Mayor Jess Guerrero, and Independents Jesse Borja and Benigno Sablan.

SAMUEL F MCPhETRES

PALAU

The year under review began with two tragedies. The first occurred near Ngardmau State and involved a head-on collision of two boats traveling at high speed, resulting in the death of five Palauans and the injury of ten other people, some of whom were from the US Public Health Service. Mr Beketaut Towai, a former member of the Palau Legislature representing Ngardmau, was among those who died. The second tragedy was the collapse of the huge concrete bridge connecting Koror to Babeldaob Island. Two people traveling in a vehicle on the bridge at the time it fell died; four others were injured.

Palau’s main eight-hundred-foot-long Koror-Babeldaob bridge, completed in 1977 at the cost of $5.2 million, collapsed in late September and knocked out Koror town’s water and electric power supply. Within weeks, water and power were restored, if sometimes rationed, and boat transportation substituted for the fallen bridge. The Nakamura government’s solution has been to replace small-boat transport with less expensive ferry service. This in turn has been replaced by a three-piece temporary bridge costing $3.8 million, and plans call for a new permanent bridge to be completed in about five years. Within months of the collapse, President Kuniwo Nakamura approached the governments of Japan, the United States, and the Republic of China (Taiwan) for grant assistance to construct a permanent bridge. Government officials maintain that a bridge linking Koror with the large island of Babeldaob is fundamental to Palau’s continued economic growth and development, especially with completion of the Babeldaob circle road by 2003. In April 1997, the government filed suit against construction, design, and insurance companies for compensatory and punitive damages, maintaining that defective repairs and design changes performed by the various firms led to the structure’s failure.

National elections took place in Palau with a September primary and a November general election that included two ballot initiatives. Incumbent President Nakamura defeated both Johnson Toribiong and Ibedul (high chief) Yutaka Gibbons by taking 56 percent of the vote in the primary race. Given the tremendous hardships the collapse of the Koror-Babeldaob bridge generated just two days after the primary, and the strong majority support for the incumbent, Toribiong, in a surprise move, withdrew his candidacy in early October. This was a family decision announced by Roman Tmetuchl (a three-time presidential candidate himself in the 1980s) to the leadership of the Palau Nationalist Party, which had vigorously supported Toribiong’s second run for the presidency. Toribiong’s running mate, Kione Isechal, an engineer, stayed in the race and finished second to incumbent Tommy Remengesau, Jr, who took nearly 70 percent of the vote. Nakamura was reelected to the presidency by defeating Ibedul Gibbons,
who garnered just 33 percent of the vote. As in past general elections, voter turnout was high, some 81 percent in 1996.

In the races for thirty seats in the Olbiil Era Kelulau (national congress), most incumbents won reelection. For just the second time since self-government began in 1981, a woman won a seat in congress. No newcomer to election battles, Sandra Pierantozzi finished second in a twenty-four-person field to win a seat in the fourteen-member senate. Pierantozzi ran very strongly in the 1992 vice presidential race, finishing some 314 votes behind Remengesau Jr.

The Palau Nationalist Party, which supported the Toribiong-Isechal ticket, was responsible for getting over five thousand signatures on a petition calling for a constitutional convention at any time. However, both measures—a convention to amend Palau’s basic document and the timing—were defeated by modest margins.

Palau’s election and petition votes of 1996 were affected by the bridge collapse. Voters were cautious, supporting the status quo in spite of persuasive and enthusiastic discussion of issues by the Toribiong-Isechal team and the Palau Nationalist Party prior to Toribiong’s withdrawal. The Nakamura-Remengesau political team, committed, energetic, and apparently well funded, showed it could not be defeated.

In its external affairs, Palau accepted from Australia a fast patrol boat for surveillance of the republic’s resource-rich two-hundred-mile exclusive economic zone. Named in honor of former President Haruo I Remeliik, the boat is the major part of a five-million-dollar Australian aid package that included the training of eighteen young Palauan men to operate it. President Nakamura made a state visit to Australia to formally receive the patrol boat. Later in the year he welcomed former Prime Minister Bob Hawke of Australia, who paid a courtesy visit to Palau, and Vice President Remengesau accepted eight school, art, museum, and sports grants from the Australian Small Grant Scheme.

At the invitation of the People’s Republic of China, President Nakamura, accompanied by Reklai (high chief) Ngirmang and key leaders from the Olbill Era Kelulau, paid a state visit to that country in May. The visitors were treated with great respect and fanfare. An escort of ten thousand policemen and soldiers (over half the population of Palau) was assigned to the visiting dignitaries, and Nakamura reportedly occupied the same hotel room that President Nixon used during his historic visit to China in 1972. The entourage met with China’s top leaders, President Jiang Zemin and Premier Li Peng. The group of Palauan government leaders had an aircraft assigned to them for visiting economic development projects and historic sites in provinces near Beijing. Although Nakamura declined to sign an economic relationship agreement with the People’s Republic, on behalf of the Palau government he did accept from Chinese officials a grant of $600,000 for infrastructure development. Palau’s local newspaper, Tia Belau, commented that Nakamura is in the enviable position of getting foreign investments from Taiwan and inexpensive
labor from the People’s Republic without committing himself to either China.

In August 1996, Palau established diplomatic relations with the United Kingdom. Reminiscing about Palau’s first extensive contact with British Captain Henry Wilson in 1783, Britain’s first ambassador to Palau, V M Scarborough, presented his credentials to President Nakamura in a moment of proud and historic “reunion.” Palau also established diplomatic relations with Sweden, and President Nakamura accepted the credentials of the Swedish ambassador as well as those of the new ambassadors from the United States and Japan, Thomas C Hubbard and Jiro Kobayashi.

Palau’s special connection to Japan was evident in an eleven-million-dollar grant from the government of Japan to the republic for electrical equipment, in discussions between high-ranking officials of both governments regarding special grant assistance to rebuild the Koror-Babeldaob bridge, and in the exchange of notes implementing the Japan Overseas Cooperation Volunteers program. Like the US Peace Corps, this program will bring Japanese volunteers to Palau to assist in youth and economic development projects. Additionally, President Nakamura visited Mie Prefecture, Japan, the area where his father grew up, to meet with officials there for obtaining assistance in marine and environmental technologies pursuant to an agreement of friendship, cooperation, and cultural exchange signed during an earlier visit of Mie officials to Palau. The eleven-million-dollar electrical equipment grant resulted from President Nakamura’s courtesy visit to Emperor Akihito in early 1996 and the special status Mr Nakamura, as a son of Japan, has for the emperor.

Palau hosted the third meeting of the Council of Micronesian Chief Executives, which brought together top officials from Palau, Guam, the Federated States of Micronesia, Kiribati, Nauru, and the Marshall Islands. Discussions centered on a tuna fisheries cooperative, information and education sharing, and cooperation in the eradication of illegal drug and firearm smuggling activities.

Palau also hosted the third annual Joint Committee Meeting, which involved talks between President Nakamura and top US military officials regarding security, defense, and related matters that are key provisions of the Compact of Free Association agreement. During the sessions, the head of the US delegation, Lieutenant General Francisco, stated that the United States had no plans to establish bases or exercise its rights under the compact to conduct military exercises in Palau. Some months earlier, a second cohort of twelve young Palau high school graduates were inducted into the US military forces in a ceremony outside President Nakamura’s office. Such direct entry into the military was made possible by the compact agreement between the two governments.

The key event for the year under review was the inauguration of Palau’s fifth constitutional government on 25 January 1997, the first such event since the republic’s independence in October 1994. Foreign dignitaries for some fourteen countries were present. Presi-
dent Nakamura and Vice President Tommy Remengesau, Jr, were inaugurated into their second four-year term. Thirty members of the bicameral Olbiil Era Kelulau were also inaugurated. The sixteen-member House had selected its leadership in some atypical trading, and Delegate Ignacio Anastacio emerged as speaker. On the other side, the Senate was deadlocked and without a leadership roster for nearly forty days; this was sorted out after some hard bargaining. The inaugural ceremonies were carefully planned, with the full participation and protocol recognition of local important persons from the elite clans of Koror and Melekeok. In his speech President Nakamura called for unity, commended his fellow citizens for their achievements, and challenged them to realize greater goals: “With determination, dedication and fortitude, there is nothing outside of our reach and Palau will be true to its potential.”

Later in the year, in his state-of-the-republic address, Nakamura announced five goals for 1997: enactment of a National Master Plan, “Palau 2020”; identification of ways to streamline government and reduce bureaucracy; identification of new and improved sources of revenue to assure continued economic development; a commitment to combating the increasing problem of substance abuse in Palau; and continued promotion of the spirit of cooperation and constructiveness in the national government. Proud, vibrant, and independent, Palau is preparing to enter the twenty-first century.

DONALD R SHUSTER