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COMMUNICATION FROM MR. MOSES Y. ULUDONG, CHAIRMAN,  
TIA BELUAD MOVEMENT, CONCERNING THE TRUST TERRITORY  
OF THE PACIFIC ISLANDS

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28 June 1977

Honorable Barbara Heller  
Deputy Under-Secretary  
Department of the Interior  
Washington, D.C.

Dear Ms. Heller:

It was a pleasure meeting you and sharing a panel with you at the Oceanic Society symposium on the Palau super-port at San Francisco. I hope through this kind of forum, all those concerned and interested continue to share and exchange information necessary in order to make a well-informed decision on this proposal when the time comes.

Especially for us, Palauans, this proposed project can be a social and political disaster but it can also mean an economic boom. We both agree that the Palauan people must have all the necessary information before they make the decision. However, as I told you, the present political and administrative system in Palau is not adequate to fairly represent the people of Palau on this particular matter. As the enclosed news clippings testify, 1/ the system has been undermined and compromised by actions of individuals involved. For example, Mr. Robert Panero, the promoter of the project, has been retained by the Palau Legislature's Special Committee on the Palau Port Authority as a consultant and was paid \$US 5,000 from our tax money in February. If the Palau Legislature is to select a contractor to do the environmental impact study, there is no doubt that Mr. Panero will make the selection.

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1/ None of the enclosures mentioned in this communication was attached to the copy of the communication received by the Secretariat.

Mr. Panero's involvement and behaviour with our businessmen and politicians in the last four years since this project came to light, have caused concern and questions in our small community. It was Panero who came down to Palau one Friday last December and on the following Wednesday, the Legislature called a one-day special session and at his urging adopted only one resolution that requests funds from the United States Government for environmental impact guidelines. It is that resolution that the United States Department of the Interior claims to be from the "Palau Government" in considering \$US 200,000 for studies. Last year, Panero had gone to Iran with our senator and Speaker of the Legislature along with Fred Zeder, formerly with the Division of Territorial Affairs, promoting the project. He took a trip to Singapore with 12 members of the Special Committee on the Palau Port Authority using the funds (\$US 22,500) that the Committee had illegally borrowed from a private company. He has taken trips to Japan, Guam and Washington with the members of the Committee. He makes visits to Palau every two months and every time he comes, he is seen dining and wining with prominent politicians and businessmen. As I said during the panel discussions, when a slick, smooth-talking salesman like Panero interferes with the present system of government we have, the system becomes unreliable.

As I promised, I am enclosing a letter dated 24 May to the Nissho-Iwai Company from the Special Committee on the Palau Port Authority and a memorandum from the District Administrator, Palau to the Acting High Commissioner. 1/ These communications indicate that the Special Committee, as well as District Administrator, are biased in this matter. Can the impartiality of information on the development of this project, which will be controlled by the same people, be assured, given this background?

Furthermore, early this year, about 1,260 adult Palauans signed a petition against the super-port which High Chief Ibedul presented at the Senate hearing in April. An April survey of approximately 600 citizens of random ages in Koror by Father Felix Yaoch, a Roman Catholic priest, shows an overwhelming 80 per cent of them against it. Fifty-four Palauan students attending colleges in Hawaii have sent to Palau another petition protesting the project. More than 60 Palauan students in California and Oregon have also signed a letter of opposition. More than 300 citizens of Ngaraard municipality held a demonstration and submitted a protest petition to the United Nations Visiting Mission last year when they visited that municipality. 2/ The traditional chiefs of Palau are opposed to it. The fishermen have also protested against the project. 3/ The High Chief of Palau appeared before the United Nations Trusteeship Council last year and before the United States Senate Committee this year protesting the project. It appears now that only a handful of businessmen and politicians support the project.

Does the Department of the Interior want to see Palau erupt into violent actions like demonstrations, destruction of property and bloodshed before it accepts the fact that the people do not want it. There has not been any issue in Palau

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2/ For the report of the Visiting Mission, see Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 3 (T/1774).

3/ See T/PV.1452.

under the 30-year United States Administration that the Palauans have expressed their opposition to that strongly. This issue has also caused distrust, confusion and polarization of our community.

Today, while I am writing this letter, the electrical power in Koror has gone out twice. This district centre also has water for two to four hours a day. The streets are full of holes and most of them are dirt roads. These public utilities under the responsibility of the Trust Territory Government have been neglected. Why put \$US 200,000 of the money for Palau District into an environmental impact study that leads to the establishment of a private, foreign-owned oil consortium instead of using it to provide these essential services.

Also, if the Department of the Interior has \$US 200,000 to spare, we suggest that it be spent on a feasibility study of the Palau five-year development plan which has been approved by the Legislature and does not mention the super-port. You can also spend it developing and promoting our fishing industry or copra-processing industry which are the backbone of our economic development. I am sure the American tax-payers will be happy to see their money spent on projects that will assist us in becoming more self-sufficient instead of promoting the Japanese and Iranian oil industries.

Thank you and I am looking forward to hearing from you.

Sincerely yours,

(Signed) Moses Y. ULUDONG  
Chairman

cc: Senator Henry Jackson, Senate Committee  
on Energy and Natural Resources  
Representative Phillip Burton, House  
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