

Political Reviews

*Micronesia in Review: Issues and Events, 1 July 2008 to
30 June 2009*

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Reviews of Kiribati and Nauru are not included in this issue.

FEDERATED STATES OF MICRONESIA

In his inaugural address two years ago, President Emanuel “Manny” Mori announced to the Federated States of Micronesia (FSM) public that cultural preservation was a top priority for him, and this year has seen his administration move ahead on this promise. In my analysis of this issue in last year’s review, I pointed out that the power of each constituent state to preserve its own cultures is the very essence of FSM federalism (Haglelgam 2009, 115). When the national government elevated the Office of Historic and Cultural Preservation to the level of the cabinet early in the Mori administration, it seemed to violate the spirit of federalism embodied in the national constitution. The impracticality of having the national government control cultural preservation is one reason the national constitution delegates this responsibility to the states. It is more efficient for the people of each state to preserve their own culture or cultures because they know their cultures best, whereas others may rely on stereotypes or misinformation.

Both President Mori and Vice President Alik L Alik addressed this issue of cultural preservation on different occasions during the year in review. Vice President Alik told the

people at the Micronesian Endowment for Historic Preservation meeting in August 2008 that “construction of a cultural center that will house the national archives office and serve as a national museum is in the planning stage” (FSMIS 2008e). In his State of the Nation address to the congress in May 2009, President Mori specifically mentioned a budget request for the construction of a national museum to house the national archives and to serve as the centerpiece of FSM cultural preservation (FSMIS 2009a).

In addition to the question of whether or not the national government has a role in cultural preservation, the administration’s focus on the national museum as a means for achieving this goal is arguably misplaced. Some feel that the best place to preserve living cultures is not in the museum but in the classroom. Knowledge of canoe making and all the necessary skills to sail canoes, for example, could become part of the curriculum in the elementary schools. Preserving cultural skills, knowledge, arts, and songs through classroom learning is already part of the elementary school curriculum in Yap state, and perhaps this model could be emulated in other states.

The national museum argument points to an emerging pattern of national government involvement in state affairs. In July 2008, President Mori and a delegation of national government officials attended the

third annual Mortlocks Leadership Conference in Chuuk State. At the conference, the national delegation “reiterated some issues that are central to Mori’s administration, which include the maintenance and promotion of cultural skills given the global crisis relating to the escalating costs of fuel and food, as well as promotion of quality education in the outer islands” (FSMIS 2008c). In addition, the national secretary of education met with the principals of the Moch and Ettal elementary schools.

The FSM President’s Office reported that President Mori was able to convince Chuuk State Governor Simina to appoint a person Mori favors as head of the state’s Department of Administrative Services. The press release further stated that the US Office of Insular Affairs would concur in the joint appointment of the new director by President Mori and Governor Simina. The president’s action appears to be an unconstitutional interference in the internal affairs of a constituent state, as the national constitution clearly states that the only powers the national government has are those expressly granted to it and those that are beyond the power of the states to control. The appointment of the director of the Chuuk State Department of Administrative Services is neither an express power nor a power that is national in character and beyond the power of the state to control. In addition, the president’s action appears to establish a dangerous precedent that future presidents may follow.

On 5 September, President Mori continued a precedent set by the previous administration that is viewed by

some as an unconstitutional expansion of the powers of the president. Mori amended Presidential Order 30, which controls the operations of the FSM Infrastructure Planning and Implementation Committee (FSM-IPIC), whose role is to “coordinate and facilitate the implementation of all projects collectively identified in the National Infrastructure Development Plan” (FSMIS 2006). The presidential order cites section 1 of article x (the executive article) of the FSM Constitution as the authority that grants the president the power to create the FSM-IPIC (FSMIS 2008b). However, section 1 of article x only vests the executive power of the national government in the president, while the executive powers are expressly enumerated in section 2 of article x. Section 2(a) of the executive article expressly delegates to the president the power “to faithfully execute and implement the provisions of this Constitution and all national laws.” Since the creation of FSM-IPIC has nothing to do with section 2(a) of the executive article (ie, there is no national law “to faithfully execute and implement”), the president acted without enabling legislation. Thus, there are accusations that Mori is venturing into the lawmaking arena, an area exclusively delegated to the FSM Congress by section 1 of article IX of the FSM Constitution.

The case cited above represents an apparent pattern of constitutionally questionable actions by Mori that utilize presidential orders and emergency decrees to empower him, among other things, to withdraw funds from the national treasury. Several months ago, through presidential order, Mori reorganized the Project Management

Unit, moving it from the Department of Transportation, Communication and Infrastructure (TC&I) into the Office of the President. The public law that defines the organization of the executive branch specifically locates the Project Management Unit in the TC&I, so by removing the unit to the Office of the President, Mori effectively amended a public law. During the 6th Regular Session of the 15th FSM Congress, in an effort to assert its rightful authority to make laws, the congress adopted Congressional Resolution 15-200 requesting the president put the Project Management Unit back in the TC&I. However, President Mori ignored the intent of the resolution. Finally, when the congress passed Congressional Act 15-80 requiring the president to “properly place the Project Management Unit for the Compact Infrastructure grants under the appropriate department,” the president vetoed the act (FSMIS 2009b). The FSM Congress overrode the veto during its 7th Special Session in May 2009, but so far, President Mori continues to refuse to implement the law.

Ironically, President Mori cited the doctrine of separation of powers, checks and balances, and the unconstitutional nature of the law as the reasons for his veto. In its simplest form, the doctrine of separation of powers allocates lawmaking authority to the FSM Congress, the faithful execution and implementation of laws to the president, and the impartial interpretation of laws to the court. Article X, section 1(a) of the FSM Constitution requires the president to “faithfully execute and implement the provisions of this Constitution and *all* national

laws” (emphasis mine). Clearly the FSM Constitution does not give any choice to the president but to faithfully execute and implement all acts of the FSM Congress once they become public laws, with or without his approval. Anything short of faithful execution and implementation of all public laws can be seen as a violation of the presidential oath of office and an abrogation of his principal duty as president. Furthermore, by declaring the public law unconstitutional, President Mori is seemingly assuming the constitutional role designated for the FSM Supreme Court, which is charged with deciding the constitutionality of congressional acts or public laws. In a way, President Mori is attempting to combine the roles of both the congress and the supreme court into that of the presidency. President Mori’s ongoing turf battle with the FSM Congress has the potential to precipitate a constitutional crisis.

On 3 March 2009, the FSM Congress held its biannual election for the ten two-year term members. Twenty-one candidates ran for the ten seats (FSMIS 2008d). Fourteen candidates ran for the five congressional seats in Chuuk, four ran for the three seats in Pohnpei, two for the single seat in Yap, and the incumbent in Kosrae ran unopposed. The crowded election field in Chuuk produced two incumbent casualties. All incumbents from the other three states retained their seats (FSMIS 2009c).

The Chuuk State elections were marred by an incident at the overseas polling station in Honolulu, when a disgruntled voter who was not on the registration list threw the ballot box around and scattered the poll worker’s

papers. As a result, the polling station was closed and voting halted for the day. As a result of a postelection challenge by gubernatorial candidate Redley Killion, who finished in third place, a revote was conducted for that polling station, but the result remained the same. A runoff was held between the two remaining gubernatorial candidates, Gillian Doone and sitting Governor Wesley Simina; the incumbent retained his seat. In spite of an ongoing post-runoff legal challenge by Doone's campaign, Simina was sworn in shortly after the election commission certified the results. Eventually, Doone's legal challenges—which alleged, among other things, that the election commissioners were not independent, that Simina's campaign bought votes, that poll workers cast ballots for individual voters or handed voters pre-marked ballots, and that the certified result did not match that which the tabulators reported publicly—were dismissed by the supreme court. If anything, this year proved once again that the incumbents still hold an edge in FSM elections.

This March 2009 election was different from previous congressional elections. For the first time, outside election observers representing the Asia Pacific Democracy Partnership were present at polling places in three of the four states. The team of observers issued a terse postelection report congratulating the people for an election free of violence as well as for the high voter turnout, but as of the end of the review period their final report had not been released.

Two of the Federated States of Micronesia's finest public servants passed away during the review period.

Former Vice President Hiroshi Ismael passed away in the morning on 31 July 2008. He was a graduate of the Fiji School of Medicine and spent most of his time at Kosrae District Hospital as a staff surgeon. Ismael represented Kosrae in the 1975 Micronesian Constitutional Convention in Saipan. At the convention, he was a strong advocate for national unity in Micronesia and for a federal system of government to protect the interests and rights of the constituent states. During the political education for the draft constitution, Ismael emerged as a strong voice for approval. In 1987, the FSM Congress elected Ismael as the third FSM vice president. He served one term and returned home. In Kosrae, Ismael again took up his profession as a staff physician in the public hospital. Ismael is survived by his wife, children, and grandchildren (FSMIS 2008a).

Resio Moses passed away on 22 June 2009 at the Pohnpei State Hospital. He was the vice speaker of the FSM Congress when he died. Moses graduated from the University of Akron in Akron, Ohio, and served as a member of the House of Representatives of the Congress of Micronesia. He was appointed district administrator of Ponape (now Pohnpei) before the Trust Territory high commissioner appointed him to head a department in the Trust Territory government. When the Federated States of Micronesia attained self-government in 1979, Moses returned to Pohnpei and became president of the Community College of Micronesia (now College of Micronesia). After a short stint with the college, Moses was elected governor of Pohnpei state. He served two

four-year terms as governor. Moses subsequently served as FSM ambassador to the United Nations and secretary of foreign affairs. He was elected to the FSM Congress in 2003 and won reelection in 2007. He was the vice speaker of the 14th and the 15th FSM Congresses. He is survived by his wife, four children, and grandchildren (*Kaselehlie Press* 2009).

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GUAM

During a year in which most of the world experienced a major economic downturn, Guam's political and economic focus was concerned with what promises to be a major boost to the economy yet comes with attendant political and social consequences. To buttress the previously announced relocation of several thousand marines and their families from Okinawa to Guam, Secretary of State Hillary Clinton traveled to Japan to sign an agree-

ment with Japanese officials to formalize the move (KUAM, 17 Feb 2009). On Guam, announcements were made of expenditures or contracts signed as part of the US Department of Defense's \$10 billion in projected spending for the relocation (KUAM, 15 Oct 2009). Overall, military construction spending on the island accelerated, which in part compensated for the decrease in tourism resulting from the worldwide economic downturn (Bradley 2009).

Throughout 2008 and early 2009, tourism arrivals declined from Guam's principal market, Japan. An April 2009 report from the Guam public auditor pointed out that Japan's 2008 arrival numbers were even lower than in 2004 when the tourist industry was recovering from two super typhoons and coping with the impact of the Asian SARS epidemic. Visitor arrivals from other Asia-Pacific markets also declined in 2008, and the report characterized prospects for tourism in 2009 as "bleak" (KUAM, 13 April 2009). On the other hand, Guam Visitors Bureau (GVB) board chairman Dave Tydingco stated that GVB officials were surprised to see that arrivals from Japan had been rising recently. Among the reasons given for the upturn was the strengthening of the yen and the reduction in the fuel surcharge, which decreased the cost of airfare. However, with respect to Guam's other major market, Korea, visitor numbers remain challenging as that country's currency, the won, lost 30 percent of its value against the US dollar. Tydingco said, "We are hoping that with the stabilization of the Japan market the summer months are looking better but this global financial

crisis is having a significant impact on travel around the world and we just need to be a little bit smarter about how we are going to be able to push tourism in our core markets" (KUAM, 18 March 2009).

In April 2009, First Hawaiian Bank issued its economic forecast for Guam noting that, despite difficulties in the tourist industry, the island stands out as one of the few economies in the world that has a brighter future, primarily due to the massive military buildup. The bank's economic adviser, Dr Leroy Laney, stated, "The coming military buildup occupies center stage on Guam in 2009. It is assured that the buildup will come, and parts of it are already underway, even though some uncertainty still exists as to the exact timing of the transfer" (KUAM, 28 April 2009).

Uncertainty about the buildup, though, troubled many island leaders and activists, particularly with respect to infrastructure, environmental, and social considerations. Many of these concerns were voiced in a number of forums, including a series of oversight hearings conducted by Senator Judi Guthertz, chair of the legislature's Committee on the Guam Military Buildup and Homeland Security (KUAM, 3 March 2009). The University of Guam (UOG) also held symposiums featuring speakers on the buildup. In November 2008, the UOG College of Liberal Arts and Social Sciences, along with Sanctuary, Incorporated, hosted a discussion about the military buildup for students and island residents (*PDN*, 21 Nov 2008). At a UOG symposium in April 2009, Dr Catherine Lutz of Brown University led a presentation entitled "U.S. Military Basing and Its

Impact on Local Communities and Global U.S. Strategy” (KUAM, 13 April 2009). Another symposium featured Meio University’s Kiyoshi Nakachi and focused on Okinawa’s experiences in hosting US military forces (KUAM, 15 April 2009).

The US Department of Defense indicated that it needed more land than previously estimated for the buildup of troops and was exploring the possibility of leasing Government of Guam (GovGuam) property (KUAM, 17 Feb 2009). In February 2009, Senator Benjamin J F Cruz introduced legislation to allow Guam voters to decide whether they support the buildup; only after public consent is given would a determination be made as to whether the government should lease land to the military. In this same vein, Senators Rory Respicio and Judi Guthertz raised concerns about accessibility of US funding to deal with the expected strains on Guam’s civilian community from the projected expansion of military activity. They cited an e-mail from Enrique Manzanilla, director of the Pacific Southwest Communities and Ecosystems Division of the US Environmental Protection Agency’s Region 9, expressing concerns “that there is no commitment of funds to address the civilian impacts of the military buildup” (KUAM, 2 Dec 2008). This same concern was echoed by members of the governor’s Civilian/Military Task Force, which is leading the government’s response to the buildup. Task force member Tony Lamorena said that despite Guam’s 2010 request for funding for the military buildup, there had been no response from the federal authorities, so prospects look dim. He stated,

“Obviously we’re not too happy about [the] idea that the budget we submitted has yet to be entertained. But the reality is that a lot of the things we submitted in the 2010 budget are specifically to meet the demands of the military buildup. There’s substantial amount of money for the port, DPW [Department of Public Works], and for various agencies that need to beef up their infrastructure prior to the military beginning the construction. We’re still pushing that the 2010 budget we submitted will be entertained, but as [the] governor stated he is disappointed by the lack of interest or movement by the federal government” (KUAM, 21 Dec 2008).

Indigenous rights groups also voiced their concerns on the military buildup and a number of other issues. In October 2008, the Chamoru Summit II was held, with the theme “Mina’dos na Huntan Manamoru: Huntan i Manamoru ni’ Pumetsisigi Dinitetminan Maisa (Chamoru Summit II: A Meeting of the Chamoru People Working towards Self-determination).” The forum brought together more than fifty Chamorro professors and students to learn about effective Chamorro leadership and self-determination. The chair of the summit’s planning committee, Chamorro rights activist Lisa Natividad, stated that the event had two goals: to teach younger generations of Chamorros the meaning of self-determination, and to create functional committees. The different committees “are specific to educational strategies on Chamoru self-determination[;] there’s a second one on rethinking education for Chamorus, [and] one on a legal committee looking at developing legal

strategies for achieving self-determination,” as well as to revitalize the Chamorro Registry (KUAM, 25 Oct 2008). (The Chamorro Registry is an election roll maintained by the Guam Election Commission. At some point, the Government of Guam will hold a self-determination vote or a plebiscite on the island’s future political status; those eligible to vote on this issue are the indigenous natives of Guam—the Chamorros.) Another organizer of the summit, former Senator Hope Cristobal, noted that the issue of decolonization was also addressed, with task forces created to cover the status options of statehood, free association, and independence. Cristobal explained that this was done because there is a need to continue public discussion about these status options and to make up for the lack of political discourse on this issue. It was also noted that the increasing pace of the military buildup may make it difficult for Chamorros to exercise self-determination. Organizers explained that they hoped to hold summits periodically to present new findings and information to the community (KUAM, 25 Oct 2008).

The military buildup was also one of the principal concerns in May 2009, when the island’s youth along with various grassroots organizations came together for the “Reclaim Guåhan: Chule‘ Tatte Guåhan” youth rally. The event took place at Skinner Plaza in Hagåtña and was organized to provide an outlet for “education, expression and empowerment.” It also featured poetry, local bands, art, film showings, and opportunities to talk about the island’s present and future (KUAM, 23 May 2008).

In October 2008, Chamorro activists demonstrated and testified at the Guam Legislature in support of an indigenous fishing rights bill. Maga‘håga (the highest-ranking female) Trini Torres of the Taotomonā Native Rights Group stated their goal was to restore native rights to fish in Guam’s waters (KUAM, 31 Oct 2008). The bill, sponsored by Senator Judi Guthertz, was passed unanimously by the legislature in December (KUAM, 23 Dec 2008). The new law mandates that the Department of Agriculture and a fishing council made up of grassroots organizations develop rules to allow indigenous fishermen to practice traditional forms of fishing within the preserves. However, in June, Acting Director of Agriculture Joe Torres claimed that the new law is too ambiguous to implement at this point. Torres questioned, “What constitutes a Chamorro grassroots organization? Who has the power to select an indigenous taskforce committee?” Torres said that senators Rory Respicio and Judi Guthertz are currently working on drafting legislation that would clarify these points (KUAM, 27 June 2009). Also in June, according to Senator Respicio, the Association of Pacific Island Legislatures, comprising legislators from Micronesia, Hawai‘i, and American Sāmoa, adopted a resolution in support of the Chamorro indigenous fishing rights law (pers comm, June 2009).

The attention to Chamorro fishing rights in many ways paralleled broader Guam community concerns about the rising cost of living. As with communities worldwide, the price of gas and electricity was of great concern, par-

ticularly as the price of regular grade gasoline reached \$5 per gallon at one point in 2008. The 70 percent fall in world oil prices from July to December 2008 saved island consumers more than \$2 per gallon by the end of 2008 (*PDN*, 1 Jan 2009). On the other hand, the Guam Power Authority's electricity rates did not keep pace with the drop in gas prices, though consumers were seeing reductions in their power bills by mid-2009 (*KUAM*, 21 April 2009). Overall, purchasing power by Guam's consumers went down over the past year (*PDN*, 1 Jan 2009).

One infrastructural problem that remained at center stage of public discussion throughout the year was Guam's sole civilian landfill. This issue has been in court for years as the federal government sued the Government of Guam for failing to close the Ordot landfill and to open a new permitted facility. Early in 2008, US District Court Judge Frances Tydingco-Gatewood placed the DPW Solid Waste Management Division in receivership, citing GovGuam inaction on the matter. In October, the court-appointed receiver released a timetable for constructing a new landfill in Inarâjan in southern Guam (*PDN*, 1 Jan 2009). The site selection has been controversial and opposed for some time by Guam legislators and other concerned residents of Guam, especially those in the south, because of environmental concerns including possible contamination of a nearby water supply (*KUAM*, 3 Feb 2009). Another site, authorized by prior legislation, was preferred by several senators who also objected to the high cost of the receiver's plans for the new landfill (*KUAM*, 21 Nov 2008). Early in 2009, based on the receiver's

timeline, Judge Tydingco-Gatewood ordered the Government of Guam to provide the financing for the construction of the new landfill. However, the Camacho administration and the Guam Legislature continued to disagree on the final bond legislation, and, as a result, Tydingco-Gatewood issued a further court order requiring GovGuam to deposit \$1 million per week in a special fund to finance the landfill project until an acceptable bond financing measure was in place (*KUAM*, 22 Feb 2009). By June, GovGuam had sold \$474 million in bonds not only to finance the new landfill but also to pay past-due income tax refunds and cost-of-living allowances for retirees (*KUAM*, 15 Jun 2009).

The two main issues confronting the Guam Public School System this year were selecting a third superintendent to head the department in the past three years and finding a home for the students of John F Kennedy (JFK) High School. JFK High School was closed last year when it was deemed unsafe, and the entire school operation was transferred to George Washington High School in Mangilao. The two schools were forced to share the same campus, necessitating double sessions (*PDN*, 1 Jan 2009). As an interim solution to finding a new home for JFK High School, the Camacho administration negotiated a one-year lease with Core Tech International Corporation for a warehouse near the airport. The deal called for \$4.5 million in lease payments plus an additional \$3.9 million for desks, chairs, and other equipment. This was approved by the authorizing statute passed in June, which also provided that these payments could be covered

by the issuance of tax credits. Public schools are scheduled to open by 11 August, and Core Tech spokesman Joshua Tenorio said the next step is to order the necessary school equipment so that it will be on hand for the start of classes (*PDN*, 27 June 2009).

As a permanent solution, the government is moving forward with constructing a new JFK High School. Camacho administration officials have stated that the contract signing and ground breaking for the project is set for August, with actual construction expected to be finished in nine months. If this holds, JFK students can expect to have their graduation ceremony for the coming term in the new school, according to Dr Nerissa Bretania-Shafer, who was selected to fill the superintendent slot in July 2008 (*PDN*, 27 June, 1 Jan 2009). In other education news, the Western Association of Schools and Colleges renewed the accreditation for the University of Guam for another eight years, and the prospect of new construction at the university with federal stimulus funds was actively discussed (*UOG*, May 2009; *KUAM*, 24 Jan 2009).

In the 2008 general election, voters on Guam went to the polls to choose a new legislature as well as to select mayors, school board members, and the public auditor (*GEC* Web site). The previous legislature had changed from Republican to Democratic control mid-term when a Republican senator who passed away was replaced by a Democrat in a special election that produced an 8 to 7 Democratic majority. In November 2008, voters increased the Democratic majority to 10 seats in the 15-member body (*PDN*, 1 Jan 2009). Ousted in the elec-

tion were Republicans Mark Forbes, Frank Ishisaki, and Jesse Lujan, and Democrat David Shimizu. Two of their replacements were returning senators, Democrats Frank Aguon Jr and Tom Ada. The other two were newcomers Republican Telo Taitague and Democrat Matt Rector, the president of the Guam Federation of Teachers (*GEC* Web site). Voters also rejected, for the third time, an initiative to authorize casino gambling at Guam Greyhound Park. The proposal received 13,735 “yes” votes and 19,449 “no” votes. Within days of the defeat, Guam Greyhound itself was closed due to ongoing losses in its operations (*PDN*, 1 Jan 2009).

Guam leaders also saw new opportunities with the election of President Barack Obama. Shortly after his inauguration, the Guam Legislature adopted a resolution setting out an “Agenda of Concerns for Guam on Federal-Territorial Issues” to present to the new president and the incoming US Congress. Among the issues listed were the following: recognition of the Chamorro right to self-determination; improved political status; funding of capital infrastructure to deal with the costs of the military buildup; World War II reparations; establishment of a Guam-only visa waiver program for visitors from the Philippines and China; reimbursement for the adverse impact of the Compacts of Free Association on local health, education, and public safety; the return of ancestral Chamorro lands; exemption from the Jones Act, which requires island use of US shipping and consequently increases the cost of living; investigation of cases of island victims of military radiation poisoning; cleanup

of environmental hazards attributed to federal activity; and increased participation in existing federal programs (Guam Legislature Web site). As 2009 progressed, movement was made on some of these issues, especially war reparations (*PDN*, 27 June 2009). Additionally, the Obama administration was moving to appoint a Chamorro, Anthony “Tony” Babauta, as assistant secretary of interior for insular affairs (*KUAM*, 10 March 2009).

As one local election wrapped up, island politicians started preparing for 2010, a gubernatorial election year. Former Governor Carl Gutierrez and Senator Frank Aguon Jr announced that they were seeking the Democratic nomination for governor and lieutenant governor, respectively. Gutierrez was governor from 1995 to 2002, and Aguon was the party’s nominee for lieutenant governor in 2006 (*KUAM*, 18 March 2009). On the Republican side, Senator Eddie Baza Calvo, son of former Governor Paul Calvo, made a formal announcement of his gubernatorial bid with Senator Ray Tenorio, who was rumored to be his running mate (*KUAM*, 1 May 2009). Still to jump in the race was Republican Lieutenant Governor Mike Cruz, who had not publicly stated his intentions as of June 2009. There is speculation that Senator James Espaldon may be his running mate.

Among the Guam statesmen who passed away during the year in review was former Speaker Carlos P Taitano, who died of natural causes at the age of ninety-two on 26 March 2009. Taitano was most well known as one of the architects of the Guam Congress walkout in 1949 to protest US Naval Government rule. At that time,

the Guam Congress was a purely advisory body, with all executive, legislative, and judicial power resting in the hands of the island’s naval governor. The protest, which received national publicity, is credited with prompting the passage of the Guam Organic Act by the US Congress, which ended the naval government, granted Chamorros US citizenship, and ushered in democratic self-government for the people of Guam. Taitano was also hailed as a leader in the revitalization of indigenous culture in Guam and as a strong advocate for Chamorro self-determination. He was given a state funeral with eulogies by former Governors Paul M Calvo and Carl Gutierrez as well as former US Congressman Robert Underwood (*KUAM*, 4 April 2009). Legislation has also been introduced to rename the Guam Congress Building (GCB), where the 1949 walkout took place, as the Speaker Carlos P Taitano Building (*KUAM*, 27 March 2009). Other Guam leaders who passed away during the year were former Agana Heights Mayor Juan Pangelinan, former Mangilao Mayor Jesus Santos, former Senator Sonny Shelton, pioneer businessman Ken Jones, and longtime newspaper editor and columnist Joe Murphy (Guam Legislature Web site).

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UN DANGKOLO NA SI YU’OS MA’ÅSE
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MARSHALL ISLANDS

The past twelve months in the Republic of the Marshall Islands (RMI) have been characterized both by the breaking of new political ground—including two votes of no confidence, cabinet shake-ups, and emerging diplomatic prospects—and by the reappearance of entrenched electoral, fiscal, and demographic challenges.

Certainly the most highly anticipated and watched political events of the last year were the two votes of no confidence filed against the administration of President Litokwa Tomeing, heading a coalition government led by the Aelon Kein Ad (AKA) majority party, within his first fifteen months in office. The first no-confidence vote was introduced to the Nitijela (Parliament) by Ebon Senator John Silk of the opposition United Democratic Party (UDP) on 14 October 2008, the last sitting day of the year's parliamentary session. In addition to Silk,

thirteen other UDP members, including former President and current Jabat Senator Kessai Note, signed the motion, although in entering the motion they acknowledged that they lacked the minimum seventeen votes needed to unseat Tomeing. Among the list of reasons for the motion, the United Democratic Party cited deteriorating relations with the United States, the inaction on the part of the Tomeing government to respond adequately to the recent loss of jobs for Marshallese citizens at the US Army base on Kwajalein, failing to support a bill in the US Senate that would have earmarked \$4 million per year for the next fifteen years for health services to Marshallese from nuclear-affected atolls, and the administration's "refusal" to move forward with the newly approved Uliga Elementary School (Chutaro and Johnson 2008).

According to the RMI constitution, the Nitijela must vote within five to ten days after the submission of a no-confidence motion, regardless of whether or not Parliament is in session during that time. Sensing that the United Democratic Party did not have the votes necessary to prevail, Speaker Jurelang Zedkaia, a ruling AKA party member, convened the Nitijela on 21 October; after preliminary opening remarks, UDP chairman Ailinglaplap Senator Ruben Zachras withdrew the motion. The United Democratic Party was further embarrassed by the absence of one of the original signers of the motion, Majuro Senator Wilfred Kendall, who later explained that he failed to attend the meeting as he thought the vote would fail anyway. While significant as only the third no-confidence motion in RMI

history, this motion was also the first to be withdrawn before a vote was taken (Johnson 2008c; Yokwe Online 2008c).

The fourth no-confidence motion, however, proved to be much more provocative as well as more personal, both for the president and for a number of his cabinet members. The events leading up to the vote of no confidence of 18 April 2009 began two months earlier, when Minister of Foreign Affairs and Kwajalein Senator Tony deBrum publicly criticized President Tomeing in an open session of Parliament on 4 February. Citing a lack of confidence in the president's ability to negotiate successfully with the United States on the Kwajalein Land Use Agreement (LUA), deBrum also took a swipe at the president's closest political advisers and described a "cancer in this government" (*MIJ*, 2009l).

On 25 February, President Tomeing sacked deBrum as minister of foreign affairs in response to the public comments made three weeks earlier, and the president assumed the foreign affairs portfolio in the interim (Johnson 2009f). That same day, a letter signed by the fifteen members of the ruling AKA party, including the entire cabinet except for the minister of transportation and communications, Mejit Senator Dennis Momotaro (who was off-island at the time), was sent to the president's office, fervently calling for deBrum's reinstatement in the cabinet. As a result of the rift within the ruling party, the Nitijela session was suspended indefinitely, at the request of the president's office, so that the Speaker could make appropriate seating arrangements reflecting

the removal of deBrum as minister (Johnson 2009b).

When the Nitijela reconvened its session on 10 March, deBrum promptly took his usual ministerial seat next to the president. Prior to the start of the assembly, however, deBrum was approached by the Nitijela clerk and asked to attend a private meeting with Speaker Jurelang Zedkaia and Minister in Assistance and Ailinglaplap Senator Christopher Loeak. Reentering the chamber after ten minutes, deBrum quickly gathered his things and left the Nitijela before the start of the roll call, during which he was addressed as "Senator" rather than "Minister" (*MIJ*, 2009e).

After two weeks of political deadlock and internal wrangling in the president's own party, President Tomeing named UDP party member Senator John Silk as the new minister of foreign affairs on 23 March, marking the first time an opposition member was appointed to the president's cabinet. Three days later, on 26 March, the Nitijela session was again canceled indefinitely. The next day, a vote of no confidence was submitted by Kwajalein senators Iroj Mike Kabua and Tony deBrum, along with five other members of the governing party, forcing Tomeing to cancel an extended trip to Hawai'i and Fiji (Johnson 2009e).

The confusion surrounding the first time a vote of no confidence was filed against a president by members of his own party led to weeks of public speculation as to who would replace Tomeing as president. Much of this speculation was fueled by the country's only print media outlet, the *Marshall Islands Journal*, which reported on several occasions that

the members of the ruling party had enough votes to topple Tomeing and promptly endorsed Minister of Health and Utrik Senator Amenta Matthew, the Parliament's only female member, as the next president (*MIJ*, 2009d).

For his part, Senator Mike Kabua was reported to favor Speaker Zedkaia as the next president (*MIJ*, 2009h); the AKA party leadership, however, was quick to criticize the “what-if” scenarios the *Journal* had been running for three weeks, stating that the party leadership had not yet decided on a replacement for Tomeing (*MIJ*, 2009a).

By the time of the vote, however, all of the conjecturing as to who would replace Tomeing proved unwarranted, as he rather convincingly survived the vote. But Tomeing's victory did not come before a minor constitutional crisis was initiated by Speaker Zedkaia, who set the date for the vote for 22 April, ten “sitting” days after the official motion was filed in Parliament. Since the original proposal of no confidence was “pre-filed” by the original seven signers of the motion when the Nitijela was not in session on 27 March, its official submission did not happen until 8 April, after Parliament had reconvened. On the evening of 17 April, the high court chief justice ruled that the constitution was clear that a vote of no confidence must take place within five to ten calendar days of its submission—not parliamentary “sitting” days as Speaker Zedkaia had argued—meaning that the last day for the vote was the next day, Saturday, 18 April (*MIJ*, 2009g).

The same day of the high court ruling, and one day before the no-confidence vote, Tomeing made a bold move by replacing four more cabinet

ministers with members of the opposition UDP party: Minister in Assistance Christopher Loeak was replaced by Ailinglaplap Senator Ruben Zachras; Minister of Transportation and Communications Dennis Momotaro was replaced by Rongelap Senator Kenneth Kedi; Minister of Resources and Development and Ujae Senator Frederick Muller was replaced by Namdrik Senator Matlan Zachras; and Minister of Public Works and Mili Senator Kejjo Bien was replaced by Ailuk Senator Maynard Alfred (Johnson 2009a).

On the day of the no-confidence vote, Speaker Zedkaia again tried to delay the proceedings by citing the confusion surrounding the official seating of the new cabinet ministers. After an hour and forty-five minutes of debating whether or not to proceed with the vote (which included a discussion of the Speaker's housewarming party that evening as a reason to delay the procedure), the Speaker announced that the motion would move forward (Johnson 2009a). Once the vote was taken, Tomeing survived by a vote of 18 to 14, securing his political authority for perhaps the first time in his administration.

The ability of Tomeing to endure and prevail over an unprecedented two votes of no confidence was vital to the ability of his administration to govern, coming into power as it did after the 2007 election (what many consider to be the worst-run election in RMI history). As one of his first acts as president, Tomeing had called for the establishment of an independent commission of inquiry to evaluate the 2007 election and make recommendations for future elections.

On 12 August 2008, the commission's findings were made public in its report to the Nitijela. The report laid the blame for the electoral mess squarely at the feet of Jaluit Senator Rien Morris, who had been minister of internal affairs at the time, criticizing him for, among other things, interfering in the Public Service Commission (PSC) selection committee's hiring process for the position of chief electoral officer. The report argued that Morris's meddling in PSC affairs led to the appointment of the relatively inexperienced Carl Alik over the selection committee's comparatively more qualified choice for the position (Johnson 2008d).

In addition to pointing the finger at Morris and Alik, the commission of inquiry's report also laid out nineteen recommendations for future elections, including making election day a public school holiday in order to use school facilities as polling stations; ensuring that election day falls on a Tuesday or Wednesday in order to have adequate preparation time instead of the current election day of Monday, which leaves little time to set up on Sunday, a customary day of rest; establishing an independent five-member election commission charged with selecting the chief electoral officer; and providing greater transparency regarding the counting of postal ballots, as well as an advanced deadline for ballots by mail so that they may be counted earlier (COI 2008).

Meanwhile, the Tomeing government was also busy dealing with a variety of fiscal issues that hit the Marshall Islands hard in the wake of the world economic crisis. On 3 July 2008, the government declared a thirty-day state of economic

emergency in order to find ways to overcome an estimated \$18 million shortfall in revenue for the utility companies on Majuro and Ebeye, as well as to secure an immediate \$8.5 million in order to purchase the next shipment of fuel from the country's supplier, SK Networks. As part of the administration's response to the emergency, the government instituted a freeze on spending from the general fund and reallocated resources toward the next payments on fuel (MIJ, 2008b). Additionally, the rise in world food prices hit the country so hard that the Consumer Price Index noted a 33 percent increase in the cost of food (Yokwe Online 2008b). The government and local businesses also cited the alarming rate at which a twenty-pound bag of rice, a local staple, had risen from \$7 per bag to over \$16 per bag in 2008 alone. The government responded by exempting imported rice, milk, flour, poultry, and fruits and vegetables from the import tax. On 17 August, in the midst of the economic crisis, the government acted on a recommendation from the National Disaster Committee and extended the state of economic emergency an additional thirty days (MIJ, 2008b). After seeking consulting assistance from the Asian Development Bank in September, the fuel crisis seemed to dissipate as world oil prices dropped from a high of \$150 a barrel to under \$80 a barrel by mid-October. By March 2009, the Consumer Price Index for food items had declined 15.1 percent since the state of economic emergency period in September (EPPSO 2009), and the economic crisis seemed to have been resolved.

The near-collapse of the US and global financial markets, however,

brought a separate set of challenges. With the severe drop in stock market prices in September 2008, the Marshall Islands Social Security Administration lost \$2.1 million, most of it over the course of only a few days, while the two Bikini trust funds lost 11.3 percent and 9.4 percent, respectively. The biggest hit was taken by the RMI Trust Fund, which lost over \$20 million, or 25 percent of its value, in 2008 (*MIJ*, 2009k; Yokwe Online 2008a). While the trust fund cannot be accessed until the second Compact of Free Association with the United States expires in 2023, there is a worry that the extent of current losses will be difficult to overcome should the Marshall Islands need to utilize those funds in the future.

In February 2009, the government also reported a 30 percent decrease in income taxes collected during the first quarter of fiscal year 2009 (*MIJ*, 2009j). This loss of tax revenue additionally reflected the series of job cutbacks initiated by the Kwajalein Range Services in February 2008, which continued into 2009 and resulted in a 15 percent reduction (approximately 300 jobs) in employment for Marshallese workers (Johnson 2008b).

The situation in Kwajalein seemed to exacerbate apparently strained relations between the Marshall Islands and the United States, as President Tomeing and US Ambassador Clyde Bishop engaged in a public back and forth dialogue that hinted at criticism of the other side's refusal to cooperate (*MIJ*, 2008c). The focus of this debate soon settled once again on the Land Use Agreement (LUA) in effect for Kwajalein. The compact required the RMI government and Kwajalein

landowners to establish a formal agreement by 17 December 2008 (the five-year anniversary of the second Compact of Free Association) over use of the atoll for US military purposes in order to access the \$20 million of US rental payments held in escrow. However, with no agreement imminent between the government and the landowners, and under threat of losing the rent money as it would be permanently returned to the US Treasury, President Tomeing wrote a letter in late November to then-US President George W Bush asking for an extension of the deadline. On 16 December, one day before the deadline, Bush granted Tomeing's request for an indefinite extension in order to produce a new Land Use Agreement, and the rent money was kept in escrow. While Tomeing publicly declared he was optimistic about a new agreement, his then-Minister of Foreign Affairs Tony deBrum stated, "no LUA is in sight" (Johnson 2008a). In February, at the Kwajalein Liberation Day ceremonies, Iroij Imata Kabua, the most powerful Kwajalein landowner, reiterated his stance that there would be no new agreement under the current provisions of the compact (*MIJ*, 2009f).

Meanwhile, as official RMI and US relations seemed to be on the mend after the LUA deadline extension was granted, the Marshall Islands still had no official ambassador to the United States. Originally appointed in April 2008, the RMI nominee, Ben Graham, was unacceptable to the US State Department. The department objected to Graham's dual RMI-US citizenship, citing the complexities of recognizing a US citizen as a foreign diplomat.

In early August, then-Foreign Affairs Minister Tony deBrum brought the issue up with then-US Secretary of State Condoleezza Rice (*MIJ*, 2008d), but on 20 August, the State Department officially rejected Graham unless he would agree to relinquish his US citizenship (*MIJ*, 2008a). In early March 2009, in a surprise move, US Ambassador Clyde Bishop abruptly announced his retirement from diplomatic service effective April 30, leaving his post in the Marshall Islands eight months early (*MIJ*, 2009c). In July, US President Barack Obama nominated Martha Campbell, who had helped establish the first US representative office in the Marshall Islands shortly after the implementation of the first Compact of Free Association in 1987, as Bishop's replacement (*MIJ*, 2009i). For the time being, however, official diplomatic representation for the Marshall Islands and the United States remains characterized by temporary embassy delegations in both Majuro and Washington DC.

Internationally and regionally, however, the Marshall Islands has spent the past year burnishing its diplomatic credentials, most notably (and popularly) by taking part in its first official Olympic Games in Beijing in August 2008. While no RMI athletes earned medals in the games, the act of participation was a point of pride for the Marshallese. In November, the United Nations opened its first three agency offices in Majuro, representing the UNDP, UNICEF, and UNFPA (Johnson 2008e). Perhaps the most important development came in May 2009, when members of the Parties to the Nauru Agreement (PNA) selected Majuro as the PNA regional headquarter-

ters. With Majuro as the location of the PNA Secretariat, RMI government officials hope that investment in the regional fishery agency will have a direct economic effect on the capital, as well as give the Marshall Islands a more influential voice within the organization (Johnson 2009d). Majuro will also play host in July 2009 to the Micronesian Presidents' Summit, as well as the Micronesian Chief Executives' Summit.

A pair of government reports released in June 2009 may dampen the mood in the Marshall Islands, as the population in the capital, Majuro, increased dramatically at the same time that the numbers of one-way departures to the United States jumped sharply in 2008. The *Marshall Islands Journal* reported on a survey published by the Economic Policy, Planning and Statistics Office (EPPSO), part of the RMI President's Office, which described a 25 percent increase in both people and households in Majuro Atoll in the past decade. The report allegedly states that the population in the capital has increased by 8,000 individuals, with a concurrent increase of approximately 1,100 households. The immediate implication of this unprecedented growth for the atoll has been exacerbated by a current water shortage, as a similar percentage of households (26 percent) have been reported as lacking water catchment facilities (Johnson 2009c). In a separate report based on US Department of Transportation statistics, the Economic Policy, Planning and Statistics Office reported that the number of Marshallese leaving the Marshall Islands permanently in 2008 (1,503) was triple the number in 2007

and the highest since 2001. The report blamed the rise in fuel and food costs for the growing number of departing Marshallese. The long-term implications for the country of the high level of out-migration remain to be seen (MIJ, 2009b).

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COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

In July 2008, rumors began circulating that Lieutenant Governor Timothy Villagomez was under investigation for some unknown federal crime. The FBI called members of the Commonwealth Utilities Corporation (CUC) in to a grand jury. By mid-August, it was rumored that Villagomez had been arrested at a convention of lieutenant governors in New York. This was denied by the administration of Governor Benigno Fitial. However, by Monday, 14 August, both local newspapers had front-page articles about the arrest and indictment of Villagomez, his sister Joaquina Santos, and Secretary of Commerce James Santos, who is married to Villagomez's sister. Also arrested was Tony Guerrero, who was CUC executive director at the time, having succeeded Villagomez. Tony Guerrero immediately accepted a

plea bargain with the federal attorney and agreed to testify against the other three.

At issue was the sale, over several years, of Rydlyme, a chemical used to clean pipes around generators. A company owned by Joaquina and James Santos sold 8,000 gallons of the descaler to the utilities corporation at a 400 percent markup. The federal charges include three felony counts of wire fraud, conspiracy and theft involving federal funds, and bribery. Villagomez, his sister, and her husband were all charged and released on \$50,000 unsecured bonds; Guerrero was released on a \$10,000 unsecured bond. Investigations lasting eight months revealed that only 11 percent of the chemical was ever used. According to the twelve-page indictment, the chemical, which was bought in several installments over several years for about \$300,000, was used only for cleaning floors or was put into storage on Rota and Tinian. Despite the charges, Villagomez remained in office, actively performing his duties as lieutenant governor.

The trial lasted for almost three weeks and incorporated some defense techniques that will probably go down in the annals of jurisprudence as very unconventional. The first was the "mango defense," in which one defense attorney, in his closing remarks, faced the jury from behind a podium and pulled out two mangoes. He presented them to the jury and said that the one in his right hand was a Hayden mango, which was imported from Hawai'i. In the other hand, he held a carabao mango, which was grown locally. The local mango was, of course, sweeter than the imported.

This was a veiled reference to the federal court and the prosecution being a foreign agency and the defendant a local person. Another defense lawyer showed a PowerPoint presentation, which, after describing the female FBI agent who was the main investigator for the prosecution as probably a very nice person, included a photograph of a snarling wolf looking out of the screen and a wolf howling on the soundtrack. This was meant to characterize the key FBI investigator as a wolf in sheep's clothing. In spite of these antics and many others, the jury took only four hours to return guilty verdicts on all charges for all three defendants. Sentencing was originally set for 28 July 2009 but has been rescheduled for 5 August. Sentencing for Tony Guerrero took place on 21 June; he received three years probation, 500 hours of community service, and a \$6,000 fine. On conviction, Villagomez formally resigned from his position as lieutenant governor.

In the meantime, the defense has been filing motions with the federal court, charging judicial misconduct and jury tampering, among other things. Defense attorneys want the guilty verdict overturned by the judge or a new trial, neither of which has been approved as of this writing.

In August 2008, Saipan was experiencing massive power-supply problems throughout the island. In September, CUC Executive Director Tony Muña (appointed to replace Tony Guerrero after his indictment) received authorization from the CNMI executive and legislative branches to enter into a one-year, \$500,000 a month, contract with Aggreko, a Singapore-based generator company. Fifteen container-

sized generators were transported to Saipan and brought on line to relieve the pressure on the old mainline generators while repairs and maintenance were being made. Brownouts and blackouts became fairly rare, and work on the CUC generators proceeded rapidly. It is expected that the Aggreko company will soon return the generators to Singapore. Restoration of full local power is anticipated for late September 2009, since no notice of extension has been given to Aggreko. The Marianas have also been very fortunate in avoiding any major storms or typhoons during this period. In the meantime, the utilities corporation remains under strong pressure from the US Environmental Protection Agency to improve the quality of water supplies, which fall below federal standards.

It was announced last year that the US federal government would take over control of immigration operations in the commonwealth by 1 May 2009. An additional six months of transition time was later established so that the law would not become effective until 28 November 2009. The extension was to give time for both Homeland Security and commonwealth authorities to develop policies and procedures adapted to the commonwealth. It was also mentioned that the takeover would not be complete until state-of-the-art installations at ports of entry were established on each of the main islands. This includes the three airports and three seaports. However, no appropriation had been made for this in the federal law. As of this writing there is considerable uncertainty as to how all this is going to play out. Several issues related

to federalization are yet to be fully resolved.

Since 1978, during the years the CNMI government controlled immigration, a major effort was made to attract tourists from mainland China (primarily for the Tinian Dynasty Casino) and from Russia. No US visas were required, which led to a significant growth in that traffic. Russian tourists in particular came in families, stayed for three or four weeks, and spent very lavishly. Several major resorts hired Russian-speaking staff and printed menus and hotel information in Russian as well as Chinese. The commonwealth is requesting tourist visa waivers for Chinese and Russian visitors, but it appears at the time of this writing that the Department of Homeland Security is not going to permit visa waivers for these two nationalities after November 2009.

The entire economy of the commonwealth is dependent on imported labor, currently recruited primarily from the Philippines, Bangladesh, and China, among other places. Up to now, these workers were allowed into the commonwealth without visas, and for those with a valid work permit there were only casual airport controls. Requiring visas from US consular authorities will make recruiting new workers extremely difficult. There is some talk of having transitional worker provision, to allow workers who are legally in the commonwealth now to continue working until the expiration of their contracts. New categories for workers may also be determined for the Northern Marianas only.

Many foreign (“nonresident”) contract workers have resided in the commonwealth for more than

twenty years. Since naturalization was not permitted under the CNMI Covenant, they remained in the commonwealth with the citizenship of their original country. However, over the years, these foreign workers have had children who are US citizens by birth. Uncertainty exists over how these families will be treated under US immigration law. There are indications that all contract workers must leave by 28 November and will not be allowed back without a US visa. Many people are worried, afraid of having their families torn apart. One of the side effects of this particular issue is the organization of long-term residents into advocacy groups attempting to influence the US Congress and the Department of Homeland Security to grant special immigration status to people who have been in the commonwealth for at least five years, have no police record, and are self-supporting. Rumors abound, and the wishful thinking of many contract workers is that something will be done to give long-term residents improved immigration status (permanent CNMI residency, a green card, and a pathway to US citizenship). This issue is also very controversial at the federal level.

Meanwhile, Governor Fitial took it upon himself to contest the authority of the federal government to federalize the immigration functions of the commonwealth and hired a private Washington DC law firm to represent him. The governor claims that no public funds are being used to pay for the lawyers, but a freshman legislator, Representative Tina Sablan, has petitioned the CNMI Superior Court, under the Open Government Act, to force the governor to reveal the source of his funding. The Open Government

Act requires government agencies except the legislature (which exempted itself when passing the law) to open their files to citizens concerned about agency policies. Sablan claimed that the contract with the law firm is subject to the Open Government Act, and that the citizens have a right to know how much is being spent and where the money is coming from. The Superior Court agreed with her and ordered the government to produce a majority of the documents solicited under the act. However, the government appealed to the CNMI Supreme Court, which has taken the case under advisement. Representative Sablan has also succeeded in collecting enough signatures to put on the November 2009 ballot a popular initiative that would amend the constitution and subject the legislature to the Open Government Act as well. Sablan has been instrumental in revolutionizing how the legislature works simply by publicizing its daily and weekly calendars and by asking for public hearings whenever appropriate.

Related to the foreign workers issue is the goal of the commonwealth to recruit foreign students from the Asian rim countries. The idea of Saipan becoming an educational hub for students to get their first taste of American-style education has been on the planning board for many years, and mainland Chinese students currently make up a significant number of Northern Marianas College foreign students. Requiring students to get visas to enter Saipan will be a problem for many of them, and onerous federal regulations will probably discourage a large number of potential students.

At the beginning of the year under review, the Western Association of

Schools and Colleges (WASC), the accreditation agency for Northern Marianas College, downgraded the college's status from "probationary" to the most serious "show cause." This was the last chance for the college to achieve reaccreditation or completely lose its ability to continue accredited operations. The year was characterized by frenetic activity at the college to meet the WASC criticisms. The final report was submitted at the end of May 2009, and in early July, the college's WASC accreditation was restored for a period of three years. During this time, the college will have to show that it can maintain the standards established. Numerous actions are expected to take place beginning in October 2009, when another WASC visit to verify progress is anticipated. Operating under "show cause" status was a major handicap in the college's recruitment of new students and in the retention of current students who were afraid that they would not be able to graduate from an accredited institution. Enrollment in the fall 2009 semester will be a key to the survival of the college. Already, a substantial number of faculty and staff have either been terminated or not renewed.

As reported in last year's review (McPhetres 2008), the golf course and facilities at Lao Lao Bay, previously owned by the United Micronesia Development Association, were sold to Kumho Corporation of Korea, parent company of Asiana Airlines. A major resort complex is under construction, and, with Asiana Airlines being the only major scheduled airline serving Saipan from mainland Asia, it is anticipated that the airline will be anxious to fill up the hotel. This could be a major shot in the arm for the

tourism industry. A regionally owned resort with properties on Guam is going to build a hotel with 1,000 rooms, 400 villas, and associated golf courses and other amenities (possibly including a hot air balloon launchpad) on the island of Tinian. In spite of the gloomy economic situation, the resort owners have assured the commonwealth that they are going ahead with construction of the Gold Wings Paradise Tinian Casino. The relationship between this mega-resort and the military has yet to be established. Another hotel has broken ground near Paupau in the Marpi area of Saipan. This will be known as the Flame Sako Resort and Spa. Finally, longtime Saipan businessman Tony Pellegrino has introduced large-scale commercial shrimp farming, which appears to be getting very good reviews. In addition to producing shrimp for local consumption, Pellegrino is also exporting to the military on Guam.

For the past year, there has been a history of commercial airline flights between Saipan and Japan being cancelled or reduced in number. Continental Micronesia stopped flying from Saipan to Japan early in the year but has since reinstated daily flights on a temporary basis. Charter flights out of China have been restarted and, presumably, will continue on a weekly basis until federalized immigration is implemented and visa waivers for Chinese tourists are no longer available.

A new zoning law will go into effect by November 2009. A new director for the zoning board has been hired and is already at work. First on the agenda is to clean up sleazy enterprises in the Garapan district by relocating the adult businesses (eg, pornographic

bookstores and “interactive” karaoke bars and nightclubs) to areas on Middle Road, from the Sugar King Park to the intersection of Airport Road. This is to be accomplished by November. However, there has been growing opposition from the established businesses along Middle Road who are concerned that their property values may be threatened if all of the adult businesses are relocated to their area. Opposition from certain critics in the legislature feel that the people are not yet ready for the impact of zoning and the stringent requirements that go with it. It is expected, however, that the effort will go ahead, resulting in a much cleaner and more tourist-friendly atmosphere in the Garapan district.

Currently, there are approximately two hundred establishments with poker machines on Saipan, and every village on Rota and Tinian has from one to twenty poker machines. The governor recently vetoed a bill that would have included these establishments in the zoning process, moving them out of the villages to the islands’ more central locations, which have yet to be established. The governor said his grounds for vetoing the measure were that the machines are located within mom-and-pop grocery stores and laundromats, so these local families would suffer hardship if the machines were moved.

Pursuant to an agreement between Japan and the United States, 8,000 marines and as many or more family members and support personnel will begin moving from Okinawa to Guam in 2011 or 2012. This will create major infrastructural projects for Guam and, with the spillover

effects, the Northern Marianas. Billions of dollars are committed to the construction of completely new infrastructure for the military areas on Guam. Money will also be available for development on Tinian, where the military has a lease on 17,000 acres (about two-thirds of the island). Other projects on Saipan and elsewhere in the Marianas are also possible.

The military leadership has held public meetings with the people of the Marianas to explain what they have in mind and to discuss the possible impacts on the islands north of Guam. Some rumors have it that the military would like to take over the island of Pagan north of Saipan. Pagan was evacuated in 1980 following a volcanic eruption and has not yet been completely resettled, with a current population of approximately half a dozen. The military already has control of Farallon de Medinilla, a rocky outcropping north of Saipan, which has been used for decades by the US Navy and Air Force for live bombing and artillery practice. Tinian will definitely see the development of what is called a "soft base." No permanent structures will be erected, but there will be barracks, mess halls, and administrative facilities to support a firing range and various training activities. It is not yet known how this will impact the village of San Jose, but it is clear that the infrastructure on Tinian will require a major overhaul, including wastewater control, drinking water supplies, solid waste disposal, roads, docks, and related projects.

The sixty-fifth anniversary of the invasion of Saipan in World War II was on 15 June 2009. A small ceremony was held at the invasion beach,

which is currently one of the more popular beaches at the Pacific Islands Club. Only five veterans showed up this time, compared to the hundred or more who attended the sixtieth anniversary five years ago. No national press covered the event in spite of its vital importance to the conclusion of World War II in the Pacific. Normandy continues to overshadow the events of the Pacific Islands.

President Barack Obama's federal stimulus program has reached the commonwealth, with millions of dollars being made available for transportation projects, education, and job-creation programs. The major problem is finding people who can write grant applications and establish realistic and dependable audit and oversight capabilities.

Because of continued failure on the part of the commonwealth administration to deposit employer contributions into the retirement fund, as well as the stock market crash and a variety of other factors, the CNMI Government Retirement Fund is almost broke. The legislature has authorized a bond issue for \$200 million, even though the debt and unfunded liabilities total over \$500 million. It has reached a point where the fund management is not allowing people to cash out when they retire unless their funding agency makes up the retirement contributions, which have been unpaid for several years. This is only one of the budgetary problems facing the commonwealth this year. The demise of the garment industry has resulted in a reduction in funds available to the government by nearly 50 percent. At the peak of garment production, government revenues were approximately

\$260 million annually, now reduced to about \$150 million. This has resulted in a large degree of deficit spending, since the standard of living has not changed.

Major demographic upheaval has taken place in the commonwealth over the past year. In May 2009, the minimum wage went up to \$4.55 an hour. As a result, several small businesses have closed, and increasing numbers of people are leaving. The last garment factory closed on Saipan in the spring of 2009, putting an end to the garment industry, which began in 1982. At its peak, the island had thirty-five factories, employing nearly 18,000 foreign workers, mainly Chinese girls. Now the commonwealth is left with the shells of the factories, their barracks, and ancillary facilities. Approximately seven hundred workers remain behind seeking new employment, afraid to return to their homelands because of money owed to loan sharks there.

The island of Rota has lost approximately two hundred people (about 10 percent of the population) with the cost-of-living increase due to rising minimum wage, utilities, and gasoline prices. Most people have gone to the United States. There has also been an “undocumented” increase in enlistments in the US Army Reserves by graduating high school students.

Federalization of immigration controls could lead to another outflow because foreign workers must leave the commonwealth as their entry permits expire. Since no data is collected at the airports related to the departure of US citizens who are permanent residents of the commonwealth, the census of 2010 will be extremely

important for the future because it will establish a reliable population figure for most purposes. At the present time, all decisions are being made on the basis of the 2000 census, when the CNMI population was 69,000; a more realistic current estimate is between 50,000 and 60,000 people.

One of the very positive events of this year was the swearing in of the commonwealth’s first elected delegate to the US House of Representatives on 6 January 2009. Former Executive Director of the Election Commission Gregorio Sablan was elected from a field of seven candidates. He ran as an independent candidate and has aligned himself with the Democratic Party in Washington. He has also joined the Hispanic Caucus, the Pacific Islander Caucus, and several other subgroups in the House. His major challenge has been to change the image of the commonwealth that was created by association with Jack Abramoff, the disgraced former lobbyist for the garment industry in the Northern Marianas.

Elections will be held on 7 November 2009 for governor as well as for all other officials of the commonwealth with the exception of the congressional delegate, whose election must coincide with the federal elections. For the first time, there is a provision for a runoff election if none of the candidates receives 50 percent plus one of the total votes cast. With four sets of gubernatorial candidates, a runoff is almost a sure thing. Two Republican candidates, Heinz Hofschneider and Juan Babauta, and their running mates squared off in a primary election. Hofschneider was declared the winner. In a rare show of

unity in the Republican Party, Babauta pledged his supporters to Hofschneider and promised not to run as an independent. This defies all precedent for local candidates.

In July 2008, a group representing the Pew Environment Group came to the Marianas to promote the designation of a marine monument by outgoing President George W Bush. In a very hotly contested campaign, pro-monument people campaigned on the basis of the economic advantages of having a very valuable resource protected and available for scientific research, which would aid reef preservation around the world and allow resource exploration at great depths. The anti-monument group, led by an unlikely consortium of indigenous preservation leaders (fearful of losing traditional fishing rights) and proponents of resource extraction (including deep-sea mining interests) battled right up until the point when President Bush, on his last day in office, declared the Mariana Trench a national marine monument. Officially designated the Mariana Trench National Marine Monument, it includes the three northernmost islands of the Marianas chain (Maug, Asunción, and Agrihan) and the Mariana Trench, which stretches from the Northern Marianas to just south of Guam. Instead of the originally proposed two-hundred-mile exclusive economic zone around each island, a fifty-mile limit was established. All parties have supported this compromise and look forward to the construction and establishment of a marine research center on Saipan and assistance by the coast guard in patrolling the area. Similar monuments were established at the same time along the

Line Islands (Pacific Remote Islands Marine National Monument) and in American Sāmoa waters (Rose Atoll Marine National Monument).

Finally, various legal issues surrounding land use and ownership are expected to heat up over the next two years. At least one legislative initiative involving land is expected on the ballot for the 2009 election. Under the current constitution, voting on any initiatives related to land is restricted to people of Northern Marianas descent (NMD). A person with NMD status is defined as one “who is a citizen or national of the United States and who is of at least one-quarter Northern Marianas Chamorro or Northern Marianas Carolinian blood or a combination thereof or an adopted child of a person of Northern Marianas descent if adopted while under the age of eighteen years. For purposes of determining Northern Marianas descent, a person shall be considered to be a full-blooded Northern Marianas Chamorro or Northern Marianas Carolinian if that person was born or domiciled in the Northern Mariana Islands by 1950 and was a citizen of the Trust Territory of the Pacific Islands before the termination of the Trusteeship with respect to the Commonwealth” (CNMI LRC). In preparation for the election, the Board of Elections is issuing affidavit forms to all registered voters who claim NMD status. The forms require people to declare under pain of perjury that they are qualified under the constitutional NMD definition. In anticipation of potential constitutional challenges to restricting the vote to people of Northern Marianas descent, everyone will be allowed to vote during the election.

Those with NMD status will cast their ballots in a separate NMD box at each polling place, and if the constitutionality of the restricted voting is upheld, only their votes will be counted.

Related to the above issue are preparations for 2011 when voters will have the opportunity to amend, repeal, or retain the land alienation clause of the constitution (article XII), which restricts landownership to persons of Northern Marianas descent. Article VIII of the CNMI Covenant provides for this opportunity, and, even though the vote is not until 2011, the debate has become very heated. Free-market proponents want to at least amend the article to allow for longer-term leases, but certainly prefer to have it repealed completely; they are lining up against cultural preservation parties who feel that landownership should be retained in the hands of the indigenous people as a gesture of respect for their culture. However, since NMD status (and hence land rights) are legally determined by the 25 percent blood quantum, large-scale intermarriage between different ethnicities has diluted the indigenous population to the point where a significant number of people who currently qualify as persons of Northern Marianas descent are concerned about not being able to pass on their land to their children. Also, high on the pro-repeal agenda is the increasing evidence that foreign investment has not reached its potential in the commonwealth because investors cannot own the property they want to invest in. At most, a fifty-five-year lease is currently available for private land. This argument is particularly acute given the current economic status of the commonwealth. A legal challenge to the constitutional provision limit-

ing voting on land issues to persons of Northern Marianas descent is expected to be filed sometime in the near future, in hopes of resolving that issue before the 2011 vote on amending the land alienation clause.

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REPUBLIC OF PALAU

The major issues and events for the period under review were the campaign and election 2008; the peaceful transfer of power to a new president and his work; the efforts of the Palau National Congress (Olbiil Era Kelulau, or OEK); events in Koror; allegations of corruption; an update on the Pacific Savings Bank (PSB) failure; and Palau's relations with Taiwan, the United States, and Japan.

With President Tommy E Remengesau Jr ending his second term in office in January 2009, the presidential field was wide open, and four candidate teams emerged, as indicated in last year's review (Shuster 2009). The primary election of 23 September 2008 witnessed a 66 percent voter turnout (9,295 voters). The team of Vice President Elias Chin and Senator Alan Seid finished strongly, taking first with 3,027 votes, ahead of attorney

Johnson Toribiong and Delegate Kerai Mariur with 2,526 votes. Senate president and businessman Surangel Whipps and Billy Kuartei, chief of staff (on leave) for President Remengesau, finished third with 2,248 votes, which was a tremendous effort. What apparently hurt this team was the decision to join in the big debates and forums instead of remaining in their area of strength—small group sessions—where the two displayed an element of magnetism and charisma. Finishing last in the primary field with 1,387 votes were Senator Joshua Koshiha and Peleliu Governor Jackson Ngiraingas. A constitutional initiative passed in the 2004 election required, for the first time, that candidates run as a team rather than as separate individuals, as had been the practice in all seven previous national elections. However, voters in 2008 reversed the 2004 initiative, reestablishing separate tickets for election of the executive in 2012.

As expected, the general race on 4 November 2008 for the presidency and vice presidency was very tight. Here, Toribiong/Mariur emerged first with 5,040 votes to Chin/Seid's 4,828, a difference of just 212 votes. Interestingly, some 504 voters left their ballots blank—perhaps uncertain about what team to vote for, but still showing respect for both teams by not voting. Of Palau's 14,289 registered voters, 10,469 or 73 percent turned out to vote. The candidates realized the race would be very close and were campaigning in Honolulu, Saipan, and Guam, right up to voting day (2 November on these off-island locations). An incident on Guam generated considerable discussion: the pasting over of Billy Kuartei's image on a

large campaign billboard with a small Toribiong-Mariur poster. The issue got sorted out after some time. A few irregularities regarding ballots also took place on Guam, but these were honest mistakes by the Palau Election Commission and were resolved.

The Senate race provided a huge surprise and was the talk of Palau. Surangel Whipps Jr, who had chosen not to run for the Senate but to assist his father in his presidential bid, came first among the forty-three candidates at the primary level with an astounding 6,709 votes as a write-in candidate. After the primary, he had a brief six weeks to campaign but did so wisely, taking the advice of his father. Of course, Whipps Jr benefited from the good name of Whipps Sr, who ran first in the 2000 and 2004 Senate races. One might call it some special magic, but it worked. The other twelve winners in the Senate included, in order, Raynold Oilouch, a well-known attorney (6,392 votes); Mlib Tmetuchl, a popular incumbent (5,646 votes); Joel Toribiong, an incumbent from the House (5,403 votes); Kathy Kesolei, a well-known personality (5,240 votes); Mark Rudimch, from a high-ranking Koror family (5,106 votes); Hokkons Baules, an incumbent (4,634 votes); Adalbert Eledui, a well-known Koror person (4,128 votes); Regina Mesebeluu, a retired teacher (3,938 votes); Alfonso Diaz, radio and television personality (3,809 votes); Tommy Remengesau Jr, the sitting president who would be out of office on 15 January 2009 (3,772 votes); Regis Akitaya (3,319 votes); and Paul Ueki (3,211 votes). Of the senators, two are female, and only four have previous congressional experience, making the senators mostly freshmen.

Remengesau ran a distant eleventh because of criticism that he had allegedly used the presidency to enrich himself while, after eight years in office, he failed to move Palau materially toward economic self-sufficiency.

A similar situation characterizes the sixteen-seat House of Delegates. It has an amazing total of thirteen freshmen, with the only incumbents being Noah Idechong, Kalistus Ngirturong, and Jonathan Isechal. A few of the House races were close. In Ngarchelong State, Marhence Madrangchar, a 2005 Constitutional Convention delegate, defeated Faustina Rehuher-Marugg, director of the Belau National Museum, 203 to 191; Dilmai Saiske finished third with 188 votes, and Don Bukurou finished last with 164. In Melekeok State, out of four candidates, newcomer Lencer Basilius from a prominent Babeldaob family garnered 176 votes; F Kazuo Asanuma, former congressman and reportedly in line for the distinguished title of *Reklai* (one of two paramount chiefs in Palau), finished a distant third with 89 votes. But Ngchesar State had six candidates competing to represent the people. Moses Uludong, well-known publisher of the *Tia Belau News* and a senator in the first Olbiil Era Kelulau, was surprisingly defeated by freshman Secilil Eldebechel by just 15 votes, 118 to 103. And finally, in Koror, with the largest number of registered voters of Palau's sixteen states, Alexander Merep, a minister in Remengesau's administration and a member of a socially high Koror clan, easily defeated two opponents, taking 1,929 votes to their 751 and 402.

In late November, both houses of the National Congress selected their leaders, who would be sworn

into office in January. In the Senate, Mlib Temtuchl, who served as vice president in the previous Senate, was chosen as president; Kathy Kesolei, community activist and from a high clan in Melekeok, was selected as vice president; and attorney Raynold Oilouch was named as floor leader. On the House of Delegates side, former vice speaker and environmentalist Noah Idechong was selected as Speaker; Alexander Merep was chosen as vice speaker; and newcomer Gibson Kanai, a former Speaker of the Ngaraard State Legislature, took the floor leader's position.

In 2005, Palau's second Constitutional Convention (Con-Con) of twenty-five members approved 22 amendments (out of some 250 proposals) to the 1979 constitution, and the Olbiil Era Kelulau added one more. These all appeared on the November 2008 ballot and were well phrased for an easy "yes" or "no" response. Dr Patrick Tellei, president of Palau Community College and member of the Con-Con education group, prepared a practice card listing all 23 amendments (including the one added by the OEK). He had some 18,000 copies of the card printed and widely distributed. The card must have persuaded people to think and talk about the amendments, and it speeded up the voting as well.

As a measure of the unpopularity of the executive joint ticket and the congressional three-term limit requirements that were on the ballot for 2004, at least with the twenty-five Con-Con members, these amendments failed to be approved in 2008 by the Palau electorate. Surprisingly, the amendment allowing land to be leased for up to ninety-nine years was

accepted by the voters. Palauans also accepted a trial-by-jury amendment and the restriction of membership on the Judicial Nominating Commission to Palauan citizens only (the one OEK amendment). The one amendment that was turned down by the voters would have allowed noncitizens who are adopted by Palauan citizens before the age of three to petition to become naturalized Palauan citizens on their reaching the age of majority. The decision to oppose this amendment perhaps reflects a desire to keep citizenship exclusive.

The ninety-nine-year lease issue was very controversial in Palau recently. The exact language states, “While non-citizens may not acquire title to land, Palauan Citizens may lease land in Palau to non-citizens or corporations wholly owned by non-citizens for up to 99 years.” This amendment seems to favor large foreign corporations that may wish to make sizable investments in Palau and is a sign that some people in Palau want to attract big investors. However, the ninety-nine-year period is going against the trend of Pacific Island nations that have limited foreign leases to between thirty and fifty years. (See Shuster 2006, 120, for more information on the 2005 Con-Con.)

For the very first time, President Toribiong and Vice President Mariur were inaugurated into office at the new national capitol in Ngerulmud, Melekeok. Built with about \$36 million in support from the Republic of China/Taiwan, this structure is very impressive, and the inauguration was impressive as well, with visitors from Guam, the United States, Taiwan, Japan, the Philippines, and the Federated States of Micronesia, among

others. President Toribiong’s inaugural speech centered on the theme of self-sufficiency; priorities of improving education, health care, and the environment; appreciation to Japan, Taiwan, and the United States for critical assistance; making the Palau-US Compact a success story; admonitions for contemporary Palauans to work hard like the Palauans of old; honest business dealings and foreign investment; and making Palau a model of democracy (TB, 19–25 Jan 2009, 6, 15). After the inaugural festivities, Toribiong got to work, nominating and getting his cabinet ministers confirmed by the Senate. These included Sandra S Pierantozzi (minister of state), Johnny Gibbons (justice), Harry Fritz (natural resources and tourism), Jackson Ngiraingas (public infrastructure), Vice President Mariur (finance,) Dr Stevenson Kuartei (health), Masa-aki Emesiochel (education), and Faustina Rehuher-Marugg (community and cultural affairs). As one might expect, some of these ministerial appointments were based on talent and ability, others on political support.

President Toribiong also made several state visits early on. In late February, he went to Taiwan, where he had held an ambassadorship from 2001–2008, and where he was welcomed with all the pomp and ceremonies of a state visit. The new Palau president said to President Ma that Taiwan’s support had helped Palau immensely, and Ma thanked Palau for its efforts in assisting Taiwan with its United Nations and World Health Organization applications. Toribiong’s second trip, in mid-March, was to the United States. After visiting a number of important monuments, memorials, and graves, the president had a

session with Secretary of State Hillary Clinton. Reportedly, Mrs Clinton was open to the idea of an extension of the financial terms of the compact for one year, and in April, she wrote to the president that “the United States is working hard to be in a position to commence the formal review called for in the Compact, and [that the US] position on any extension of grant assistance, programs, or services will be part of that effort” (quoted in Toribiong 2009, 6). After the carefree spending years of the Remengesau administration, it appears that President Toribiong is being very careful to spend his funding frugally and to nail down interim compact funding for fiscal year 2010 (year 16 of the compact) at the fiscal year 2009 rate. Finally, Toribiong visited Japan in April to meet Prime Minister Taro Asao and cabinet members, and again in May for the PALM 5 (Pacific Area Leaders Meeting) in Hokkaido, where the agenda consisted mainly of environmental issues and Japan’s commitment to assist the Pacific Island nations in meeting the challenges of climate change, alternate sources of energy, and technology transfer. While PALM has met every three years since 1997, the Pacific Islands Forum leaders (fourteen Pacific Island nations plus Australia and New Zealand) agreed to gather in 2010 to follow up on the progress of cooperation agreements with Japan.

Besides foreign state visits, President Toribiong stayed busy with Palau affairs. He accepted fifteen computers with software and training from the Republic of China/Taiwan for the Bureau of Immigration, Ministry of Justice. Ambassador Maggie Tien

was pleased to make the presentation of this important equipment and associated training for use in tracking visitors. In April, the nation’s main electrical power system crashed, and many areas of Koror town suffered blackouts and brownouts. In response, the president established an emergency task force to carefully study the situation and make recommendations. He also hired a specialist using contacts in the US Department of Interior for a second opinion. Both sources came to the same conclusion: that all the problems were avoidable and that the board and top management were negligent. President Toribiong accepted the resignations of several board members and the general manager before replacing them. Since these changes were made, the delivery of electrical power has improved, and the utilities corporation is planning to purchase two new generators (*TB*, 22–28 June 2009, 3, 14).

Budget matters are a major concern for the president. He inherited a fiscal year 2009 budget of \$58.7 million but faces a shortage of approximately \$6 million, according to Vice President and Minister of Finance Mariur. On taking office on 15 January 2009, the new president and vice president faced a deficit of over \$4 million and, more seriously, they recognized that nearly 40 percent of the current budget had already been spent by the previous administration in just three and a half months, October 2008 to January 2009 (*TB*, 15–21 June 2009, 2).

In communications with the Olbiil Era Kelulau, Toribiong reminded the senators that he needs to review all treaties prior to Senate action. Apparently the UN Convention against

Corruption, which had died with the previous congress, was revived by the Senate without the new president's knowledge or input. The Palau Constitution requires that the president shall "conduct negotiations with foreign nations and to make treaties with the advice and consent of the Olbiil Era Kelulau." On other matters, the National Congress asked the president to pull together a comprehensive and effective energy plan for the nation that would include renewable sources, such as solar, wind, ocean currents, and ocean temperature differentials. Regarding plans, President Toribiong requested that all citizens attend a forum in early June to provide community input on the Medium Term Development Strategy, which stresses development and support for island-based small businesses.

A nagging and very serious issue for the president and Minister of Justice John Gibbons is the M-14 assault rifle that went missing from the police inventory in late 2008. The high-powered gun was last seen in the car trunk of former President Remengesau. The reward for its return and information leading to the arrest and successful conviction of the person(s) responsible has been increased from \$5,000 to \$20,000. President Toribiong has requested assistance from the US FBI in locating this dangerous weapon, which was still missing as of June 30. This is a very serious matter because firearms are constitutionally prohibited from being privately owned in Palau, and the nation has a frightful history of firearm deaths.

Finally, Toribiong has placed under his office the ombudsman, special prosecutor, and attorney general.

These three offices, along with the Ministry of State and Ethics Commission, conducted an important "Seminar on Transparency, Good Governance, Accountability, and Rule of Law" in late April. On the occasion of the visit of Greg Andrews, the assistant ombudsman of New South Wales, Australia, the seminar was held to inform national and state officials and employees of the roles and functions of the three offices as prescribed by Palau's various laws (*PH*, 28–30 April 2009, 5). Earlier in the month, a researcher from the Pacific Islands Forum carried out a project on good (and bad) leadership as a way of identifying, among other things, corruption (*TB*, 20–26 April 2009, 7).

One of the purposes of the transparency seminar was to put a damper on alleged corruption in Palau. In what appears to have been a "sweet-heart arrangement," the former minister of finance in the Remengesau administration had agreed with former President Kuniwo Nakamura to reduce the tax liability of the Palau Marine Industry Corporation (PMIC) from \$5.7 million to \$1.2 million, if the latter amount was paid in full by 15 November 2008. This was after the Palau court had found PMIC liable for taxes, interest, and penalties. PMIC also owed the government thousands of dollars for landing fees, space rentals, and departure taxes (*TB*, 18–24 July 2008, 1). However, by 24 December 2008, PMIC was found in default of its agreement to pay the gross revenue tax judgment in Civil Action case 06-205. The government revoked the company's fishing license and ordered PMIC to immediately stop all business operations (*PH*, 6–8 Jan 2009,

1). In a second case, Governor Kodep of Melekeok State signed an affidavit admitting his theft of money and misconduct while in public office (*PH*, 24–27 April 2009, 1), and is willing to take full responsibility for his wrongdoing. Third, an audit of Hatohobei State books by the acting public auditor has uncovered seventeen deficiencies in the use of state funds for the period of 1999–2006 (*TB*, 18–24 May 2009, 1). Fourth, Minister of Health Kuartei was charged by the special prosecutor with reckless driving and driving his vehicle under the influence of alcohol. These charges are based on an affidavit of probable cause submitted by the special prosecutor's investigator, Brenda Santos (*PH*, 24–27 April 2009, 1). In what is alleged to be a clear violation of Palau's procurement law and regulations, and without public knowledge, announcement, and bidding, former President Remengesau, via directive 8-4, issued in January 2009 an exclusive airport screening contract for five years to the Belau Airport Security Company, a company owned and controlled by former President Nakamura (*TB*, 5–11 Jan 2009, 1, 15). Finally, investigators from the Office of Special Prosecutor arrested Russell Masayos, chief of the Labor Division, on suspicion of bribery, cheating, and misconduct in office. Charges against Masayos have been filed in court; he has a lawyer and spent one day in jail (*TB*, 22–28 June 2009, 1, 15).

Minister of State Sandra Pierantozzi was in New York to file a claim with the United Nations on Palau's behalf for an extended continental shelf. While there, she executed diplomatic relations with government representa-

tives of Finland and Morocco. Prior to this, Palau had established relations with Kosovo. In other foreign affairs, Minister Pierantozzi facilitated the annual talks between Palau and Australia regarding marine surveillance and Palau's patrol boat activities.

Japan continued to be a good friend to Palau by signing a coral reef monitoring project agreement with the Palau International Coral Reef Center and providing a two-year financial grant for the continued development of fisheries activities. The Japan government received permission from Palau to carry out further research on Pacific War (World War II) soldiers' remains on Peleliu, with the purpose of repatriating the potentially numerous remains to Japan. Funded by Japan and with a grand ribbon cutting, the \$13 million Koror/Airai arterial road-resurfacing project was completed and opened in March. In a smaller but very important project, Japan provided funding to expand training for women at Palau's Organization for Industrial, Spiritual and Cultural Advancement center, which began in 1990 at Nekken, Aimeliik State. Palau's Dr Minoru Ueki, on hand for this event, has been an active supporter of the organization for many years and recently was appointed by President Toribiong as ambassador to Japan.

In other relations with the United States, the mammoth aircraft carrier *USS George Washington* was in Palau's waters long enough for President Toribiong and twenty officials to be picked up by helicopter and flown out to the huge ship for a visit. In midyear, Sergeant Jasper Obakrairur, 26, of Ngardmau State, died in the

Afghanistan war and was honored with a state funeral at the rotunda of Palau's National Congress building. In the prior year, thirty-three Palauan and FSM young people enlisted in the US military; former Vice President Elias Chin administered the oath of enlistment. In early May 2009, the new US Embassy building opened its doors in Airai State. The Eighth Olbiil Era Kelulau provided a congratulatory resolution to commemorate the event.

After some minor sparring with the former president, review of the Palau-US Compact got underway in May with a meeting between Alcy Frelick (director of the Office of Australia, New Zealand and Pacific Affairs at the US Department of State) and Ambassador Joshua Koshiba, who continued the formal review process according to section 432 of the 1994 agreement. In addition to consensus on general principles, they agreed to address nuts-and-bolts issues in Washington DC in early June and in Honolulu in early July 2009. It is important for Palau to get some movement on the compact issue because operational funding beyond 30 September 2009 has been agreed to only in principle.

In the background to the Palau-US Compact relationship is the June 2009 request by the United States for the temporary resettlement in Palau of up to seventeen Uyghurs, a Turkic people from Xinjiang province in western China. These individuals have been detained at Guantanamo Bay since late 2001, but the US State Department issued a final determination that they are not enemy combatants. This issue caught international media attention and put Palau in the evening news and on front pages of newspapers.

President Toribiong has stressed the humanitarian aspect of the situation and the fact that Palau culturally and traditionally assists oppressed people. Palau currently has eleven Myanmar (Burmese) nationals who have requested political asylum in Australia via Palau. The eleven were interviewed by an officer from the UN High Commissioner for Refugees, Australia, and have been granted special temporary visas by President Toribiong. The Uyghurs have lawyers and rights; four agreed to be relocated to Bermuda, and one has expressed some interest in Palau. Seeing Palauans may warm their hearts toward Palau, but twelve have yet to make up their minds. Their returning to China is out of the question, and some one hundred countries have reportedly turned down US requests for relocation. Before making his final decision and extending the welcome mat, President Toribiong consulted with Palau's traditional chiefs, his ministers, and the OEK leadership, and sent a small delegation of several high-ranking officials to Guantanamo (see *PDN* 23 June 2009, 8; *PSN* 28 June 2009, 8). Now, it all depends on the Uyghurs.

The 29 OEK seats are now filled by 21 rookies and just 8 veteran lawmakers. The National Congress does not have much to boast about after two regular sessions of twenty-five days each, ending the second session in mid-May with just five bills sent to President Toribiong. Four of the five bills were signed into law: RPPL 8-1, the Uniform Compensation Act, establishes a pay structure for compensating the congressmen \$50,000 annually; RPPL 8-2, the 2009 unified budget law, totals \$58.7 million; RPPL

8-3 establishes the Palau National Framework on Early Childhood; and RPPL 8-4 expands the number of official ports of entry to include locations on Peleliu and Angaur.

The lawmakers have been criticized by members of the public for their alleged irresponsible travel to various places (eg, South Korea and the Philippines). Some visits have a clear connection to lawmaking while others do not, and still other trips set up potential conflicts of interest. Former Senator Santy Asanuma recently expressed his worry that OEK members were engaged in “excessive travel spending.” He noted that “we need the little money that we can save to buy medicines for our hospital, books for our schools, and repair our failing sewers” (*TB*, 22–28 June 2009, 8, 10). The general criticism—that lawmaking does not require travel of six- to ten-member delegations—is fair because legislative research can be done on the Internet, and the executive branch also has a research responsibility and brings more tools to the table. Another matter that has caught public attention is the House’s approval of a casino gambling bill. Despite talk about various controls and the revenue potential of casinos, this bill has sent alarm signals to churches and women’s groups, who will no doubt mobilize against it. Furthermore, the bill raises conflict-of-interest allegations because a group of legislators traveled to South Korea at the invitation of a Korean businessman, a certain Kim Jae Hong, who wants to invest \$30 million in gambling facilities in Koror or Airai (*TB*, 11–17 May 2009, 1, 15).

Palau’s most alarming case of

theft, deceit, and criminality finally came to trial in January 2009. Emory Mesubed, former vice president and operations manager of the Pacific Savings Bank, was charged with money laundering, forgery, and cheating, in connection with one million dollars of Palau government pension funds that were improperly transferred to the bank. In spite of the prosecution’s forty-eight documents and four witnesses, three of whom were experts giving lengthy testimonies, Mesubed was acquitted. During the trial, it was reported that the bank was \$11 million insolvent and that some 80 percent of its value was in loans made to bank insiders such as Mesubed, who had received \$380,000 in loans (*TB*, 19–25 Jan 2009, 1). The mastermind behind the bank’s collapse, “Mack” Timothy Taunton, bolted from Palau the day after the failure and is being actively sought in New Zealand, Australia, and other countries. Independent Counsel Lewis Harley and PSB Receiver Kaleb Udui filed a motion for default judgment in February with the Palau court. This was based on an earlier complaint (October 2007) for damages of \$22.8 million against Taunton and other former officials of the bank. Until Taunton is found and returned to Palau for trial, court actions will continue to be handicapped. In the meantime, land and other properties belonging to Taunton and Mesubed are being sold to recover funds for eventually repaying the depositors who lost large sums of money (*TB*, 4–10 July 2008, 7; 9–15 Feb 2009, 4).

Palau lost some important people during the period under review. Mirair Ltelatk Fritz, the most senior member

of her clan and second highest woman chief of Koror State, passed away on 12 August 2008. Klerang Tmetuchl Ueki, daughter of Roman Tmetuchl and a gold medal winner at the 1969 Micronesian Games, died on 17 August at just 55 years of age. Ueki's survivors include her husband (a former congressman) and four children. Balerio Pedro, holding the title *Uherbelau*, passed away in late August. He was Angaur's highest chief at the time of his passing and attended high school at Father Dueñas on Guam and university in both the Philippines and California. Lyola Koteldil Mesebeluu died tragically in Honolulu at just 27, viciously attacked by a deranged individual. Elia Tulop, 63, former governor of Ngiwal State and a national congressman, passed away in early November. DeWill Reklai, age 15, was hit by a drunken driver and tragically killed while returning home by bicycle. A great outpouring of sympathy and emotion took place when a monument to Reklai was unveiled at the site of the accident along Koror's main road. Early in 2009, *Adelbairkesowaol* Jones Ngoriakl passed away at age 62, survived by four sisters, his wife, and three children. Rita Olsudong, Palau's only professional archeologist, who had earned a bachelor's degree from the University of Guam and a master's from LaTrobe University in Australia, passed away on 30 March. She was just 43 and was a gifted natural resource person. *Ngetibuchel* Sophia Belechel Kemaitelong, 74, passed away on 3 April. Amazingly knowledgeable, Kemaitelong was a founding member of Mechesil Belau (Palau Women's Association) and was frequently sought out for mediation

and dispute resolution advice regarding land and traditional matters and for speaking and chanting at public events. She was a national treasure. As already noted, Sergeant Jasper K Obakrairur, US Army, died in Afghanistan. With numerous awards and decorations, including the Army Good Conduct Medal, Jasper was the third Palauan to die in the Iraq and Afghanistan conflicts.

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