	Total	FSM-born
Persons 25+ yrs	91,333	2,268	66,700	1,347	24,633	921
Finished elementary	87.7	84.1	88.4	88.3	85.8	78.0
High school degree	71.4	56.3	73.3	62.4	66.3	47.4
Some college	37.6	26.3	39.9	31.9	31.1	18.1
Associate's degree	19.5	7.9	20.0	8.1	18.1	7.7
Bachelor's degree	17.0	5.1	17.5	5.3	15.6	4.8
Higher degree	3.8	0.7	4.3	0.6	2.5	0.8

Sources: U.S. Department of Commerce 1992, table 51

The comparison in Table 23 between the educational levels of migrants and the resident FSM population is more illuminating. Since the older age cohorts, under-represented in the migrant communities, have had fewer opportunities for schooling inasmuch as many were raised during the time of Japanese colonization, we selected only a mid-range age group (aged 25 to 44) in an effort to make a more meaningful comparison. For this age group, migrant communities in the CNMI and Guam had a significantly greater percentage of those who obtained their high school diplomas. Fully 53 percent of all FSM citizens on Guam and nearly 59 percent in the CNMI had finished high school, compared with less than 40 percent of the FSM resident population in 1994. As we progress up the educational ladder, however, the figures lean in the other direction. The percentage of those who had some college but did not finish their degree was roughly the same in all three populations, while the rate of college degree holders in the FSM was much higher than in either of the migrant communities abroad. Nearly 12 percent of all FSM residents aged 25 to 44 had either associate's or bachelor's degrees, whereas only 4 percent of the FSM migrants on Guam and about 3 percent of those in the CNMI had such degrees.

Table 23. Educational Attainment of FSM Migrants and FSM Residents: 1992 to 1994  
[Cumulative percents]

Level Completed	FSM Residents (1994)		FSM Migrants in CNMI (1993)		FSM Migrants on Guam (1992)	
	Number	Percent	Number	Percent	Number	Percent
Persons 25 to 44	22,655	...	1,406	...	2,032	...
High school degree	8,955	39.5	827	58.8	1,077	53.0
Some college	4,981	22.0	268	19.1	544	26.8
Associate's degree	2,633	11.6	45	3.2	74	3.6
Bachelor's degree	951	4.2	35	2.5	33	1.6

Sources: FSM 1995; University of Guam 1992; CNMI 1994

These data reveal that the outflow of migrants to Guam and the CNMI cannot be called a "brain drain" in the usual census of that term. They also confirm the suspicion that those Micronesians with the best degrees, and thus the brightest prospects for employment, will remain in the FSM and take the best jobs (Hezel and McGrath 1989:62). Those who have left home

characteristically have been those with a high school diploma, or perhaps a year or two of college, who would be entering the labor pool in the FSM without the kind of credentials that would have given them a competitive edge in the battle for employment there.

The data in Table 24 confirm this when we look at the data from the 1990 Censuses of Guam and CNMI by year of entry. Slightly more than half of all FSM immigrants arriving before the Compact had high school diplomas compared to only 38 percent of those who arrived after the Compact implementation. Similarly, about 4 percent of those arriving before 1987 had college degrees, compared to only 2 percent of those who arrived after Compact implementation. These data indicate that while the Compact implementation did entice large numbers of FSM born to migrate to Guam and the CNMI, those migrating were not as well educated as the earlier migrants.

Table 24. Educational Attainment by Year of Migration, FSM: 1990 Census  
[Cumulative percents]

Educational Attainment	Total FAS	Total-FSM			Guam-FSM			CNMI-FSM		
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Total	7,453	4,668	1,493	3,175	2,884	679	2,205	1,784	814	970
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Grades 1 to 8	93.1	91.8	95.7	90.0	90.7	96.5	88.9	93.7	95.1	92.5
Grades 9 to 12	66.2	61.4	69.9	57.5	64.6	80.1	59.9	56.3	61.3	52.1
High school graduate	47.0	42.2	50.9	38.0	46.3	63.6	41.0	35.5	40.3	31.4
Some college	19.9	17.5	25.7	13.7	21.0	38.6	15.6	11.8	14.9	9.2
AS/AA degree	7.0	5.5	8.4	4.2	6.0	10.0	4.8	4.7	7.0	2.7
BA/BS degree	3.5	2.6	4.4	1.7	2.7	5.6	1.8	2.5	3.4	1.6
Higher degree	0.6	0.3	0.6	0.2	0.3	0.6	0.2	0.4	0.6	0.2

Source: Unpublished 1990 Census data

## EMPLOYMENT

Figures for 1990 indicate that Micronesian participation in the labor force on Guam was comparable to that of the general population on the island (Table 25). Close to 70 percent of all FSM-born migrants were either working or seeking employment at the time, whatever their original reason for moving to Guam. In the CNMI there was an appreciable difference in participation in the labor force: 64 percent of the FSM migrants versus 82 percent of the general population. The Micronesian participation in the labor force in the CNMI was lower than for Guam because of the higher ratio of dependents in the CNMI, as we have already seen, while the very high rate of participation of the general population there can be explained by the great number of foreign-born workers.

Table 25. Labor Force Participation of FSM born in Guam and CNMI: 199

Labor force Participation	Guam		CNMI	
	Total	FSM-born	Total	FSM-born
Persons 16+	90,990	2,280	32,522	1,425
In labor force	66,138	1,579	26,589	905
Percent	72.7	69.3	81.8	63.5
Armed forces	11,952	11	8	0
Civilian labor force	54,186	1,568	26,581	905
Employed	52,144	1,410	25,965	830
Unemployed	2,042	158	616	75
Percent	3.8	10.1	2.3	8.3
Not in labor force	24,852	701	5,933	520

Sources: U.S. Department of Commerce 1992, table 53, CNMI 1994

Unemployment was higher among FSM migrants who entered the labor force than among the general Guam and CNMI populations. Fully 8 to 10 percent of FSM born seeking employment were unemployed, compared to under 4 percent of the Guam labor force and 2 percent of the CNMI labor force. Inasmuch as Micronesians were new arrivals and many were still looking for work or were between jobs, the higher unemployment rate is not surprising.

The common perception in the past few years is that fewer FSM migrants now come to Guam to work; many simply wish to educate their children in Guam's schools or take advantage of the welfare benefits that the island offers. The data do show a slight dip for the 1992 Guam survey (56 percent of adults in the labor force) and the 1993 survey for CNMI (also 56 percent), but the early 1990s saw a downturn in Japanese tourism, several typhoons, and an earthquake. It is unlikely, though, that all of the decrease can be ascribed mainly to Guam's economic troubles, since total island employment increased by 24 percent during this same two-year period (Territory of Guam 1993).

The decrease of employed adult FSM migrants in the CNMI during the same period was much smaller. We can expect this downward trend to continue as migrants reconstitute their households and bring in an increasingly large number of spouses and older people who will not enter the labor force.

*Industry.* The largest percentage of employed FAS adults in 1990 were working in retail trade (23 percent), also the largest industry category for the FSM born (22 percent). About 15 percent of the FSM migrants were manufacturing nondurable goods — mostly garments — but this figure was bumped up by the large proportions for the CNMI. In the CNMI, 45 percent of the post-Compact migration employed manufactured nondurables, 21 percent of the pre-Compact migrants, so about 1 in every 3 FSM workers in the CNMI.

Table 26. Industry by Year of Migration, FSM: 1990 Census

Industry	Total FAS	Total-FSM			Guam-FSM			CNMI-FSM		
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Employed, 16+	4,651	2,828	1,043	1,785	1,743	496	1,247	1,085	547	538
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agri/Forest/fishing	2.0	2.7	1.5	3.4	3.7	2.2	4.3	1.2	1.5	0.9
Construction	9.4	11.8	5.6	15.4	18.4	10.1	21.7	32.9	21.0	45.0
Manufacture-nondurable	11.4	14.6	12.1	16.0	3.2	2.2	3.5	3.4	2.6	4.3
Manufacture-durables	2.2	2.6	2.2	2.9	2.1	1.8	2.2	11.3	13.7	8.9
Transport/communic	11.0	8.5	11.6	6.7	6.8	9.3	5.8	1.7	1.5	1.9
Wholesale trade	2.4	1.9	2.0	1.8	2.1	2.6	1.8	14.5	15.5	13.4
Retail trade	22.9	21.6	21.4	21.8	26.1	27.8	25.4	2.1	2.4	1.9
Finance/insurance	2.4	2.0	2.4	1.8	2.0	2.4	1.8	2.1	2.4	1.9
Business/repair	4.8	5.7	5.6	5.8	7.5	8.1	7.3	2.8	3.3	2.2
Personal service	13.3	13.1	13.0	13.2	14.2	13.3	14.5	11.4	12.8	10.0
Entertainment	1.8	1.4	1.3	1.4	1.8	1.4	1.9	0.7	1.3	0.2
Prof & related	11.6	9.7	14.3	7.1	8.3	12.5	6.7	12.0	15.9	8.0
Public administration	4.0	3.6	6.5	1.9	2.8	5.2	1.8	4.9	7.7	2.0
Active duty military	0.5	0.4	0.3	0.4	0.6	0.6	0.6	0.0	0.0	0.0
Exper unemployed	0.3	0.3	0.2	0.4	0.5	0.4	0.6	0.0	0.0	0.0

Source: Unpublished 1990 Census data

For Guam, the largest category of FSM workers was retail trade, followed by construction. About 22 percent of the post-Compact FSM born migrants were working in construction, as well as 10 percent of the pre-Compact migrants. Also, 14 percent were in personal services, mostly hotel and restaurant workers.

*Occupation.* In 1990, about equal numbers of FAS born persons were working in three occupational categories — (1) Technical, sales, and administrative support, (2) Services, and (3) Operators, fabricators, and laborers — with each being about 1/4th of the total (Table 27). For the FSM born, however, about 1/3rd of the workers were operators, fabricators, and laborers, but, once again, these data were greatly influenced by the CNMI garment and other factories. More than half of all post-Compact FSM born migrants to the CNMI worked as operators, fabricators and laborers, and 3 in 10 of the earlier migrants; about 4 in 10 of all FSM born workers were in this category.

Table 27. Occupation by Year of Migration, FSM: 1990 Census

Occupation	Total FAS	Total-FSM			Guam-FSM			CNMI-FSM		
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Employed, 16+	4,656	2,832	1,044	1,788	1,747	497	1,250	1,085	547	538
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manager/Profess	10.5	8.3	14.0	5.0	6.1	10.9	4.2	11.9	16.8	6.9
Tech/sales/admin	24.4	19.3	26.4	15.1	17.8	25.4	14.8	21.7	27.4	15.8
Service	26.3	27.0	25.9	27.6	33.1	32.4	33.4	17.1	19.9	14.1
Farm/fish/forest	2.4	3.2	1.3	4.3	4.4	1.8	5.4	1.3	0.9	1.7
Prec prod/crafts	9.6	9.4	7.0	10.7	11.2	9.3	12.0	6.4	4.9	7.8
Oper/fabric/labr	26.4	32.5	25.2	36.8	26.8	19.9	29.5	41.8	30.0	53.7
Military	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Exper unemployed	0.3	0.3	0.2	0.4	0.5	0.4	0.6	0.0	0.0	0.0

Source: Unpublished 1990 Census data

For Guam, services — especially the tourism industry — was the largest category, with about 1 in every 3 workers, with the pre- and post-Compact groups showing about the same percentages. More than 1 in every 4 FSM born post-Compact migration Guam workers were

operators, fabricators, and laborers, while about 1 in 4 of the pre-Compact workers were in technical, sales, and administrative support.

*Class of Worker.* In 1990, the FAS migrants worked overwhelmingly in the private sector, partly because the public sector is often unavailable to them. About 83 percent of the FAS born workers worked in the private sector, and 86 percent of the FSM born workers (Table 28). About 12 percent of the FSM born worked for the government, but this figure was greatly influenced by the CNMI, where more than 17 percent of the FSM born workers were in this category. The CNMI has been amenable to hiring FSM born workers. In fact, about 1 in every 4 FSM born pre-Compact CNMI workers worked for the government (but less than 1 in 10 of the post-Compact movers). More than 9 in 10 of the post-Compact movers were in the private sector.

Table 28. Class of Worker by Year of Migration, FSM: 1990 Census

Class of Worker	Total FAS	Total-FSM			Guam-FSM			CNMI-FSM		
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Employed 16+	4,656	2,832	1,044	1,788	1,747	497	1,250	1,085	547	538
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Private sector	82.8	86.2	77.6	91.2	88.9	82.1	91.6	81.8	73.5	90.1
Government	15.2	12.2	20.4	7.4	9.0	15.5	6.5	17.3	24.9	9.7
Self employed	1.5	1.1	1.6	0.8	1.3	1.8	1.1	0.8	1.5	0.2
Own family	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.0
No work last 5yr	0.3	0.3	0.2	0.4	0.5	0.4	0.6	0.0	0.0	0.0

Source: Unpublished 1990 Census data

## INCOME

The 2,185 FSM born working on Guam in 1992 were earning an average of \$6.43 an hour (Table 29), a figure that was \$2.18 above the minimum wage at the time but significantly lower than the \$8.61 average hourly wage of Guam private-sector employees and the \$16.91 average of those employed by the government (Territory of Guam 1993). Although the salaries of migrants were low, their cumulative earnings were significant and could have considerable impact on the FSM economy. If we assume that all were working full-time (that is, 2,000 hours a year), the total annual wages earned by FSM migrants would have come to about \$28 million.

Table 29. Hourly Income of Employed FSM Migrants to Guam and CNMI by State of Origin: 1992 and 1993

Year	Total	Chuuk	Pohnpei	Yap	Kosrae
<b>GUAM</b>					
Persons 16+	2,185	1,534	348	184	119
Median	\$5.73	\$5.41	\$5.91	\$5.74	\$5.87
Mean	\$6.43	\$6.03	\$6.35	\$6.29	\$7.03
<b>CNMI</b>					
Persons 16+	825	415	277	108	25
Median	\$4.44	\$2.83	\$3.68	\$4.25	\$7.00
Mean	\$6.30	\$3.89	\$6.12	\$6.26	\$8.71

Sources: University of Guam 1992, table 30; CNMI 1994, table 30.

There were 825 FSM citizens working in the CNMI in 1993 for an average hourly wage of \$6.30. If they averaged about 2,000 work hours during the year, their annual earnings would total more than \$10 million.

Five or six dollars an hour can seem like a regal salary to an islander who has just arrived from a place where the minimum wage may be little more than a dollar an hour. In fact, the high salaries to be made on Guam and in the CNMI are one of the main attractions of these places. Nonetheless, the average Micronesian salary is small by Guam or Saipan standards, and most migrants find themselves hard pressed to stretch their take home pay enough to provide all the necessities, especially in view of the high cost of housing, the need to buy all their food, and the outlay they are required to make for suitable clothes in the workplace. Indeed, the 1990 U.S. census revealed that about 59 percent of the FSM migrants in the CNMI and 51 percent of those on Guam were classified as living at or below the U.S. poverty level (Table 30). We may safely assume that these figures did not change much in the past few years.

Table 30. Percentage in Poverty for FSM born in Guam and CNMI: 1990  
(Numbers and percents cumulative)

Percent of poverty level	Number				Percents			
	Guam		CNMI		Guam		CNMI	
	Total	FSM- born	Total	FSM- born	Total	FSM- born	Total	FSM- born
Persons	126,460	2,933	43,025	1,797	100.0	100.0	100.0	100.0
Below 50% Poverty level	8,022	862	11,449	541	6.3	29.4	26.6	30.1
Below 125%	18,957	1,497	22,084	1,056	15.0	51.0	51.3	58.8
Below 185%	27,323	1,859	26,109	1,236	21.6	63.4	60.7	68.8
	47,916	2,312	31,878	1,481	37.9	78.8	74.1	82.4

Sources: U.S. Department of Commerce 1992, table 52; CNMI 1994

The data organized by pre- and post-Compact migration period are also revealing. The median income in 1989 for all Freely Associated States persons 15 years and over was \$6,591, low for Guam's and CNMI's residents, but not unexpected in a primarily migrant population (Table 31). For all FSM individuals, the median was \$5,881, falling in between the \$7,000 for those arriving before Compact implementation, and those arriving afterward (\$5,000, about \$2,000 less than for the earlier group.) Clearly, as with all immigrants, time is needed to develop both work skills and experience for promotion. The income levels were higher for Guam — both the pre- and post-Compact FSM born were making about \$2,000 more on average on Guam than in the CNMI. In fact, the post-Compact FSM born on Guam were making more, on average, than all FSM born working in the CNMI, attesting both to the different standard of living on Guam compared to the CNMI, and the fact that many of the CNMI FSM born were working in the garment factories and other low paying jobs.

Page 30, *Micronesian Migrants to Guam and the CNMI*

Table 31. Individual Income by Year of Migration, FSM: 1990 Census

Individual Income in 1989	Total FAS	Total-FSM		Guam-FSM		CNMI-FSM				
		Total	Pre1987	1987-90	Total	Pre1987	1987-90	Total	Pre1987	1987-90
Total, 15+ yrs	4,063	2,343	984	1,359	1,398	458	940	945	526	419
Median	\$6,591	\$5,881	\$6,995	\$5,014	\$6,691	\$8,267	\$5,955	\$4,985	\$6,210	\$3,835

Source: Unpublished 1990 Census data

## REMITTANCES

With the new jobs in Guam and the CNMI has come a substantial amount of additional income for FSM born. We need only recall that in 1992 FSM born earned an estimated \$28 million on Guam and in 1993 another \$10 million in the CNMI. The remittances that economic planners have been anticipating since the beginning of the outflow have been slow in coming, though, because of the migrants' set-up needs in Guam and the CNMI. Hitherto, the major benefits those at home received from their relatives abroad were the cases of frozen chicken and boxes of secondhand clothing that were being shipped back regularly.

Finally, after several years of population outflow, we have begun to see the first clear sign of monetary remittances. The 1994 FSM census has provided us with our first measure of the magnitude of remittances to Micronesia. In the FSM as a whole, 3,290 households, or 14.7 percent of all households in the nation, reported receiving remittances (Table 32). Remittances reported everywhere in the FSM totaled \$1.26 million, constituting nearly 15 percent of the total income of the households reporting them, according to the 1994 FSM census. Remittances appear to have become a significant source of income for families remaining in the FSM.

Table 32. Remittances from Abroad Received in FSM: 1994

Remittances	Total	Chuuk	Pohnpei	Yap	Kosrae
Total households	22,423	9,904	7,779	2,632	2,108
Reporting remittances	3,290	2,831	260	68	131
Amount of Remittances	\$1,260,000	\$952,750	\$196,200	\$41,725	\$69,325
Average for reporting households	\$383	\$337	\$755	\$614	\$529

Source: FSM 1995.

In Chuuk, a populous state with a depressed economy, few jobs, and many people abroad, remittances have had a particularly great impact. About 29 percent of households, or twice that of the FSM as a whole, reported receiving remittances. The total dollar figure put on the remittances Chuukese received in 1994 was about \$950,000, more than three-quarters of the total reported remittances for the FSM, and, even at that, probably greatly under-reported.

## CONCLUSIONS

The migration rates from the Micronesian countries vary depending on those islands economies and their relative closeness to Guam and the CNMI. The migration rate from the FSM, for example, which has been rather steady since 1986. shows no signs of falling off in the

immediate future. The outflow from Pohnpei and Kosrae slowed down between 1990 and 1992, and the Yapese stream was diverted to the CNMI, but emigration from Chuuk, which supplies about two-thirds of the migrant pool, has continued unabated. In view of the high total fertility rate recorded for Chuuk in the recent FSM census (more than 6 children per woman), we can expect Chuukese emigration either to maintain its present level or to increase unless the governments of Guam and the CNMI intervene.

Over the first six years of the compact period (1986 to 1992), the average annual migrant outflow was about 1,000 persons per year, or 1 percent of the FSM resident population per year. In all likelihood, this rate will not be reduced significantly in the near future. By the year 2000, at the present rate, there will be more than 10,000 FSM people on Guam, including more than 8,000 Chuukese.

We know from census items that the traffic to Guam and the CNMI is not one-way; considerable back migration occurs, that is, return of emigrants to their original home. Indeed, much of the appeal of Guam and the CNMI, in contrast to Hawaii or the mainland United States, is the ease and inexpense of a return trip to the home island. The extent of back migration has yet to be adequately measured, however.

The data from the 1992 and 1993 surveys reveal some pronounced differences between the FSM migrant communities in Guam and the CNMI. The households in the CNMI were rapidly filling out with dependents — women, children, and the elderly — and were evidently well on their way to full reconstitution as normal Micronesian households. Although no strong evidence exists that this was happening on Guam, the data provide hints of the ways in which the Micronesian community there was being transformed between 1990 and 1992. The drop in employment rate among Guam migrants and the possible increase in the number of those who do not speak English suggest that more migrants are choosing not to enter the labor force. We can expect that in future years the size and pattern of the FSM-born households will continue to develop along the lines of the Rubinstein's model. When that happens, these households, no longer immigrant households, are likely to look — statistically, at least — much like any other household on Guam.

A comparison of the educational achievement of migrants with the resident FSM population explodes the myth of a "brain drain" from the FSM since the implementation of the compact. Contrary to what we read in the academic and popular press, the FSM is not being deprived of its most valuable human resources through migration. The best educated of FSM born, those with college degrees, generally stayed home to take their pick of the jobs on their own islands. Meanwhile, the unemployed high school graduates without the skills or educational attainment to compete for jobs at home left to take advantage of the job markets in Guam and the CNMI. By and large, they took jobs having little appeal for local people and lack the background to advance beyond these entry-level occupations. Far from being a "brain drain", emigration is a spillway for excess bodies in the labor pool — that is, those who would be unemployable at home.

The total income earned by migrants in Guam and the CNMI is estimated at more than \$38 million a year during the period studied and should be well over \$40 million annually two years

later. This represents a substantial sum of money, given the present feeble condition of the FSM's economy. The remittances that were recorded in 1994 signal for the first time a change in direction of the dollar tide; the money has at last begun to flow inward rather than outward and the remittances of \$1.26 million in 1993 should increase in years to come.

The data on the short period between the 1990 census and the surveys in Guam and the CNMI (and the 1995 CNMI Census) are less significant for the numbers they record than for the trends they reveal. Not only are the extent and rate of the FSM population outflow more precisely defined, but the changing patterns of household composition and other features of life in the migrants' destinations are taking clearer shape. In a word, the survey data offer us a surer base from which to project migration and its attendant consequences on the FSM and the emigrant destinations.

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## APPENDIX B

### A Chronology of Significant Actions of the Department of the Interior regarding Impact of the Compact

#### 1987

-OTIA entered into an agreement with the Pacific Basin Development Council to gather information and draft a report. The draft report was submitted to OTIA in November 1987. It concluded that the existing data and data gathering systems were inadequate to establish the number of freely associated states citizens availing themselves of the right to immigrate under section 104(a) of the Compact.

#### 1989

-"A Report on the Impact of the Compact of Free Association on the United States Insular Areas" was transmitted to Congress by OTIA. The report found that there was a significant impact on Guam and the CNMI in the areas of education, public safety and health services, and that the major impact was in education. The report also concluded that a major joint effort would be necessary to improve data gathering capabilities in Guam and the CNMI and that the OTIA would address this through its technical assistance program.

-A technical assistance grant of \$138,000 was awarded to Guam for the collection and analysis of migration data.

#### 1991

-Assistant Secretary Stella Guerra testified before the House Sub-committee on Interior and Related Agencies that immigrants from the freely associated states were straining local resources in Guam and the CNMI. She stated: "The President;s budget supports the development of technical assistance programs in the U.S. insular areas to help mitigate the impact caused by Micronesian immigration."

-A technical assistance grant of \$150,000 was awarded to Guam for "Compact Impact Education and Information Program. A commitment for additional funding of \$301,000 for FY 1992 and \$179,000 for 1993 was also made, for a total of \$630,000.

## 1992

-A letter of April 1, 1992 from Assistant Secretary John Schrote to ranking member Ralph Regula of the House Appropriations Committee, Subcommittee on Interior and Related Agencies, discussed OTIA's efforts to provide information and technical assistance regarding impact of the Compact.

-On May 14, Assistant Secretary Guerra, testifying before the House Sub-committee on Interior and Related Agencies, said Guam did not request construction grant assistance and added: "However, we share Guam's continuing concern regarding impacts resulting from implementation of the Compact of Free Association."

-A technical assistance grant of \$23,650 was awarded to Guam for a "Census of Habitual Residents."

-A technical assistance grant of \$592,440 was awarded to Guam for Compact impact mitigation.

-A technical assistance grant of \$400,000 was awarded to the CNMI for Compact impact mitigation.

## 1993

-On May 4, Acting Assistant Secretary Allen Stayman testified before the House Appropriations Sub-committee, describing the problem, and added: "It has been very difficult to quantify the impact because of limited immigration controls and the constant movement by many Micronesians back and forth between their Micronesian homes and the temporary jobs and living arrangements they have in Guam and the Commonwealth. The President's budget proposes continuation of technical assistance for social and educational programs designed to help mitigate negative impacts."

-A technical assistance grant of \$594,900 was awarded to Guam for Compact impact mitigation.

-A technical assistance grant of \$396,600 was awarded to the CNMI for Compact impact mitigation.

-A technical assistance grant of \$39,050 was awarded to the CNMI to conduct a census of Micronesians in the CNMI.

## 1994

-On May 5, House Appropriations Subcommittee testimony by Assistant Secretary Leslie Turner stated. "Guam's greatest budgetary concern continues to be the impact caused by Micronesian immigrants as a result of the Compact of Free

Association. She then described Guam's annual impact reports and Interior efforts to establish guidelines for impact quantification, adding, "The preliminary data indicate that impact costs to Guam, as well as the Northern Mariana Islands, are substantial."

-A technical assistance grant of \$600,000 was awarded to Guam for Compact impact mitigation.

-A technical assistance grant of \$400,000 was awarded to the CNMI for Compact impact mitigation."

-An appropriation of \$2.5 million for FY 1995 was made for Guam to offset impact of the Compact.

-An allocation of \$1.6 million was made as part of the Covenant appropriation for FY 1995 for the CNMI to offset impact of the Compact.

#### 1995

-A technical assistance grant of \$72,000 was awarded to Guam for Compact Information and Education Program.

-Assistant Secretary Turner described the Insular Development Act to the House Appropriations Sub-committee on March 16: "The legislation will also provide \$4.5 million annually to Guam to mitigate social and education costs incurred as a result of the large migration of Micronesians following the implementation of the Compacts of Free Association."

#### 1996

-A technical assistance grant of \$146,490 was awarded to Guam for the "Compact Impact Information and Education Program."

-Congress enacted P.L. 104-134, the Insular Development Act, which provided \$4.58 million annually for Guam to offset Compact impact costs for a period of six years through FY 2001, for a total commitment of \$27.5 million. The law also extended guaranteed financial assistance to the CNMI for an additional seven years at \$11 million annually to assist in infrastructure projects, including assistance needed to offset the impact of Compact immigration.