

Political Reviews

*Micronesia in Review: Issues and Events, 1 July 2010
to 30 June 2011*

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FEDERATED STATES OF
MICRONESIA

In August 2010, Federated States of Micronesia (FSM) President Emanuel “Manny” Mori traveled to Vanuatu to attend the 41st meeting of the Pacific Islands Forum. While in Vanuatu, on 4 August, Mori signed a Partnership for Development Agreement with the Australian government. Through jointly determined technical and financial assistance, the agreement will support FSM efforts to implement development strategies geared toward sustainable economic growth. In exchange for Australian assistance, “the FSM Government will pursue its development through appropriate budgets, laws, policies, strategies and programs; will optimize the use of aid to achieve this development; and will continue to work towards its Millennium Development Goals” (FSMIS Press Release, 13 Aug 2010).

The World Health Organization (WHO) became the most recent international organization to establish a presence in the Federated States when it opened a new Country Liaison Office (CLO) on 16 August 2010. The opening ceremony commenced with the unveiling of a WHO plaque at the entrance of the Department of Health and Social Affairs office building, where the liaison office is located. According to the press release from

the office of the FSM president, this liaison office “is the first one ever established by the organization to cover the North Pacific region” and “the first new CLO created by the WHO in 30 years.” Serving the Federated States, the Marshall Islands, and Palau, the office will assist health officials in such areas as diabetes, heart disease, infectious diseases, injury prevention, health system strengthening, and tobacco control. It will help in detecting and responding to outbreaks of such infectious diseases as multi-drug-resistant tuberculosis and dengue. In addition, it will coordinate and provide training for health professionals in the countries within its regional jurisdiction (FSMIS Press Release, 16 Aug 2010).

Also in August, FSM Vice President Alik L Alik received Ambassador Christian-Ludwig Weber-Lortsch of the Federal Republic of Germany. Weber-Lortsch has been the German resident ambassador in the Philippines since 2008 and is also diplomatically accredited to the Federated States. The ambassador returned to the Federated States to seek support for his country’s ultimately successful candidacy for a non-permanent seat on the United Nations Security Council. Weber-Lortsch took the opportunity to inform the vice president that his government is providing a grant of \$7,000 to Micronesian Seminar (MicSem) to defray travel expenses for MicSem representatives who wish to

visit selected archives and institutions in Germany in order to make copies of rare Micronesian historical photographs from the German period. The ambassador also expressed his government's desire to establish an Honorary Consul for Germany in the Federated States and also raised the possibility of locating a European Union Regional Office in the country (FSMIS Press Release, 16 Aug 2010).

A month after the German ambassador's visit, a group of French lawmakers, accompanied by the French ambassador to the Philippines, arrived "to observe, listen and learn from their encounters with people of the region." The group represented a French Senate organization called Groupe D'Amitié et D'Études des Pays du Pacifique (Group of Friendship and Study of the Countries of the Pacific), which sends annual goodwill and fact-finding missions to Pacific Island countries. According to the FSM Information Service, the team reports back to the French Senate "to discuss the needs and aspirations voiced by the different spokespeople they meet on such trips" (FSMIS Press Release, 22 Sept 2010).

In October 2010, British Ambassador Stephen Lillie arrived to present his official credentials to President Mori. Lillie is the new UK resident ambassador in the Philippines and is diplomatically accredited to the Federated States of Micronesia. The United Kingdom is a Pacific Islands Forum Dialogue Partner and has sent high-level government officials to attend Forum meetings. The ambassador welcomed the Federated States' role in raising international awareness of climate change through powerful speeches at the UN General Assem-

bly and other venues, as well as the actions taken through the "Green Micronesia Initiative" to ameliorate climate-change impacts. President Mori informed Ambassador Lillie that during the upcoming UN Climate Change Conference in Mexico the FSM Government would "continue to seek the support of the UK Government and the European Union . . . to combat climate change." The president further informed the ambassador that during that conference the Federated States intended to introduce proposals to phase out hydrofluorocarbons (HFCs) and to "eliminate one of the six gases listed in the Kyoto Protocol" (FSMIS Press Release, 12 Oct 2010).

The country has made significant political overtures to the Muslim world. On 13 October 2010, the Federated States of Micronesia and the Kingdom of Morocco established formal diplomatic relations when Ambassador Masao Nakayama, the head of the FSM Permanent Mission to the United Nations, and his Moroccan counterpart, Ambassador Mohammed Loulichki, signed a joint communiqué in New York expressing the desires of the two countries to "promote friendly relations and cooperation . . . in political, economic, cultural and other fields" (FSMIS Press Release, 13 Oct 2010). The two countries agreed that the principles and objectives of the United Nations Charter and the 1961 Vienna Conventions on Diplomatic and Consular Relations would guide their new relationship.

About three weeks earlier, the Federated States wrote what was referred to as a "significant page in the diplomatic history" of the country. While in

New York to participate in the meeting of the 65th UN General Assembly, FSM Secretary of Foreign Affairs Lorin S Robert and his Egyptian counterpart, Foreign Minister Ahmed Aboul Gheit, signed a formal agreement establishing non-resident ambassadorial-level diplomatic relations between the Federated States and the Arab Republic of Egypt. In the joint communiqué announcing the formalization of their diplomatic relations, the two countries stated that they “are fully convinced that the establishment of diplomatic relations corresponds to the interests of both States and will strengthen international peace and stability” (FSMIS Press Release, 25 Sept 2010). The establishment of diplomatic relations with Egypt is historic because Egypt was the first Arab country to formally recognize the sovereignty of the Federated States of Micronesia, but the FSM press release indicated other considerations for establishing formal ties with Egypt. For instance, it pointed to Egypt’s place in history, its role as a key player in the Middle East, and its status as the most populated Arab country. It further mentioned the fact that Egypt is “considered comparatively more moderate than its neighboring Arab countries” and that, in November 1977, it “broke ranks with the other Arab states and established friendly relations with the State of Israel” (FSMIS Press Release, 25 Sept 2010).

Vice President Alik, who was also in New York to address the 65th UN General Assembly, took the opportunity to meet with Peter Rosenblatt and other members of the American Jewish Committee (AJC) on 24 September 2010. Mr Rosenblatt’s acquaintance

with the Federated States started when he was the chief US negotiator of the first Compact of Free Association, during President Jimmy Carter’s administration. The American Jewish Committee is a worldwide organization headquartered in New York City, with a key office in Washington DC to liaise with federal agencies and monitor international activities. The committee started in the early 1900s as “a response to bigotry aimed at Russian Jews.” Now it has morphed into “an advocacy organization and a think-tank committed to supporting the State of Israel and combating anti-Semitism by promoting pluralism and democratic values, among others” (FSMIS Press Release, 19 Oct 2010).

With its headquarters located in the same city as the United Nations, the American Jewish Committee has been able to establish and maintain contact with high FSM government officials who arrive to address the world body. As pointed out in a press release, the meeting between FSM officials and AJC members is now a “tradition.” In what has been dubbed “a triangular relationship,” the American Jewish Committee has played a major role “in promoting relations between the FSM and the State of Israel with the US as the base of operation.” This relationship has led to unequivocal FSM support for Israel “in the context of the UN System and other multilateral forums” and, in response, to what Rosenblatt described as “a groundswell of gratitude of the people and leaders of Israel.” The Federated States has benefited from direct AJC humanitarian assistance as well as from the committee’s help in securing the donation of medicines by an

Israeli pharmaceutical company and in arranging for the Israeli government to provide two dialysis machines (FSMIS Press Release, 19 Oct 2010).

The preceding paragraphs reveal the depth of the official FSM relationship with Israel. Whether this commitment is a spinoff of the Federated States' relationship with the United States is not relevant to this review. Suffice it to say that relations with Israel have become the linchpin of the FSM foreign policy toward the Arab countries. The impact of this policy has limited the ability of the Federated States to reach out to Muslim countries for technical and financial assistance in social and economic development.

In August 2010, Vice President Alik led a delegation to the World Expo in Shanghai, China. While at the Expo, Alik, along with Shanghai Vice Mayor Tu Guangshao and other FSM and Chinese dignitaries, celebrated FSM National Day at a flag-raising ceremony, with the FSM national anthem played by a Chinese military band. After the ceremony, Vice President Alik gave his formal speech in the Expo Center's Welcome Hall. Thanking the Chinese government for supporting the Federated States' participation, he said, "We truly appreciate the opportunity to be part of the World Expo, and we continually look forward to working with the Chinese Government for future projects" (FSMIS Press Release, 30 Aug 2010).

The special attention China granted to the Federated States at the Shanghai Expo is a tribute to the long and stable relationship between the two countries, which is based on the "One China" policy. Besides the United

States, the People's Republic of China (PRC) was the first permanent member of the UN Security Council to recognize the Federated States' sovereign independence and to establish an embassy there. At present, the PRC embassy in the Federated States is its only foothold in the Micronesian region.

From 9 to 22 August 2010, President Mori visited the southeastern islands of Chuuk State—the Mortlock Islands—with a large delegation of national officials. According to the press release, the president discussed the importance of Chuuk State's financial reform, sponsored jointly with the national government. This reform, the president reported, has reduced Chuuk's deficit and created positive cash flow during the past two years. The Mortlockese, however, were more concerned about the solvency of the FSM social security program. The president informed the Mortlockese that he would recommend that the FSM Congress fund social security from the tax revenue collected from newly registered corporations. The national government is expected to generate \$10–20 million from this taxing scheme. In addition, Mori said he would ask the congress to "revamp the social security system to be more efficient and responsive to people's immediate needs" (FSMIS Press Release, 6 Sept 2010).

The president also informed the people that his administration is working with the country's development partners to assist with power needs. He explained that he intended "to gradually replace electricity generators with solar and windmill power sources" (FSMIS Press Release, 6 Sept

2010). As a political gesture to the Mortlockese, and perhaps with an eye toward the March 2011 election, the president administered the oath of office to Marion Henry—a local boy—to head the national Department of Resources and Development.

The president's statement during his visit to the Mortlocks indicates the entrenchment of his administration's involvement in Chuuk affairs. For example, he continues to flaunt the reform of the national government that was instituted jointly with Chuuk. Although this has produced positive results for the administration of the state, some believe it remains a flagrant violation of the federalism enunciated in the national constitution. The president seemed set to continue interfering in states' affairs when he announced his intention to replace electrical generators with sustainable energy sources. The president can only *assist* the states in acquiring solar and windmill energy because the national government does not run power plants in any of the states. Each of the states sets its own power policy and regulations.

The FSM Department of Education was jolted into reality when it received data from the US Department of Education indicating that about 61 percent of the teachers in public and private primary and secondary schools do not meet the certification requirement under FSM law. To meet statutory requirements as well as those of the Compact US-FSM Joint Economic Management Committee (JEMCO), the Mori administration is asking the FSM Congress to appropriate \$3.5 million for a teacher-certification program. The national department of educa-

tion is collecting data from the four states, which it hopes will show how many teachers are enrolled in training programs and how many plan to take the National Standardized Tests for Teachers. Taking these steps may fulfill the teachers' individual development plans and satisfy JEMCO conditions for teacher certification. JEMCO approval will offer a respite of one or two years so that the 1,183 uncertified teachers can acquire their teaching certificates (FSMIS Press Release, 6 Sept 2010).

On 22 September 2010, Beaulleen Carl-Worswick became the first woman to serve as an associate justice on the FSM Supreme Court. Carl-Worswick graduated from Hawaii Loa College (now Hawai'i Pacific University) on O'ahu in 1984. She received her legal education at Gonzaga University Law School in Spokane, Washington. She has extensive experience in private practice and has worked with the state and national governments (FSMIS Press Release, 22 Sept 2010). President Mori should be commended for appointing such a well-qualified woman to serve in the national court system.

During the March 2011 national election, four incumbent senators lost their seats—a rare occurrence in FSM national elections. Senators Peter Sitan and Joe Suka of Chuuk and Fredrick Primo of Pohnpei lost to three state legislators. In the Chuuk State at-large seat, President Mori defeated incumbent Sitro Paul and Anna Asauo Wengu, the only female candidate in the election. Vice President Alik ran unopposed for the at-large seat in Kosrae. These victories cleared the way for Manny Mori and Alik Alik to seek reelection.

After the general election, and in the congressional caucus immediately preceding the presidential election, Pohnpei made concerted efforts to get its at-large senator, Peter Christian, elected to the presidency. Despite this, however, on 11 May 2011, the 17th FSM Congress reelected Manny Mori and Alik Alik to the presidency and vice presidency, respectively. FSM Chief Justice Martin Yinug administered the oath of office to the two men in the congressional chamber. A more public swearing-in ceremony took place on 29 July 2011 in the FSM-China Friendship Sports Center at the College of Micronesia-FSM.

President Mori's victory is a tribute to the strong unity of the Chuuk delegation and to the president's ability to broker political compromise with members of the other congressional delegations. His victory in the general election is also a model for future presidents to emulate in order to overcome the first hurdle in their reelection attempts. President Mori spent less money on reelection efforts than his two opponents did. He did not succumb to pressure to pardon the former Chuukese national senators convicted of felonies in the FSM Supreme Court. The president's dogged attention to Chuuk state affairs, regardless of its constitutionality, paid him a fine dividend in the general election.

In his inaugural speech, President Mori reviewed his accomplishments in his first term and laid out his plan and vision for his second. Notably missing from the president's speech was his administration's plan of action regarding Micronesian immigration problems, which the US Senate Committee on Energy and Natural Resources

broached in a letter to Secretary of State Hillary Clinton and Secretary of the Interior Ken Salazar. The letter raised concerns about the free-migration provisions of the compact and recommended policies to reduce the burden on US states experiencing "compact impact" (PIR 12 May 2011; Johnson 2011).

The president also did not address a political problem in his own backyard: the "on and off" Faichuk secession movement. The Faichuk independence movement is becoming a political comedy on a grand international scale. Acting President Kachutosy Paulus of the so-called Faichuk Republic has declared the existence of Faichuk as a distinct political entity that is independent from the Federated States of Micronesia. The acting president issued the independence declaration in Guam, and subsequently, a self-styled Chinese ambassador to the Faichuk Republic showed up in Pohnpei to inform the PRC resident ambassador of her status. This angered the PRC ambassador and blind-sided and embarrassed national officials, including President Mori (Jaynes 2011).

The election of Manny Mori to the presidency and Alik Alik to the vice presidency rendered the two at-large congressional seats for Chuuk and Kosrae vacant. In the special election to fill the vacancies, the voters in Chuuk elected Governor Wesley Simina to replace Manny Mori, and the Kosraean voters chose Yosiwo George, ambassador to the United States, to fill Vice President Alik's former seat. Prior to winning the Chuuk at-large seat, Governor Simina's political experience had been confined to state politics. Ambassador George has had extensive

experience in FSM and Kosrae politics and has served the country in various capacities as a department head, a diplomat, and head of the national health insurance program. For Kosrae state, George has served as governor and chief justice and has now joined the exclusive political club of four at-large national senators who are eligible to become FSM president or vice president.

During the March 2011 congressional election, voters defeated two proposed amendments to the national constitution. One would have allowed FSM citizens to acquire another citizenship. This amendment garnered more than 60 percent of the votes in each of the states, but it failed to receive the constitutionally required 75 percent. The other amendment proposed to extend the term of the ten two-year members of the legislature to four years. In Pohnpei state, the amendment received only 46 percent of the votes, and in all four states it received a lower percentage than that garnered by the proposed dual citizenship amendment.

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GUAM

Dominating the news during the year under review were the same three issues that captured the most attention in the previous year: the upcoming US military buildup, the 2010 gubernatorial election, and ongoing fiscal difficulties for the Government of Guam (GovGuam).

As 2011 began, the proposed transfer of 8,600 US Marines and their dependents from Okinawa to Guam was still proceeding. However, in response to public opposition to the buildup plans, the pace of the buildup was slowed. Initially, the buildup was expected to bring about 79,000 people to Guam by 2014, with about half as imported labor for military construction projects and other preparatory activities. As noted last year, the US Department of Defense (DOD) issued a draft environmental impact statement in late 2009 outlining the different plans for how the buildup would transform the island. The document, over 11,000 pages long (*Saipan Tribune*, 8 Jan 2010), received over 10,000 submissions from the public, elected leaders, and government agencies during the public comment period (DOD 2010). The new plan in the final impact statement purportedly would only shift marines to Guam after the island's infrastructure

is ready to handle the sizeable influx in population. Under the suggested timeline, about 41,000 new residents would come to Guam in 2016. This would be half the number initially proposed and would occur two years later than originally projected. But even federal officials expressed doubts that the buildup would move that quickly. Still unresolved were two controversial military construction projects: the planned live firing range near the ancient Indigenous Chamorro village site of Pãgat and the dredging of Apra Harbor to build an aircraft carrier harbor (*PDN*, 29 June 2010, 1 Jan 2011).

With respect to the live firing range plan, community opposition centered on concerns about increased traffic, loss of land associated with recreational activities, and denial of access to a sacred Indigenous Chamorro site existing on GovGuam-owned land (Guam Bureau of Statistics and Plans 2010). The site has been listed on both the Guam Register of Historic Places and the US National Register of Historic Places since 1974 (Guam Preservation Trust 2011). The proposed dredging of Apra Harbor drew fire not only from island residents but also from the US Environmental Protection Agency, which cited the “unacceptable” impact of dredging on seventy-one acres of coral reef (Harden 2010). Even with these open questions, the Department of Defense issued a Record of Decision that formalized the plan to relocate the marines to Guam (*PDN*, 1 Jan 2011).

In November, the Guam Preservation Trust, the National Trust for Historic Preservation, and the We Are Guahan activist group filed suit

in federal court to block the live firing range. According to the suit, the Department of Defense violated the National Environmental Policy Act, the National Historic Preservation Act, and the Coastal Zone Management Act when it picked Pãgat as the firing-range site (*MV*, 16 Feb 2011). The court case continued through the first half of 2011. In the briefs, DOD attorneys stated that no final decision had been made on Pãgat and no appropriation had been provided in the current fiscal year’s budget, or the next, to fund the firing range (*PNC*, 1 July 2011). In March, however, the administration of Guam Governor Eddie Baza Calvo signed a “programmatic agreement” with the Department of Defense that gave approval for the controversial US military plan to build Marine Corps training ranges in that area. Governor Calvo explained that GovGuam dropped its opposition to live firing ranges after the US Navy guaranteed unimpeded public access to several sites, including the ancient Chamorro Pãgat Village site. In response, representatives for We Are Guahan said that their group still opposes the training ranges and any military construction in Pãgat. They further stated that the group would continue their lawsuit, claiming that “the DOD broke the law because it did not consider alternate sites for the ranges” (*Stars and Stripes*, 9 March 2011). The case is scheduled to be heard in court by September (*MV*, 18 Feb 2011).

In the wake of mounting federal deficits and natural disasters in Japan, new questions arose regarding when, or even if, the buildup would occur. In May, Japanese Minister of Defense

Toshimi Kitazawa suggested that Japan could agree to delay the 2014 date for the relocation of the marines from Okinawa (AFP 2011). Japan also put a hold on the \$3 billion in funding to relocate the marines to Guam. The US Navy said that the hold on funding has suspended buildup-related projects such as the new headquarters for the navy base (ANN 2011).

The US House of Representatives approved the Pentagon's funding request for buildup-related projects in June. In the Senate, however, the relocation of the marines came under mounting criticism. A General Accounting Office report estimated that the move could cost as much as \$23.9 billion over the next decade (*Stars and Stripes*, 28 June 2011). In the Senate Armed Services Committee, Senator Jim Webb proposed altering relocation plans—in effect, reducing the number of forces to be relocated out of Okinawa. He was supported in his efforts by the committee chair, Senator Carl Levin, and Republican ranking member Senator John McCain (PNC, 15 June 2011). Senators on the committee further called for a freeze on buildup projects until the Department of Defense issues a full master plan (PNC, 15 June 2011). Another shadow was cast on buildup plans in late June when the DOD Inspector General issued a report stating that the department “did not provide reliable Guam realignment costs for Congress” and that, as a result, “Congress cannot ensure that Guam realignment costs are properly allocated” and “Congress will not have reliable historical cost data for planning future military realignments” (PNC, 27 June 2011). This report echoed earlier reports by

the General Accounting Office and the Senate Armed Services Committee. By the end of June, the Senate Appropriations Committee had cut \$155 million in buildup-related projects from the Pentagon budget (PDN, 1 July 2011). But even with these developments, Assistant Secretary of the Navy (Energy, Installations and Environment) Jackalyn Pfannenstiel stated that she was “confident” the buildup would happen. This view was echoed by spokesmen for Governor Calvo and by Guam Senator Judith Guthertz, chair of the Guam Legislature's Military Buildup Committee (MV, 17 June 2011). Also in June, US Secretary of State Hillary Clinton and Japanese Minister for Foreign Affairs Takeaki Matsumoto reaffirmed their 2006 agreement to realign forces in Okinawa, which would include relocating the marine contingent to Guam (PDN, 24 June 2011). In spite of the disagreement between the US administration and the Senate, some buildup-related projects, including upgrades to air force facilities, continued in 2011 (Guam Buildup News, 30 June 2011). Also, the Apra Harbor dredging project was still planned, although on hold pending the completion of a marine habitat study (Guam Buildup News, 22 April 2011).

On Guam itself, a pro-military buildup organization called Para Hita Todu was launched in 2011. Its stated goal was to collect 15,000 signatures expressing support for the buildup, purportedly to show Washington leaders that a silent majority on Guam was in favor of the military buildup (PNC, 8 July 2011). The majority leader, Senator Rory J Respicio, pointed out that although Guam residents may be

supportive of the buildup, they are not supportive of it “at any cost.” Para Hita Todu leaders responded that they also did not support the buildup at any cost (Respicio 2011). Respicio and other legislative leaders have expressed support for the buildup but have insisted that the federal government address the buildup’s infrastructural, environmental, and social impacts. They have also sought action on long-standing federal territorial issues such as the island’s unresolved political status, unjust land takings, and World War II war reparations (Guam Legislature Resolution 275). In June, Senator Respicio, Speaker Won Pat, and Senator Chris Duenas secured the endorsement of the Association of Pacific Island Legislatures for Guam’s position (APIL 2011).

War reparations in particular were a source of extreme disappointment in 2010, underscoring Guam residents’ frustration about continuing federal inaction on territorial issues. Hopes were raised that this matter would be addressed when the US House of Representatives approved funding that year, but it was blocked by Senate Republicans at the last minute. This was yet another blow in a three-decade-long struggle by Chamorros seeking compensation for their suffering during World War II. Guam Legislature Minority Leader Frank Blas Jr stated that “a lot of people here are disappointed, frustrated, upset.” He said, “The Senate probably doesn’t understand. Here is an island thousands of miles away, out of sight out of mind.” Fewer than 1,000 Chamorro survivors of World War II are still alive and seeking compensation for “slave labor, internment and

forced marches” (*Stars and Stripes*, 23 Dec 2010).

In the meantime, the political landscape on Guam changed as the administration of Governor Felix Camacho served out its remaining months and island residents went to the polls to pick new leaders. The 2010 election was in full swing as the team of former Governor Carl T C Gutierrez and Senator Frank Aguon Jr secured the Democratic nomination without opposition. The Republican team of Senators Eddie Baza Calvo and Ray Tenorio Jr defeated the team of Lieutenant Governor Mike Cruz and Senator James Espaldon to win their party’s primary election (KUAM, 5 Sept 2010). The subsequent general election campaign proved to be one of the hardest fought and most controversial elections in the island’s history, eventually becoming a matter for the courts. Aside from debates on the military buildup, education, and other concerns, two unexpected issues came to the forefront. One was health insurance. In September, it was revealed that the rates for GovGuam health insurance were going up by as much as 300 percent in some cases. The sole provider of health insurance for government employees and retirees was Calvo Selectcare, which is owned by Eddie Baza Calvo’s family. The Gutierrez/Aguon team sharply criticized the increases. They further called on Calvo Selectcare to hold off on the rate hikes and for the contract with Calvo Selectcare to be renegotiated (MV, 22 Sept 2010). The contract came under further criticism when it was revealed that Calvo Selectcare had been operating as the sole provider for government health insurance with-

out a contract for two years (*MV*, 30 Sept 2010). The Calvo/Tenorio team viewed the Gutierrez/Aguon position as a political attack and responded with its own attacks about the health insurance contract against Senator Frank Aguon Jr, who was chairman of the legislature's health committee (*PNC*, 7 June 2010). The controversy increased in intensity as Gutierrez promised to renegotiate the contract if elected and Calvo said he would not do so because it would compromise health insurance coverage for employees and retirees (*MV*, 28 Oct 2010). Another controversy arose late in the campaign when it was revealed that Ray Tenorio Jr was born as Ray Waddey Jr and did not legally change his name until years after he had identified himself in a number of legal documents as Ray Tenorio Jr. A complaint alleging that Tenorio had committed fraud was filed in November with the legislature's ethics committee, which dismissed the complaint a month later (*MV*, 29 Dec 2011).

After recounts of the 41,000 votes cast, amid reports of missing ballots and possible voter fraud, the Election Commission certified the Calvo/Tenorio team as the winner by 487 votes (*PDN*, 1 Jan 2011). The certification itself quickly became a matter of controversy when it was revealed that half the Election Commission had not been properly appointed—which by law would normally render their actions null and void. The Guam Supreme Court set aside this challenge, but other suits filed by the Gutierrez/Aguon team, seeking to overturn the gubernatorial election, continued in both US and Guam courts (*MV*, 3 Jan 2011).

Results for the other 2010 races for the legislature and the attorney general were uncontroversial. In the nonpartisan race for attorney general, voters picked former US Attorney Lenny Rapadas. The Democrats retained their 9–6 majority in the legislature, with Republican Telo Taitague being the only incumbent not reelected. Replacing Taitague and filling four vacancies were Democrat Dennis Rodriguez Jr and Republicans Aline Yamashita, Chris Duenas, Mana Silva-Taijeron, and Sam Mabine (*PDN*, 1 Jan 2011). Guam's fifteen senators are elected "at-large," meaning the top fifteen vote getters make up the legislature.

As the island prepared for the change of administration, concerns about GovGuam's fiscal situation came to the forefront. In December, the Calvo/Tenorio transition team estimated that when it took office the government would have a shortfall of nearly \$100 million (*KUAM*, 12 Dec 2010). Soon after the inauguration, the Calvo administration sought a \$36.6 million supplemental appropriation to meet the budget shortfall for the fiscal year and threatened layoffs if it was not approved by June (*MV*, 3 June 2011). At their June session, the legislature cut the administration request and approved a \$28 million supplemental appropriation to address shortfalls. In the process, senators criticized Governor Calvo for raiding the retirement fund in order to fund the budget shortfall resulting from the new health insurance contract. Further battles over government finances are expected when the legislature takes up the fiscal year 2012 budget in August (*MV*, 6 June 2011).

Guam drew attention from the international media in the past year. Spotlighting the island as a tourist destination, BBC.com ran a story titled “Guam: The Best Place You Never Considered Going To,” highlighting the island’s warm climate and island life as attractions (Strasser 2011). In October, the cable news show *Dan Rather Reports* focused on the impact of the planned military buildup on Guam and Chamorro concerns regarding further loss of land to the military (MV, 6 Oct 2010).

There was renewed interest in holding the long-delayed Chamorro self-determination vote after Governor Calvo stated in March that he wanted to hold the vote in 2012 (Caguran-gan 2011). However, by June, Calvo administration officials admitted that the vote would not be held until 2013 at the earliest (KUAM, 20 June 2011). On a positive note, prominent indigenous rights advocate Dr Lisa Natividad was appointed to the Guam Commission on Decolonization. Additionally, the Obama administration made available funding for an educational campaign for the decolonization vote (PNC, 28 April 2011).

Also in June 2011, a controversy erupted regarding University of Guam Professor Ron McNinch, who had participated in a United Nations-sponsored seminar in St Vincent and the Grenadines on decolonization, where he presented a paper dealing with self-determination for Guam. Island leaders such as Senator Ben Pangelinan accused McNinch of attempting to derail the political status issue. Pangelinan as well as Legislative Speaker Judith Won Pat and Ed Benavente of the Colonized

Chamoru Coalition wrote to Francisco Carrion-Mena of Ecuador, chair of the UN Special Committee of the 24 on Decolonization, regarding McNinch’s role at the seminar. They stated that McNinch did not represent the people of Guam and their quest for political self-determination and challenged his standing as an expert on self-determination and decolonization issues (MV, 14 June 2011).

An essential component of the quest for self-determination has been the ongoing struggle for outside recognition of the Chamorro identity and culture. One sign of the level of interest in and sensitivity about the issue was the introduction of Bill 1 in the current session of the Guam Legislature to set new procedures for the treatment of disinterred human remains, in particular those of ancient Chamorros. The legislation includes the finding that the current process for dealing with such issues has resulted in situations where disinterred remains are being handled “in a manner deeply disrespectful to the island’s indigenous Chamoru people” (Guam Legislature Bill 1-31). On the other hand, reflecting interest in harnessing the potential of archaeological study, the website Guampedia unveiled its new Archaeology of the Marianas section with an initial twenty-eight entries (MV, 11 March 2011). These entries expand access to knowledge gathered about ancient Chamorro lifeways encased within technical reports of limited distribution. Near Guam’s major hotels and tourist facilities in Tumon, in 2011, a local developer started building the Lina'la' Chamorro Cultural Park on twenty-five acres of beachfront property. Described as an

“eco-adventure park,” the facility will contain a replica of an ancient Chamorro village (KUAM, 27 May 2011).

Signaling the continued vibrancy of Chamorro culture, language, and traditional skills, the Chamorro cultural organization Pa'a Taotao Tano' (Way of Life of the People of the Land) celebrated its tenth anniversary. The organization spearheads a number of cultural projects and serves as the umbrella organization for indigenous dance troops throughout the Mariana Islands (KUAM, 24 June 2011). Pa'a Taotao Tano' released the results of a language survey showing that four out of five Chamorros interact daily with a fluent speaker of the indigenous language (KUAM, 21 Sept 2010). Also, Senator Mana Silva-Taijeron introduced legislation that would increase the number of years the Chamorro language is taught in public schools. Currently, students are required to take one year of Chamorro language courses in both middle and high schools, with elementary students required to take six years. Under Silva-Taijeron's bill, students would be required to take Chamorro language in every year of middle school and for an additional year in high school (KUAM, 1 March 2011).

What has also drawn notice in some quarters is Governor Calvo's use of the term “Guamanian” in his public statements (see the Calvo/Tenorio campaign website for examples). To some, this has raised concerns about the sublimation of the Chamorro identity in favor of a broader grouping of “Guamanian.” In contrast was Governor Calvo's written testimony to the United Nations, presented by his sister Clare Calvo. The testimony was

passionate about decolonization and Chamorro self-determination (PNC, 20 June 2011).

2010 was also the year of the Micronesian Games, which were held in Palau. Guam placed third in the country medal count with twenty gold, twenty-five silver, and twenty-one bronze medals. Among the competitive events were island sports such as canoeing, in which Guam won silver in the women's team division, and spearfishing, in which the island won gold in men's individual competition and bronze in team competition (Micronesian Games 2010).

On the environmental front, the practice of catching sharks for their fins and trading in these fins was banned in Guam under a new law enacted in 2011. The practice has been viewed in recent years as a major international environmental concern (PNC, 24 Feb 2011). Students on Guam initiated an advocacy group called Shark Tsunami to secure passage of the bill (Humane Society 2011). Also in 2011, the US Fish and Wildlife Service and the National Oceanic and Atmospheric Administration began soliciting public comment on plans for the Marianas Trench Marine National Monument. This protected area incorporates approximately 95,216 square miles within three units in the Mariana Archipelago. The national monument was created by President George W Bush in 2009 and contains unique and pristine marine environments (PNC, 12 April 2011).

Among those politicians who passed away over the last year were former Inarajan Mayor Juan Cruz, former Yigo Mayor Jesus Cruz, former

Mongmong-Toto-Maite Mayor Jose Santos, and former Assistant Commissioner of Tamuning Maria Leon Guererro. In the arts, the year saw the passing of Chamorro master weaver Thomas Torres and artist and sculptor Greg Flores. Other prominent residents to pass on were Marian Johnston Taitano, who was active in civic affairs, and the Reverend Daniel Cristobal, the first Chamorro Capuchin priest. All were recognized by condolence resolutions by the Guam Legislature.

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MARSHALL ISLANDS

Threatened by impending sea-level rise, internal fraud schemes that reached into the highest levels of government, and potentially damag-

ing changes to its relationship with the United States, the Republic of the Marshall Islands (RMI) spent the year under review facing its own mortality. The defining event of the period was the public discussion the country had about its physical and political sustainability as a nation-state, and what to do in the eventuality of its disappearance. It was during this time that the Marshall Islands had to consider not only the real prospect of being an early victim of global climate change, but indeed its very existence within the community of nations; at the same time, it also had to deal with internal strife and external relations that put its governing mechanisms to the test.

In late August, for the first time since 1997, the Marshall Islands made the editorial pages of the *New York Times*, as an unsigned editorial posed the question: "If a country sinks beneath the sea, is it still a country?" (*NYT*, 30 Aug 2010). The editorial considered the potential ramifications of the political and diplomatic status of the Marshalls should its actual landmass become uninhabitable, a situation now considered imminent. In response, RMI Ambassador and Permanent Representative of the Marshall Islands to the United Nations Phillip Muller wrote a letter to the editor, seeking to pressure nations in attendance at the 2009 Copenhagen climate change meeting to make good on their promise of US\$30 billion in aid (*NYT*, 5 Sept 2010). In November, Muller again called on the Copenhagen signatories to produce US\$20 million for a three-mile-long seawall on the leeward side of Majuro (Johnson 2010). While both the funding and the seawall have yet to appear, the issue of environmen-

tal vulnerability offered the Marshalls the chance to become a focal point in the climate change debate.

This issue was revisited in December at the international climate change meeting in Cancun, Mexico, during which the legal considerations of citizenship, sovereignty, diplomatic standing, and fishing and deep-sea mineral rights were introduced by Michael B Gerrard, the director of the Center for Climate Change Law at Columbia University (Hanley 2010); the meeting made headlines around the world, and the potential impact on the Marshalls was the top story on the Yahoo.com website. In February 2011, the American Association for the Advancement of Science issued a report saying that the population of the Marshall Islands were in danger of becoming “environmental refugees” and questioning the political and social effects of wholesale migration on the United States, the presumptive destination of RMI migrants (Huffington Post 2011). Bringing together legal scholars, climate change experts, and government representatives, the Marshall Islands and Columbia’s Center for Climate Change Law sponsored a conference in New York for three days at the end of May 2011, during which RMI President Jurelang Zedkaia called on the United Nations to take action as a matter of international security. Noting that the international community had yet to approach climate change in a meaningful way, Zedkaia stated, “There has been enough talk. It is time for action” (*MIJ*, 3 June 2011). After a year of sobering discussions, however, it remains to be seen what steps the international community, and

especially the RMI government, will actually take.

In the midst of the conversation about the impending environmental disaster facing the country, Majuro and several outer atolls and islands experienced some of the highest tides in recent memory. While no storms attended the rising tides on 19 February 2011, sea levels were six inches higher than predicted on Majuro, resulting in the flooding of homes and businesses on various parts of the atoll; a month earlier, on the island of Kili, seawater was knee-deep in some areas that were normally above sea level. While extreme tides like these are part of a normal cycle, affected in this case by *La Niña*, they nonetheless serve as a stark reminder of the realities of global climate change and its resultant sea-level rise. As Dr Murray Ford, a University of Hawai‘i Sea Grant climate scientist based in Majuro, explained, such tidal events “will continue to increase in both frequency and magnitude” (*MIJ*, 18 Feb 2011).

A much different yet equally onerous threat to the political viability of the Marshall Islands came in the form of a fraud ring composed of twelve individuals, including employees of the ministries of finance and health, and attracted the unwanted attention of the US Department of the Interior. Beginning in early December 2010, the attorney general’s office charged Majuro resident Candi Leon with defrauding the RMI government of \$14,820 for goods and services that were never delivered (*MIJ*, 3 Dec 2010). Three weeks later, Leon named six coconspirators—including three workers in the Ministry of

Finance and three in the Ministry of Health—and the amount of alleged theft rose to \$80,350 (*MIJ*, 24 Dec 2010). In January, the first Majuro businessman was charged, and by the end of the month both a local automotive repair shop and a Ministry of Finance Procurement and Supply official, among others in the government, were charged with a staggering twenty-eight counts—including grand larceny, cheating, forgery, conspiracy, and possession or removal of government property—involving \$396,909 (*MIJ*, 28 Jan 2011). In the end, a dozen people were charged with defrauding the RMI government of a total of \$538,979. By March, an additional set of charges were filed alleging the theft of \$54,051 from the RMI National Training Council, the College of the Marshall Islands, and Waan Aelōñ in Majel (Canoes of the Marshall Islands) (*MIJ*, 18 March 2011). What made the situation even more precarious, however, was the fact that the amount stolen included not only RMI monies but US funds as well.

On 31 January 2011, US Director of Insular Affairs Nikolao Pula wrote to RMI Minister of Finance and Enewetak Senator Jack Ading that the United States wanted detailed records of the investigation into the fraud cases, reminding the minister that federal funding could be withheld if the RMI government did not comply. In a letter to Pula on 11 February, Majuro Senator Brenson Wase, the minister of justice and acting minister of finance, was quoted as responding, “We have it under control” (*MIJ*, 18 Feb 2011). Wase also suggested that the US and RMI governments discuss the issue in San Francisco at the 21 March

meeting of the Joint Economic Management and Fiscal Accountability Committee (JEMFAC), but US officials did not want to wait and instead met with RMI officials in Honolulu on 23 February. At the same time, Kwajalein Senator Tony DeBrum pushed for the Marshall Islands to invite the FBI to investigate the fraud cases and wondered aloud at a session of the Niti-jela (RMI Parliament) why they had not yet been involved. In response, Minister of Foreign Affairs and Ebon Senator John Silk stated that including the FBI in the investigation “will undermine our sovereignty” (*MIJ*, 18 Feb 2011). On 18 February, DeBrum, along with Kwajalein Senator and Iroij Michael Kabua, Wotho Senator David Kabua, and Lae Senator Rellong Lemari pushed ahead with Resolution 87, despite Minister Silk’s objections, calling for the Marshall Islands to invite US federal investigators to assist with the fraud investigation (*MIJ*, 25 Feb 2011). At the meeting in Honolulu, RMI officials, including Ministers Silk, Ading, and Wase, agreed to include in the investigation US auditors, who arrived in June (*MIJ*, 4 March 2011). At the time of this writing, the investigations and prosecutions were still ongoing, although the charges against one of the local businessmen, David Chin Tung Lin, were dismissed on 21 June by the high court because the RMI government failed to demonstrate that Lin had knowledge of any criminal activity or conspiracy to defraud the government (*MIJ*, 24 June 2011).

Amid the hand-wringing over the possible withdrawal or loss of US federal funding due to the massive fraud cases rocking the government,

the Ministry of Education actually did have to hand money back to the United States, in the amount of \$253,000. By failing to meet a 31 December spending deadline for fiscal year 2009 Supplemental Education Grant (SEG) funds, the ministry lost access to the unspent funds, causing a bit of public embarrassment. Commenting on the ministry's inability to spend all of its SEG money, a former president of the Majuro Chamber of Commerce was quoted as saying that he was concerned future SEG funding would be decreased as a result (*MIJ*, 18 Feb 2011).

Even with all the concern over embezzlement and loss of US funding, few were prepared when a sitting minister and member of the RMI cabinet, Minister of Transportation and Communications and Senator from Rongelap Kenneth Kedi, was charged with theft and misconduct on 1 June 2011. This was the first time that an active minister had been charged with criminal activity. Kedi faced ten criminal counts stemming from alleged fraud involving reimbursement for office furniture in the amount of \$1,197 and Air Marshall Islands (AMI) plane tickets totaling \$1,037. In the first case, Kedi allegedly charged the RMI government for office furniture that was originally purchased for him by the Rongelap Atoll Local Government (RALGov); in the second, Kedi was alleged to have cashed refund checks from Air Marshall Islands that were made out to RALGov for trips not taken by Rongelap's mayor and another passenger (*MIJ*, 3 June 2011). Kedi initially pled not guilty to all ten counts, including grand larceny and misconduct in public office, and

submitted to the high court letters documenting that he had paid back the money for the furniture and the air tickets in January 2009 and March 2011, respectively; additionally, the letters included correspondence from Minister of Finance Jack Ading warning Kedi in 2008 that his actions were "unethical and illegal," prompting Kedi first to defend his actions and then ultimately to reimburse the government. On 24 June, the high court announced that it had sufficient evidence to proceed with the trial against Kedi, but, in a deal with prosecutors, Kedi changed his plea from "not guilty" to "no contest" on one count of petit larceny and two misdemeanor counts of misconduct in public office (*MIJ*, 15 July 2011). In return, the other seven charges were dropped and he was fined \$1,000 and given a thirty-day suspended sentence, thereby avoiding jail time and skirting the issue of what happens to a ministerial post when the minister is in prison. While there has been no public support for Kedi from President Zedkaia or the cabinet, there have been no moves to replace him either, and it seems that his political fate will rest with the voters of Rongelap in the November 2011 election.

Perhaps the one diplomatic bright spot in the period under review came on 10–11 May 2011, when the four Kwajalein primary landowners, led by former President and Irojilaplap Imata Kabua, signed the Land Use Agreement (LUA) with the RMI government. Stalled since 2003 due to political wrangling and the refusal of Kabua to recognize the legitimacy of the amended compact terms (which include a fifty-year extension of the

Kwajalein lease and increased rental payments to landowners), the LUA seemed destined to remain a sticking point in internal RMI relations. While the amended compact includes the renewal of the US lease of Kwajalein island and other parts of the atoll (through the Military Use and Operating Rights Agreement signed between the RMI and US governments) through 2066, with an additional twenty-year extension after that, the United States reserved the right to defer the increase in rental payments to Kwajalein landowners, and ultimately to return the funds permanently to the US Treasury, if no LUA was signed within the first five years of the amended compact. In 2008, at the eleventh hour, the Bush administration allowed the RMI government an indefinite extension on the signing of the LUA but continued to hold back the increase in rental payments, which had grown by more than \$32 million by 2011. After a series of rapid negotiations following eight years of stalemate, however, Kabua and Irojilaplap Anjua Loeak, along with President Zedkaia, signed the LUA in Kwajalein on 10 May 2011, while the remaining two landowners, Leroij Lukwor Litokwa and Iroj Nelu Watak, signed the agreement in Majuro on 11 May (MIJ, 13 May 2011). The agreement allows the implementation of the Kwajalein Impact and Ebeye Special Needs funds, which had been held up by the lack of a LUA, in the amount of \$5 million annually, although what changes on Ebeye will actually materialize remain to be seen. In the meantime, the *Marshall Islands Journal* reported that beneficiaries of the almost immediate release of LUA

funds were busy using cash to buy up all the available cars for sale on Ebeye and Majuro (MIJ, 27 May 2011). At the same time, the *Journal* quoted a non-LUA recipient resident of Ebeye as saying that he held no hope for change due to the LUA, and in fact expected life to get harder on the island as a result: “We’re not celebrating yet because we don’t know what the terms are—we’re waiting to exhale” (MIJ, 3 June 2011). With the political impasse of the LUA behind them, it is now up to officials from the Kwajalein local government and the RMI and US national governments to bring about real changes in the lives of the people of Ebeye.

The celebrations over the signing of the LUA were quieted the very next day when, on 12 May 2011, nine members of the US Congress, including the representative from Guam, all the senators and representatives from Hawai‘i, both senators from Arkansas, and Senators Lisa Murkowski of Alaska and Jeff Bingaman of New Mexico, sent a letter to US Secretary of State Hillary Clinton and Secretary of the Interior Ken Salazar asking for an expedited review of the compact provisions that apply to citizens of the Freely Associated States (FAS) in terms of their ability to travel, work, and live in the United States, as well as to receive social services benefits (MIJ, 20 May 2011). Concerned largely with the financial impact of treating FAS citizens differently from other immigrants to the United States, the letter focused on the health and educational levels of FAS migrants in states like Hawai‘i and Arkansas and on the island of Guam. The letter’s language closely resembled that used

by Martha Campbell, US ambassador to the Marshall Islands, who, after the signing of the LUA, said, “I hope the signing of the LUA allows the Government of the Marshall Islands more time to focus on the biggest issues it faces—how to raise the level of education and health of the Marshallese people and how to create an economy that will be stable after direct US funding ends in 2023” (*MIJ*, 13 May 2011). Indeed, the situation for FAS citizens, especially those from the Marshalls, looks particularly bleak considering the looming end of compact funding in a little over a decade coupled with the now-real possibility of a change in immigration privileges to the United States. Indeed, the proposed changes in the implementation of the compact pose more immediate threats to the Marshalls than the continuing changes in global climate and sea levels. As Benedict Anderson wrote, “Communities are to be distinguished not by their falsity/genuineness, but by the style in which they are imagined” (1983, 6); one wonders how the Republic of the Marshall Islands will imagine itself in the near future should the United States effect the restrictions in travel outlined in the letter to Secretaries Clinton and Salazar.

The period under review also saw the passing of three public figures. On 19 November, Leroij Atama Zedkaia, mother of President Zedkaia, passed away at age seventy-nine. With her passing, her eldest son, the president, assumed the title of Iroijlaplap over Atama’s landholdings. A week of national mourning was declared, and she was given a state funeral at the Nitijela. At the funeral, Nitijela Speaker and Jaluit Senator Alvin

Jacklick praised her support for the breaking away of the Republic of the Marshall Islands from the rest of Micronesia under the Trust Territory in the 1970s (*MIJ*, 26 Nov 2010). On March 17, Banny DeBrum, the long-time RMI ambassador to the United States, passed away while undergoing treatment in Honolulu. From 1995 until his death (except for a brief interim in 2008–2009), DeBrum was the top RMI diplomat in Washington DC, making him the longest-serving ambassador from the Pacific (*MIJ*, 25 March 2011). On March 29, Carl Heine passed away in Majuro; he was the author of the only book written to date by a Marshallese, *Micronesia at the Crossroads* (1974), and was an advocate for the inclusion of the Marshalls in greater Micronesia as well as, occasionally, part of the opposition to Amata Kabua in the 1970s and ’80s.

The period ended on as precarious a note as it began, with the *Marshall Islands Journal* reporting an uptick in both murders and suicides. The most shocking crime to hit Majuro in recent memory occurred on 14 August 2010 when Morton Makroro, an instructor at the College of the Marshall Islands (CMI), stabbed his wife Emson to death during an argument; Emson had also been a CMI instructor (*MIJ*, 20 Aug 2010). The crime spurred the nongovernmental organization Women United Together Marshall Islands to push for Bill 93, intended to provide greater prevention of and protection from domestic violence; unexpectedly, the bill did not make it to a vote in the Nitijela. Makroro continues to await sentencing. The *Marshall Islands Journal* also noted a wave of suicides in 2011, with five

in the month of May alone, putting Marshallese society on track to reach over fifty suicides for the year—twice the total for its worst year on record, 2003, in which there were twenty-six (*MIJ*, 3 June 2011). While the Ministry of Health and various nongovernmental organizations have been mobilized to stem the surge in suicides, it is not clear yet what the underlying causes are; regardless, the rash of deaths in both Majuro and Ebeye over the period under review has raised public calls of alarm.

In many respects the period under review has been one of the Marshall Islands' most trying, testing its ability to survive and persist as a nation physically, politically, and socially. It points to even more difficult times ahead should these issues not be met with the urgency they require. The country has been relatively quiet in the run-up to the November 2011 election compared with the heated political rhetoric of past contests, but this election may prove to be the most important in the country's history, considering what is at stake for its immediate and long-term future. We will see what changes, if any, this exercise in democracy will bring to the people of the Marshall Islands.

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COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

The fiscal condition of the government of the Commonwealth of the Northern Mariana Islands (CNMI) has been rapidly declining since the garment factories on Saipan began shutting down in 2005 and the last one closed its doors in 2009. In the exhilarating days of the late 1990s, with thirty-five garment factories and 700,000 tourists a year, annual government revenues reached \$250 million. It is anticipated that revenue this fiscal year (Oct 2011–Sept 2012) will be down to somewhere between \$92 million and \$102 million.

As could be expected, adjusting to such a reduced revenue stream is a very difficult thing to do after having lived so comfortably. As a result, a great deal of time and rhetoric has been devoted to the issue of whether

casinos should be allowed on Saipan. When the government was unable to settle debates over the fiscal year 2011 budget (Oct 2010–Sept 2011) by the 30 September 2010 deadline, it was completely shut down in compliance with a constitutional amendment recently approved by the voters that “states that the government may not draw funds from the general fund, with the exception of certain essential services, if no appropriations act is in effect” by the beginning of the fiscal year (*Saipan Tribune*, 1 Oct 2010). Since the legislature did not pass the budget before 1 October, all government offices except for essential services were closed while the House and the Senate worked out their differences. During that period, some members of the House of Representatives threatened that if the Senate did not join them in approving casinos on Saipan as a revenue measure, the House would not consider any bill emanating from the Senate. In response, the Senate refused to pass bills sent to them by the House of Representatives; in addition, because the governor was siding with members of the House, the Senate refused to hold advice and consent hearings for gubernatorial appointees. Public pressure was the only thing that got members of the legislature to pass a budget two weeks into fiscal year 2011, which allowed the government to get back into full operation. The Senate stood its ground on being anti-casino, which should come as no surprise since both Tinian and Rota have casinos (struggling just to stay alive) that would be threatened by additional casinos on Saipan. Most direct flights from Japan to Saipan, Tinian, and Rota have been

discontinued. The casino hotel in Tinian owes \$30 million in back taxes to the commonwealth government and, unless there are some immediate changes in airline services, the Rota resort casino will probably not last another six months.

Largely because of the increased costs of doing business, several airlines have canceled flights from Japan and have reduced flights to and from other destinations. On the other hand, there are two new ventures that have yet to prove themselves viable. Fly Guam has been operating charter flights to and from Hong Kong via Saipan three times a week. They plan to inaugurate flights to Australia and are exploring possible routes from central Russia. At the present time they are only flying one 240-seat Boeing 737 but are expecting to acquire a second plane in the near future. During April and May 2011, Fly Guam was offering discount rates of \$450 for return flights between Saipan and Hong Kong, with an additional 25 percent discount available for senior citizens.

Every service on Rota and on Tinian is in crisis, creating an economic disaster for the two islands. Existing hotels are struggling to survive, with many people leaving the islands permanently. At the same time, a brand-new luxury resort is being constructed by Triple J in Chalan Kanoa on the beach in southwest Saipan, using pre-stressed reinforced concrete slabs to create the walls.

Several other companies, including Korean investors, have expressed interest in reviving La Fiesta Mall in San Roque; according to government estimates, it would cost upward of \$5 million just to rehabilitate the struc-

ture. Other investors, including two casino developers, are trying to revive their construction permits to build on Tinian.

Federal laws taking over immigration and raising the minimum wage have had major impact on the growth of just about everything in the commonwealth. The Department of Homeland Security's Customs and Border Protection agency has taken over airport security and in all too many cases has wound up alienating many tourists and returning residents. Congressional delegate Gregorio Kilili Sablan has filed a complaint regarding this matter with the secretary of the Department of Homeland Security in Washington DC.

A program by the Department of Public Works to install poles for power lines along the roadside, all the way from the Last Command Post to just before Banzai Cliff, is intended to supply power to the Veterans Cemetery and a new public cemetery that is under construction. A citizens group calling themselves the Friends of Marpi has succeeded in blocking the completion of the power pole project, citing the degradation of the Marpi area. The group is concerned about the visual impact of the poles on the tourist experience, the violation of historic preservation regulations, and the lack of a public hearing before the installation began. The Department of Public Works has been ordered to cease and desist installation until a trial can be held in early 2012.

The mayor of the Northern Islands has scheduled a Northern Islands Development Summit in September 2011 designed to create a master plan for the resettlement of the islands

north of Saipan. This plan includes homesteading, infrastructure development, transportation, and other exigencies. Plans are also underway to explore the possibilities of cashing in on the pozzolan deposits on Pagan, which may still have some commercial value. (Pozzolan is a byproduct of volcanic eruptions. It occurs fairly rarely; the only other known deposit is at Mount Vesuvius in Italy. Its primary use is as an additive to asphalt for greater strength. Thousands of tons of pozzolan are estimated to be sitting on Saipan but gradually depreciating in value because of the erosion from rainfall. There has been no sign of commercial interest in the deposit over the past several years.) Ecotourism is also being explored. Further, it appears that the US military may be interested in utilizing Pagan for military exercises. If this is the case, and the people agree to such use, the military will have to compensate the people for the loss of other development opportunities.

Innovation in agriculture is now becoming fairly common. Entrepreneur Tony Pellegrino has opened a very successful shrimp farm on his property in Saipan and is already exporting shrimp to Japan, Guam, and other destinations. This effort is part of an overall plan to develop agricultural exports as well as to replace imported food items. Pellegrino intends to expand the market by opening a new airline called Cargo Air Bridge. This airline would be a public corporation (with shares available to the citizens of the commonwealth) that could fly agricultural goods from Saipan, Tinian, and Rota to Guam on a regular basis. Because the agricul-

tural producers on these islands would have to guarantee quality and quantity, steps are being taken to set up a farmers' cooperative.

After a wait of a year and a half, the Western Association of Schools and Colleges has moved the Northern Marianas College up one step from "show cause" to "probation" status (*Marianas Variety*, 1 July 2011). This means that while the college will have to work to improve certain areas, it does not have to worry about the imminent loss of accreditation. Lorraine Cabrera, the adult basic education director, has been interim president of the college for a year and a half. A new president, Dr Sharon Hart from North Dakota, has finally been selected and was slated to arrive in Saipan in early July 2011 (*Marianas Variety*, 27 May 2011). This will contribute greatly to the college's efforts to maintain and improve accreditation standards since the firing of Dr Carmen Fernandez and the college's subsequent year and a half without a full-time head. Former President Fernandez's lawsuit against the college and the Board of Regents in relation to her dismissal is still pending but may come up for court hearing in September.

Austerity measures earlier applied to all CNMI government employees will affect the college beginning in the fall semester, which commences in August 2011. This means a 10 percent pay cut for all faculty and staff and adjustments in the class schedule and student-teacher ratio. Technically, these changes are only supposed to apply until the end of the current fiscal year on 31 September 2011; however, there is no indication that

the government's current fiscal situation is going to improve in the near future.

The Salvation Army on Saipan has opened a soup kitchen, rummage sale area, and "drop-in center" to assist the growing number of homeless and unemployed people on the island. Initially, the soup kitchen will be open only on Saturdays; its operations are dependent on voluntary donations from the public. Laundry and shower facilities, however, are available in the drop-in center (*Saipan Tribune*, 4 May 2011). The homeless represent a cross section of the community and, for one reason or another, many are not eligible for government services or assistance from established charities such as Karidat.

A recently released report from the Government Accountability Office indicates that the recent increases in the minimum wage (from \$4.50 to \$5.05 per hour) in the commonwealth have resulted in higher unemployment as smaller businesses are unable to pay the higher salaries during the current economic crisis (GAO 2011). The price of gasoline is \$4.77 per gallon on Saipan and more than five dollars per gallon on Rota and Tinian. Utilities costs are increasing substantially, and some people are finding it more comfortable to move to the continental United States, where the cost of living is actually lower.

Another result of the economic crisis appears to be a very serious increase in domestic violence and property crimes at all levels of society. Contributing factors are addiction to drugs and to poker gambling, both on the upswing. The attorney general's office recently reported that 50

percent of the cases it handles involve domestic abuse (ANN 2011).

The privatization of the Commonwealth Health Center, which is supposed to take place on 1 October 2011, is being organized by a special committee appointed by the governor. The healthcare corporation will receive start-up funds in the amount of \$5 million. It is expected that health services will improve greatly with this effort, although there is no guarantee.

The much-touted Guam military buildup, involving the transfer of 8,000 US Marines, dependents, and staff personnel from Okinawa to Guam, may be severely delayed. A group of three US senators visited Tinian and Okinawa and reported that the transfer program is totally ad hoc and that it is impossible to tell exactly how much money is going where and what the development plan is. In addition, the series of disasters in Japan in March 2011—the earthquake, tsunami, and nuclear meltdown—has made it much more difficult for Japan to undertake and share the cost of the relocation. Some contracts, in preparation for the transfer of troops, have already been made on Guam, but the anticipation of billions of dollars worth of lucrative construction contracts may have to be completely rethought.

Governor Benigno Fitial has decided that it would be better for him to rejoin the national Republican Party rather than continue as the titular head of the Covenant Party. When he announced this switch to the legislature and the public, he offered to endorse Lieutenant Governor Eloy Inos as his preferred replacement after his current and final term in

office ends. This offer, however, was contingent on the lieutenant governor following the governor's example and giving up the Covenant Party in favor of rejoining the Republican Party. His reasoning for this is that the Republicans control the US House of Representatives and he wants to be on the winning side. He also made it clear that he wants all of his Covenant Party mates to follow his lead and join the Republican organization. The leaders of the Republican Party claim that they have over 1,000 names of people ready to transfer their allegiance to the Republicans.

US House of Representatives delegate Gregorio Kilili Camacho Sablan is already preparing to run for his third term in 2012. He ran a very successful campaign last November against three rivals and has become the ranking minority member of the House Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs. He continues to run as an independent, aligning himself with the Democratic side of the House of Representatives.

The biggest surprise in this legislative session came with the announcement by long-term politician, legislator, and one-time lieutenant governor Diego Benavente that he was intending to resign his position of minority leader in the CNMI House of Representatives at the end of July. There is much speculation as to why he chose this particular time since his term does not expire until November 2012. His only public statement related to this decision was that he wanted to be able to spend more time with his family.

Several bills have been introduced to allow casinos on the island of

Saipan. Some of these bills have been classified as commonwealth bills, requiring the approval of both houses, but most of them have been Saipan local delegation bills that require only the approval of the Saipan delegation, both senators and representatives.

Another bill, introduced by Representative Stanley Torres, is pending final action. It would create a new Marianas Political Status Commission to explore the current relationship between the Marianas and the federal government. This would include the possibility of terminating the commonwealth relationship and opting instead for independence or free association. A public hearing was held, and most of the comments in favor of the bill were complaints about federal interference in local affairs, real or imagined.

Yet another bill, introduced by Representative Joseph Palacios, would allow the people of the Marianas to decide if they wanted to join with Guam under a new, undefined political status. A Northern Marianas College Current Issues class was tasked with running an informal and unofficial public opinion poll during the month of May. The results showed that Saipan as a whole was against unification but that the 18- to 25-year-old group was in favor of the idea because of the perceived higher standard of living in Guam. The older people rejected the idea because of the many years Guam has dismissed the Northern Marianas' appeals for reunification and because of the fear that the Northern Marianas might become a small principality of the larger Guam. A similar study is being undertaken by the University of Guam, but no find-

ings have been made available so far. The results from the NMC poll from Rota indicated approval of reunification with Guam. Unfortunately, Tinian could not be polled because of logistical complications.

The Manta Ray Band of Saipan Southern High School has done it again! After successful concerts at the Kennedy Center in Washington DC and the Sydney Opera House in Australia, this highly talented group has been invited to play at the Summer Olympics in London in 2012.

The long-awaited Saipan municipal dog control program is now underway. It started with owners licensing their dogs with members of the Saipan Mayor's staff. When the licensing process is completed, workers will begin collecting stray dogs from the streets and abandoned properties. A dog pound is being prepared at Lower Base. It has been estimated that there could be as many as 2,000 feral dogs on Saipan; this has been a problem since German times, when Governor Georg Fritz issued a bounty for every wild dog killed. Since feral dogs tend to run in packs and have attacked bicycle riders, joggers, and children, the municipal dog program will be a boon not only to the residents but also to tourists and visitors, especially those who participate in popular races such as the Tagaman, the triathlon, and others.

Indigenous culture centers are being established on all three main islands of the Marianas. With financial help from the Administration for Native Americans, these centers are designed to preserve and promote indigenous cultures, including traditional medicine, and their practitioners.

Work is currently underway to establish a management team for the Marianas Trench Marine National Monument. A team consisting of local supporters of the monument, the National Oceanic and Atmospheric Administration, the military, and other interested government agencies will meet for the first time in July 2011 to set up a plan for the management of the monument.

The Commonwealth Council for the Humanities, in cooperation with the Historic Preservation Office, has recently completed a World War II Marine Heritage Trail, which allows tourists and residents alike to swim in the lagoon and visit various World War II relics, including ships, airplanes, landing craft, and other detritus left behind after the invasion of Saipan in 1944. The sites are all marked with underwater explanatory signage and directions to the next stop. A waterproof map is available. This particular site was featured in the July 2011 issue of *Archaeology Magazine*, which contained stories about the archaeology of World War II.

The Historic Preservation office and the Commonwealth Council for the Humanities are now planning a similar heritage trail on dry land through the village of Garapan, which would highlight historic buildings and sites ranging from the prehistoric to the Japanese era.

Northern Marianas has joined Palau in banning the fishing, sale, and possession of shark fins. This is a growing movement to preserve one of the ecological and environmental keystones of our oceans.

The year under review closed in a very dismal state. On 25 May at 6:30

AM, Faloma Luhk (age ten) and her younger sister Maleina (age nine) vanished without a trace from a school bus stop near the Santa Lourdes shrine. The grandparents with whom they were living while their mother worked in Guam and their father lived in Pohnpei were not aware that there was anything wrong until the girls did not return home on the regular bus in the afternoon. School policy is that absences of less than two days are not reported to the parents or guardians.

The grandparents phoned the authorities as soon as they realized the girls were missing, initiating a major search that would go on for more than a month. In addition to local law enforcement agencies, the FBI sent dozens of agents from Hawai'i to assist. Over the following weeks, hundreds of local residents joined in searching the tunnels and caves all over the island. No witnesses were found and no significant clues were unearthed. A search dog was brought in from Hawai'i, but after several days without results, the dog was deemed unable to fully function because of the humidity and was returned to Hawai'i.

As of this writing (5 July 2011), there have been no clues of any kind, and no suspects have been identified. The FBI has withdrawn all but its local agents, and police are now only acting on tips and leads. There have been a number of prank calls to the grandparents and to the police, but nothing worth following up. Department of Public Safety Commissioner Ramon "Ray" Mafnas admitted that one officer, believed to have some kind of relationship with the family of the missing girls, has refused to take a lie

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 Kelulau) 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 Micro-

nesia. 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 *Adelbairkesoaol* 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, Dibeck 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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