

# Office of Insular Affairs



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## Stayman Makes the Case for Federal Minimum Wage in Northern Marianas.

The Administration believes that Congress should enact legislation that would gradually phase in the federal minimum wage for the Commonwealth of the Northern Mariana Islands, OIA Director **Allen P. Stayman** told a Senate oversight committee. The proposed legislation is a crucial first step to the long-term resolution of islands' immigration and labor problems.

The recommendation reiterates proposals the Administration made in 1995 and last year. The Senate Energy Committee last year deferred action on the recommendation, pending receipt of a report on wage rates from the Northern Marianas government. The study was to have been completed by January 1997.

Stayman said officials in the Departments of Labor and Interior are firmly convinced that a gradual increase in the local wage rate and eventual full application of the Fair Labor Standards Act would benefit the islands' economy. In fact, he pointed out, application of the federal minimum wage is essential to permit Northern Marianas citizens to enjoy an American standard of living, which was the goal of the U.S. Covenant that established the former UN trust islands as a U.S. insular commonwealth.

In 1995, the islands' legislature passed, and the Governor, signed a law raising the islands' minimum wage in stages to reach the then federal level of \$4.25 per hour in the year 2000, Stayman pointed out. "Since then, the legislature first delayed, then canceled, the increase from \$2.75 to \$3.05 per hour scheduled for January 1996," Stayman said. "Later, the legislature raised the overall minimum to \$3.05, except for the foreign labor dominated garment and construction industries, which account for the bulk of those affected by minimum wage rates, who received only

## Made in the USA

The Northern Marianas' garment-assembly industry has been the most vociferous, in fact the only, opponent to the application of the federal minimum wage, Stayman told the Senate oversight committee.

"That industry has pressed the view that Northern Marianas-assembled garments could not compete with those from low-wage Asian countries or Mexico, if wages were increased," he said. "But Northern Marianas garments do not compete with Asian garments because all major Asian producers are constrained by quotas; without the quotas, there would be no Northern Marianas garment industry."

The islands' garments, which carry the "Made in the USA" label, compete directly with other garments made in the 50 states but they are

produced with duty-free foreign materials, and foreign labor that is almost entirely from mainland China. "Each time the islands' minimum wage has been increased, its garment industry has increased, not decreased, sales," Stayman said.

Currently, the islands' garment industry contributes a 3.5 percent "use tax". The industry is exempt from gross receipt taxes and receives a rebate of more than half of its income tax payments. There is concern that the industry may be a net drain on the economy. By paying higher wages to its workers, the garment industry could become a benefit to the Northern Marianas and its people, Stayman said.

a 15 cent per hour raise to \$2.90 per hour." All future scheduled annual increases were canceled.

With the phenomenal economic growth of the 1980s, the Northern Marianas' mean household income, measured by the census, increased from \$22,341 in 1979 (1980 census data) to \$34,713 in 1989 (1990 census). But by 1994, mean household income had declined to \$30,301. At the same time, many social and economic problems continued to grow: tap water quality worsened, beaches became polluted, dump fires got out of control, and crime rates rose, including publicized and unsolved cases of murder and rape.

Coincidentally, all of these problems worsened while other economic growth indicators continued to expand dramatically. Tourist arrivals increased over 50 percent, from 438,454 in 1990 to 676,161 in 1995; garment exports increased from \$163 million to \$419 million in the same period; and government revenue went up 70 percent from \$111 million to \$190 million.

There are two classical arguments against raising minimum wages: that an increase in wages increases unemployment and that it makes industries less competitive. These arguments have absolutely nothing to do with the islands' economy today, Stayman said. The Northern Marianas has a dual economy and a dual society.

Wages below the U.S. minimum wage are paid almost exclusively to non-resident alien workers, who constitute most of the private sector work force. Nearly all local residents earn more than the federal minimum wage, most working for the government.

In 1995, according to the census of that year, 3,347 of the 6,006 employed persons born in the islands were employed by government; 24,254 of the 24,840 Asia-born workers were employed in the private sector. The apparel industry employed 6,710 of these Asian workers, 5,560 of whom were from mainland China. (Employment of Chinese in the apparel industry has increased substantially since the 1995 census.)

Census data also reveal an anomaly regarding unemployment; although overall unemployment in the Northern Marianas was 7.1 percent, the rate among the native population was double that at 14.2 percent, while the unemployment rate among the 27,779 Asian born workers was 4.5 percent. Clearly,

workers are being imported to take jobs that would otherwise go to local residents. Even some alien workers are unemployed—including 7.9 percent of Chinese workers.

Instead of causing unemployment, an increase in the minimum wage would open up job opportunities for local residents, who now have little incentive to work in the private sector. Employers could reduce their recruiting of alien workers, even sending some of them home, thus lowering the stress on infrastructure and government services. Meanwhile, those alien workers who remain would earn more, spend more in the local economy, and pay more taxes to the local government.

The argument that raising the minimum wage would make the islands' industries of tourism and garment manufacturing less competitive and less viable also is false, Stayman said. The Northern Marianas' tourist industry is virtually a carbon copy of the Guam tourist industry, with the same market, the same attractions, and even the same hotel chains, ownership, and management.

The difference is that Guam is subject to the federal minimum wage and federal immigration control, while the Northern Marianas has greater access to low-wage alien workers and thus has more incentive to employ them in preference to local residents. When the Northern Marianas tourism industry was new and developing, there was an argument for a competitive advantage over Guam, but that time is now past and, most significantly, the industry itself does not oppose a higher minimum wage.

"While we continue to have many concerns about labor, immigration, and law enforcement issues in the Northern Marianas, we consider full application of the Fair Labor Standards Act to be a significant step in dealing with these problems," said Stayman. "It would increase private sector employment opportunities for U.S. citizens; increase incomes, spending, and revenues; and it would decrease the need for imported workers, particularly in the lowest paid occupations most vulnerable to abuse."

"The Northern Marianas will be dependent on alien guest workers for many years to come," he said. "Our proposal is designed to open up the better private sector jobs to local residents, to curb abuses among the lower paid foreign workers, and to turn the alien workers into a positive influence on the economy."

## FACT SHEETS

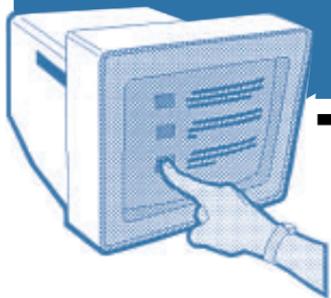
UNITED STATES INSULAR AREAS



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF INSULAR AFFAIRS

Prepared by: Division of Policy

The Office of Insular Affairs has published a Fact Sheet on the U.S. Insular Areas. The 70-page publication contains economic, demographic, and political summaries of the islands' status as well as descriptions and information on all of the uninhabited U.S. insular areas in the Pacific and Caribbean. Copies can be obtained by calling 208-6816.



## Focus on Information Technology:

# THE INTERACTIVE WORLD

The last issue of *People Land & Water* discussed the basic nature of interactive multimedia and some considerations to keep in mind when deciding what media to use for conveying information effectively to your targeted audience—employees, stakeholders, clients. The nature of that audience, the nature of the information you want to convey, and the intended delivery method are the major considerations. This article will briefly review technical developments that are making interactive multimedia programs increasingly feasible, practical, and effective.

Methods of conveying your information interactively to your selected audience include laser disc, floppy disc, hard drive, and CD-ROM. Soon they may also include cable systems, digital video discs, and direct broadcast satellite systems. Even if some of the noteworthy developments in these systems don't affect your immediate plans, it's helpful to see the direction in which interactive multimedia is heading.

A host of technical developments are contributing to the possibility of using interactive multimedia programs successfully—for just about any purpose you may have in mind. In the last few years, there has been a rapid transition from keyboard entry to windows. Processor speed has doubled about every 18 months and for the foreseeable future will continue to double at that rate. That phenomenal growth makes possible calculations and activities that were *impossible* just a few years before—calculations like real-time conversion of analog video to digital video and full-screen, real-time compression and decompression of video.

But other developments are just as important, especially improved bus design and capacity (data transmission technology), and the precipitous drop in the price of Random Access Memory (RAM) and hard drives, making them more widely available. RAM capacity in desk-top computers has jumped from a few megabytes to hundreds of megabytes. It was a breakthrough when computers could have 16 colors instead of black and white; now they can have *16 million or more*.

The expansion of storage space and the increased speed of hard drives have made them active parts of sound and video operations. Sound boards capable of CD-quality, video boards, graphics boards, CD-ROMs—all have made computers true multimedia centers. And now virtual reality recording and playing is possible for anyone.

### **Game Dynamics, Chip Speed, and Disk Capacity**

All of these developments help to make computer-based interactive multimedia more feasible and more entertaining, satisfying, useful, and informative. And the speed of change is not abating. Much of this interactive technical development is being inspired by the desire to improve the dynamics (graphics, realism, response time) of games, including games on special platforms, like Nintendo, Sega, and Sony Play Stations.

All of these are, really, very specialized computers. But, although technological developments may start there, they don't end there, and we all can take advantage of the giant strides in technological wizardry that may first show up on games and apply them to our own information programs.

And, of course, there's more. Intel is already making available for PCs a modified processor chip that will act like parallel processors and will make every computer a multimedia, graphics, and 3D machine. Other chip manufacturers are expected to follow soon. And Microsoft is altering its operating

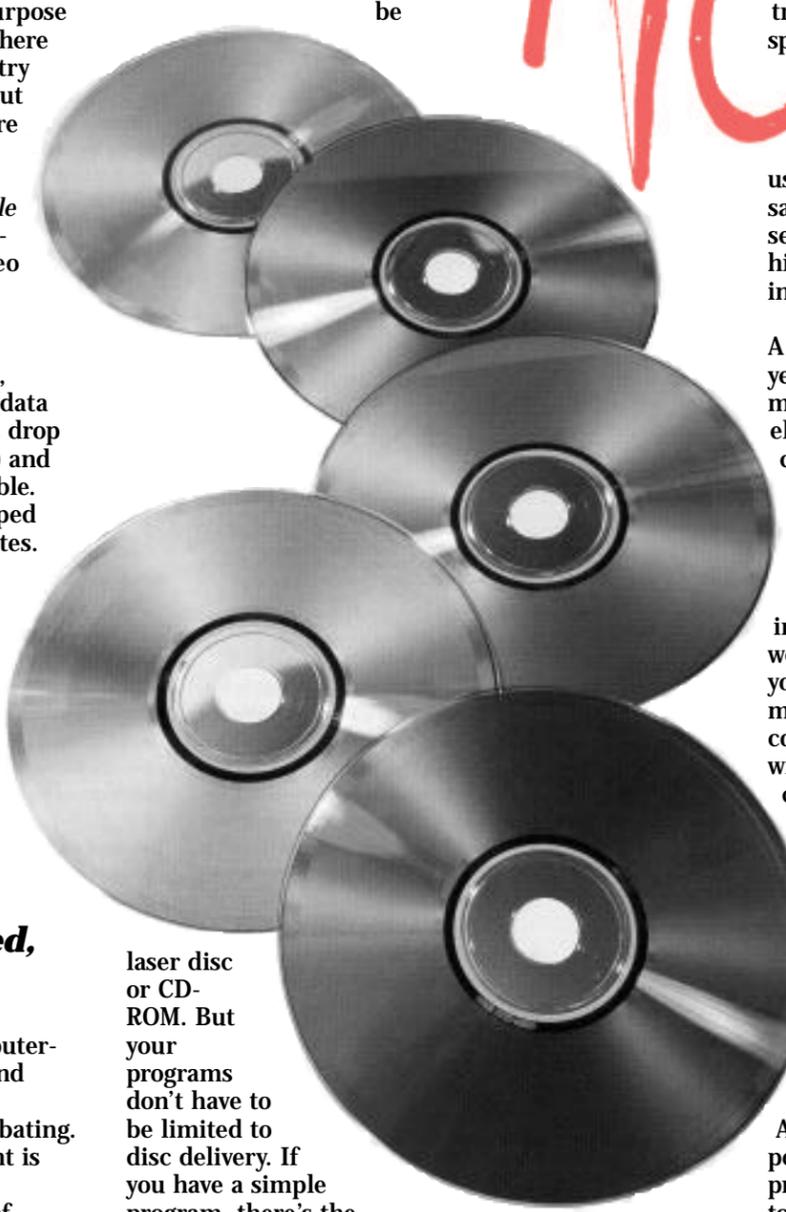
system to accommodate 3D modeling and real-time, full-screen video on all computers.

On another front, CD-ROM technology holds the promise of vastly increased capacity of CD-ROM discs through improved laser mastering, layering, and writing on both sides of the disc. And digital video discs (DVD) are threatening to supplant CD-ROMS, with vastly increased capacity, making possible hours of high-quality video or millions of pages of text, or graphics, or photos.

These developments and potential developments increase the feasibility and capability of interactive multimedia programs, making them faster, improving information capacity, and increasing the kinds and complexity of the media that can be included in a program.

If you are contemplating an interactive multimedia program for the near future, your method of delivery will probably be

*AVC*



laser disc or CD-ROM. But your programs don't have to be limited to disc delivery. If you have a simple program, there's the Internet to consider, too. There's plenty of interactivity on the Internet. Always has been. It's basically an interactive medium—from e-mail to chat rooms, to research and live video.

At present, there is a no-man's land with regard to interactivity: While focus is shifting to the World Wide Web for interactive programs, that shift is slow and tentative. Yet production of CD-ROMS is suffering, because it's easier, cheaper, and faster to publish/distribute programs on WWW than it is on CD-ROM.

But one of the big problems today, especially when complex graphics or video is involved, is the capacity of POTS (Plain Old Telephone Service),

which for Internet communication converts computer signals to audio tones through modems. The capacity of telephone copper wires is pushed to the limit with graphics and video, and downloading files can be very slow.

### **New Lines for Old**

One current solution is ISDN (Integrated Services Digital Network) lines, which involves using two existing wires of a telephone connection and transmitting digital signals (not audio tones, as modems do), thereby basically quadrupling the capacity/speed of the transmission of complex data. This is, assuredly, better than the service most Internet users enjoy today, but it will probably not suffice for effective interactive multimedia on the Internet.

A more promising way to improve the capacity/speed of internet transmissions is ADSL (Asynchronous Digital Subscriber Line), a procedure in which information is transmitted in compressed digital blocks, staccato-like and interspersed with other transmissions sent in the available transmission spaces. This procedure increases the capacity of lines tremendously and makes even full-screen, full-motion video possible on the Internet.

Other possible systems include cable modems, using existing cable television lines, and direct satellite services or DBS (Digital Broadcast Satellite services)—both of which could provide extremely high-capacity/high-speed information, at least from information source to user.

A major adjustment is inevitable in the months and years ahead as content and programs are made more available on the Web. But here's something else to consider: Even now there are hybrid systems, called Internet CDs, in which automatic connections are embedded in CD-ROMS to make contact with home pages on the Internet in order to obtain more up-to-date information.

Almost all CD-ROM games in the works today include a multiplayer Internet component. (Some were available for the last Christmas season.) So, if you really want to make your interactive multimedia program both widely available and continually up-to-date, you could create a CD-ROM with a connection to your agency home page that can provide unlimited supplementary, continually updated information.

But what does all this technical stuff mean to you? If you have wide-ranging information that you want to convey to a varied audience, and interactive multimedia seems like the way to do it, then there are a lot of ways for you to get your program out there. And the possibility of doing it effectively is expanding at an explosive rate.

All of the developments noted above help make possible complex, real-time interactive multimedia programs that can impart the information you want to get out to your audience or to induce a response you want to achieve. And your method of delivery can be laser discs, floppy discs, CD-ROMS, and/or the Internet. And soon, you'll be able to take advantage of digital video discs and probably cable modems and direct satellite broadcast systems.

*In the next issue of People Land & Water, the AudioVisual Center will provide a specific example—a case study—of how an agency's-educational communication needs were met by a tailor-made diagnostic program and media product. For information on how the AudioVisual Center can help you with your program, contact Liz Shugrue at (303) 236-200; fax to (303) 236-2005. Mail to at P.O. Box 280982, Lakewood, CO, 80228.*

# Viewpoints:

## Encouraging Unions and Law Suits

I briefly wanted to say that I agree 100 percent with Edward Chamberlin's letter in the Readers Write section of the February 1997 issue of PLW. Volunteers are replacing paid employees not only in the Park Service, but also in other agencies. A continuation of this trend will encourage unions and lawsuits. I think the agencies need to look long term and tell Congress that we either need more money to do what they want us to do, or Congress needs to adjust its expectations of what the agencies can accomplish.

*Bill Taylor, BLM, Roswell, New Mexico*

## Talent and Time To Volunteer

This is in regard to Mr. Edward Chamberlin's comments headed "Volunteers Nothing to Brag About." My wife and I are volunteers for the USFWS. We have over 1000 hours each. We live in our R.V., are on our third refuge, and are looking forward to more. We visit every refuge possible in our travels and get the same story at every one—money is tight, budget cuts, retirees not being replaced, equipment wearing out, etc.

I agree with Mr. Chamberlin that it's sad that so much is not being done by FTEs. I hope he will agree that someone must keep our National Park System and National Wildlife Refuge System open for people to enjoy. We have not volunteered for the

# POINT - COUNTER POINT



National Park System and if Mr. Chamberlin's feelings are widespread throughout the NPS, I'm glad we haven't.

If Mr. Chamberlin would do a little research, he would find that a lot of volunteers are like us, retired business people, engineers, electricians, plumbers, carpenters, teachers, etc.—none of whom are looking for full-time jobs. He almost insinuated that our kind should not be in a position to handle money, as at a Fee Station in a National Park, or to do anything with responsibility. I am wondering what kind of menial labor he would have us do? Personally, I do not clean toilets.

*Chuck Satterfield, Crawfordsville, Iowa.*

## Cry Harder Without Them

In response to the letter concerning the NPS's use of volunteers, I would cry harder without them. I would not be where I am today, a GS-9 Park Ranger, working in Interpretation, without the volunteer program. As coordinator for volunteers at my park, I appreciate and admire all people who volunteer. Much of the work we do would not get done if we did not have volunteers.

In Interpretation, about 60 volunteers work four to eight hours a week during the year. They staff the Information Center and the Entrance Station, lead or assist with our off-site, special emphasis, and environmental education programs. They clear trails, pick up trash on the beach, and build picnic tables and benches. They help with the park library, perform data entry, and support our Interpretive staff in many other ways. Another group of about 60 volunteers works with a staff of one, plus a temporary employee in Resource Management. During the summer months, they place screens over the nests of 4,000 loggerhead sea turtles to protect them from raccoons, which have destroyed 80 percent of the eggs in the past. The volunteers, who collect data as they work, screen about 90 percent of the nests, saving the eggs of the threatened turtle.

Volunteers are great morale builders and help us accomplish tasks that we are mandated to do without our becoming overworked and stressed out. For me, the stress comes when their work is not appreciated and people feel threatened by them. Volunteers are people who look for a way to help out, keep active, keep learning, and find enjoyment in working with people, teaching others about an area that is dear to their heart. Who is better qualified to work in the

National Parks and help take care of them than the people who love them and own them?

In these days of cutbacks, do I really believe that the park is going to get all the employees we need to do the job we are mandated to do? NO. Do I really believe that our volunteers are keeping someone from getting a job? NO. Using an estimate of 1,600 FTEs and considering there are about 365 parks in the System, that would mean hiring four to five new FTEs per park. Do I really believe that is going to happen and would I want it to? NO. Do I believe that the government has a big cash fund out there to pay for those extra employees? YES, its called the taxpayer. I just happen to be a taxpayer, too. Do I want to work longer to pay more taxes? You bet I don't. I work hard enough to accomplish what we do with the volunteers.

I realize many people feel threatened by volunteers and feel they are taking jobs that should be done by a paid employee. Our volunteers are not taking our jobs, they are saving us medical bills for stress-related illness and taxes. We need to realize that it is a privilege, not a right, to work for the U.S. Government. Volunteers are helping the U. S. Government balance the budget. If other government agencies used volunteers at the same level the National Park Service does, would we see a decrease in the National Debt?

I think it is a crime that in some areas Interpretive programs deteriorate because some refuse to let the people who live in their area share with the public their love for special features and opportunities of their park site. They depend on staff who are overworked, have insufficient training, whose priority is in other areas, and whose heart is not in interpretation.

Our country was founded on volunteers. Where would we be without them—the Red Cross, the Boy and Girl Scouts, Habitat for Humanity. That is why I am proud of the National Park Service and its volunteers. Let's work together to make the Park Service the leading government agency to accomplish its task with the fewest tax dollars. I challenge other Interior agencies to match our NPS volunteer ranks

and get GREAT things done for our Park, our Service, our Department, and our Government. Team up and work for our Country, for ourselves, and our fellow taxpayers. The next time you see National Park Service Volunteers, shake their hand and say thank you. They are saving you money in more ways than you can imagine.

*Sandra Hines, Titusville, Florida*



President Clinton congratulates NPS summer employee Eric Reis at Grand Teton National Park in 1995.

THE U.S. DEPARTMENT OF THE INTERIOR

# PEOPLE & LAND WATER

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