Political Reviews

Micronesia in Review: Issues and Events, 1 July 2010 to 30 June 2011
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LORENZ GONSCHE, HAPAKUKE PIERRE LELEIVAI, MARGARET MUTU, FORREST WADE YOUNG

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detector test related to the investigation. This event has affected the whole of the Marianas because it appears that the girls were abducted by somebody they knew; there is no indication of any kind of struggle, and other students approaching the bus stop found it empty when they got there.

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REPUBLIC OF PALAU

President Johnson Toribiong’s third year in office was very busy. One of the most important issues was the finalization of negotiations of the Amended Compact of Free Association with the United States. This was done in early September when Toribiong and Deputy Assistant Secretary of State, Bureau of East Asian and Pacific Affairs Frankie Reed signed a six-page, ten-part agreement with funding support totaling $229 million for fiscal years 2011–2024. It included an additional estimated $36 million in US federal programs and services, but without a cap on the total amount of federal dollars available. Initially there was hope that the US Congress would pass the agreement before the end of 2010, but Mr Toribiong was not able to testify before Congress until June 2011. While his testimony was respectful and comprehensive, he made a case for special consideration by mentioning Palauans serving and making the ultimate sacrifice in the United States’ conflicts in Iraq and Afghanistan, Palau’s nearly unanimous support for the United States in United Nations voting, and overtures made to Palau by the People’s Republic of China. He said, “We all want greater economic interaction with China, but it should be without compromising the close alliance between Palau and the United States.” In his testimony before the US Senate, he strongly urged support from the Committee on Energy and Natural Resources and from Congress as a whole. At the time of this review, Congress had not acted on the amended compact agreement.

President Toribiong hosted two important regional meetings in 2010: one with the Micronesian presidents in July and one with the Micronesian chief executives in December. A communiqué was issued for the first meeting and a 225-page proceedings document for the second. Three key issues addressed at both meetings were the high rates of non-communicable diseases, the depletion of Micronesia’s fisheries resources, and adaptation to climate change in the islands.

It is generally acknowledged that the pillars of good governance include a public auditor, a special prosecutor,
a free and independent press, and a competent, independent judiciary. By mid-year, Palau had no public auditor (although it has had an acting auditor for over ten years) and no special prosecutor. Furthermore, the president had fired the special counsel hired to prosecute those responsible for the collapse of the Pacific Savings Bank (the so-called People’s Bank) in 2006. In February 2011 the president appointed Assistant Attorney General Lucketta McMahon as the new independent counsel. However, McMahon is new to Palau and very new to the savings bank collapse.

President Toribiong is a superb speaker and appeared before the UN General Assembly. Mentioning Palau’s peacekeeping efforts in Darfur, Timor Leste, and Solomon Islands, he also reported on his nation’s efforts to maintain the viability of Pacific fish stocks by limiting purse seine activity as well as on the work being done by the Pacific Small Island Developing States to persuade the world that climate change is not merely a development issue but also a security issue. Toribiong called on the UN Security Council to include Japan in its ranks and requested that the world body also include Taiwan in select UN activities. In response to the president’s appeal to the world’s conscience, Germany volunteered to assist in the removal of explosives left over from World War II battles on Palau’s southern islands of Peleliu and Angaur. In January 2011, the president delivered special remarks to the World League for Freedom and Democracy in Taipei, Republic of China. In those remarks he stressed how his nation has demonstrated its dedication to the principles enshrined in the Universal Declaration of Human Rights. Finally, Toribiong addressed the graduates of Palau Community College in late May, delivering a very personal message that emphasized goals and passion as necessary for success in any endeavor. It was a grand speech that mixed Palauan proverbs with personal experiences.

In April, the president presented his third progress report, known as the State of the Republic Address. It was comprehensive and laudatory of his ministries. The president announced that the compact trust fund stood at $161 million. He stated that he was negotiating with the US Department of the Interior for an arrangement that would allow Palau to fund the purchase and placement of an underwater fiber-optic cable linking Palau to the outside world. This could be done, he said, with funding from Compact II, which is now pending before Congress. Toribiong concluded his report by stating that he had draft bills circulating in Palau’s National Congress (Olbiil Era Kelualu) that would increase the minimum wage, give wage and salary tax relief to those who need it most, reform Palau’s antiquated foreign investment laws, and raise certain fees and taxes paid by tourists.

But the president had his share of problems during the year under review. He appointed a new minister of state, medical doctor Victor Yano, and reorganized that ministry. His government owed $7 million to Palau’s electrical power agency, $1.6 million to the Civil Service Pension Plan, and nearly one million dollars to the Social Security Administration. Early in 2011, Minister Yano informed President Toribiong that
Palau was terribly tardy in its payments to international organizations and, with payments of over $900,000 due, was on the verge of losing its voting rights in the United Nations. The president also still had the nagging problem of Morris Davidson, an alleged super con-man whom he had appointed honorary counsel to Malaysia and whom the senate and Council of Chiefs have urged him to be rid of (see Shuster 2011).

The president also faced the casino gambling issue twice during the period under review. The first time he returned the poorly written legislation to the national congress and the second time he approved the law but with a referendum. Toribiong predicted that the people would defeat it by a 70 to 80 percent negative vote. Meanwhile, both the Council of Chiefs and concerned citizens filed suits against the National Congress and the president, listing numerous illegalities. The Palauan voters ended the issue by disapproving of the casino gambling legislation with a 76 percent negative vote. Many people in the community have vehemently opposed the issue of casino gambling and, come election time in 2012, they may remember the congressmen who took junkets to South Korea (courtesy of a gambling investor) and pushed the gambling issue at home.

A federally funded study by Crawford & Associates of the financial health and performance of US-affiliated countries and territories in the Micronesian region gave Palau a low score of 3.45 out of 10. Yap did considerably better than Palau, scoring 7.89; Chuuk scored 4.12; and Pohnpei came in at 5.68. The Commonwealth of the Northern Mariana Islands scored 1.84, and Guam was the worst of the lot at 1.30.

President Toribiong is concerned about two major infrastructural issues. The first is the collapse of the beautiful Compact Road in three places along its fifty-three-mile route. Two of these places have major damage, which the United States has promised to repair, and it appears that repairs will begin in 2012. The second issue concerns Koror’s wastewater system. Called “a time bomb ready to explode,” it has indeed exploded, with frequent overflows of raw sewage in low-lying areas of Koror. This is a major health and environmental problem that will damage Palau’s booming tourist industry, as well as the mangrove environment around Koror, if not fixed.

At the end of the period under review, Palau’s business community forged links with the People’s Republic of China. Business and trade will be facilitated by a nongovernmental body made up of representatives from both nations. One has to wonder what the Taiwanese think of this development, given the fact that Senate President Mlib Tmetuchl is one of four Palauan representatives on the board of directors along with three Chinese businessmen. Tmetuchl is an older brother to the president’s special assistant and the Chinese could use this connection in the future. This development deserves watching since Palau now has diplomatic ties and very friendly relations with Taiwan. Taiwan has provided nearly $200 million in grants and loans to Palau since establishing those relations in December 1999.

Foreign nations have provided Palau generous assistance since inde-
pendence in 1994. Besides US compact assistance, Japan has been especially helpful this year, donating aquarium equipment to Palau’s International Coral Reef Center, medical analyzers to the national hospital laboratory, solar power equipment to the airport, a bus to Aimeliik Elementary School, and a truck to the Palau Conservation Society. Taiwan has annually provided $10 million for various sorts of economic self-sufficiency projects, and Palau has agreed to waive its procurement procedures to meet deadlines for expending those funds. Additionally, Taiwan has provided Mandarin-language teachers to the Palau Community College through its International Cooperation and Development Fund, as well as specialists in information technology and environmental science to the Koror State Government. Canada agreed to provide funds for the removal of unexploded ordnance left over on Peleliu from World War II. This was made possible by President Toribiong’s appeal at the opening of the UN General Assembly in 2010.

Because of this same appeal, Germany is sending a team to Palau to assess the rehabilitation prospects of the environmental damage caused by German phosphate mining on Angaur in the early 1900s. Australia is completing a comprehensive refit of Palau’s fast patrol boat, which Palau uses to patrol its Exclusive Economic Zone. In May, Australia contributed grant funds to the Palau National Archives for supplies and equipment.

According to the US Department of State’s 2010 Country Reports on Human Rights Practices, Palau’s human rights record is better than that of the Federated States of Micronesia. Palau has been evaluated as being a Tier 2 country, but in 2011 the Federated States was downgraded to Tier 3, the worst possible rating of a country’s efforts in the fight against human trafficking. Palau maintained a Tier 2 rating because of its internal efforts and coaching from a US State Department specialist, Christine Chan-Downer. In early 2011, President Toribiong established a special task force to study and prepare a report on Palau’s human rights record, to forward the report to UN headquarters, and to appear in Geneva to defend its report before the UN High Commissioner on Human Rights.

With over 6,000 foreign workers in Palau, the nation’s record of their treatment is not particularly good. In April, twenty Philippines nationals working in Palau took refuge in the Philippines Embassy in Palau. According to Tia Belau (11 April 2011), “most of these defected workers are either abused physically or morally and many . . . have not been paid wages or salaries even up to three months.” Furthermore, Tia Belau received a well-researched report titled “Trafficking in Persons Profile for Palau” that the newspaper published. The report claimed that Palau has about “15 establishments known or believed to be involved in prostitution and potential trafficking of Chinese and Filipina females. Many of the establishments were connected to hotels/rooms available for rent” (TB, 11 April 2011). The report concluded by mentioning four deficiencies in Palau’s governance: (1) a lack of law enforcement funding to conduct necessary sting operations against establishments believed to be
involved in sex trafficking; (2) a lack of victim protection resources; (3) corruption in government agencies that deal with foreign workers; and (4) a lack of public awareness of the issue. Palau’s special task force went to Geneva to report in person, but the task force chair, Minister of State Dr Victor Yano, and a representative from a Palauan nongovernmental organization were not present.

Palau, a small-scale society with about 21,000 people, had 22 deaths in January 2011, the highest monthly total ever. Some of the prominent persons to pass away were David Kirschenheiter, a long-time resident and lawyer from the United States; Albert Shiro, a former member of the National Congress; Timothy Uehara, a long-time Koror legislator; and Ebekeu Oruki Bukringang, who headed his clan for an unprecedented seventy-three years and died at age ninety-one. Iyechad Takes Goto, a long-time government servant, passed away at age eighty-six. Tadashi Sakuma, three-term governor of Ngaraard State, passed away on 30 November 2010.

Tragically, Allen Maldangesang, executive officer of Palau’s patrol boat, drowned in December while fishing with his father. Also in December, popular Senator Adalbert Eledui passed away after having spent a career in the US Army and retiring as a sergeant major. Prior to his election to the National Congress, Eledui directed the Koror State Conservation and Law Enforcement Department and was a founding member of the Palau Conservation Society. Also, he held the distinguished titles of Adelbairekesoaol and Olikong.

Former first lady Regina B Remeliik passed away at age seventy-four. She had been a staff nurse and head nurse until her husband, Haruo I Remeliik, was elected as Palau’s first president in 1980. Another longtime nurse, Dibech Wong, passed away in February 2011. After her retirement from nursing, she had operated a very successful store. A Koror State legislator, Toribiong Masang, died in March. Former Senator John Tarkong died in April; he was a member of the first Palau Constitutional Convention and a practicing attorney. Espangel Obak James died at age seventy-nine; he was a musician and an original member of the Friday Night Club of Palau. In May, Kentaro Yamashiro died of a heart attack; he had served as a councilman for Ngchesar State. David Miho, a jovial and friendly Hawaiian, passed away in late May. He had worked for Continental Air Micronesia and retired to Palau, becoming an observant and insightful columnist for Tia Belau news. In June, Lucas Salii, younger brother of former President Lazarus Salii, passed away on Guam.

Also tragically, Palau lost three people to violence. Sgt Sonny Moses, US Army, died in April from wounds sustained in a suicide bomb attack in Afghanistan. Eight US soldiers died instantly, while Sonny and several others survived the attack only to pass away during medical treatment in Germany. Sonny had graduated from Palau High School in 2005, joined the army, and earned many awards and medals. He was the fifth Palauan to make the ultimate sacrifice and died a Palauan hero.

Policewoman Nicole Malsol died at her own hand. She had served Palau as
a peacekeeper in Solomon Islands and headed Palau’s contingent there. Gib Gibson, a fourteen-year-old student at Mindszenty High School, died as a result of serious head injuries from a baseball bat attack by students from another school.

With the passing of Senator Eledui, a special election was necessary to fill his vacancy in the thirteen-member senate. Seven candidates emerged, including such veteran lawmakers as Joshua Koshiba, Caleb Otto, Mario Gulibert, and Victorio Uherbelau, but Elias Camsek Chin won by a landslide, taking 40 percent of the vote. This must have been embarrassing for the veterans.

Tourism is booming in Palau, with over 10,000 visitors in July 2010. Annual counts for the past decade have ranged from 80,000 to 89,000, but 2010 should be a record year. Most visitors come from Taiwan, Japan, and South Korea. May 2011 saw 7,240 visitors, which is 30 percent above the 2010 total. Hoping to cash in on these increases, the president and congressmen have proposed increasing hotel room taxes, but hoteliers have strongly opposed the move. The rural states such as Ngardmau, Peleliu, and Ngarchelong have developed tourist attractions, which, together with increased flights, have helped to stimulate the boom.

The Bangladeshi population makes up a small but dynamic minority within Palau’s larger minority of foreign workers. There appear to be 300 to 500 “Bangla,” as they are called by Palauans. They are Muslim, mostly male, and they normally do gardening and a variety of odd jobs. They are known to be hard working and very dependable. They also look for ways to begin businesses and have taken over many of the small stores in Koror. In an analysis of this phenomenon by Tia Belau (21 March 2011), the newspaper claims that the Bangla form teams of five to ten individuals, with each team pooling resources from manual labor, buying a business, and using a Palauan name—with permission—on the business license. They also work in the stores for little or no pay and do not remit any taxes to the government. By not paying salaries or reporting and paying taxes, the Bangla “are able to head off the competition and still make a profit. In actuality, their profit is really the taxes that belong to the government and people of Palau.” The Bangladeshi have formed an association and recently made a donation of five cases of frozen chicken to Harris Elementary School. To date, only one Bangla has married a Palauan woman.

Earlier annual reviews of Palau reported on the Pacific Savings Bank (PSB) problem (see Shuster 2008, 2009, 2010, 2011). The bank collapsed in 2006, leaving some 640 depositors stranded. Soon after the bank’s crash, small depositors were paid in full from funding provided by Taiwan. However, as of March 2011, some 439 large depositors are still owed $18 million. President Toribiong has gone out on a limb by promising “to pay off depositors and to find ways to rehabilitate the bank” (TB, 14 Feb 2011). Recently Kaleb Udui Jr, who is the bank’s receiver and also president of the National Development Bank of Palau (NDBP), has come under fire for alleged bad practices. The NDBP board has placed Udui on
leave while the attorney general carries out an investigation. In June, President Toribiong requested that the World Bank review NDBP activities to determine whether it is functioning according to law and best banking practices. It appears that the national bank that is supposed to be cleaning up the PSB mess may itself be in trouble.

Palau’s National Congress passed and the president signed national health insurance legislation in 2010. The legislation requires that all employers, including government agencies, contribute 2.5 percent to the national healthcare fund for each of their employees. Each employee must also contribute 2.5 percent. Because of the hardship this has caused low-income individuals, a new law lowering the mandatory contributions to 1.5 percent was contemplated. Furthermore, the implementation of the new law was postponed to 1 April 2011. This allowed time for government officials to search for sources of funds to supplement the healthcare fund. The government’s Social Security Administration was tasked with enrolling all of Palau’s employees and employers into the healthcare fund and carrying out briefing sessions on the content of the health insurance law. The idea of payroll deductions for health services is new in Palau and has caused some anxiety.

The Pacific Island Health Officers Association (PIHOA) convened its fiftieth meeting in Palau in early April. The officers declared a regional state of emergency due to the very high rate of non-communicable diseases in the US-affiliated Pacific Islands. These diseases include high tobacco use, high alcohol consumption, a genetic predisposition to obesity, and high prevalence of sedentary lifestyles (TB, 4 April 2011). Palau’s Dr Stevenson Kuartei, MD, convened the meeting as PIHOA president.

Palauans generally have great attachment to their culture and its customs and traditions. The nation sent museum staff to Fiji for a workshop on cultural mapping. The high-ranking women of Palau—Mechesil Belau—held their eighteenth annual conference and made recommendations for revising customs. This reviewer has completed a biography, still in manuscript form, of Thomas O Remengesau, Palau’s first district administrator, minister, vice president, president, and now traditional high chief of Ngaraard State. Palau’s Society of Historians has completed fifteen bilingual books concerning traditional laws, customs, and practices. Finally, a special blue-ribbon panel is carefully reviewing a translation of Dr Augustine Kramer’s study of Palauan traditional lifeways as observed by the German anthropologist and his wife in the early 1900s. The goal is to repatriate the knowledge from the German to English languages so that it can be read, appreciated, and used by Palauans, thereby enhancing Palauan identity and cultural pride.

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Special thanks to Yoichi K Rengiil for comments on an earlier draft of this review.

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