

awards from a class-action lawsuit have been exhausted.

The redeployment of 8,000 Marines from the Japanese island of Okinawa to Guam will have substantial social and economic impacts on the Marianas. In particular, there is talk of establishing a permanent training facility, probably including staff housing, on the island of Tinian, where the Department of Defense controls 17,000 acres. The people of Tinian have been complaining since the establishment of the commonwealth that they were promised a base. Now they very well might have it. If there are mixed feelings on the island about this development, it will certainly provide a shot in the arm for the CNMI economy.

SAMUEL F MCPHETRES

REPUBLIC OF PALAU

Major issues and events for July 2005–June 2006 included the conclusion of the second Constitutional Convention for the Republic of Palau (ROP), work of the executive and National Congress (Olbiil Era Kelulau, or OEK), various megaprojects, and relations with countries that provide needed assistance and labor to Palau.

In November 2004, President Remengesau had outmaneuvered the National Congress by using popular initiative to place five amendments on the general election ballot. The voters approved four of the president's amendments: dual citizenship, a three-term limit for OEK members, a requirement that candidates for president and vice president run jointly as a team ticket, and a requirement that

congressmen be paid via a uniform fee structure for each day of official session. An initiative calling for a one-house congress failed. Also on the November 2004 ballot, voters were asked if they desired a second constitutional convention (Con-Con), the first one having been held in 1979. A second convention would be a way for the National Congress to respond to Remengesau's initiatives.

A second Con-Con was approved by the Palauan voters in the 2004 election and the twenty-five-member convention was in session from 17 May to 15 July 2005. Of the convention's 251 proposals, the delegates approved 22 for presentation to the people for ratification in the 2008 national elections. Regarding some of the key proposals: first, the joint-ticket amendment (for the offices of ROP president and vice president) was reversed by the Con-Con, thus affirming the separate-ticket arrangement established by Palau's original constitution. Second, the term-limit amendment for congressmen could be repealed by the voters at the 2008 election but, oddly, will be in place for the 2008 election. Third, Remengesau's dual-citizenship initiative was clarified by the Con-Con thusly: "A person born of parents, one or both of whom are citizens of Palau or are of recognized Palauan ancestry, is a citizen of Palau. Citizenship of other foreign nations shall not affect a person's Palauan citizenship." Ironically, the Con-Con then changed the eligibility for running for the offices of president, vice president, and national congressman to exclude dual citizenship. Also proposed: after 31 December 2009, trial by jury would be available for cases involving a crimi-

nal offense that is punishable by a sentence of imprisonment of twelve years or more.

Other important Con-Con proposals to be voted on in 2008 include a guarantee of academic freedom in Palau's postsecondary institutions; the opportunity to petition for Palauan citizenship by a person born of non-Palauan citizens but adopted by Palauan citizens before the age of three years; the extension from 50 to 99 years for land leased by a citizen of Palau to a noncitizen or corporation wholly owned by noncitizens; a prohibition of same-sex marriages; free and compulsory education from grades one to twelve; and a mandate that the "national government shall provide free preventive health care for every citizen as prescribed by law." To provide greater support for Palauan traditions, the Con-Con also proposed: "The national government shall take affirmative action to assist traditional leaders in the preservation, protection, and promotion of Palauan heritage, culture, languages, customs and traditions."

Despite the reversals of several of Mr Remengesau's initiatives by the Con-Con, four of the five amendments approved by the voters in 2004 are currently in place, and rules and regulations have been written to bring them into effect. Of course, come 2008, some things may be reversed. Finally, the Con-Con chose eight of its members to serve on the Post Convention Committee, which is responsible for educating the general public about the twenty-two amendments in time for the November 2008 national referendum.

While Con-Con 2 was completing its work, President Remengesau began

a very busy year of traveling, attending meetings, and engaging the National Congress. There was the normal push and pull regarding certain bills, the selection of new ambassadors to the Philippines and Japan, and the appointment of members to the Compact Review Commission.

Since independence in 1994, Palau has established diplomatic relations with forty countries, and during the period under review Mr Remengesau accepted the credentials of new ambassadors from Israel, France, Italy, Thailand, Great Britain, the Philippines, the Czech Republic, the Netherlands, Turkey, and Japan. A number of these new diplomats were on hand for Palau's eleventh Independence Day celebration, including the Spanish ambassador, Ignacio Sagaz, who brought a congratulatory letter from King Carlos and a donation of 200,000 euros to assist Palau in protecting its marine biodiversity. Also, the president appointed and the Senate confirmed Daiziro Nakamura and Ramon Rechebe as Palau's new ambassadors to Japan and the Republic of the Philippines, respectively in April and May 2006.

Along with one hundred seventy other heads of state, Mr Remengesau attended the sixtieth anniversary summit of the United Nations. While recognizing the critical role the United Nations plays, Remengesau urged the location of UN representatives in the Pacific. UNESCO committed its support to teacher training with a grant to Palau of US\$250,000. UNESCO also designated Ngeremeduu Bay, Ngeremlengui State, as a biosphere reserve, the very first such designation in the Pacific. The UN Food and Agricultural Organization provided Palau a

grant of US\$323,000 for (1) improving milkfish farming; (2) developing a sustainable national aquaculture strategy and action plan; and (3) building capacity via training workshops in aquaculture. Also, Palau was elected as one of the ten members of the Bureau of the Subsidiary Body of Scientific, Technical, and Technological Advice panel to deliver advice to the UN Convention on Biological Diversity, which is concerned with conservation and sustainable use of global biodiversity. Dr Joel Miles will serve as Palau's Asia-Pacific region representative to the bureau. Additionally, Palau's UN ambassador, Stuart Beck, joined four of his island colleagues at the United Nations to push for a direct presence of the world body in the Islands, specifically the establishment of five UN Development Program (UNDP) sub-offices in the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), the Republic of Nauru, Tuvalu, and the Republic of Palau, in order to strengthen capacity to design and carry out crucial development projects. The sub-office heads would serve under the UNDP resident representative stationed in Fiji. This effort has so far funneled over a million US dollars of Global Environment Facility funds to three Palau nongovernmental organizations. Finally, Palau provided two of its police officers to serve for nine months as members of the UN Peacekeeping Mission in East Timor. It is expected this will be an ongoing involvement.

Throughout the year, Mr Remengesau, who has become known as a strong environmental advocate, signed legislation and delivered addresses

concerning the environment. At the World Expo in Japan, he contrasted "global greed" with "global need" and complimented Japan for its environmental leadership as a nation that has "established sustainable patterns of economic growth that complement social and cultural integrity while preserving the natural environment" (*TBN*, 8–15 July 2005, 15). The young Palau president first presented his "Micronesian Challenge" to attendees at the US Coral Reef Task Force Conference, held in Palau in December 2005. The idea challenges the Micronesian nations to commit to protecting at least 30 percent of their near-shore marine resources and 20 percent of their forest resources by 2020. In Brazil, at the March 2006 meeting of the Parties to the Convention on Biological Diversity, Mr Remengesau announced the commitment of the Micronesian states to this challenge and stated that he would begin discussions to bring the challenge into reality. If realized, it would add significantly to the fifty terrestrial and fifty marine protected areas in Micronesia that now exist.

Two of the five presidential appointees to the Compact Review Commission were turned down by the Senate, which later approved Stevenson Kuartei, MD, and Minister of State Temmy Shmull, in place of Ambassador Beck and businessman Surangel Whipps, Jr. Dr Kuartei and Shmull joined former President Kuniwo Nakamura, retired educator Masaakai Emesiochel, and Minister of Finance Elbuchel Sadang on the commission. The commission's task is to review Palau's performance under the Compact of Free Association

Agreement (which expires in 2009) and identify key issues for future discussion, including requirements for achieving a sustainable private sector. Remengesau is hoping Compact 2 talks with the United States can begin in 2007.

In the 2006 annual meeting of the Palau-US Joint Committee, which included the US Chargé d'Affaires Deborah L Kingsland and Rear Admiral Joe Leidig, the president expressed his concerns about completion of the fifty-three-mile compact-funded circle road on Babeldaob, which has been plagued with mudslides. These bothersome slides occurred in places where major cuts were made for the roadbed. These same cuts have revealed fascinating archaeological evidence showing that much of the interior of the island was sculpted into gigantic earthworks about three to four thousand years ago. It might be conjectured that the mudslides can be traced to insufficient compacting by ancient Palauan builders.

Mr Remengesau also mentioned that during the year, 81 Palauan young people joined the US military: 76 with the Army, 2 into the Navy, 1 with the Coast Guard, and 2 into the Marines. He suggested to the US officials that the marines relocating from Okinawa to Guam would be more than welcome to visit Palau for rest and relaxation. Also, Palau had its first West Point Military Academy graduate, Matthew James Borja Wang. A new recruit for West Point is Tkel Shannon Etpison, who was selected by the military academy from among six candidates in 2006.

Mr Remengesau met in Palau with his counterparts, RMI President Kes-

sai Note and FSM President Joseph Ursemal, just as the South Pacific Mini Games began in Koror. Besides regional issues of marine boundaries and extradition matters, the Palau president was interested in an update from his colleagues concerning Compact 2 matters, since both of the other nations completed new compact agreements with the United States several years ago.

Early in 2006 Remengesau met in Yap with the other western Micronesian chief executives, but the most important regional meeting was the tri-annual Pacific Islands Leaders Meeting (PALM) hosted by Japan Prime Minister Junichiro Koizumi in June. Koizumi announced that Japan would supply over US\$400 million in grant aid over the next three years, to be provided according to national development plans, and including people-to-people exchanges via scholarships and volunteerism. At the summit, Remengesau urged Japan to take the lead in conducting research into alternative energy sources to help relieve the islands' overdependence on fossil fuels. He also repeated Palau's endorsement of Japan's permanent membership on the UN Security Council. At the end of the year, Mr Remengesau traveled again to Japan to submit Palau's development assistance proposal and to promote Palau's noni (*Morinda citrifolia*) health food products; to Saipan for the opening of the Sixth Micronesian Games; to New Caledonia for the Pacific Islands Forum meeting; to France at the invitation of President Chirac; and finally, to Israel at the invitation of the Israeli government.

In his State of the Republic address

in April 2006, Mr Remengesau announced that the national capitol will relocate in October to the stunning, new, four-building complex in Melekeok State, and that the Palau leadership summit recommendations of February 2006 would be incorporated into a revised action plan. These recommendations include expanding economic base activities, improving health care, ensuring environmental protection through the Micronesian Challenge, and pursuing alternative energy sources. He urged the national leadership to work together to “set our nation on a voyage that is unique to Palau, driven by Palauan winds and steered by Palauan captains. Our moment in time is now. Let us grasp it—together. And let us leave no Palauan behind” (*TBN*, 21–28 April 2006, 1, 8, 15).

As the nation’s vice president, Elias Camsek Chin kept up a busy schedule as well. Chin also carries the Ministry of Justice portfolio, as he did under former President Kuniwo Nakamura. Important international meetings at which the vice president represented the Republic of Palau were the thirty-sixth meeting of the Pacific Islands Forum in Papua New Guinea, the Asia-Pacific Business Forum conference, and, separately, sessions of the UN Economic and Social Commission for Asia and the Pacific in Jakarta, Indonesia. In Papua New Guinea, Chin provided input to the Pacific Plan, a proposed moratorium on deep-sea bottom trawling, and a resolution updating the functions and purposes of the Forum. Meetings in Indonesia centered on business networking and partnerships and improvement of telecommunications.

The UN commission sessions focused on strategies for strengthening developing Pacific Island states and territories via regional cooperation. As a side note, Indonesia is Palau’s huge southern neighbor, but the two nations have yet to establish diplomatic relations.

Vice President Chin is very much a “people person” and he often presents his unique coins to visitors, especially Palau’s youth. The coin extols the values of tradition, progress, people, trust, and loyalty. During the year, Chin met with Palau’s Boy Scouts, students of law-enforcement education, and state governors who needed assistance with key state projects, and he was inducted into the Paradise Lions Club. On a visit to Guam, he swore in the new members of the Palau Community Association of Guam and presented the entire Con-Con 2 journal to the University of Guam for use by future research students. Mr Chin initiated Palau’s first Big Brother/Big Sister program and a series of town hall meetings in Palau’s rural states. These meetings have become tremendously useful for exchanging information and completing routine business. The vice president met with members of the BentProp Project, which searches Palau for WWII crashed aircraft, hoping to find human remains. He also launched an Internet-based search effort to identify Palauans serving in the US military. The vice president’s purpose is to keep in touch these young, skilled citizens in the hope of encouraging them to eventually return home.

Palau’s Olbiil Era Kelulau (National Congress) is made up of a

nine-member Senate and a sixteen-member House of Delegates. During the past year, the congress produced legislation regarding lifestyle diseases, the national budget, foreign workers, and a salary increase for government employees, as well as a controversial bill extending land-leasing to foreigners from 50 to 99 years; a cash courier disclosure act; a money laundering and proceeds-of-crime act; an act to rename the national airport after Roman Tmetuchl, the late governor and congressman; and a long-term tourist visa act. Significant public opposition developed concerning the land-lease extension and the visa act because of the perception that these bills, if approved into law, would benefit the wealthy, both local and foreign, more than the average Palauan citizen. The long-term visa act is designed to attract an elite class of noncitizens who wish to establish second homes in Palau. The visa requirements would involve payment of an initial US\$10,000 and an agreement to purchase or rent a dwelling for US\$100,000 (\$10,000 per year). The so-called “long-term” is ten years. Dependents (up to age twenty-one) and spouse would have to pay US\$5,000 each to accompany the long-term renter to the second home in Palau. Beyond the revenue the visas would bring in, the dwelling fee would go into the hands of a private Palauan citizen. It would therefore not be available to the government for capital or service improvement.

The 99-year lease bill was likely written to benefit foreign investors such as the Shimao Group of the People’s Republic of China (PRC), which has proposed a huge, US\$400 million

resort development project for Melekeok State and is insisting on a 99-year lease arrangement. This issue has resulted in two notable complications. First, will the legislators who received all-expense-paid trips to Hong Kong and Shanghai by Shimao be accused of conflict of interest if they act officially in support of the 99-year bill? Second, the Palau Supreme Court in 1990 ruled that a 99-year lease is unconstitutional, because such long-term alienation of land is “tantamount to ownership” as it denies land to three generations beyond the lessee (*TBN*, 30 Dec 2005–6 Jan 2006, 2).

Some sparks were generated when the Senate, in its role of advice and consent, debated the reappointment of Palau’s special prosecutor (SP). Everett Walton, a no-nonsense, energetic prosecutor, had over the years hauled to court a large number of state and national legislators for various civil violations, obtaining many convictions or settlements. Known simply as “the SP,” Walton has become popular among the grassroots people and was reconfirmed by the Senate after some “grilling” with a strong vote, 8 yes to 1 no. The SP is independent, has a five-year term, and has kept corruption in check.

More sparks were caused by Senator Alfonso Diaz, who also runs a private radio station, WWFM, in Koror, who has come under fire for his blunt, “in-your-face” style of radio commentary. This resulted in a recall movement on the part of Voices, a group of young professionals who claim to be dedicated to good governance and transparent leadership. Voices argued that Senator Diaz was guilty of misconduct in office. Their recall effort

caused Diaz to sweat a bit, but he survived the recall, with 2,924 voting in his support and 2,371 against, a 55 percent to 45 percent split.

Minister of Health Victor M Yano, MD, was awarded the University of Hawai'i Distinguished Alumni Award. Vanessa Wong, MD, who serves on the faculty of the University of Hawai'i School of Medicine, returned to Palau to participate in a *ngasch*, the ceremony celebrating the birth of a woman's first child. Attorney Roman Bedor was selected by the important traditional leaders of Ngchesar State to take the highest-ranking title there, that of *Ngirakebou*. And Kathy Kesolei, a distinguished woman from Melekeok State, was selected by *Pacific Magazine* as one of twenty-five promising leaders who are demonstrating regional influence and are seen as "rising stars" in the Pacific. President Remengesau conferred the title "Palau's Goodwill Ambassador" on Mr Hideo "Joe" Morita for his tremendous contributions and valued friendship. Morita established the Palau Organic Farm in Ngaremlengui State in 1995; Dolphins Pacific, a huge natural aquarium; the Morita Educational Foundation Scholarship program, which annually supports eight Palauan high school students at the prestigious, private St John's School on Guam; and he assisted Palau in negotiations with Japan Airlines for charter flights to Palau—all impressive contributions.

Palau did well with its dancers and displays at the World Expo in Aichi, Japan. This visit allowed Palau to reestablish sister-city agreements with Aichi and Mie Prefectures and Nishin City, Japan. For eleven days in July,

Palau hosted the Seventh South Pacific Mini Games, which were dominated by New Caledonia, winning one hundred twelve medals. Twenty-two countries and 1,600 athletes competed at Palau's much-improved athletic facilities. As with the Festival of Pacific Arts in 2004, Palau was a superb host and also did well in the final medal count, finishing eighth, with nineteen medals to its credit. Of course, with 3,000 people arriving for the games, the event was good for Palau's economy, which saw an increase of gross revenues by some 5 percent.

Palau Micronesia Air has remained grounded since its abrupt collapse in December 2004. Despite restructuring, the company has not gotten a plane into the air or money back to the individual Palauan investors, the Palau National Development Bank, the Yap State government, or the Pohnpei State government. These failures may impact the political futures of some of the founders of the airline. In the meantime, in April 2006 Asian Spirit Airlines began serving the Davao–Manila–Palau route with three flights per week, using Palau Micronesia Air operating rights. Large contingents of tourists and government officials made reciprocal visits with the inaugural flight of Asian Spirit Airlines in April. Both Palau and the Philippines are hoping the air link to Davao City will be an economic stimulus for both countries. The third largest city in the Philippines, with 1.4 million people, Davao has high-quality medical and educational facilities and may be a source of both tourists and skilled workers for Palau.

Governor Jackson Ngiraingas of Peleliu has been the main and unrestrained cheerleader for the grandiose Nautilus City Resort project of hotels, villas, marinas, casino, and golf course. He has butted heads with President Remengesau over the project because the external investor, HKIHL Investment Holdings Limited (HKIHL), apparently of Malaysia, was not clear about meeting requirements established by Palau's Foreign Investment Board. In July 2006, Peter Moran of HKIHL pulled his company out of the billion-dollar Peleliu project, citing Palau's foreign investor unfriendliness. However, the Palauan leadership has a good nose for scam artists, and HKIHL had that aroma. Furthermore, Ngiraingas's enthusiasm for the Nautilus project generated opposition from the Peleliu State Legislature, which attempted to impeach him. The governor sued, claiming denial of due process. Palau's Supreme Court agreed and Ngiraingas will complete his term of office.

In contrast to HKIHL is the Aman Resort Group, a European consortium with eighteen resorts worldwide, which successfully completed arrangements with Palau to build a luxury resort hotel on the site of the former Nikko Hotel grounds in Ngermid, on the outskirts of Koror. The resort will consist of extraordinarily luxurious bungalows, which will meet super-international standards and, at US\$800–\$1000 per day, will attract only the very wealthy.

Another ambitious but potentially dangerous project that deserves careful watching is Palau Pacific Energy's search for oil and gas on the Japan-Palau ocean ridge north of Palau's

only atoll, Kayangel. In March 2006, David Gettleson, president of Continental Shelf Associates, Inc, of Florida, was in Palau to talk with the Environmental Quality Protection Board and top leaders. Gettleson sought permission to drill two exploratory holes, one to a depth of 6,000 feet for oil, and a second to 2,000 feet for gas, to determine (somehow) whether there are commercial possibilities. If so, Palau could become terribly rich, and this possibility poses a great attraction for some people. Issues discussed included potential environmental impacts, mitigation of negative impacts, and unavoidable impacts. Gettleson and his team lobbied National Congress members as well as President Remengesau (*TBN*, 17–24 March 2006, 1). Remengesau has requested the congress to devise a framework for understanding and dealing with the drilling proposal. Some unsubstantiated reports claim the seabed area may hold some 366 million barrels of oil and 162 billion cubic feet of natural gas (*TBN*, 24–31 March 2006, 4). The American oil people reportedly had a supportive letter to Mr Remengesau from former Secretary of State Colin Powell. When asked for his views, Hideo Morita stated that the petroleum search could be a great opportunity for revenue and advised Palau “to ask for oil money up front in case the oil exploration company files for bankruptcy in the midst of an oil spill catastrophe” (*TBN*, 19–26 May 2006, 2).

A project that was first reported last year continues to keep Palau's attention (Shuster 2005). Joseph Tung, executive director of Shimao, presented details of the huge project,

called “Blue Dream,” to the leadership of Melekeok State, the National Congress, members of Con-Con 2, the Foreign Investment Board, and the Environmental Quality Protection Board. Shimao is offering to build a US\$400-million resort at Melekeok, which would include a 300-room hotel, casino, golf course, aquarium, yacht club, shopping center, and villas. The investors claim the project will produce US\$14 million in tax revenue and US\$5 million in lease rental and employ some 2,750 people. But Shimao’s price is pretty high: a 99-year land lease, a 50-year exclusive casino license, foreign investment permits, and Palau’s agreement to provide sufficient water, power, sewage, and telecommunications services (*TBN*, 1–8 July 2005. 1). In Palau’s recent history, as often as not, huge projects like “Blue Dream” get stalled because of bothersome and occasionally endless land disputes.

Shimao’s efforts with Melekeok may be a cautious attempt by the People’s Republic of China to gain some influence in Palau. Also, opportunism on the part of state governors and national congressmen has resulted in some embarrassing moments for officials in President Remengesau’s office. Apparently without consulting Palau’s foreign ministry, Governor Hideo of Ngchesar and Senator Koshiha separately invited small PRC delegations to Palau to compare notes on trade, commerce, and tourism. At least three such visits took place during the period under review. For his perceived indiscretion, Hideo lost Taiwan’s grant support for a road in his state.

Deaths leave a significant impact on small-scale societies such as Palau,

with its population of some 20,000 people (a 2005 census resulted in a count of 14,439 Palauans and 5,467 foreigners). Titleholders (chiefs) *Esebei* Arbedul, *Ngirkelau* Butelbai and *Edobo* Temengil passed away during the year. Ball player Paulus Kumangai died at age 55, as did Augurio Joseph, a former teacher and government director. Marcelino Melairei, a former cabinet minister, passed away at age 72, and Kempis Mad, a local historian and linguist, died in May, at just 52 years of age. Also passing away was Silas Orrukem, age 53. The passing of Professor John Kenneth Galbraith was recognized with respect in Palau because of important assistance he rendered to Palau during compact negotiations with the US in the late 1970s. At that time, when the Hilo Accords and other important principles were agreed on, the Palau Political Status Commission was under the leadership of Roman Tmetuchl. Galbraith was the first person granted honorary citizenship of Palau for the wise counsel he provided, gratis. He died at age 97.

Transparency International, a non-governmental organization operating in ninety countries, gave Palau a generally clean bill of health in their 2004 report, but embarrassing incidents of corruption took place during the period under review. A former senator was found guilty of perjury in a case related to an altered invoice for overseas travel and work. A Chinese woman and Palauan man were arrested for alien smuggling; the two used an elaborate plan in an attempt to smuggle one Chinese woman into the country. She had paid US\$20,000 up front with the hope of getting into

the United States, where she was then to make a second US\$20,000 payment. The effort was foiled by careful work of US and Palau customs and immigration officials. Additionally, an employee of the Koror State Government pled guilty to numerous charges of forgery, larceny, and cheating; his fifteen-year prison term was suspended except for two years, and he must pay a US\$5,000 fine and make restitution. Ngardmau State Governor Schwartz Tudong was properly impeached by the state legislature for the misuse of public funds, and Ngilwal State Governor Elmis Mesubed was also removed from office for a long list of illegal behaviors, including misconduct in office, larceny, and forgery in the illegal spending of public funds. Tudong attempted to win back his seat by running for governor in a special election that was held to fill the seat he lost through impeachment. However, former national Congresswoman Akiko Sugiyama soundly defeated him and will serve as Ngardmau governor for the remainder of Tudong's term.

Palauans are becoming more health conscious, thanks to the activities of the Ministry of Health (MOH). The first Public Health Convention was held in late 2005 with the aim of increasing people's awareness of community health issues. The leading causes of death in Palau are noncommunicable diseases such as cancer, heart disease, hypertension, diabetes, stroke, obesity, betel-nut chewing, smoking, and alcohol and drug abuse. President Remengesau established a Council on Substance Abuse Prevention. The council examined figures for the importation of alcohol and deter-

mined that the annual consumption of beer per person over age twenty-one increased from 377 cans in 2000, to 398 in 2001, and to 434 in 2002; more recent figures are not available. A cancer support group was formed and is active with both Palauans and residents from the Philippines. Furthermore, campaigns to persuade people to stop smoking were launched with some success.

The Ministry of Health is urging people to think of health professionals as partners; also more Palauans are jogging and walking for their health. The ministry is training more health professionals—some fifty-five this year—via a consortium involving Palau Community College, the University of Auckland, the Fiji School of Medicine, the University of Alaska, and the University of Guam. Financial support for the training was provided by the US Department of Health and Human Services and Department of Interior.

An MOH survey revealed seven reported cases of HIV/AIDS for the 1993–2004 period; there is some indication that transmission may be taking place within Palau's heterosexual population, which experienced three deaths due to AIDS in the 25–44 age group.

Remengesau also created the National Avian Influenza Advisory and Coordination Team for developing a plan to battle the bird flu virus, H5N1, should it arrive in Palau. Dr Pat Scannon of the BentProp Project lent his expertise to this planning effort early in 2006, and Palau and Taiwan signed a formal agreement to exchange information regarding the virus.

The growing of noni trees has become very popular and capsules are now produced in Palau for export to Taiwan. Noni, which grows well in Palau, is supposedly a cure for heart disease, arthritis, backaches, skin disorders, and even depression.

While Palau has diplomatic relations with forty nations, the most significant ones are the United States, Japan, Republic of China (ROC, that is, Taiwan), Australia, and the Philippines. Japan is working very hard on controlling Koror's solid-waste site (actually a dump) located adjacent to the International Coral Reef Center. Control work now centers on construction of a dike to enclose the entire waste area and separate it from the non-waste, mangrove and lagoon environment. Japanese Overseas Cooperation Volunteers to schools and government offices are regularly replaced, and the important widening of Koror's causeways is nearly completed. These efforts are coordinated under the auspices of the Japan International Cooperation Agency, which has an office in Koror.

The US Federal Aviation Authority has granted Palau US\$13 million for major repair of Palau's airstrip, including resurfacing, paving, and installing lights. In annual talks, a US State Department official expressed concerns about the costs associated with relocation of the capital from Koror to Melekeok. The ROP spokesperson responded that the relocation will serve as an economic stimulus and provide a surge for the rural areas. The US Department of Health and Human Services granted US\$1.2 million for health plans and services, and Palau received US\$75,000 from the

US Department of Agriculture for design work for a new Palau Prison. These grants are on top of a compact allotment of US\$15.8 million in both direct and indirect payments for governmental operations for fiscal year 2006.

Anthony Reyes, the new chargé d'affaires at the Philippine Embassy, is a welcome change from his predecessor, who was unable to adequately deal with labor complaints. Reyes stated that he would ensure the protection of Filipino workers without jeopardizing diplomatic relations. Past cases of worker abuse centered on poor housing, cruel treatment, lack of medical benefits, and poor working conditions. Reyes also will be pushing for proper documentation of all Filipino workers. Currently there are 3,253 registered workers from the Philippines, but a large number of undocumented ones—as many as 1,100. It appears that many of the nearly 5,000 Filipino workers are legally working in Palau but left the Philippines illegally via escort services and “fixers” that arranged “under-the-table payments” (*TBN*, 17–24 Feb 2006, 7). The Philippines government has been campaigning to get all Palau's Filipino workers legally documented so that they can gain the benefits of the Overseas Workers Welfare Administration.

Palau's population of Taiwanese has grown large enough to have a community association that elected its officers for 2006–2008. Taiwan agreed to dispatch to Palau volunteer specialists similar to Japan's Overseas Cooperation Volunteers and the US Peace Corps Volunteers. Embarrassingly, one of the two ships of the

“Taiwan Fleet of Friendship” ran aground when maneuvering through a barrier reef passage. And for a road that will link the new compact road to an existing road in Airai State, Taiwan is granting Palau US\$7 million.

Probably more troublesome than the ship aground was the visit to Palau of Ji Peiding of the PRC National People’s Congress. Clark Chen, ambassador to Palau from the Republic of China (Taiwan) made crystal clear his criticism of Peiding’s visit, stating that it was designed “to disrupt the strong relationship shared between Palau and Taiwan” (*TBN*, 26 May–2 June 2006, 2), and that Taiwan has contributed over US\$100 million to Palau’s development compared to “little or none” from the People’s Republic of China. Taking its security seriously, Taiwan posted Isabel F Y Lo, second secretary, to Palau to carefully screen all visa applicants, to prevent the entry into Taiwan of any illegal workers or criminals. Also, Taiwan’s Far Eastern Air Transport (FAT) celebrated ten years of business with Palau, which began with some 3,400 tourists in 1996 and expanded to 42,000 by 2004. A tourist couple from Taiwan was tragically drowned in a boating accident in January. The couple had not been wearing life jackets. Some

sixteen others sustained minor injuries.

In addition to a state-of-the-art patrol boat of some two hundred sixty tons, Australia has provided the services of a maritime surveillance adviser. During the year, Commander Matt Brown ended his two-year term. He was a popular and important addition to the foreign contingent living in Koror Town and was quite public in his praise of Palau’s marine law enforcement division’s officers and men. Brown was replaced by Commander David Hannah. Further, Australia provides Palau significant assistance in sports training and aid to schools.

DONALD R SHUSTER

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