

THE JAPANESE AND THE AMERICANS: CONTRASTING HISTORICAL PERIODS OF ECONOMIC AND SOCIAL DEVELOPMENT IN PALAU

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The Japanese colonial period in Palau, 1914 to 1944, although one of the lesser economic demonstrations when taken in the context of the entire Japanese colonial period or when compared with other of the Japanese colonies, proved several important things which, in contemporary times, are becoming more and more significant: (1) the islands can realize self-sufficiency in agriculture, (2) the islands can export raw materials and cash crops profitably, and (3) islanders can function productively as a labor force.

Of the four colonial periods in Micronesia: Spanish, 1668–1898; German, 1899–1914; Japanese, 1914–1944; and, American, 1944–1986, the Japanese period has received the least serious attention and study. This has been due to the recentness of that administration and also because it was a harsh, exploitive one which ended disasterously with the Pacific War.

Until recently, there appeared to be a certain embarrassment about it on the part of the Japanese, who were more inclined to accentuate the positive aspects of their former presence, especially since Micronesia today remains quite actively within their sphere of growing economic influence, and their economic investment in the region continues to grow and portends a brighter and brighter future for Japanese commerce and enterprise.

Another reason for the general dearth of serious studies on the Japanese period in the islands has been the fact that insufficient numbers of western scholars are functional enough in Japanese language to undertake studies of the existing documents and records; not enough of these have been translated to English.

However, there is a lot of information available and increasing amounts becoming either available

or recognized as rich sources, and we can expect therefore that the study of the Japanese period will increase in the future, and this will certainly be a welcome and useful development.

The discourse here, however, is not dealing so much with Japanese colonial history as it is with the Palauans' perceptions of that colonial period in their islands, and in this sense I am commenting upon and investigating Micronesian history, although the line between the Micronesian experience and the Japanese experience is sometimes very fine.

Between 1984 and 1986, the Micronesian Area Research Center at the University of Guam, undertook a study of the Palauan perceptions of the Japanese.¹ Our method was to interview a sampling of Palauan citizens born between the years 1900 and 1930, and to attempt an analysis of the data along seven theme lines of which economic development was one.

In approaching this study, there were several conventional myths which abound about the Japanese period, either obvious or subtle. These are: (1) Micronesians did not participate in or contribute to the Japanese economic development efforts; labor was imposed from the outside in the personages of Koreans, Taiwanese, Okinawans, and Japanese from rural areas like Hokkaido. (2) the economic development efforts of the Japanese were meager in the final analysis, and (3) since the whole Japanese effort was an exploitive one, most of the psychological lessons learned would have to be forgotten if the Micronesians—Palauans in this case—would ever be able to function productively on their own.

Following the disaster of the Pacific War, the Palauan economy collapsed completely. The Japanese nationals were repatriated within one year and the island economy returned to an almost completely subsistence form.

The American administration began various programs which were designed to promote development and the general welfare, but which were based on assumptions of democracy, individual rights, and common welfare that were entirely

new, culturally and experientially, for Palauans. This new approach was perhaps best represented in one of the earliest memorandums promulgated by the American military authorities:

... it shall be the mission and duty of U.S. military government to give effect to the announced policies of the United States by... the early establishment of self-governing communities; the institution of a sound program of trade, industry, and agriculture along lines which will assist them in achieving the highest possible level of economic independence; and the establishment of an educational program adapted to the capabilities of the islanders and to local environments and designed to assist in the early achievement of the foregoing objectives.²

Palauans were expectant over the American presence and impressed by the demonstrated might of the circumstances surrounding their arrival in the islands. The Japanese, who had for some thirty years, built an impressive physical infrastructure and had inspired the sort of confidence in permanence which tends to go with such things, were utterly crushed by the advance of the massive and relentless American war machine that reduced the islands' concrete, steel, and rockwalled structures to rubble within the space of two and a half years.

The Palauans were duly impressed with this demonstration, and, as one of them explained to me during the study: "What do you call these Americans who destroy all that the Japanese built, and bring the Japanese to their knees in such a short period of time? You call them 'sir'."

The initial American presence in Palau following the war was very small; less than a hundred people for the military administrative period, 1944–1947. From 1947—the time that the Trusteeship Agreement was implemented, until 1951 when the Interior Department was given responsibility for the administration, there were not appreciably more than that. This contrasted with the prior Japanese presence which saw the expatriates far outnumber the Palauans:

YEAR	JAPANESE	PALAUANS	CHAMORROS
1920	592	5205	149
1925	1054	5735	222
1930	2078	5794	215
1935	6553	6013	271
1940	23767	6339	248 ³

The presence of the Japanese in Palau, and in Micronesia as a whole, can be divided into several periods. The first was the period of administration by the Imperial Navy as a spoil of war. The Japanese had seized the islands, bloodlessly, from the Germans at the outbreak of WWI in 1914. From that time, until the signing of the Treaty of Versailles in 1919—a space of five years—there was no national Japanese policy towards Micronesia, and in fact, there were members of the Japanese Diet who were against remaining in the islands at all in any official capacity.⁴

The Americans were opposed to the Japanese presence in Micronesia, but could do little to oust them since they were already in possession, and, moreover, the British had been maneuvered into supporting the Japanese post-war claims by official, though secret, agreements in 1915 and even before.⁵

What the Americans did insist upon was that the Japanese administer the islands according to mandate by the League of Nations, and only under such arrangement would the Americans recognize their claims. This was acceptable to the Japanese and, in 1922, they instituted a purely civil government under the specially-established *Nan-yo Cho* (South Seas Bureau).

It was then, during the 1920s, that the real Japanese economic development efforts in Micronesia go underway. Phosphate mining, which had been started by the Germans was increased and improved by the Japanese at several island locations. In Palau the phosphate was mined at Angaur. Also bauxite was mined on the large island of Babelthuap at Ngardmau. Sugar was grown on Saipan, Tinian and Rota in the Marianas, and by the mid-1930s this crop accounted for more than two-thirds of the revenues from Micronesia. However, the advent of the sugar agribusiness is

mentioned here only because it is a particularly successful and famous one taken in Micronesia as a whole; many people know about it. There was no sugar grown in Palau that could compare with the Marianas effort, although some amounts were produced.

Mining, fisheries, and agriculture were the main economic developments in Palau. Beginning in the mid-1920s there were large numbers of homesteaders brought to Palau from rural areas in Japan. Four large settlements were established: Asahi-mura, Yamato-mura, Shimizu-mura, and Mizuno-mura. These homesteaders were gentle, hard-working people who came with their families, and planned to remain for good. Each family was provided with building materials and various plant seeds with which to start their livelihoods. The Palauans got along very well with these homesteaders and seemed to have been quite impressed with their industry, energy, and peacefulness.

In Koror, large numbers of Japanese were settled to undertake various business and government enterprises. A newspaper was established, the government expanded steadily, and Palau was made the seat of the Japanese administration even before the close of WWI. As increasing numbers of Japanese citizens arrived, the Palauans were moved farther and farther away from various locales in the district center. Malakal Harbor area was completely Japanese, and Medalii, a nearby community, was a Japanese enclave where eventually also no Palauans were allowed to live.

Schools were established immediately during the Imperial Navy administration in 1915. These were primarily for the islanders at first. But then, as more expatriates arrived, segregated schools systems were instituted. An elementary system for Japanese was started which had schools designed to prepare students to go on to further education in Japan.

For the islanders, the *kogakko* was established. These were elementary schools only for *tomin* (islanders). Some thirteen were eventually established in Palau. They were staffed by at least one Japanese teacher and one or more Palauan assistants. Three years of *kogakko* was required,

and then promoting students were allowed to have two more years, but this available only in Koror. Students from the outer areas of Palau had to come to Koror and board in order to take advantage of this opportunity, and a good many of them did.

Toward the end of the 1930s, a special vocational school was also established in Koror called the Woodworkers Apprentice School. However, Palauans could only aspire to skilled and semi-skilled trades at this school, not professional or managerial positions.

Life in school was often harsh and always rigorous. Japanese language was the major emphasis in the curriculum, although social studies, hygiene, arithmetic, and practical arts were also taught. Punishments were severe and corporal. However, the schools did their intended job, and the students who went through them are not as critical as one might expect. The Japanese aim was to cultivate the Palauans to serve their development purposes, and this they did very well.

As the Japanese firmly settled themselves in at Palau, and as the government officials took up residence there, Koror town became a thriving place. As Palauans progressed in school, they began to gain employment in the labor force, and by the time of the outbreak of the Pacific War, quite a few Palauans had jobs, although these were always marginal when compared to the structure of the entire labor force.

Palauans, in some cases had more than only menial, subservient jobs. They served as policemen, teachers' assistants, and assistants in various government offices and businesses.

What follows is a brief compendium of some of the testimonies taken in Palau of eye-witnesses who were employed variously by the Japanese prior to WWII.⁶ The oldest informant was Joseph Tellei who was born in 1901 and who first worked as a male nurse assistant in the Japanese hospital. In 1921, he was appointed a *junkei* (native policeman) and worked in this capacity throughout the 1930s. He assisted in making arrests and on numerous occasions was commended for his

work. He served also as an interpreter and helped to break several difficult cases. Tellei died in 1987.

Another was Meltel who was born in 1911 and came to Koror from Melekeok after finishing *Kogakko*. He was hired as a tea-boy by the *Palau Shicho* (Palau Branch of Nan-yo Cho) and in 1925 was appointed a *junkei*. Fritz Rubasch, also born in 1911 began working as a delivery boy for the *Nanyo Boeki Kaisha* (NBK) soon after he completed school in 1925. He later worked for the *Palau Shicho* at ten yen per month, assisting in the printing and delivering of government announcements. In 1931 he was appointed a *junkei* on the very positive recommendation of his supervisor at *Palau Shicho*. In 1932 he visited Japan, serving as an interpreter for the Palauan elders making the *kanko-dan* trip (cultural tour).

The position of *junkei* was one of the most prestigious, powerful, and highest position Palauans could aspire to during the Japanese period within the government structure. However, in any given year there were only three or four *junkei*.

Moreno Lekeok, who was born in 1913, began delivering telegrams in 1926 for five yen per month. He was promoted to telephone operator and in 1930 was transferred to the power plant which produced electricity for the *Nan-yo Cho* communication station, where he earned fifteen yen per month. In the late 1930s, Lekeok went to work for the *Nan-yo Dengki Company*.

Singledeb Basilius worked in the agriculture, forestry and animal husbandry office of the *Palau Shicho*, preparing and filing production records. He also assisted in the teaching of agricultural techniques to Palauans and newly-arrived immigrant farmers. Even though Singledeb is today the *Reklai* one of the two paramount chiefs of Palau, he works regularly in his extensive gardens at Melekeok.

Francisco Morei, born in 1922, and Yano Mariur, born in 1924, both began their employment as tea boys. Mariur moved on to work for *Nanyo Kohatsu Kaisha* (NKK) collecting, inspecting, and grading copra, and Morei was promoted in about 1935 to the company's Peleliu accounting

office because of his proficiency on the *sorobon* (abacus). In 1943, Morei was transferred to Koror to work as an assistant accountant for the *Nanyo Boeki Kaisha* when it merged with NKK. Later, in the American period, Morei went on to become a judge in the island courts. He died in 1986.

Elibosang Eungel, born in 1924, was hired by the *Palau Shicho* to do carpentry work as soon as he graduated from the *Mokko Totei Yoseijo* (Woodworkers' Apprentice School), but after three months he left the government to join a Japanese carpenter named Kobayashi, in private business.

Although there were some Palauans working in private businesses such as Elibosang, most worked for the governments in low level jobs. No one reported that Palauans owned and operated any private businesses themselves in Koror. However, Joseph Delemel operated a general merchandise store and market on Angaur. His customers were mainly the Micronesian phosphate miners there. According to Francisco Morei, Delemel had a contract for supplying food to the local miners. For this purpose, Delemel had taro and tapioca gardens in Airai, as well as piggeries, and operated his own large boat.

The above accounts are representative. The involvement of the Palauans in the labor force can be characterized as (1) marginal, (2) in menial, and low-level jobs for the most part, but (3) with greater responsibility in some cases. It is reasonable to suppose that, had the Japanese tenure in the islands been longer, that more and more Palauans would have occupied positions of greater stature and responsibility. The Palauans were capable of working and working very hard.

There were those who worked in the mines at Angaur and Ngardmau, but also those who worked as stevedores at the Koror docks in Malakal Harbor. There were always jobs available for those who wanted to work, pay was adequate for buying the necessities and supporting one's family. Many Palauans saved money.

Of course there were large numbers of workers imposed from the outside and these came from

Taiwan, Korea, and Okinawa. Many of these types worked in the fisheries. Not all of the enterprises are covered here. The main thing to reflect upon is the example which was set by the Japanese. It conveyed the message that hard work is the rule and it pays off. One does not progress unless he works and works hard. The eye-witnesses seemed to have gotten this message very well.

Today the Palauans are known as the most energetic and opportunistic of all the Micronesians of the former TTPI. This is not an empirically measured fact, but rather a reputation which is widely held, well known, and generalized. It is also something that the Palauans are proud of. One respondent put it this way: "It is because of the Japanese example that we are so enterprising and industrious."

The advent of the Pacific War began to change many Palauan views toward the Japanese. As the war went badly for the Japanese, they became more and more harsh and took to often beating the Palauans in order to force them into various labor duties contributing to the war effort. This kind of treatment soured many Palauans, but today, most of those who reflect upon it seem understanding of the reasons for it. They are not bitter. It is the younger Palauans who have not actually experienced the Japanese times, but who have heard the stories of the harshness and exploitation who are most critical of the Japanese.

The American times in Palau can be characterized as being wholly different than the Japanese times. Following the securing of the islands from the Japanese forces by the Marines in 1945, all Japanese nationals were rounded up and returned to Japan within one year. The economy of Palau collapsed completely.

Since there were no Palauan managers able to step in and take over the many business enterprises which existed, all of these foundered even though they were technically "turned over" to the Palauans by the American authorities. Small stores which might have continued operation by Palauans also closed because there were no supplies to replenish the stocks.

The United States Commercial Company (USCC) was charged with supplying the islands and their mandate did not include making profits. Thus, the initial models of commercial enterprise provided by the Americans were of a public welfare ilk. This continued for the most part through the period of U.S. Naval military administration, 1944-47, until the establishment of the Trusteeship with the United Nations in July 1947.

From that time until 1951, the Navy continued to administer under civil authority until the Department of Interior was given charge of the administration. There is no accurate way to estimate the budget for Palau during these times. Large amounts of surplus equipment and supplies were given away and not accounted for.

Budgets for the entire Trust Territory, including Palau, between 1951 and 1962 never exceeded \$7 million, and oftentimes portions of this amount was not spent and returned by the end of the fiscal year.

No commercial enterprises were started in Palau or elsewhere. The territory was too far away from the U.S. to interest American businessmen and investors, and then also the area was a Trusteeship which was understood would sometime become self-determining.

The main American interest during these times was strategic, not economic. Over three hundred thermo-nuclear devices were detonated in the Marshall Islands (none in Palau), and the Kwajalein Missile Testing Facility was also begun. At Saipan, the Central Intelligence Agency (CIA) established a school to train infiltrators who were reportedly sent to Communist China and also Indonesia.

Of the many Trust Territory ex-patriate administrators and teachers who served in Micronesia during these early times of the American administration, there were a few outstanding community development workers who promoted small business ventures in Palau, and encouraged individual initiatives. Their work was extremely frustrating because the administration, although supportive as far as lip-service was concerned,

never seriously put budgets behind these efforts.

For their part, Palauans became cynical. Some observers accused them of lethargy and complacency, and these observations were certainly not without foundation. Nor were they without some explanation logically. After the massive economic demonstrations by the Japanese—clearly within the memory of the Palau leadership—the American efforts seemed not only feeble, but deliberately regressive and counterproductive.

The administration of President Kennedy brought new policies to bear which were designed to encourage rapid development. However, these efforts were focused not on economic development and the establishment of infrastructure, but rather on education and social development in the hopes that Palauans and other Micronesians would undertake investment and economic development opportunities themselves.

After a dozen or so years of this kind of development policy, the American budgets began to fall, as a number of studies of the period suggested that the return for the social development investment was not paying off in ways that had been anticipated. It was then left to the slowly growing private sector to continue development.

As the political status talks progressed and the political status of “free association” was adopted, large amounts in block grants were designated for physical infrastructure; roads, harbors, and airfields. By the mid-1970s tourism, especially from Japan, had taken hold, and gradually more hotels were built; some by private entrepreneurs, others by outside investors.

Today Palau again bustles with considerable economic activity which is underwritten by the Japanese. Since the mid 1970s Japanese tourists have been arriving in the islands in larger and larger numbers, and many of these people have formed contacts which have led to the establishment of small businesses. There is no way to accurately measure the amount of current Japanese investment in Palau because of the many small businesses which are underwritten.

The large investments are easy to measure. The

Palau Pacific Resort, one of the Tokyu Land Corporation's investments was opened in 1984. It is a first class hotel which was constructed at a reported cost of \$15 million. Over fifty Palauans work at this facility.

The Palau Nikko Hotel also employes a number of Palauans and is Palau's second-finest after the Tokyu Resort. There is not a problem getting labor in Palau, although getting highly trained or specialized labor is still a reported problem. The point to be made here is that is easier to get relatively reliable labor in Palau than any other place in freely associated Micronesia.

The strictness, harshness, and selfishness of the Japanese colonial period seems to be paying-off in Palau in a curiously positive light. The Japanese effort at economic development in Palau was a good model. Never again will Palauans be exploited in the ways that the Japanese exploited them. The lessons learned were difficult one oftentimes, but they served well and have created now a kind of beginning mutual respect.

One informant, in reflecting on the differences between the Japanese of yesteryear and those who come to Palau today, said: "Before they stood straight; now they bow."

How are we to compare these two periods; Japanese and American? (1) the Japanese were exploitive; the Americans slowly developmental with regards to economic development. (2) The Japanese were harsh; the Americans soft. (3) The Japanese government subsidized economic development; the Americans did not—at least in the early years of their administration. (4) Under the Japanese Palauans could see a direct relationship between work and income; with the Americans, they could not.

The future development of Palau looks bright in the sense that Palauans understand better than most Micronesians that outside investment in the private sector is needed. They also understand the need for keeping control of the outside investment in order that exploitation will not occur again as it did in the past. However, while the strictures of enterprise and hard work are well-understood by

the older generation, they are not so well embodied by many of the younger people who have been raised in the American times when a welfare mentality was inadvertently, but really, instilled.

These inconsistencies and paradoxes contribute to making Palau today the most interesting and exciting place in all of Micronesia.

NOTES

1. Micronesian Area Research Center (MARC) University of Guam, *An Oral Historiography of the Japanese Administration in Palau*, Final Report, submitted to the Japan Foundation, October 1986. This report is available at MARC.
2. Admiral Raymond Spruance, USN, "Directive: Post-war Naval Policy", taken from: F.X. Hezel, and M.R. Berg, eds. *Winds of Change; A Book of Readings on Micronesian History*, Saipan, Education Department, ESEA Title IV-C, 1979, p.494.
3. Statistics of the Pacific Islands, Tokyo, *International Japan Association* 1940, p.813; Donald R. Shuster citing in *MARC Final Report*, op. cit.
4. Mark R. Peattie, *Tropic Sun: The Japanese in Micronesia, 1885-1945*, (forthcoming) University of Hawaii Press, Pacific Monograph series., pp. 71-133 in *mss.* treat the Japanese arrival in Micronesia.
5. Ramon H. Myers and Mark R. Peattie, eds., *The Japanese Colonial Empire, 1895-1945*, Princeton University Press, 1984, pp. 172-213, treat the background to the Japanese arrival in Micronesia.
6. Micronesian Area Research Center, *Oral Historiography of the Japanese Administration in Palau*, op. cit.

