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Statement of Felix P. Camacho
Governor of Guam
Before the House Committee on Resources

Regarding H.R. 2522

July 8, 2003

Good morning and Hafa adai Chairman Pombo and members of the House Committee on Resources. I am Felix Camacho, Governor of Guam. It is a great pleasure and distinct honor to make my first appearance before Congress today, to testify on H.R. 2522, introduced by Guam's own Delegate to Congress, Ms. Madeleine Bordallo, on behalf of the people of Guam.

As fellow Americans and America's westernmost gateway, the people of Guam have proven their patriotism and loyalty to the principles of democracy that make this nation great. Ours is a long history of defending those principles.

Our sons and daughters have consistently boasted the highest per capita enlistment into our armed forces. Ours was the only piece of American soil occupied during World War II for two and a half years, from December 8, 1941 to July 21, 1944. As bombs fell on Pearl Harbor, they fell on Guam—followed by invasion and occupation. Battles for Guam and other parts of the Northern Marianas were among the bloodiest of the war. Our parents and grandparents fought gallantly to defend our piece of America against invasion — enduring untold atrocities, starvation and death. Concentration camps at Manengon and other interior sites were established by the 29th Division of Japan's Army. Six hundred Chamorus were officially executed. Some were beheaded due to the local people's 3-year patriotic efforts to successfully feed and hide the last remaining U.S. Navy radioman, George Tweed, from capture during occupation. In defiance of their occupiers, our people coined a song so telling of our deep patriotism... Uncle Sam, Won't You Please Come Back to Guam.

A simple visit to War in the Pacific National Memorial Park tells the tale of the true cost of the war on our people. Upon a haunting crescent-shaped wall, you can see the thousands of names of Americans and our Chamorro people who lost their lives and those who survived standing up in the face of tyranny for the democracy and the country that they so loved. You will see the names of men like Pedro Cruz, Vicente Chargualaf and Ramon Camacho who defended their island and their Nation and mounted a brave but futile defense of Government House against overwhelming Japanese forces. You will find the name of Beatrice Emsley, a woman who was nearly beheaded by Japanese troops during the occupation. She survived, and lived to testify before this great Congress about the atrocities of war on Guam. She recently passed away.

Our people have sacrificed for many wars... including the Vietnam War, where our young Chamorro soldiers had one of the highest per capita death rates in that conflict.

My father, the late Governor Carlos G. Camacho was the only Governor in the United States to visit our soldiers in Vietnam during two consecutive Christmases, to ensure that the sons of Guam knew that their people supported their efforts during that conflict.

More recently, Guam played a major role as a refueling point for bombers flying to the Gulf War and as the first staging area for Kurdish refugees. And we stand ready to serve our Nation, as she needs us.

Time and again, Guam has borne the great responsibility of being American, proudly and with unwavering patriotism.

Today, I come before you, representing the people of Guam, in support of H.R. 2522, or similar legislation, to bring balance to a commitment that our nation made to the Freely Associated States and to your fellow Americans on Guam. While we recognize our responsibilities as Americans to provide a beacon of freedom

and hope for those who seek to participate in our great democracy, Guam is, unfortunately, not in the financial position to carry out this duty without further assistance.

I wish I could appear before you to deliver the message that Guam can carry this burden alone... I cannot. I wish I could tell you that the government of Guam stands ready to fulfill this commitment on behalf of our great nation... but we cannot do so without your assistance.

Like every state and territory in this nation, Guam has been affected by a changing world economy, one that has caused a serious contraction in our local economy and has left us with the enormous responsibility of providing for our citizenry with ever dwindling resources. Guam's unemployment rate prior to the devastation of Super Typhoon Pongsona on December 8, 2002, was at 11.4 percent. Our Government revenues have decreased by more than 40% in the last two years.

As we stand at our airport welcoming compact citizens, we watch as our own local residents leave our island to pursue better opportunities here in the mainland. Guam is experiencing a "brain drain" similar to that of the 1970s, which severely limited our intellectual and technical ability to support economic diversity.

We have an economy in the midst of its longest and deepest recession -- and recovering from the destruction of Guam's most damaging super typhoon in 26 years.

Super Typhoon Pongsona caused nearly one-quarter of a billion dollars in damage -- more than seven times as much per capita as any in our nation - a national record we would rather not have. Our per capita cost for recovery from these storms is \$1,599.03. To put this in perspective, the Nation's highest per capita cost for a disaster, prior to Pongsona on Guam, was the Northridge Earthquake in California. The per capita cost for that disaster was \$211.

It damaged every one of Guam's 35 public schools. It crippled our utilities. It caused mandatory gas rationing. 2002 was indeed a disastrous year for our island -- several months before the super typhoon we were hit by Typhoon Chata'an -- which caused massive damage. We were finally on our road to recovery when Pongsona came around. We must not forget the earthquake that year... which knocked down power lines, bridges and other critical infrastructure. These natural disasters -- coupled with an economic recession mirroring the Asian economic crisis that has been with us for 10 years -- has unfortunately led our people into the worst economic times in the history of our island.

Despite our hardships, the people of Guam continue to do our part to uphold our Nation's Compact with the Freely Associated States -- but given our dire situation we are less and less capable of doing so without causing greater harm to our local community.

While Guam, the CNMI and even Hawaii have not been active participants in the Compact negotiations, from its initial negotiations in 1969 or at any time since, we have all accepted our roles in its implementation. Upon the enactment of U.S. Public Law 99-239, the people of Guam have embraced residents of the Federated States of Micronesia and the Republic of the Marshall Islands who have migrated to our island, providing them with essential services, from education and healthcare to public assistance and economic support. And we have done so with limited support from the federal government.

Guam continues to provide children from the FAS with public education even though we lost some \$10 million annually with the opening of DODEA schools on Guam. We continue to assist their underprivileged even though we are limited by a funding cap of \$4.86 million placed on Guam's federal public assistance programs, while the impact of Compact residents in 2002 alone was \$12.1 million. We continue to care for their sick and elderly through Guam's local medically indigent program, as they do not qualify for federal Medicaid. Our only public hospital continues to bear the costs, which last year eclipsed \$7.8 million, to care for 6,729 of their sick, even when they could not afford the cost of healthcare.

All three branches of Guam's government fulfill their collective responsibility to uphold the Compact our nation negotiated. We do so - not so much because we are legally required to do so -- but because it is the very American ideal of equality that we embrace.

In the past, other Guam leaders have appeared before this Committee taking the position that more must be done to properly compensate the impact of the Compact of Free Association on our island. The basis of that claim was Section 104 of Public Law 99-239, which states "In approving the Compact, it is not the intent of Congress to cause any adverse consequences for the United States territories and commonwealths or the

State of

Hawaii.” Further, as stated in H.R. 2522, “Congress provided that if any adverse consequences to Guam resulted from the implementation of the Compact, Congress would act sympathetically and expeditiously to redress those adverse consequences.” And every leader who has appeared before this body has asked for that compensation.

This lack of federal funding has always placed us in an awkwardly adversarial relationship, forcing the federal government to defend its own position, just as Guam has been forced to speak to the realities of the Compact’s impact on our people.

Today, in the spirit of unity and bipartisanship, Congresswoman Bordallo and I offer a different approach: a commitment to work with the federal government to bring balance to our desire to uphold the ideals of our great democracy and to do so within the bounds of our local economic realities.

Since assuming office on January 6th of this year, my Administration has been working closely with the Department of Interior and more specifically with the Office of Insular Affairs. We have developed a strong, cooperative relationship that reflects a mutual respect for the duties of each. I have personally met with Secretary Norton and spent a significant amount of time with Deputy Assistant Secretary for Insular Affairs, David Cohen, on many outstanding issues on Guam. We are coming to resolution on many of those, including prior inefficiencies of the government of Guam to correct concerns raised by the DOI Inspector General’s audits.

Back at home, my Administration has taken major – unprecedented – strides at controlling the cost of government and bringing it back in line with the meager revenues we have. We have acted decisively to avoid payless paydays and a government-wide shutdown. We have been forced to make the difficult choice to reduce hours... consolidate services... and outsource... to lower the cost of government. We have reduced the workweek to 32-hours, implemented government-wide furloughs, reduced benefit packages, eliminated the practice of double-dippers – those working in government and collecting GovGuam Retirement pensions as well.

We’ve restricted overtime, implemented a plan to outsource government services and expedited the construction of CIP projects to inject millions into our shrinking economy. We are in the process of reducing the number of government agencies from 52 down to only 12, which will reduce our payroll by more than 1,000 government employees by the end of this fiscal year. We have begun aggressive tax collections and audits... and we are now working with the Department of Interior to bring federal agents to assist in these efforts.

I believe that my Administration has shown our commitment to work with the Department of Interior to resolve many issues that have, in the past, been ignored or inadequately addressed. I am confident that we can build on the respect and cooperation we have forged over the past seven months to bring mutually beneficial resolution to the issues addressed in H.R. 2522, or similar legislation. Measures like these will assist our island and our government in staying afloat during these difficult times.

Through measures like H.R. 2522, we will be able to work directly with the Department of Interior on an issue that they know better than any other federal entity... the affect of Compact migration on the insular areas.

I could sit before you and cite the various provisions of the Compact of Free Association Act of 1985 and the General Accounting Office’s findings that support Guam’s case on the need for additional funding. However, your Committee has more intimate knowledge of those provisions and findings than I could ever expect to enhance.

What I will offer through my testimony today is a commitment of the government and people of Guam to work, through the enactment of measures like H.R. 2522, with the Department of Interior to bring much needed balance to the level of impact the Compact has had on our people, through a balancing of the books... a reconciliation of debt between the government of Guam and the federal government. Debts we owe and are owed. H.R. 2522, or similar legislation, would allow us the opportunity to honor both debts in a just and fair manner.

My commitment is - with Congress’s blessing - to offer my full support to the Department of Interior to

provide timely and accurate reporting on the Compact's impact and progress, with the ultimate goal of ensuring that all participants - the United States government, the people of the Freely Associated States and the people of Guam - all benefit from this relationship.

We simply ask that as the people of Guam have fulfilled their commitment to the Compact, that the federal government do its part in ensuring that the people – faithful U.S. citizens – are fully protected from the impact of the federal government's agreement with the Freely Associated States.

The people of the Freely Associated States will continue to be welcomed members of our democratic society. We will continue to encourage their participation in our community and we will provide, as we are capable, the full extent of our social services to them as full-fledged members of Guam's community. We simply ask for your support in providing a mechanism for our people to bring about equity and balance to the process.

As proud Americans, the people of Guam continue to support our nation's mandates. As proud Americans, we embrace our responsibilities of freedom and democracy. However,

we ask for greater latitude to adjust to the complexities of this unique and very American relationship with the people of the Freely Associated States.

I thank Ms. Bordallo for her work in drafting H.R. 2522. I thank the good Chairman and the members of this committee for providing a venue for voicing our support for this bill. And I hope that the members of this Congress will allow the people of Guam the opportunity to work with the Department of Interior to rectify imbalances that were created long before either of us assumed our roles of leadership.

Thank you. Si Yu'os Ma'ase. And God bless America.