

MARSHALL ISLANDS

The Republic of the Marshall Islands has built new roads of all kinds during the period under review. From road construction funded by the government of Japan, to new approaches to the Asian Development Bank (ADB), the People's Republic of China, and the Republic of China (Taiwan), to sinuous pathways connecting national leaders, the year revealed many novel detours in policy and unprecedented political directions.

The minority party, or "opposition," achieved an unprecedented level of organization and effectiveness. Although a vote of no confidence failed to remove President Imata Kabua from office in October 1998, the motion marked a turning point in the Marshall Islands' nineteen years of constitutional government. The vote followed the unprecedented success of the opposition party in the previous *Nitijela* (Parliament) session of March, when two bills they had proposed were passed into law. The passage of Bills 113 and 114 regarding gambling in the Marshalls were effectively a vote of no confidence, resulting in legal battles and a cabinet reshuffle. The context of these significant events must be explained.

In the final months of 1997, national morale ran low as various government projects attracted public suspicion. The government's withholding of reports on the unauthorized use of Social Security Administration funds resulted in the Asian Development Bank detaining portions of much-needed loans. Investigations were rumored into continued sales of RMI passports to foreign nationals,

particularly in China and Taiwan. Compact revenue had decreased. An ADB-promoted reduction-in-force (designed to limit the public sector, which creates two-thirds of all jobs in the Marshalls) placed critical government paychecks in short supply. Added to these difficulties was the increase in foreign competition as new car-rental companies, restaurants, and retail stores were introduced by Taiwanese and Chinese investors. With a decrease in copra production, and import taxes at an all-time high, these were hard times. In response, citizens took their chances at the newly constructed gambling houses around the islands, playing slot machines in hopes of hitting the jackpot.

In 1996, President Amata Kabua had led a campaign to establish casinos in the islands as an enticement for tourists and businesspeople staying at the soon-to-be-completed Outrigger Hotel and other proposed resorts. Despite church opposition, and defeat in its first two readings, Bill 8 became Public Law 1996-4 in its final vote and effectively legalized gambling in the Marshall Islands. Unfortunately, the regulations recommended in the bill were not enforced and slot machines quickly became an unmonitored and untaxed industry for local and foreign entrepreneurs.

As the impact of gambling was felt on families already struggling through an economic depression, opposition extended beyond its previous base at the Catholic Church. In an ecumenical effort, the churches of the Marshalls met weekly and planned to propose a repeal of the 1996 gambling law for the January 1998 Nitijela session. Organizers strategically

decided to propose two bills: one to repeal the prior bill, and another to explicitly prohibit gambling of any kind (including popular bingo games), with the exception of school fundraising raffles. The history of these two bills is an important frame of reference for the unforeseen activities of the following months.

Given the lack of faith in the government in late 1997 and the insecurity about national and individual finances, and even grumbings of discontent about the newly elected president, anxiety and hard feelings were at their peak. The nation was embarrassed by coverage of the president in international media and by his notorious behavior. In a national broadcast of the Nitijela session, the president presented his yes vote “in the name of Miller Lite,” his beer of choice. Citizens accustomed to the stability of Amata Kabua’s twenty-plus-year administration judged Imata harshly. The Asian Development Bank was publicly pressuring the government for the findings of the passport and social security investigative team. Additionally, the United States and its ambassador were adding pressure about fiscal accountability. When Gibson’s department store joined Hawai’i-based Wallace theaters to open a cinema in late 1998, the well-attended film *Titanic* became a popular metaphor for the state of the nation, with frequently quoted quips about its captain.

The year 1998 was off to a rough start. An ADB-prompted National Economic and Social Summit (NESS) brought island leaders in the public and private sectors together for the first time. Hope was in the air. When

the Nitijela session began in late January, it faced an eager listening audience on V7AB, the national radio, as curious citizens listened for signs that NESS recommendations might be implemented. Pressure on government officials mounted as citizens struggled to make ends meet, much less find drinking water in the midst of drought. The time was ripe for the opposition party to launch its campaign.

The gambling issue became the focus. While the two bills presented by Senator Ataji Balos (Kwajalein) had the support of the churches and the Council of Iroij (Chiefs), the pro-gambling group consisted of three government officials and their supporters. Public hearings were devoid of debate—not a single individual spoke to defend the right to gamble, as person after person spoke against the unregulated gambling that left children hungry. The pro-gambling coalition in the Nitijela centered its concern on replacement revenue for Kwajalein that relied on slot-machine income as part of the atoll's budget. Yet, on the Nitijela floor, as the bills were presented, inquiry revealed that the national government had received no revenue from taxation of casinos. In the break before the final vote for Bill 113, which would repeal PL 1996-4, Speaker Kessai Note announced that President Kabua, Senator Tony deBrum, and Minister Phillip Muller would not be permitted to vote due to their conflict of interest as owners of casinos. Others with similar conflicts were told to withhold their votes or be fined if evidence emerged later. An additional two members, Jurelang Zedekia and Jiba

Kabua, withheld their votes. The bill passed with a vote of 17 to 7.

Bill 113 was viewed as a concession to the churches. Because Bill 113 did not specifically outlaw gambling, it gave discretion to the various atoll governments. In that case the president would retain his control of gambling activities on Kwajalein, and powerful Majuro-elected officials such as Tony deBrum and Phillip Muller would have influence on the capital.

Bill 114, which proposed to prohibit all gambling in the nation, was hotly contested. In a Nitijela chamber overflowing with students from the religiously affiliated schools, as well as community leaders and political commentators, the drama and tension were high. It was March, and the final day of the session. After a long lunch break the session reconvened in the late afternoon. The rest of the nation tuned in to the radio. A motion was made to postpone the filing of Bill 114 until the next session. At this point, the three leaders previously denied a vote left the chamber to catch the evening flight to Hawai'i, assuming a final vote would be delayed until the August Nitijela session. The result of the motion to file was a 13-13 split vote. Speaker Note stepped in to break the tie, denying the postponement and forcing a final vote. When the Speaker noted that those with conflicts of interest were not to vote, many of their followers spoke up angrily. Opposition leaders suggested to the Speaker that out-of-order members also be denied a vote, and two senators stormed out of the chamber. When the final votes were tallied, the anti-gambling contingency, or "opposition" party had passed the

bill by a single vote of 12 to 11. This victory marked the first time an opposition party had successfully overcome any president-backed initiative. Bill 114 heralded the political developments of the following year, the period under review.

The backlash of the government party's defeat was felt personally by Kessai Note, the Speaker of the Nitijela, among others. Within two months, Note and the clerk of the Nitijela, Joe Riklon, were sued for unconstitutionally denying votes to Tony deBrum, Phillip Muller, and Imata Kabua. In late July, at the end of the highly publicized case, Note and Riklon were acquitted. The result of that court battle was the enforcement of the gambling prohibition and the closing of the gaming rooms in mid-August.

With over half of the annual allotted fifty Nitijela session days used in the January session, the August session promised to be full and quite exciting. Government party leaders threatened to propose new gambling legislation, opposition leaders chairing the political accounts committees investigating passport sales and social security funds promised public disclosure of their findings. Additionally, the national budget had to be debated and passed before 30 September, and a proposed 12.5 percent cut on all government employees was slated for introduction—all of this in the heat of leftover antagonisms from the recent court battle and the prior gambling controversy.

The president announced that all ministers were expected to resign. This marked the first cabinet shuffle of his presidency. Not surprisingly

after the events of March, Tony deBrum was named minister of finance. Wilfred Kendall, former ambassador to the United States, was named minister of justice. Both were long-time opposition party leaders, and Senator Kendall had run against President Kabua in 1997, in the parliamentary election that followed Amata Kabua's death in December 1996. Former ministers who broke ranks in the gambling dispute were removed from office. These were Ministers Lomes McKay (justice), Jiba Kabua (resource and development), and Litokwa Tomeing (Ratak minister, no portfolio).

In response to these appointments, opponents threatened a vote of no confidence, another Nitijela first. In the following days, as meetings were held in the usually quiet halls of the capitol building, tension ran high. Senator Litokwa Tomeing, seconded by five other senators, introduced the motion on 2 September 1998. According to the Marshall Islands Constitution, a five-day waiting period is required before the initial vote, and the Nitijela is not to recess until the vote, which must occur before the tenth day after its introduction, is made. President Kabua welcomed the motion as "democracy in progress" (*MIJ*, 4 Sep 1998, 1). Five days later, on the day scheduled for the vote, Senator Tomeing listed fourteen complaints against the president and called for a vote by secret ballot, to prevent intimidation. In the course of his speech, Minister Tony deBrum interrupted on a point of order and called for a roll-call vote. Tomeing was allowed to continue his speech and Speaker Note announced that the

vote would occur using secret ballots. At that, the president invited his supporters to walk out of the chamber, and without a quorum of seventeen members the vote was postponed.

The government party walk-out lasted six weeks, during which the fiscal year ended (with no new budget approved), the cabinet composition shifted again, and the deaths of two well-known Majuro residents occurred. Dorothy Kabua, youngest daughter of the late President Amata and Emlain Kabua died in an accidental collision with a coconut tree while driving home in the early morning hours of Friday, 18 September. She was the owner of one of Majuro's favorite nightspots, The Pub, and was forty years old. Less than ten days later, local businessman and institution Robert Reimers died in Honolulu at the age of eighty-eight. Robert Reimers Enterprises is one of the most successful local businesses in all of Micronesia, founded in the 1950s with a small boat-building shop on Majuro that assisted in the economic recovery of the islands after World War II.

Three other ministers were removed and replaced. Christopher Loeak (Ralik), Ruben Zackras, (resource and development, formerly finance), and Brenson Wase (internal affairs) were removed from office. Hemos Jack became minister of justice, Hiroshi Yamamura took over internal affairs, and Johnsay Riklon was named minister in assistance to the president. Wilfred Kendall added the Ministry of Public Works to his appointment to the Ministry of Resource and Development. He later resigned his post, becoming the first

minister to voluntarily leave office (*MIJ*, 23 Oct 98, 1).

The vote of no confidence eventually took place after High Court Judge Dan Cadra ruled the government party boycott unconstitutional. The vote was the Nitijela's first agenda item when it reconvened. On 16 October 1998, the motion lost by two votes, 16 to 14.

In a special session held the first week of November, the national budget of \$80.8 million was reviewed and passed. The annual audit of the previous year's finances disclosed that three government agencies earned a profit: the Port Authority, the National Telecommunications Authority, and the Marshalls Electric Company. Ten agencies recorded losses totaling \$4 million, an increase of over \$1 million from the previous year. Air Marshall Islands noted the greatest loss. In spite of a government subsidy of nearly \$785 thousand, the airline recorded a loss of \$1.6 million.

Minister of Finance Tony deBrum is credited with many major government policy shifts. The ADB-recommended reduction in force and value-added tax were rejected in November. The 12.5 percent pay cut was dismissed, import taxes were unexpectedly lowered, and promises were made to privatize government-subsidized agencies such as Air Marshall Islands and the Marshalls Energy Corporation as soon as possible. DeBrum's proactive stance toward the Asian Development Bank and cooperative attitude toward the Marshall Islands Chamber of Commerce has boosted morale among local business leaders accustomed to an antagonistic relationship. The result of deBrum's

inclusion in the president's cabinet has been a remarkable reversal of what many observers had considered the last days of Imata's presidency—and possibly the credibility of the nation, particularly as compact negotiations are to begin in October 1999.

In a shockingly sudden move, the Marshall Islands established diplomatic relations with the Republic of China (Taiwan) on 20 November 1998. The People's Republic of China closed its diplomatic headquarters immediately and left the capital. Employees at a Chinese-operated garment factory in Laura were asked to leave the island by mid-December. In the months since the establishment of diplomatic relations with Taiwan, the Marshalls has felt a greater economic impact than that of its eight-year relationship with mainland China, according to one source. Further, as delegations of national leaders and local business representatives are invited to Taiwan, public opinion of the shift is positive.

January 1999 saw the appointment of Marie Maddison as secretary of foreign affairs. One of her first tasks was to create a task force to examine the startling increase in external adoptions of Marshallese children by Americans. With record numbers of adoptions, the RMI Ministry of Foreign Affairs is exploring ways to monitor and regulate adoptions. The special status of freely associated states' citizens, allowing unlimited access to the United States, prevents these adoptions from being classified by the United States as international and thus more strictly observed.

March 1st marks the annual celebration of Nuclear Victim's Memorial

Day in the Marshall Islands. This year emphasis was placed on declassified materials documenting the effects of radiation beyond the four atolls (Bikini, Enewetak, Rongelap, and Utrik) recognized in the Compact of Free Association. According to US Center for Disease Control (CDC) documents, Ailuk atoll contains the single largest source of atmospherically released iodine 131 in the world (*MIJ*, 8 Aug 1998, 1, 5). Additionally the Center for Disease Control recommends that Ailuk, Jemo, Likiep, Wotho, and Wotje receive compensation for exposure to fallout from the Bravo test of 1954. Studies such as these will be used to argue a "changed circumstances" case in the upcoming compact negotiations. The changed circumstances clause of the compact allows for a reassessment of compensation if new evidence shows the current agreement is inadequate.

Rongelap and Utrik are no longer under the care and study of Brookhaven Laboratories. Hawai'i-based Pacific Health Research Institute (PHRI) was contracted through the United States' Department of Energy to provide special medical care for the next five years. The contract allows the institute to monitor and care for people with illnesses relating to the Bravo test, as well as to provide on-site comprehensive health care to those eligible. Unlike Brookhaven Laboratories, which sent doctors for month-long visits twice a year, the Pacific Health Research Institute will provide doctor visits four times each year and year-round access to medical care on Majuro and Ebeye. Importantly, doctors with histories in the Marshall Islands have been selected

for involvement, namely, Dr Neal Palafox and Dr Wilfred Alik, the nation's first MD. Alik has emphasized that the PHRI plan will focus not only on cancer treatment, but also for the first time on preventive health care.

April saw the resolution of one case related to illegal sales of RMI passports. Over the summer of 1998 the public accounts committee continued to gather evidence to file charges against high-level RMI officials. Due to the shortened Nitijela session following the walk-out, evidence was not presented to the national governing body. When a Taiwanese man was detained by the US Immigration and Naturalization Service in Guam for carrying twelve unauthorized and back-dated RMI passports, along with residency and naturalization certificates, the outside attention brought the issue to the surface. On extradition to Majuro, Chen Nan Huang was granted immunity by the attorney general in return for assisting the prosecution. Chief Immigration Officer Una Watak was the only source implicated. He was later arraigned and pleaded guilty to 13 of 54 counts. His sentence was a fine of \$6,500 (*MIJ*, 7 May 98, 1).

In May, the possibility was discussed of a \$5 million Taiwanese grant to private sector businesses to improve outer islands shipping services. Additionally, as the foreign ministries of the two governments sponsored a series of discussions on various arenas for expanded business ties, fisheries became the clear focus of interest. Taiwanese purse seiners and large carrier ships are using Majuro as a transshipment base when transporting tuna from American

Samoa to Asia. The Marshall Islands Marine Resources Authority (MIMRA) says low entry fees allows the ships to refuel and restock conveniently on Majuro. With the completion of a new fish loining plant in October 1999, the Marshalls may see a lagoon full of carriers by the summer of 2000. The loining plant will allow StarKist purse seiners based in American Samoa to off-load tuna to PM&O barges in Majuro. The Ting Hong corporation, which managed the Marshalls fish base for the past four years, negotiated an early end to its twenty-year contract with MIMRA in April.

Other new pathways for the Marshalls included the possibility of Hawai'i's Aloha Airlines extending its routes to include Majuro. Discussions began in November 1997 and were recently delayed by bureaucratic disagreements within the US Defense Department regarding refueling rights on Johnston Atoll. Air Force officials refused to allow Aloha Airlines to refuel on Johnston without a direct order from the US secretary of defense. In July, Aloha received word that flights may begin as early as August 1999.

At the close of June, the United States and the Marshall Islands were preparing for introductory compact negotiations in October. The difficult battle for renewal of Pell Grant funding in August 1998 raised Marshallese awareness of shifts in US attitudes toward citizens of the freely associated states (FAS). Not only are Marshallese fighting for educational funding that was previously unquestioned, but newly required work authorization forms for immigrants are believed to be in violation of the

spirit of the compact. Relatedly, Hawai'i, Guam, and Saipan filed suit against the US federal government asking for compensation for funds spent on FAS citizens who disproportionately migrate to these areas and take advantage of social services, health care, and welfare programs. The suit requested a more accurate reporting of migrant population projections so that they may be reflected in realistic budget appropriations for these services. Although the suit was dismissed in the fall of 1998, the negative attitude it reflects toward FAS citizens is cause for concern.

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Kommol tata to many friends and colleagues in the Marshall Islands and Hawai'i who offered suggestions for this review.

Reference

MIJ, *Marshall Islands Journal*. Weekly. Majuro.