

Political Reviews

*Micronesia in Review: Issues and Events, 1 July 2011
to 30 June 2012*

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REPUBLIC OF PALAU

President Johnson Toribiong is the Republic of Palau's eighth president since 1 January 1981. To date, he has traveled abroad extensively and achieved much overseas, and this may have diverted his attention from local problems and issues. He is in the fourth year of his presidency and in 2012 must stand for reelection during September's primary and November's ninth general elections.

On 5 November 2011, a small fire in Palau's main Aimeliik electrical power plant raged out of control, destroying the facility and its capacity to generate electricity. This in turn endangered the water supply to Koror and Airai, impacted Koror's wastewater system, and threatened not only the operation of the National Hospital but also operations at public and private schools and even the activities of the Palau International Airport. President Toribiong declared a national state of emergency and took quick and positive action to restore full electrical power. Like many dramatic actions in Palau, the president's responses were the subject of

complaint and questioning and even a lawsuit. But he endured to take other positive steps, and with the advice and consent of the Palau Senate he appointed a new five-member board to oversee the Palau Public Utilities Commission. Electricity was fully restored by Christmas Day.

In November, President Toribiong joined other Pacific Island leaders and US Secretary of State Hillary Clinton for a series of meetings on the margins of the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting in Honolulu. The official White House photo from the Pacific Islands leaders' meeting with President Barack Obama shows President Toribiong standing to Obama's immediate right. The sessions addressed fisheries, natural resources development, climate-change threats, disaster management, and the Pacific region's growing health crisis. Secretary Clinton took the occasion to announce a major US policy shift: a pivot away from the Middle East and toward America's Pacific Century in the Asia-Pacific region. What impact this may have on Palau is unknown. US congressional approval of the Compact Agreement II between Palau and the United States would be an excellent step. That agreement has been languishing in Congress for over a year.

President Toribiong greeted New Year's Day 2012 with an ecumenical "Sunrise Prayer Service for the Nation" at the magnificent national capitol in Ngerulmud. All of Palau's churches took part, and High Chief Reklai closed the services with his advice that what each leader wants must give way to both what is right and what is their responsibility.

Two weeks later the president was in Kayangel, Palau's only atoll, to identify the best locations for twenty solar lights. Kayangel's solar lights are in addition to those installed at the capitol, the International Airport, the National Hospital, the Department of Education, and along Koror's causeways—a step toward reducing Palau's greenhouse gases. Toribiong also participated in the Palau Unity Walk in Ngatpang State, which launched the republic's campaign against non-communicable diseases. This first unity walk was organized by the alumni of Belau Modekngai School as part of the school's thirty-eighth annual anniversary activities.

Also in the New Year, President Toribiong and Japan's Ambassador Yoshiyuki Sadaoka celebrated the tenth anniversary of the Japan-Palau Friendship Bridge. Completed in January 2002, this magnificent structure, which links the large island of Babeldaob with Koror State, was built with a \$25 million grant from Japan. The event was marked with issuance of commemorative postage stamps and a reception. Besides the bridge's great symbolic value, it is critical to Palau's future efforts at achieving economic self-sufficiency. Also contributing to that goal is Japan's ongoing Overseas Development Assistance program. Ambassador Sadaoka presented a blueprint of Japan's assistance to Palau for the next decade.

Soon after the bridge celebration, Mr Toribiong signed a "Memorandum on the Collection Activities of Japanese War Dead," obligating a ministry in Palau to work with a ministry in Japan to restart their efforts to collect remains in Palau, especially on Peleliu.

Remains from that island, south of Koror, were repatriated to Japan for final burial at the Chidorigafuchi National Cemetery or to be returned to Japanese families. Palau's ambassador to Japan, Dr Minoru Ueki, assisted in these repatriation efforts. President Toribiong paid his sincerest respects to Japan on the occasion of the one-year anniversary of the Great East Japan earthquake and tsunami. The country suffered enormously with the tragic loss of many lives and damage amounting to billions of dollars.

In February, Toribiong was in New York City for meetings with other world leaders on the immensely difficult issue of climate change. The president presented a petition to the International Court of Justice seeking an advisory opinion concerning transboundary emissions. His case rests on the basic concept that "international law compels states to insure that their territories [and industrial activities] are not used to violate the rights of other states" to a clean environment. The day before, New York University Law School honored President Toribiong for his climate-change efforts including this petition.

Also early in the year, President Toribiong welcomed a visiting party from the US Congress consisting of senators John McCain, Joseph Lieberman, Sheldon Whitehouse, and Kelly Ayotte. The group laid wreaths at the war monument on Peleliu in honor of the US troops who lost their lives there. The president reminded the visitors that Palauans will never forget that sacrifice. He also expressed his gratitude to Senator McCain for the warm welcomes given to the Toribiong delegation during each of three past

visits to Washington DC. McCain has been an active supporter of Palau's compact agreement with the United States, but the agreement is stuck in the US House of Representatives. Assistant Secretary of State Kurt Campbell was scheduled to be in Palau in early June to update President Toribiong and Palau's congressional leaders, but his visit together with Admiral Cecil Haney, Commander US Pacific Fleet, was postponed to the near future because, reportedly, Campbell was hospitalized. Although the compact has not been approved by the US Congress, Palau has received direct annual economic assistance of \$13 million since Compact I ended on 30 September 2009, consistent with the terms of Compact II.

The president and the National Congress (Olbiil Era Kelulau or OEK) had their traditional skirmish over the 2012 budget, which was signed into law some six months late. Toribiong also had to intervene in order to overcome congressional infighting. The approved budget authorizes \$60.85 million and appropriates \$59.93 million. The measure included \$75,000 in assistance to no-income families, including a \$100 monthly stipend for such families. Furthermore, language in the budget law requires that funds designated for the HealthCare/Medical Savings Fund will in fact be placed in that fund alone. Prior to the inclusion of this important language, the Palau Social Security Administration had been using HealthCare funding to pay Social Security Fund obligations.

Soon after this action, Toribiong strongly urged the congress to pass a supplemental budget bill, which he signed into law in early April, increas-

ing the 2012 budget to \$63.78 million. This included \$325,000 for a cost-of-living allowance of \$20 biweekly, to be disbursed beginning 1 July 2012 for all employees making less than \$25,000 annually. Also, the legislation increased Palau's minimum wage to \$2.60/hour beginning July 2013, with further increases in the minimum wage every six months until it reaches \$3.50/hour by January 2015.

Significantly, a second supplemental budget bill was passed by the congress in early May and signed into law. Many of the ministries received additional funds, but, more important, the law included special language designed to excuse overspending: "Any over expenditures by the Government . . . in Fiscal Year 2011 shall be deemed to have been ratified by the OEK . . . subject to Ministry of Finance [that] shall submit . . . itemization of every over-expenditure to the OEK" (TB, 15 June 2012). The president's opponents see this language as a blank check for further indiscretions, but his supporters interpret it in positive terms.

By midyear, Mr Toribiong was in Okinawa, Japan, for the sixth Pacific Alliance Leadership Meeting (PALM 6). Prime Minister Noda welcomed President Toribiong and mentioned that he hoped the four electric generators that Japan donated to Palau had helped Palau resolve its electrical power shortage. Toribiong, his wife Valeria, and the other Pacific Island leaders, together with representatives from the United States, met the emperor and empress of Japan. The two-day summit focused on five major issues: responding to natural disasters; environmental issues and climate

change; sustainable development; people-to-people exchanges; and maritime issues. The event concluded with Japan's generous commitment to provide assistance of up to \$500 million over the next three years, to be shared by all Pacific Island states, in order to address the five major issues covered in the meetings. The participants will have an interim meeting in 2013 and will convene PALM 7 in 2015. Japan provided enormously pleasant accommodations and cuisine.

Fishermen from the People's Republic of China were caught illegally fishing in Palau's waters north of Kayangel, which resulted in a dramatic open-sea confrontation. It was reported that three smaller vessels had been dispatched from a Chinese mother ship to fish when they were spotted by Palauan authorities. During the chase, Palauan officials fired gunshots at the fleeing vessels, reportedly hitting one man, who later bled to death. Twenty-five men were apprehended, charged with ten counts of law breaking, and jailed. After the arrests, Palau lost a small plane, which reportedly ran out of fuel and crashed into the ocean while searching for the mother ship, which had apparently been destroyed earlier by the fishermen. Two Palauan policemen on board the spotter plane—Willy Mays Towai and Earlee Decherong—and the pilot, Frank Ohlinger, were lost. An intensive search was mounted but ended with no trace of the men or the plane being found. This troubling event brought many Palauans together, including President Toribiong, to hope and pray for the survival of the lost men. Attempting to avoid a serious diplomatic problem, high officials

from the president's office contacted the Chinese Embassy in the Federated States of Micronesia, who immediately flew to Palau. Officials from the two nations met and negotiated a settlement that included a \$25,000 fine and forfeiture of the boats and fishing gear. The fishermen were released and flew home on a special plane sent from China.

The Pacific Savings Bank problem discussed in last year's review (see Shuster 2012) finally had some closure with the trial and sentencing of two bank officials, who were found guilty of fifty counts of grand larceny and money laundering, and another who was found guilty of thirty-four counts. "The Court determined that over a three-month period in 2004, the defendants illegally typed up, or had typed up, fifty checks to themselves, family members, or businesses they controlled, many of which were fictitious" (*TB*, 14 Nov 2011). Instead of jailing the three convicted women, Judge Foster placed them on probation for five to seven years and ordered them to repay the stolen money plus 9 percent annual interest and to pay fines of up to \$15,000 during the first three years of probation. The women must also serve 100 to 145 hours of community service during their probationary years. Some members of the community believe the punishment was too lenient because the offenders escaped long jail terms. However, if jailed, the women would not be able to work to earn the money they are required by court order to repay. In the meantime, the mastermind of the huge theft, former bank president Timothy Taunton, remained free and in hiding.

A Filipina has opened the Belau School of Ballet, Hip-Hop, and Contemporary Dance. On the other hand, the Philippine Embassy in Palau will close on 31 July because of the need to reduce spending by the government's diplomatic service. This will present a significant hardship to many Filipino citizens in Palau because of a history of illegal treatment by the private sector and other forms of abuse. While the outgoing ambassador, Ramoncito Marino, has attempted to reassure the resident Filipinos, they remain suspicious, and the Filipino Community of Palau has registered its formal opposition to the embassy's closing. Currently, Palau has some 4,000 to 5,000 Filipino contract workers.

As a result of President Toribiong's plea before the United Nations General Assembly in 2009, Canada, Germany, Australia, and New Zealand have provided over \$2 million in funding to remove dangerous World War II ordnance. More than 11,000 explosives have been found, disarmed, and removed from Palau's environment. This has been dangerous but necessary work carried out by the nongovernmental organization Cleared Ground Demining. What is of special note is that the Cleared Ground organization has trained local individuals in ordnance-clearing and removal techniques. They have had over a year of experience and practice with those techniques and represent important local expertise. Bombs, mortars, hand grenades, and mines make up most of their challenges, with three bombs found recently near the Aimeliik power plant.

Palau's Korean and Bangladeshi communities are small but active. A

Bangladeshi couple, both of whom had been employed by Hanpa Industrial Corporation, sued its owner Mr Ha for maltreatment. The Bangladeshi couple also sued the Government of Palau but settled out of court. The couple had a temporary restraining order in place so that they could not be deported until after the adjudication of their case against Mr Ha and his son by Palau's court. As of this writing, two instances of violence against other Bangladeshi people have taken place in 2012. The first case involved a robbery of a store owned by the Toribiong family, and the second a fight that turned nasty, with the Bangladeshi ending up in the hospital.

Pastor Jeoung Sangjin of Korea has been resident in Palau for twelve years and can intervene in serious cases involving his countrymen. With the assistance of Senior Pastor Billy Kuar-tei, Dwight Alexander, and benefactors Surangel Whipps, Jr, and former President Kuniwo Nakamura, Pastor Sangjin has established the Korean Culture Mission Center for instruction in Korean language, culture, and traditions. The Korean and Bangladeshi cultural groups add a significant and positive international flavor to Palau.

In a wonderful display of color, talent, and toys, seventy-five high school students from Palau, Japan, and Taiwan celebrated their youthful energy on stage at Palau's excellent track and field facility in June. Titled "Trans-pacific Nature Preservation," the event was the idea of Izumi High School principal Toru Nakahara, assisted by the Taiwan Consul in Japan and Dr Minoru Ueki, Palau's ambassador to Japan. The event was a great show of

chants, skits, athletic events, fashions, foods, music, and culture.

In early May, the president presented his fourth Progress Report. Events and achievements not already mentioned include a \$20 million debt owed to the Taiwan MegaBank an expected surplus of about \$4 million at the end of the fiscal year; the stabilization and modest growth of the Compact Trust Fund at nearly \$170 million; and growth in the real gross domestic product (GDP) of 1 percent (after a few years of decline) for 2010 and almost 6 percent for 2011, as published by the International Monetary Fund (IMF) in its *Palau: Economic Developments and Policy Challenges* report. The IMF report went on to alert Palau that since it is dependent on tourism, imports of food and fuel, and foreign aid, the government remains vulnerable to external pressures and it has limited policy measures to counter these pressures (TB, 19 March 2012). Furthermore, Toribiong announced progress in food security through the establishment of a Center for Agricultural Development, hatcheries for rabbit fish and groupers, installation of fish aggregating devices, distribution of 110 goats to local farmers, and the establishment by Palau's states of marine sanctuaries to conserve their local fisheries. Some of these accomplishments were aided by grants from the Republic of China (Taiwan). Most importantly, the president emphasized improvement of Koror's wastewater system, which has suffered overload for years. With OEK approval, the president secured a loan from the Asian Development Bank for design and construction of a new system.

The president discussed the rapid growth in tourism, citing the final figure for 2011 of 109,057 visitors, with Japan and Taiwan leading the way in terms of tourist arrivals. With some thirty flights per week and six airlines (including Palau Airways), Taiwan arrivals are growing rapidly.

The president also mentioned receiving a large grant from the US Department of the Interior to develop a National Labor Code that will, theoretically, improve the enforcement of fair labor standards and equitable treatment for all workers in Palau. The Interior Department further provided \$800,000 in grant assistance for establishment of a state-of-the-art Health Information System, aimed at improving health in Palau. The department is also supporting a regional women's conference in August with participation from Guam, the Commonwealth of the Northern Mariana Islands, and the Federated States of Micronesia.

Improvement of the Palau National Archives has been supported by a stimulus grant from Taiwan, but unfortunately records from the Nakamura and Remengesau administrations went missing from an outdoor archives container. The US Department of Education has provided \$4.5 million in college access grants to help prepare Palauan students to meet college entrance requirements and to provide minimal support for them while they attend college. To date, some 234 students have taken advantage of this generous support. Relatedly, Palau High School received a three-year accreditation from the Western Association of Schools and Colleges (WASC) in 2010 and recently began a health career pathways program for training

future health workers—nurses, dentists, doctors, and lab technologists. This is the very first time that Palau's public high school has been fully WASC accredited.

In Palau, a small-scale society, deaths are very important milestones for families but murders are especially disturbing. Virginia Ventura, a 42-year-old domestic helper from the Philippines, was brutally attacked at night by an enraged, drunken young man with a machete. The woman sustained fatal wounds and died in the hospital some hours after the outrageous attack. Many Palauans in the community provided great help and assistance to the Ventura family. Vincent Pua, 51, from the Northern Marianas, suddenly died while attending the opening of a sporting event. He was married to a woman from Aimeliik and resided in that state. Calvin Ongino Ikesiil, Sr, a retired policeman, passed away and was buried in his home state of Ngarchelong. Matriarch Ucheliel Toribiong, 85, who was the mother of President Toribiong, environmentalist Francis Toribiong, Senator Joel Toribiong, and five other children, passed away within a day after checking into the National Hospital. She was much beloved by hundreds of Palau Mission Academy students, who contributed to a scholarship fund in her name. Former Congressman Peter Etibek, 63, passed away after a long illness and coma. Before his death, he held the title Ngirameketii of Choll, Ngaraard. After Felix Gaag Tmilchol, 75, passed away, his relatives faced opposition from their clansmen concerning the burial site. After much argument, the deceased was buried in the Koror

Public Cemetery, but the two groups remained in heated disagreement. Beouch Sakaziro Demk, 91, the first ranking chief of Ngardmau, passed away in September. He was of such distinguished merit that the National Congress honored him with a joint resolution attesting to his great community service, oratorical skills, and deep knowledge of traditions and culture.

Palau's oldest woman, Uchelebil Lalii N Elbelau passed away at 109 years of age. She was the matriarch of the Dilubech clan of Ngeremlengui with more than 100 children, grandchildren, great-grandchildren and great-great-grandchildren, and was renowned for her knowledge of singing, dancing, and chanting. One of Lalii Elbelau's children, Ferista Remengesau, is the mother of Palau's sixth president and current Senator Tommy E Remengesau. Ted Borja, former principal of Palau High School and excellent ball player, passed away suddenly after a stroke. Francisco Masato "Frank" Kumangai, 80, was the very first Palauan to join and serve in the United States Army. His service was distinguished and he retired after twenty-one years at the rank of sergeant first class. After his death, he was honored with Presidential Proclamation No 11-57, which required Palau's flags be flown at half-mast for five days in his memory. Rubasch Santos Olikong, 73, passed away before Christmas Day. He was a former House Speaker, delegate, senator, constitutional convention (Con-Con) member, bank manager, cabinet minister, and ambassador. He was a colorful figure who always had an opinion and as House Speaker was

a target of the Furlough Group that attempted to hijack the government in 1987.

In 2012, Kikue Maria Mercedes Babul Ueki passed away, leaving many relatives grieving. She was the wife of Dr Minoru F X Ueki, Palau's ambassador to Japan. A longtime legislator, Koichi West, 74, passed away in January. Former governor of Melekeok State, Lazarus Kodep, 63, died of a heart attack. He was famous for his dedication and work for Melekeok State, where he held distinguished titles. Retired prosecutor Gillian Tellames passed away at age 67. He worked for both the Trust Territory of the Pacific Islands and Palau governments and was a member of the Palau Bar Association. Mansion Mongami, principal of Aimeliik Elementary School, died when his vehicle crashed off the causeway. Uodelchad Tosko Mekreos Sebalt, a female chief of the first ranking clan Kebou of Ngchesar State, passed away at age 90. A New Zealander, Shaun Evans, died of a heart attack in the Sea Passion Hotel. He was in Palau to train law enforcement officers and was an intelligence analyst. Finally, Eva Maria Wong was tragically hit by a speeding car and later passed away in the hospital. She was a regular walker and was participating in a walk-a-thon when the accident happened.

Politics is big business in Palau and candidates are gearing up for the 26 September primary. Incumbent

Johnson Toribiong is seeking a second term and has many accomplishments to claim. He will be challenged by former President Tommy E Remengesau; Sandra Pierantozzi (who is not only a former vice president but also a former minister of state in Toribiong's cabinet); and perhaps Elias Chin, who finished just 212 votes behind Toribiong in the 2008 race. The office of vice president is a separate race and also has four aspirants: incumbent Vice President Kerai Mariur, former Congressman Tony Bells, Minister of Health Steven Kuartei, and Minister of Industry Jackson Ngiraingas. As in the past, three to four candidates each will likely be running for the twenty-nine seats in the Senate and House of the OEK. A primary is not required for the congressional race. The general election for the ninth constitutional government will be held on the 6th of November.

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