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The evolution of political systems: The case of Micronesia. A study of the political alternatives available to the peoples of Micronesia and their choice of political status

Rieger, Gordon James, Ph.D.

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U·M·I
300 N. Zeeb Rd.
Ann Arbor, MI 48106

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THE EVOLUTION OF POLITICAL SYSTEMS:

THE CASE OF MICRONESIA

A Study of the Political Alternatives Available to the Peoples of Micronesia and Their Choice of Political Status

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GORDON J. RIEGER

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Requirements for the Degree,

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Has Been Approved.

Randy Hamilton, PhD
Dean, Graduate School of Public Administration
Golden Gate University
Dissertation Adviser

Otto Butz, PhD
President, Golden Gate University
Dissertation Reader

Raymond Pomerleau, PhD
Professor of Political Science
San Francisco State University
Dissertation Reader

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DISSERTATION ABSTRACT

On November 3, 1986, President Ronald Reagan issued a proclamation ending the United States' trusteeship over three of the four island groups of Micronesia, thus ending more than forty-one years of United States administration. The trusteeship of the fourth island grouping, the Republic of Palau, will end upon resolution of a conflict between its Constitution and the approved Compact of Free Association.

This dissertation is a case study of the evolution of the various political systems that developed during the more than twenty years of negotiations between the leaders of the island peoples and the United States. The focus is on the cultural, historical, and economic forces that influenced the nature of the political status finally adopted by the four island groups. Fundamental to this study is the thesis conclusion that forty years of exposure to the United States political, educational, and economic systems altered the cultural patterns of the islands' inhabitants and resulted in increased expectations which cannot be satisfied by indigenous resources.

The study concludes that, although the political leaders of the new nations view their relationship with the United States as a transitional period leading to complete

independence, a more realistic prospect is continuing economic and political independence beyond the terms of the agreement.

CHAPTER I

INTRODUCTION

The island groupings comprising Micronesia, located in the western Pacific Ocean between Hawaii and the Philippine Islands, were occupied by the United States as a result of a series of military victories and the eviction of Japanese forces in World War II. Maps showing Micronesia's location relative to the United States and Asia and locating the four constitutionally established political entities within Micronesia are shown in Figures 1 and 2.[1] After the war, in 1947, the Security Council of the United Nations approved the establishment of the islands as a strategic area trusteeship to be administered and controlled by the United States under the monitorship of the United Nations. The formal Trusteeship Agreement was unanimously approved by the Security Council on April 2, 1947, and became effective on July 18, 1947, when President Truman approved it on behalf of the United States government.[2]

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[1]See Maps, pp. 121-122.

[2]Department of the Navy, Office of the Chief of Naval Operations, Handbook on the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Navy, Office of the Chief of Naval Operations, 1948), 85.

Under the Trusteeship Agreement the United States was charged with the political, economic, social, and educational development of the territory. Specifically, the agreement stated that the United States would:

> . . . foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the people concerned; and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends.[3]

In carrying out this trust, the United States government, beginning in 1948, gradually increased the administrative and political participation of the inhabitants in their governance. Initially, this consisted of the formation of 118 municipalities throughout the territory, each established by a municipal charter providing for an elected legislative council and a magistrate who served in both an executive and judicial role.[4]

This was followed by a series of actions leading to the

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[3]United Nations, Security Council, Trusteeship Agreement for the Former Japanese Mandated Islands Approved at the One Hundred and Twenty-Fourth Meeting of the Security Council, 2 April 1947, Article 6. (See Appendix A for complete text.)

[4]Daniel T. Hughes and Sherwood G. Lingenfelter, Political Development in Micronesia (Columbus: Ohio State University Press, 1974), 19-22.

issuance of administrative directives providing for the election of six district legislatures and, finally, the establishment in 1961 of a territory-wide legislature, the Council of Micronesia. Members of the Council were appointed by each of the district legislatures (two from each of the six districts) and their initial function was to bring to the attention of the appointed United States High Commissioner topics of significant territory-wide interest.[5]

The first major step toward self-government and independence was the establishment by the Council of Micronesia (later renamed the Congress of Micronesia) in 1965 of a committee to investigate and recommend the future political status of the islands. Although the initial inclination of the leading Micronesian political figures favored an independent unified nation-state, the investigations of the committee brought to light ethnic and economic schisms that precluded unification and eventually led to the selection of different political statuses by the island groups.[6]

The first selection was made by the inhabitants of the Northern Mariana Islands who, following a period of increasing self-government, began separate political status negotia-

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[5]Norman Meller, The Congress of Micronesia: Development of the Legislative Process in the Trust Territory of the Pacific Islands (Honolulu: University of Hawaii Press, 1969), 181-187.

[6]Richard F. Kanost, "A Study in Acculturation and Political Development: The Micronesian Case" (Ph.D. diss., University of Oklahoma, 1980), 119-125.

tions in 1969 and voted in 1975 to enter into commonwealth status with the United States. This status was approved by the latter in March 1976 and the Northern Mariana Islands were administratively separated from the balance of Micronesia and began operating under a provisional government pending dissolution of the Trusteeship Agreement.[7]

This action by the Northern Marianas was followed in 1978 by the rejection of a proposed Constitution of the Federated States of Micronesia by the inhabitants of the Marshall Islands and Palau, two of the six remaining districts. The Marshall Islands adopted a separate constitution in 1978 and eventually became the Republic of the Marshall Islands. Palau adopted its constitution in 1980 and became the Republic of Palau.[8] These actions were recognized by the United States, and both governments were permitted increased self-government within their constitutional provisions pending termination of the Trusteeship Agreement.[9]

In 1983, following years of negotiation, the peoples of the Marshall Islands and the four remaining districts of

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[7]Robert C. Kiste, "Termination of the United States Trusteeship in Micronesia," Journal of Pacific History 21 (October 1986):132.

[8]Ibid., 138.

[9]Department of the Interior, Office of the Secretary of the Interior, Order No. 3039: Recognition of Governmental Entities Under Locally Ratified Constitutions ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 25 April 1979).

the Federated States of Micronesia (Kosrae, Yap, Truk, and Ponape) voted in United Nations-observed plebiscites and approved Compacts of Free Association with the United States. Palau approved a Compact of Free Association with the United States by majority vote in 1984 but its implementation is being delayed pending judicial action on a perceived conflict between the Compact and Palau's constitutional provisions. On January 14, 1986, the Congress of the United States passed legislation approving the Compacts of Free Association.[10] By Trusteeship Council Resolution No. 2183 the United Nations recognized the "free exercise of the right of self-determination" by the Micronesians and

> Considers that the Government of the United States as the Administering Authority, has satisfactorily discharged its obligations under the terms of the Trusteeship Agreement and that it is appropriate for that Agreement to be terminated with effect from the date referred to in paragraph 2 above [not later than September 30, 1986]; . . .[11]

On November 3, 1986, the President of the United States issued a proclamation declaring that the trusteeship was terminated for all of Micronesia except Palau, which trusteeship

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[10]Compact of Free Association Between the United States and the Government of Palau Act, U.S. Code, vol. 48, sec. 1681 (1986).

[11]Department of State, Office of United Nations Political Affairs, Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of State, Office of United Nations Political Affairs, 1986), 326.

would end after resolution of the constitutional challenge.[12]

The termination of the trusteeship established by the United Nations in 1947 granted sovereignty and self-government to peoples who had been under foreign domination since their discovery by Magellan in the sixteenth century.[13]

This grant of self-government and self-determination culminated some twenty-five years of effort on the part of the Micronesians to gain some semblance of independence from externally imposed influences and institutions, an effort that began in the early 1960s when returning Micronesian college graduates, educated abroad, began agitating for self-government.

The peoples of Micronesia, acting through their elected leaders, did not choose complete independence from the United States, which was their original intent, but rather voted to continue some form of association with their former steward.[14]

What are the factors that have influenced the inhab-

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[12]President, Proclamation, "Placing into Full Force and Effect the Covenant with the Commonwealth of the Northern Mariana Islands and the Compact of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands, Proclamation 5564." Federal Register (3 November 1986), vol. 51, no. 216, p. 4039. Microfiche.

[13]David Nevin, The American Touch in Micronesia (New York: W. W. Norton and Co., 1977), 23.

[14]Harold F. Nufer, Micronesia Under American Rule (Hicksville, N.Y.: Exposition Press, 1978), 66-71.

itants of Micronesia to abandon their stated desire for an independent and unified federation and substitute for it four separate political entities with varying degrees of permanent relationship with the United States? That is the central question to which this research has been directed. Seeking to answer that question has required an exhaustive examination of the interplay of historical, cultural, economic, social, and political forces, all of which have played a part in the final political choice.

The research work on which this study is based includes a detailed examination of government documents and other published works in the United States and fieldwork and interviews with leading Micronesian political, economic, and cultural leaders. Central to the research has been the objective of determining the factors and circumstances which led to the interviewees' choices of different political systems and these leaders' influence on their respective publics in reaching a consensus on political choice.

It is hoped that the findings and conclusions derived from the research fill a gap in the literature concerning the impact of newly introduced political, economic, and cultural institutions upon political choice and the evolution of political systems. The recentness of the political choices and the availability for interview of the important political leaders who influenced them presented a unique opportunity for first-hand research.

CHAPTER II

MICRONESIA DESCRIBED

To gain a better understanding of the setting in which the choices regarding post-trusteeship political status were made, this chapter provides a detailed description of Micronesia, including its geography, demography, cultures, languages, economics, politics, and religions.[1] These factors, coupled with Micronesia's historical background and the foreign influences it has experienced, as described in Chapter 3, form the bases for the conclusions reached in answering the central question: what influenced the political choices?

Geography

Physical environment does not necessarily shape a people's culture but it does provide parameters beyond which it is not easy to go. To better understand the story of Micronesia, it is therefore necessary to know something of its geographic setting. To a significant degree, the physical environment of the islands has shaped the culture and

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[1]Material in this chapter is derived mainly from Department of the Navy, Office of the Chief of Naval Operations, Handbook on the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Navy, Office of the Chief of Naval Operations, 1948).

traditions of its inhabitants.[2]

Micronesia is the name given to three groups of islands scattered over the western Pacific Ocean north of the equator, extending some three thousand miles westward from a point approximately twenty-three hundred miles southwest of Hawaii. The island groups are the Marshalls, Carolines, and Northern Marianas. A fourth island group, the Gilbert Islands, is part of Greater Micronesia but not part of the Trust Territory of the Pacific Islands and therefore not included in this study. The island of Guam, nominally part of the Northern Marianas chain, has been a territory of the United States since 1898 and is also not included, except peripherally when it relates to certain cultural and historical matters. Thus, the study addresses a total of ninety-six distinct island units, comprising more than two thousand islands or islets, of which sixty-four are inhabited, the rest being too small or lacking in resources to support even marginal human life.

Although occupying an ocean area roughly the equivalent of the continental United States, the land area of the islands comprising Micronesia is about 685 square miles (approximately one-half the land area of Rhode Island) with a

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[2]Douglas L. Oliver, The Pacific Islands (Honolulu: University of Hawaii Press, 1961), 3-4.

1986 estimated population of only 164,000.[3] The islands are of two types: high islands created by volcanic upthrusts and low islands built up over time by coral accretions of skeletons of marine plants and animals.[4]

The high islands vary in height from several hundred feet to three thousand feet above sea level while the low islands usually consist of atolls of coral covered with a thin layer of soil enclosing excellent harbors and placid lagoons. Their configuration significantly affects their economy, a point further developed later in this chapter. Seldom does the height of the low islands exceed thirty feet, and they are characterized by coconut palm and breadfruit trees. The high islands usually have mangrove swamps on the tidal flats, are jungle covered, and have mixed forest growths on the higher elevations.

Because of their dispersal over vast areas of ocean, the islands are isolated from one another and their social and cultural institutions developed independently. Paradoxically, even though the sea separates the islands, it also serves as a unifying force because it is the common means for transport, trade, and social communication for the peoples of

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[3]Carolyn B. Patterson, "At the Birth of Nations," National Geographic, October 1986, 466.

[4]Nevin, 22.

Micronesia.[5]

The climate of Micronesia is tropical maritime, and is characterized by remarkably small seasonal changes in temperature. The annual mean temperatures for selected islands are shown in Table 1.

TABLE 1

MEAN TEMPERATURES (F.)

	Saipan	Palau	Yap	Truk	Ponape	Marshalls
January	76	80	80	81	80	81
February	76	80	80	81	80	81
March	76	81	81	80	82	81
April	78	82	82	81	80	81
May	78	82	82	81	80	80
June	79	81	82	81	79	81
July	79	80	82	80	79	80
August	79	80	82	81	78	81
September	79	81	82	81	78	81
October	79	81	82	81	79	82
November	79	81	82	81	79	81
December	77	80	81	81	80	81

SOURCE: Department of the Navy, Office of the Chief of Naval Operations, Handbook on the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Navy, Office of the Chief of Naval Operations, 1948), 11.

The rainfall varies greatly, from 180 inches in the southern islands closer to the equator to 70 to 80 inches in the northern islands. It is generally heaviest over most of the Caroline Islands and the southern Marshall Islands. Most of the areas within Micronesia are marked by clearly defined

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[5]Kenneth Brower, Micronesia: The Land, the People, and the Sea (Baton Rouge: Louisiana State University Press, 1981), 4.

wet and dry seasons. The western areas of Micronesia, particularly the southern Marianas and Yap and Truk of the Caroline Islands, are subject to recurrent typhoons during the summer months; the Marianas are generally struck at least once a year by severe storms while Yap and Truk experience them more frequently.[6] Rainfall for the area is shown in Table 2.

TABLE 2

MEAN PRECIPITATION (INCHES)

	Saipan	Palau	Yap	Truk	Ponape	Marshalls
January	2.7	15.3	6.5	5.7	13.2	10.2
February	3.5	9.4	5.9	8.1	10.0	8.5
March	3.8	6.8	5.0	7.3	10.6	14.2
April	2.8	7.6	5.1	11.4	18.6	15.8
May	3.7	15.5	10.0	12.1	20.2	16.6
June	5.1	12.4	9.9	11.4	16.9	15.3
July	10.0	19.9	16.9	13.5	16.6	15.4
August	13.1	14.0	16.4	12.3	13.4	12.0
September	13.3	15.7	12.5	12.7	14.8	13.1
October	11.4	14.8	11.8	9.9	16.5	12.2
November	7.4	11.8	10.0	11.2	14.7	11.9
December	5.4	12.7	9.1	11.9	19.9	13.6

SOURCE: Navy, Handbook, 12.

The Marshall Islands, closest to the west coast of the United States, consist of two roughly parallel chains of atolls about 130 miles apart running generally northwest to southeast. They cover an ocean area that is approximately seven hundred miles east to west and six hundred miles north

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[6]Robert Wenkam and Byron Baker, Micronesia: The Breadfruit Revolution (Honolulu: University of Hawaii Press, 1971), 10-11.

to south. Thirty-four island groups with a total population approximating thirty-nine thousand occupy this vast ocean area. Over half the population lives in the two urban centers of Majuro, the nation's capital, and Ebeye, a small island on Kwajalein atoll, supporting the U.S. missile testing area. All the islands within this group are of low coral limestone and sand formation, none more than a few feet above sea level, and have a total dry land area of seventy square miles. Kwajalein, an atoll eighty miles long, is the largest and best known of the atolls in the Marshalls, although Rongelap, Eniwetok, and Bikini have gained worldwide recognition as a result of the nuclear tests conducted there.

To the northwest of the Marshalls lie the Northern Mariana Islands, consisting of fifteen island units, including Guam, the largest of the group. Excluding Guam, the total dry land area encompasses 154 square miles, supporting a population of approximately twenty-one thousand. While all of these islands are of volcanic origin, there are significant differences between those in the north and those in the south. The northern islands are of extreme height (some three thousand feet, highest in the entire territory) and are dry and barren. The southern islands are lower in height (up to fifteen hundred feet) and are well watered with a good growth of vegetation.

Directly to the south of the Marianas lie the Caroline Islands, divided into east and west groups. Because of their

extreme dispersal over large ocean areas, these were further divided by the United States administration into four districts or subgroups of islands, named for the main island in each group: Palau, Yap, Truk, and Ponape. Each subgroup consists of a combination of high volcanic and low coral islands. While the total dry land area of the Carolines totals approximately 500 square miles, 435 square miles of this total are concentrated in the major four islands mentioned above and the island of Kusaie, all five of which are volcanic. The Caroline Islands cover by far the largest ocean area within Micronesia, stretching almost 2,000 miles east to west and 550 miles north to south.

Palau, with a dry land area of 180 square miles and a population of about fourteen thousand, elected to become politically separate from the remainder of the Carolines for reasons which will be discussed in Chapter 5.

Demographics

Although the inhabitants are broadly classified as Micronesians, this common name should not be construed to connote any ethnic unity. The people are divided into a number of regional and local groupings with different physical characteristics, languages, and customs. While the inhabitants of the Marshalls and the Marianas are culturally and linguistically homogeneous, the inhabitants of the Caroline Islands exhibit seven distinct cultures and lan-

guages. A Yale University study commissioned by the United States Navy concluded:

> The full-blood Micronesian islanders in the territory show physical characteristics that vary a great deal in individuals and to some extent regionally. Together with other Pacific peoples they have complicated breed lines in which are interwoven genetic elements associated in the adjacent south and east Asian countries with Mongoloid and Caucasoid racial types, and to a smaller extent, with Negretoid and Australoid types.[7]

Other authoritative publications support the conclusions of this study. The Chambers Encyclopedia states:

> The Micronesians are thought to be proto-Malay with some Negroid blood; in the west they resemble the Indonesians of the Philippines and, in the east, the Polynesians.[8]

Similarly, the Encyclopaedia Britannica concludes that:

> The inhabitants are racially Indonesian-Mongoloid with some Pygmy-Negroid admixture from New Guinea.[9]

Although authorities differ somewhat on the origins of the Micronesians, there is general agreement that the islands were settled by canoe-voyaging people from Southeast Asia and the islands of Malaysia comprising the Philippine-Celebes-Moluccas chains. There are evidences of Mongoloid, Negroid, and Caucasoid mixtures and the dominant strain is clearly

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[7]Navy, Handbook, 38.

[8]Chambers Encyclopedia, New Revised Edition, s.v. "Micronesia."

[9]Encyclopaedia Britannica, Micropaedia, s.v. "Micronesia."

Indonesian-Mongoloid.[10] Physically, Micronesians are characterized by medium stature, brown skin, black hair, relatively little bodily hair, and high cheekbones.

The inhabitants of the Marshall Islands are culturally and linguistically homogeneous and appear to be more Caucasoid than any other of the Micronesians. This appears to be the result of exposure to, and intermarriage with, successive immigrations of Germans, Americans, Portuguese, and British over the past one hundred years.

The other homogeneous ethnic group in Micronesia consists of the inhabitants of the Mariana Islands, the descendants of the Chamorros. The inhabitants, probably of Polynesian origin, through intermarriage with Spanish settlers over three centuries have lost most of their original physical characteristics and now closely resemble the inhabitants of the Manila region of the Philippine Islands.

The remainder of the inhabitants all share broad characteristics of the basic Micronesian stock diluted by the racial tendencies of the foreign elements that settled in Micronesia.

Culture

Culture is defined as the "concepts, habits, skills, art, instruments, institutions, etc. of a given people in a

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[10]Kanost, 55-57.

given period; civilization."[11] For the purposes of this paper this broad definition covering every aspect of a people's environment will be restricted to the patterns of behavior and the institutionalized interactions of the island inhabitants based on their shared values and expectations. Specifically, the paper focuses on their social systems, authority relationships, technology, belief systems, and the influence of the physical environment on the evolution of the Micronesian culture.

Although social and cultural diversity exists among the regions of Micronesia, in general the society is based on the significance of one's lineage. Members of a line trace their descent from a common ancestress since the line of descent in Micronesia is matrilineal, passing through the mother's line. Status and property do not pass through the eldest son but to the son of the eldest daughter. Though the head of the family or clan is always a male, the eldest daughter occupies a special position because of her role in establishing and continuing the line of descent.[12]

Significant variations from the traditional matrilineal society are found in the Federated States of Micronesia in the states of Truk and Kosrae and the islands of Nukuoro and Kapingamarangi in the state of Ponape where the society is

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[11]Webster's Dictionary of the English Language, unabridged, 1977 encyc. ed., s.v. "Culture."

[12]Kanost, 81-86.

based on patrilineal descent.[13]

The family is the basic societal group in Micronesia and its upward extensions are the lineage and the clan, the largest kin group. The ranking of families, lines, and clans within a community or island is generally determined by the order in which the community was established or the island settled, the highest ranking being given the earliest arrivals.[14]

Family status is important in Micronesian society because the technology is such that there is little opportunity for a differentiated status that is achievement based. Status is highly protected because it is the determinant of authority within the community.

The next largest social group in Micronesia is the lineage, and it is the most important unit because it controls the land belonging to it. Land, and particularly arable land, is a valuable commodity because of its scarcity. Members of a lineage function as a commune, sharing the land and dividing its output among the communal members, all belonging to the same line.

The clan is the largest kin group and it is usually widely dispersed within the society. It is not highly organized but its members exhibit strong relationships and

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[13]Department of State, Trust Territory, 1985, 128-129.

[14]Ibid., 128.

mutual support. These primary loyalties toward clan members have become significant in the political arena.[15]

The authority structure in Micronesia is typical of that described by Max Weber as being predominant in primitive societies, namely, "traditional." Authority is vested in the heads of families, lineages, and clans based on time, precedent, and tradition. The leaders exercise their authority according to prescribed rules of behavior based on historically accepted ways of the society and represent a continuity with core values.[16]

Authority in Micronesian society is exercised by the village or district chief, who is usually the head of the highest ranked line or clan within the area. Although this traditional authority structure would seem to be autocratic and the Micronesians exhibit great deference in their behavior toward their leaders, the characteristics of the physical environment have made for a cooperative society, and the leaders are required to maintain group harmony. Thus, major decisions are generally made by consensus reached through consultation among the heads of all the families in the village or district sitting in council. Valued leadership qualities are patience, decorum, courtesy, and impar-

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[15]Kanost, 77-79.

[16]Richard Stillman, ed., Public Administration: Concepts and Cases (Boston: Houghton Mifflin Co., 1983), 45-48.

tiality.[17]

The traditional authority structure described above is found in the more remote and isolated communes and islands. The strength and persistence of tradition varies with the degree of exposure to foreign influences, economic development, and education. In the administrative centers where foreign influence has been significant and there are relatively large numbers of university-educated Micronesians, the evolution from traditional to legal-rational authority described by Weber is taking place.

Language

There is a great diversity of languages in Micronesia and no one language is common throughout the area. The most common languages now are English and Japanese. The local languages are all historically related to the languages used by the inhabitants of most other island groups of the Pacific area known as Malayo-Polynesian, a major subcategory of the Austronesian classification. There are more than ten mutually unintelligible languages spoken in different regions of Micronesia, most of these subdivided into distinctive local dialects. Chamorro and Palauan, spoken respectively on the Marianas and Palau, are of the Indonesian type and closely resemble the language of the Philippines. The seven distinct languages of the Caroline Islands are closely related to

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[17]Kanost, 88-92.

those spoken in the central and eastern Melanesian Islands. There are two distinct languages in the Marshall Islands, one spoken in the western chain and the other in the eastern. Such language diversity operates as an impediment to complete internal and external sovereignty, the goal sought by the early political leaders of the Future Political Status Commission.

Economics

Historically the economy of the Micronesian Islands has been one of subsistence. The natural resources of the islands and the physical conditions that are the basis for production are marginal. This dissertation will examine the productive potential of the islands for agriculture, livestock, fishing, mining, and other commercial enterprises.

Agriculture has been the traditional way of life for the peoples of the Mariana Islands. The islands are inherently poor in natural resources and certain aspects of the climate limit any large-scale agricultural production. Arable land is scarce, and most soil is of low fertility, thin, poorly drained, and subject to erosion. The size of the plots limits large-scale farming such as is practiced in the United States. For the most part, farming takes place in family or lineage gardens devoted to root and fruit crops. Principal crops from these family farms are taro, corn, sweet potatoes, and breadfruit. Also important is the production

of bananas, mangoes, coffee, and cacao. There is little commercial potential for agriculture as most of the production is devoted to local consumption. Agriculture in the remainder of Micronesia follows a general pattern in which tree crops and root crops are the mainstay.

All the islands have extensive groves of coconut palms and breadfruit trees, the former producing both food and the cash crop, copra, while the latter is an important source of food. Fruit trees common to all islands are banana, papaya, mango, and citrus. Taro, sweet potato, and tapioca are the principal root crops, with the cultivation of taro restricted to the wet-weather islands of the south.

Although the inhabitants of the islands, with the exception of those in some low islands, produce food in sufficient quantity for their own sustenance, there is insufficient production for export beyond the islands. The major, and perhaps only, potential for commercial agriculture is the production of copra (dried coconut meat). In modern times the inhabitants have exported considerable amounts of copra for worldwide trade. The development of this export commodity was fostered during the German administration of the islands and constituted about 90 percent of total export value. Sugar cane, introduced during the Japanese administration, has some export potential but its production is limited to the Marianas.

The inhabitants of Micronesia, in common with the in-

habitants of most of the Pacific Ocean islands, favor the consumption of pork and poultry, and the maintenance of hog and chicken livestock has been of primary importance for the availability of fresh meat. The Spanish introduced cattle, pigs, goats, and chickens to the Marianas. With the exception of cattle, these strains spread and prospered in all of Micronesia. Pigs especially have fitted well into the local economies since they can subsist on fresh coconut meat.

Larger animals, such as cattle, horses, and water buffalo, have been generally restricted to the larger islands where there is some possibility of ranching. The cattle have been bred for their production of both meat and dairy products. Horses and water buffalo have been used mainly as draft animals rather than for food although water buffalo meat has been used as a substitute for beef.

Poultry meat has been a favorite of the islanders since the introduction of chickens. The breeding of chickens is universal throughout the islands and no inhabited island is without them. Eggs are eaten when available but most of the egg production is reserved for maintenance of the flocks.

As with agriculture, livestock is primarily for the purpose of subsistence for the inhabitants. In this case, however, there is no potential for development for export purposes.

Fishing has always played a significant role in the lives of the inhabitants. Next to agricultural products,

fish is the major portion of the diet. The ocean environment provides the breeding grounds for all types of sea life and the marine resources provide not only food but also materials used in daily living. Fish taken in quantity include tuna, bass, snapper, flounder, reef fish, crabs, crayfish, and various shellfish. The ocean also provides large sea turtles and their eggs and land crabs.[18]

The potential exists for economic development of marine resources. A commercial tuna quick-freeze plant has already been established in the islands for export purposes and expansion is a distinct possibility. Japanese investors are exploring the economic feasibility of constructing two large-capacity freezing plants. This operation provides employment for fishermen and shore workers and also a source of capital.[19]

Additionally, the rich marine life available within Micronesian territorial waters affords the potential for revenue to be gained through negotiation of foreign fishing agreements. Palau recently concluded an expanded fishing rights agreement with Japan which will result in an annual cash income exceeding $500,000.[20] The Federated States of Micronesia are also negotiating fishing rights agreements

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[18]Wenkam and Baker, 98-99.

[19]Ibid., 116-117.

[20]Department of State, Trust Territory, 1986, 59-60.

with the governments of Japan, Korea, and Mexico, and with United States firms.

Although deposits of phosphate, bauxite, and manganese have been located on the islands, there is little potential for their mining and economic development. The phosphate can be used locally as fertilizer to enrich the inherently poor soil but the cost of shipping all three commodities outside the islands precludes any large-scale exploitation.

Local entrepreneurs have established a number of enterprises that cater to local needs but thus far few opportunities have developed for external market appeal. There does not seem to be much potential for economic development beyond that necessary for the local economy. The islands are for the most part thinly populated with few natural resources. They are scattered over thousands of square miles of ocean, which causes communication and transportation problems. The labor force is limited and relatively unproductive. Because of these factors there is little incentive for external sources to invest development capital. One possibility for development is the growing tourist industry. Although capital for this development is available, the residents of Micronesia seek to limit external influence and impacts on their culture and this investment would be resisted.[21]

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[21]Kanost, 135-144.

Since 1962, when the Kennedy administration sought and obtained significant increases in congressional appropriations for Micronesia, the economy has gradually moved from a subsistence to a money economy. More and more Micronesians entered government employment, which has had a profound effect on the economy. The difference between the incomes of government workers and private-sector workers is substantial, which creates a disincentive for expansion of the private sector. Those finishing their education would rather wait for the higher-paying government jobs than enter the private sector with its lower wages. The government has fostered this trend by expanding to provide jobs for these school graduates. With the increase in government employment came a concomitant increase in economic dependence on the United States. Any lessening of funding support from the United States would wreak havoc in the Micronesian economy since about two-thirds of those employed are government employees who provide the money to support the extended Micronesian family.[22]

Funding for the Trust Territory is derived from three principal sources: the annual grant provided from funds appropriated to the Secretary of the Interior of the United States (DOI grant), other U.S. agencies' categorical grants, and internally generated funds (tax revenues, licensing

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[22]Wenkam and Baker, 115-165.

revenues, other reimbursements). Verifiable statistics in standard format are difficult to obtain but the Micronesian financial dependence on the United States is illustrated in Table 3. A standard statistical format was adopted in 1984 and used for the following three years. No consolidated reports have been submitted since the trusteeship was declared terminated in 1986.

TABLE 3

SOURCES OF FUNDING
(Thousands of Dollars)

Year	Total Funding	DOI	Other U.S.	Internal
1980	179,300	125,800	29,700	23,800
1981	n/a	93,453	n/a	n/a
1982	n/a	n/a	n/a	n/a
1983	n/a	95,800	33,300	n/a
1984	203,574	114,109	34,893	39,691*
1985	168,496	92,019	36,071	32,295
1986	161,499	88,455	44,191	28,853

SOURCE: Department of State, Office of United Nations Political Affairs, Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S Department of State, Office of United Nations Political Affairs, Annual Reports for Fiscal Years 1980 through 1986).

NOTE: Figures are not available for years as noted.

*Estimated.

It should be noted at this point that the islands' economies remain heavily dependent on government salaries almost totally subsidized by United States-appropriated grants. Very little has been done to implement plans to reduce the size and cost of government because of fears of the social upheaval that would accompany any such reduction.

With the implementation of the Compacts, the level of United States financial assistance has reached a plateau and is scheduled to be progressively reduced at five-year intervals over the duration of the agreement.

Meanwhile the population of Micronesia has increased from an estimated 51,000 in 1948 to the 1986 estimate of 164,000, thereby adding to the problem of economic self-sufficiency. Family planning concepts, introduced to Micronesia by Secretary of the Interior direction, have not succeeded due to cultural preferences for large families and religious opposition.[23]

It has been suggested that, since very few of the high school and college graduates demonstrate any preference for their former life in a rural, subsistence environment, emigration of the educated will be necessary to maintain social and political stability. The 1963 Report by the U.S. Government Survey Mission to the Trust Territory of the Pacific Islands (Solomon Report) predicted that "certain inflexible economic limitations of the area and the increasing population pressure must eventually compel substantial emigration of Micronesians."[24] This view was reinforced in 1986 by Hezel and Levin, who stated:

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[23]Department of State, Trust Territory, 1986, 157.

[24]Anthony M. Solomon, Chairman, U.S. Survey Mission, Report by the U.S. Government Survey Mission to the Trust Territory of the Pacific Islands (Washington, D.C.: The White House, 9 October 1963), S-26.

> Emigration to the United States is seen as a necessary provision to permit runoff of excess population and as a safety valve in the event that plans to develop the island economically fail.[25]

Politics

Politics, for the purposes of this study, is defined as the conduct of, or participation in, the functions of government. It encompasses politically relevant attitudes, beliefs, values, and behavior, and is an outgrowth of culture and the kind of orientation the members of a society have toward the political system. The two major factors contributing to the political culture of the Micronesians are its geographical fragmentation and its cultural tradition.

One of the major characteristics of Micronesian political life is a marked localism. Although major segments of the inhabitants share the same language, history, and ethnicity this does not imply any political unity. Fierce rivalry between villages and clans has always existed. Additionally, each ethnic group has tended to regard itself as of superior caliber and to look down on its neighbors, establishing a sense of exclusiveness as well as localism. This localism was somewhat attenuated by the administration of the islands by outside governments but the traditional local territorial and family groups remain the basis of

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[25]Francis Hezel and Michael Levin, Micronesian Emigration: The Brain Drain in Palau, Marshalls, and the Federated States (Honolulu: University of Hawaii Press, 1986), 1-2.

effective political life, as was demonstrated when the United States tried to regularize local government in its early years of trusteeship. Only among the younger, more educated persons has the sharp ethnic distinction tended to break down.

Politically, Micronesia is highly fragmented; the political subdivisions are characteristically small and may consist of a single village, small island, or a district covering two or more islands or part of a large island. The base of the political structure is characteristically a large household or group of households based on family relationships, which is likely to be linked into somewhat larger territorial communities, again based on the extended family. Traditionally, political authority was vested in the village headman or chief or the head of the family or clan. Political factions were based on ethnic rivalry and economic and regional competition. Primary loyalty was to communities based on kinship and land ownership. The political culture was not oriented toward outside leadership or total unity.[26]

Before it assumed trusteeship of the islands the United States used the local political institutions and left authority with the chiefs and other leaders. Subsequently, it attempted to change this political fragmentation in 1947 when it directed the formation of municipalities throughout the

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[26]Kanost, 81-92.

islands. These new political entities were headed by a magistrate or municipal council, which were to be popularly elected. Although this signaled a step toward political integration, it did not change the traditional means of selecting leadership. For the most part the magistrates were the hereditary leaders and the councils were made up of the elders of the families and clans. The process of popular elections merely complied with administrative direction and did little to change the traditional authority structure. This action on the part of the Micronesians reinforces Riggs' contention that "political behavior in transitional societies tends to be modern in form but traditional in substance."[27]

The Micronesian cultures emphasize deference for authority, obligation of the individual to the group, obedience, and the avoidance of conflict. These attributes make it difficult for Micronesians to engage in participant political activity as it is practiced in the developed Western nations.

Traditionally, there was no great specialization in leadership functions so the same person exercised the leadership role in economic, social, and even religious matters. These leaders reached their positions by virtue of seniority of descent, hereditary clan precedence, and similar criteria.

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[27] Fred Riggs, Administration in Developing Countries: The Theory of Prismatic Society (Boston: Houghton Mifflin Co., 1964), 267.

With the advent of the money economy, a new class of political leaders has emerged. The educated money-earners, by virtue of providing support for their families, replaced the traditional leaders and moved into positions of authority in government. They became the core of a new political elite whose status depended on ability rather than tradition. This elite now dominates the politics of the various districts and is most responsible for shaping future policies and future development.[28]

Traditional leadership is still very much a part of the life of the peoples of Micronesia, particularly in areas removed from the administrative centers. The concerns for the preservation of the traditions and cultures in face of the exposure to twentieth-century democratic practices have resulted in codifying the roles of the traditional leaders in the newly enacted constitutions of Micronesia. The constitution of the Republic of the Marshall Islands establishes a Council of Iroij (high chiefs) while that of the Republic of Palau establishes a Council of Chiefs, composed of the traditional chief of each of its states. The constitution of the Federated States of Micronesia permits the establishment of such a council if so desired by its Congress.[29]

Currently, three groups within Micronesian society are

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[28]Wenkham and Baker, 164-165.

[29]Department of State, Trust Territory, 1980, 14.

the most important elements in the political scene. These are the westernized leadership described above, the restless, aspiring younger generation, and those groups with ties to both the commercial and administrative centers and the rural areas.[30]

The basic political orientation of the majority of the Micronesian population is that described by Almond and Verba as parochial. This orientation is characterized by a comparative absence of expectations that the political system will initiate change; i.e., the members expect little or nothing from the system.[31] Thus, politically, Micronesia exhibits many of the characteristics common to many other countries freed from colonial dependency upon outside powers: parochialism, ethnic diversity, traditional culture, geographic dispersion, and limited resources.

The overriding issue in Micronesian politics as the United States began to encourage political participation and a semblance of self-rule has been the quest for what would be the most desirable form of future political status. The new political elite, now a recognized power in the newly established Congress of Micronesia, began to exert its influence by criticizing the United States' administration of

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[30]Carl Heine, Micronesia at the Crossroads (Honolulu: University of Hawaii Press, 1974), 30-39.

[31]Gabriel A. Almond and Sidney Verba, The Civic Culture, Political Attitudes and Democracy in Five Nations (Princeton: Princeton University Press, 1963), 39-41.

the islands and seeking resolution of the question of Micronesia's political future. The evolution of this political development is discussed in a later chapter.

It should be noted that there is little discussion of political issues in Micronesia except in those locales where large numbers of the population have access to and can read newspapers. These areas are generally the sites where outside powers established administrative centers and to which the educated population migrated after finishing school. In spite of this, the voter turnout for elections has been high, generally greater than 70 percent of those eligible. This can be attributed to two factors: one, voting is an act of loyalty, an expression of family or clan solidarity, and, two, the laxity in voting procedures. The lack of modern transportation and communication permits extended voting opportunities before the votes are tallied. The desire to do what is expected and culturally inherent impels every native leader and inhabitant to get out the vote, regardless of outsider-imposed time and site limitations.

Religion

Prior to the arrival of the Spanish, the first outsiders to discover the islands, the inhabitants followed religions based on the helpful and harmful spirit forces associated with natural phenomena, a practice common to so-called pagan groups.

These religions stressed the forces connected with the sea, sky, storms, ancestor worship, and natural physical experiences such as birth, puberty, and illness. These led to the development of the myths, taboos, and rites common to most primitive societies.

Christianity has supplanted the earliest indigenous religious beliefs. Superstition, however, is still prevalent and a devout Christian may still cling firmly to beliefs in ghosts and good and evil spirits.[32]

Christian missionaries arrived in the islands shortly after their discovery by the Spanish, Portuguese, and British. First to be Christianized were the Chamorros of the Marianas, followed soon after by the inhabitants of the other islands. Today, the vast majority of the islanders are Christian; the only large groups still unconverted to Christianity are on Yap, west Truk, and Palau.[33]

The Christians are about evenly divided between Catholic and Protestant faiths, with the Catholics concentrated on the Marianas and western Caroline Islands and the Protestants on the Marshall Islands, eastern Carolines, and Ponape.[34]

The first missionaries to arrive were the Spanish Catholics in about 1596. They concentrated their efforts ini-

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[32]Department of State, Trust Territory, 1986, 151.

[33]Ibid., 197.

[34]Heine, 35-39.

tially in the Marianas and then spread out to Yap and Palau. They were replaced in these areas by German Catholic missionaries following the German entry into the region in the late nineteenth century. The German missionaries also moved into the Marshalls and Truk, but with little success.

In 1852 American Protestant missionaries, extending their activities from Hawaii, entered the Marshalls, Kosrae, and Ponape, later expanding their reach to the Truk area. After continuing conflicts with the Spanish and the succeeding German authorities, they withdrew from these areas and concentrated their efforts on the eastern Carolines and the Marshalls.[35]

After the conclusion of World War I, the Japanese authorities removed the German missionaries of all faiths from the islands and replaced them with a Japanese Protestant mission. The Spanish were permitted by the Japanese to take over the Catholic mission work. Although it closely regulated their activities, the Japanese administration permitted the missions to operate throughout the islands and even provided subsidies for their operations.

Though converted to Christianity, the inhabitants retain within their new religions a considerable amount of their pagan beliefs and customs. There has been an accommodation between the old and the new with subtle reinterpre-

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[35]Ibid., 197-199.

tations of both to make them consistent with twentieth-century life and expectations. Religion seems to be another contributing factor to the lack of unity among the Micronesians since differing religions are concentrated in distinct geographic areas.

CHAPTER III

HISTORICAL BACKGROUND

Micronesia has been a part of colonial empires for more than 450 years. The Portuguese and Spanish explorers of the fifteenth and sixteenth centuries were the first to penetrate the Pacific Ocean area and to reach the islands of Micronesia. Although the first Europeans to reach it were the Portuguese, Micronesia, specifically the Mariana Islands, was visited repeatedly by the Spaniards beginning with Magellan in 1520 and continuing until 1668, when Spain took steps to subdue the islands and bring them under its administration. During these continuing visits to the Marianas, various Spanish explorers branched out and discovered other island chains of Micronesia, primarily the Marshalls and the western Carolines.

The Mariana Islands became an important refueling and replenishment stop for the Spaniards on their trade route between Mexico and the Philippines. Primarily for this reason, Spain sought administrative control by establishing a small garrison on Guam in 1668. From this garrison, the Spaniards set out to colonize the remainder of the Mariana Islands. A small group of Jesuit Catholic missionaries

accompanied the Spanish soldiers to Guam and they set out in the years that followed to explore, and to extend Spanish influence over the rest of the islands. These early arrivals marked the first systematic attempt on the part of foreign elements to colonize and control the inhabitants.[1]

The Spaniards were primarily missionaries and not traders. They attempted little if any economic development in the islands during their rule from 1668 to 1898.[2]

Spain established military garrisons only on Guam and Saipan while the missionaries established their missions throughout the islands. Although the inhabitants initially welcomed the Spaniards, they soon began to resist the introduction of outside influences, particularly the growing power of the priests, on their native cultures. This opposition soon turned to physical attacks on the missionaries and their native converts.

The military garrisons attempted to assist and protect the missionaries by applying Spanish justice to captured offenders. This touched off open disorders by the inhabitants. Warfare between the inhabitants and the Spaniards continued for about twenty years before the Mariana islanders were subdued and accepted Spanish sovereignty and control. In the Marianas alone it is estimated that, as a result of vicious

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[1]Navy, Handbook, 21-30.

[2]Nufer, 4-6.

clashes between the inhabitants and the Spaniards, the native population was nearly obliterated.[3]

Spanish colonial policy focused on two objectives: pacification and conversion to Christianity of the inhabitants, and the establishment of a minimal government to support the use of the Mariana Islands as ports of call for Spanish trading vessels. To achieve those ends, the Spaniards introduced a system of indirect rule. Initially, political authority was vested in the head missionary, with the hereditary native chiefs retaining their traditional roles in the villages. Later, political authority was shared between the head missionary and a civil governor, but this arrangement proved unsatisfactory and was replaced in 1681 by a structure in which a governor appointed by the Spanish Crown exercised both civil and military authority. At this time an oath of allegiance to Spain was forced on the inhabitants, making them subjects of Spain. By this measure Spain sought to emphasize sovereignty over the islands and thereby discourage dominion by other European nations now actively engaged in exploring the Pacific Ocean.

Until 1898 there was no attempt by other Western nations to wrest control of the Marianas from Spain. British explorers paid many visits to Micronesia, particularly to the Carolines and the Marshalls, during the late seventeenth

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[3]Nevin, 60-61.

century and throughout the eighteenth but made little attempt to colonize and were content to use them as the Spanish did, as provisioning stations for their trading ships. The lack of worthwhile resources on the islands further discouraged any attempts at colonization by the British. Spain, however, claimed sovereignty over the Carolines in 1885 and established administrative centers in both the eastern and western groups of these islands. Its control over these islands was minimal, though, because it was reluctant to commit resources, being content to "show the flag" in support of sovereignty.

The Germans were also active in exploring the Pacific and in the early 1870s established a trading post at Jaluit in the Marshalls. This was quickly followed by other colonization and the establishment in 1885 of a protectorate over the whole of the Marshall Islands. With the conclusion of the Spanish-American War in 1898 and the defeat of Spain by the United States, Germany offered to buy the Northern Marianas and the Carolines; Spain accepted the offer and the entire area of Micronesia, with the exception of Guam, soon came under German control. The island of Guam and the Philippine Islands became territories of the United States by virtue of the American victory over Spain and the terms of the subsequent peace treaty. This control of Micronesia by the Germans lasted until the advent of World War I in 1914, when the Japanese ousted the Germans.

German interest in the islands was primarily economic, and its administration reflected this. A commercial firm, the Jaluit Gesellschaft, was established in 1888 to manage operations in the islands and was given economic benefits in return for paying the costs of the imperially appointed island administrator. The benefits consisted of exclusive rights to land annexation and indigenous resources. The administrator was primarily concerned with establishing order and justice, and kept his administrative staff to a bare minimum, relying as had the Spaniards on indirect rule through recognized local chiefs exercising traditional-style authority. No German military forces were stationed on the islands in keeping with the German policy of depending on commercial ventures to pay the costs of empire. Gradually, the Germans built up an administrative system to supervise the activities of the local chiefs, slowly restricting their authority in important judicial matters, primarily land disputes and death penalties, and to limit the influence of the missionaries in administrative matters. Reliance on the authority of the traditional chiefs minimized local opposition to the German administration.

The Germans introduced commercial agriculture to Micronesia, primarily coconut plantations to enhance the production of copra. The other significant commercial venture introduced was the mining of phosphates. However, the Germans never made a success of their commercial ventures nor

did many Germans settle in Micronesia as colonists.[4] Thus, the German influence in Micronesia was limited, consisting of a few administrators and German missionaries.

The German protectorate of Micronesia ended in 1914. The Japanese, who had with German consent established trading missions in a few of the islands, quickly dispatched naval forces to occupy all the islands and established military headquarters to both administer and defend the former protectorate. Although Japan did not play an active role during World War I, it was granted a mandate by the League of Nations in 1920 to administer the territory. Under this mandate the Japanese were to:

> promote the material and moral well-being and social progress of the inhabitants; to rule out slavery, traffic in arms and ammunition, and alcoholic beverages; to refrain from building fortifications and military bases or from giving military training to the inhabitants; to permit freedom of worship and missionary activity; and to submit an annual accounting to the League of Nations.[5]

The Japanese military administration ended in 1922 when all military forces were withdrawn and a civilian administrative organization was established. The Japanese administration was initially organized, as were its predecessor Spanish and German regimes, on the principle of indirect rule through the traditional village and island chiefs. The major difference was in the relatively large and complex bureaucracy

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[4]Ibid., 61-62.

[5]League of Nations, Covenant of the League of Nations, 17 December 1920, Art. 22.

maintained by the Japanese to oversee the native chiefs and to ensure complete Japanese control. All positions of real authority in the administration were held by Japanese nationals. A shift in the philosophy of using the recognized traditional chiefs occurred after 1935 when the Japanese intensified their control over the islands. Lower status chiefs sympathetic to the Japanese were appointed over traditionally higher status chiefs. The Japanese also began to exert increased intervention in native affairs and this added to the undermining of the authority and status of the traditional chiefs.

Although Japan's initial interest in Micronesia was primarily economic, the islands' strategic importance soon became overriding and economic development was subordinated to military requirements. Japan began fortifying the islands early in the 1930s in violation of the League of Nations mandate. The resulting controversy, along with other Japanese actions, led Japan to withdraw from the League of Nations and, in 1938, to declare Micronesia an integral part of the Japanese empire. Additionally, for the first time since its discovery by the Spanish, the Japanese excluded all foreign visitors from Micronesia. In the beginning days of World War II the Japanese also seized Guam, thus controlling all of Micronesia.

The Japanese, unlike the Spaniards and the Germans, introduced significant change to Micronesia, change that

continues to the present day. Most important was the beginning of a shift from a subsistence to a money economy. The Japanese launched intensive economic development programs in agricultural, mineral, and marine industries. They viewed Micronesia as an extension of their home islands, to serve as a supplier of needed food, sugar, copra, and alcohol. The Micronesians were to provide the basic labor needed for the production of these supplies and were paid wages to supply the labor. The Japanese also introduced compulsory education to Micronesia, concentrating mainly on basic skills in the Japanese language, mathematics, and the building trades.[6]

Both the Japanese and the United States administrations attempted to tie together the diverse cultures of Micronesia by introducing the language of the administering nation and common governmental forms. Both nations governed through six geographically established administrative districts. In addition, both nations established unified transportation, communication, and commerce systems. Despite these externally imposed efforts toward administrative unity, the ethnic and cultural diversities and rivalries defeated attempts to bring independence to Micronesia as a unified political entity.

The American interest in Micronesia is primarily strategic, flowing from Micronesia's position astride stra-

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[6]Nevin, 62-67.

tegic sea and air lines of communication. The islands form a natural barrier to any penetration of an Asiatic nation toward the United States. This strategic interest has been evidenced by the assignment of initial control of Micronesia to the Department of the Navy by Executive Order 9875:

> The military government in the former Japanese Mandated Islands is hereby terminated, and the authority and responsibility for civil administration of the trust territory, on an interim basis, is hereby delegated to the Secretary of the Navy.[7]

The Defense Department has maintained control of those islands where military facilities exist even though administrative control of Micronesia has been transferred to the Department of the Interior.[8] Both agencies during their period of stewardship took cautious steps to promote Western democratic forms of local self-government as the United States sought to comply with the terms of the Trust Agreement.

During the negotiations from 1969 to 1982 leading up to the Compacts of Free Association, this strategic interest played a significant role in arriving at the final agreement.

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[7]President, Executive Order, "Termination of Military Government in Japanese Mandated Islands upon Establishment of Interim Civilian Administration in the Trust Territory of the Pacific Islands, Executive Order 9875," U.S. Code, vol. 48, sec. 1681 (1947).

[8]President, Executive Order, "Transfer of Administration of the Trust Territory of the Pacific Islands from the Department of the Navy to the Department of the Interior, Executive Order 10265," U.S. Code, vol. 48, sec. 1681A (1951).

As early as 1947, then Congressman Mike Mansfield reported to the Congress:

> I would prefer to have the United States assume complete and indisputed control of the Mandates. We need these islands for our future defense, and they should be fortified wherever we deem it necessary. We have no concealed motives because we want these islands for one purpose only and that is national security. . . . No other nation has any kind of claim to the Mandates. No other nation has paid the price we have.[9]

This view was reinforced on February 24, 1947, when Congressman Gearhart introduced a resolution in the House

> directing negotiations looking toward acquisition by the United States of all the islands mandated to or owned by the Empire of Japan as the Secretary of the Navy and the Secretary of War shall find essential to the maintenance of peace in the Pacific Ocean.[10]

In 1972 an article in a prestigious naval publication repeated this strategic importance by stating:

> . . . the strategic and other political realities dictate that we must maintain a strong presence in the Western Pacific in order to honor treaty commitments and protect national interests. The course we ultimately follow is very likely to be a major change in, but not the abandonment of, our strategic posture in the Western Pacific.[11]

Like the Japanese, until very recently the United States denied foreign visitors access to Micronesia. This

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[9]Congress, House, Representative Mansfield of Montana, 80th Cong., 1st sess., Congressional Record (3 February 1947), vol. 93, pt. 1, 768.

[10]Congress, House, Representative Gearhart of California, 80th Cong., 1st sess., Congressional Record (24 February 1947), vol. 93, pt. 1, 1363.

[11]James H. Webb, Jr., "Turmoil in Paradise: Micronesia at the Crossroads," U.S. Naval Institute Proceedings 98 (July 1972):32.

has had a profound effect on the social, economic, and political development of the Micronesians since their experience with foreigners has been restricted for over seventy years. The result has been a very limited opportunity for comparative analysis of alternative economic and political systems. This option for the United States to deny access to foreigners was incorporated in the 1982 and 1983 Compacts of Free Association negotiated with the legislatures of the three newly created political states of the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia. The Northern Marianas had already chosen commonwealth status with the United States.[12] This restriction of access is in consonance with the principal security goals of the United States to exclude hostile, destabilizing influences and to avoid great power confrontations in the area.

The United States' administration of Micronesia has been marked by ambivalence of purpose fostered by the different viewpoints of the State and Defense Departments. Hanson Baldwin in 1946 reported that

> . . . the Army and the Navy, speaking through the Joint Chiefs of Staff, wanted to retain complete United States sovereignty over the mandated islands whereas the State Department wanted to place them under a United Nations trusteeship with the United States as the sole trus-

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[12] Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America Act, U.S. Code, vol. 48, sec. 1681 (1976).

tee.[13]

The State Department has sought to comply with the requirement of the Trust Agreement to lay the foundations for future self-government of the inhabitants while the Defense Department has put strategic necessity above all other considerations. The strategic interest of the United States, and its protection through incorporation of safeguards in the provisions of the Compact of Free Association, has limited the options of the Micronesians for foreign exposure, at least for the fifteen years' duration of the Compact.[14]

The United States Navy assumed control of Micronesia in mid-1944 when the fighting on the islands ended and maintained control under an emergency security status until 1951 when administrative control passed to the Interior Department. Finding a total absence of a Micronesian managerial class, the Navy set up a patchwork administrative system based on a military government of occupied territory. This was only an interim measure. After 1947 the Navy was committed to the terms of the Trusteeship Agreement and immediately established a system of universal education through the sixth grade to initiate the process of progress

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[13]Hanson Baldwin, "Washington Scans Pacific Isles Plan," New York Times, 23 September 1946, 9.

[14]Nevin, 74-75.

toward self-government.[15] In its handbook for administrators destined for Micronesia the Navy was quite specific in directing:

> Exploitation is ruled out, and a staff of trained administrators is giving full-time attention to their [the inhabitants'] needs and problems until such time as they can be trained to assume full responsibility for their own affairs.

The Interior Department, which assumed administrative control of the islands on July 1, 1951, under the provisions of Executive Order 10265 (and the United States Congress), treated Micronesia with benign neglect, except for the security interests in the Marianas and Marshalls, until 1962 when the United Nations Visiting Mission to the Trust Territory of the Pacific Islands reported to the United Nations Trusteeship Council. The mission's report castigated the United States for lack of progress on the stated objectives of the Trusteeship Agreement.[16] In those intervening years the Interior Department had been underfunded for its administrative assignment and had had little interest in Micronesia, so development of a Micronesian administrative network and a productive economy had been assigned a low order of priority. On the other hand, the Defense Department, with its bases on Saipan and the establishment of the Pacific Mis-

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[15]Ibid., 76-77.

[16]United Nations, Trusteeship Council, Report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1961, T/1582.

sile Range station on Kwajalein, built up an infrastructure on these islands and contributed to the growth of a moneyed economy, sowing the first seeds of a desire for separatism within the artificially created unity of Micronesia.[17]

The report of the United Nations Visiting Mission in 1962 galvanized the United States into a course of action that was to result, in sequential happenings, in large increases in the amount of funds appropriated for Micronesian development, in the training of native administrators, local and district elections, establishment of district and territory-wide legislatures, and, finally, in free choice of future political status. It was to take, however, more than twenty-three years (sixteen of which were spent in negotiations) spanning the administrations of six Presidents of the United States before the Micronesians achieved their goal of ending over 450 years of foreign rule.[18]

After the severely critical United Nations' report, the United States greatly increased its annual appropriations to support development activities in Micronesia. The previous annual appropriations approximating $7.5 million were doubled in fiscal year 1963 to $15 million and then increased in accelerating numbers to $68 million in fiscal year 1972.

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[17]Nevin, 76-77.

[18]Department of State, Office of the Secretary of State, "President Signs Compact of Free Association Legislation" (Press Release, U.S. Department of State, Office of the Secretary of State, 14 January 1986).

Additionally, beginning in 1966 the Peace Corps was introduced into Micronesia to assist in the expedited efforts toward self-sufficiency and self-government.[19]

Throughout its administration the United States has sought to balance its strategic interests with its obligations under the Trusteeship Agreement. This has led to its ambivalence toward Micronesia: seeking to foster democratic ideals and principles while retaining some form of strategic relationship. Throughout this period from 1969 to 1982 it has encouraged self-determination by the inhabitants of Micronesia while, simultaneously, consciously or unconsciously, encouraging a bias toward permanent ties to the United States.

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[19]Wenkam and Baker, 166-170.

CHAPTER IV

AVAILABLE POLITICAL ALTERNATIVES

The political alternatives available to the inhabitants of Micronesia are governed by various factors: principally, the social and cultural composition of the islanders, the attitudes of the member nations of the United Nations, the prevailing interests of the United States, and the islands' economic self-sufficiency. Culturally, the inhabitants are divided into nine separate ethno-linguistic groups which have been lumped together into an artificial unity by their former colonial ruler, Japan, and by their more recent administrator, the United States, both in the twentieth century. Previous to this administrative unification, Micronesia had remained essentially unchanged under Spanish and German rule, pursuing an entirely different historical experience, preserving the many diverse indigenous cultures, and speaking some nine or ten mutually unintelligible languages.[1]

United States Ambassador to the Trust Territory, Mr. Fred M. Zeder II, expressed this historical fact succinctly

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[1]The Yale University study and the annual State Department reports list these as Palauan, Yapese, Chamorro, Ulithian-Woleaian, Trukese, Ponapean, Kosraean, Marshallese, and Kampingamarangi-Nukuoro. Some linguists add a tenth language, Sonsorolese-Tobian, spoken in southwest Palau.

when he testified:

> The use of the term "Micronesia" which has been generally read as synonymous with the area encompassed by the trusteeship, has prompted an assumption that a homogeneous Micronesian people exist. Throughout most of the period in which they were subject to colonial domination, the islands were administered separately by various nations, and the first political association of the various Trust Territory peoples occurred only in 1965 with the creation by the United States of the Congress of Micronesia.[2]

The processes of change from this historical experience to the mainstream of the modern world derive from the Micronesians' shared traditional thirst for self-respect and human dignity and desire for maintenance of their cultural orientations. Without their exposure to the urbanism, secularism, commercialism, and educationalism of the modern world, it is probable that the Micronesians would have reverted to their former mode of life after World War II, content with their traditional cultural groupings and leadership and subsistence economy. However, the introduction of Western civilization has affected the value systems and fundamental bonds of the traditional societies of Micronesia as it has the cultural orientation of inhabitants of the other islands of Oceania. The islands' strategic location in the Pacific Ocean and the United States' military interest in them after the successful conclusion of the war against Japan precluded such a return to traditional lifestyle and political choice.

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[2]Congress, House, Committee on Foreign Affairs, Compact of Free Association. Hearing before the Committee on Foreign Affairs, 98th Cong., 2d sess., 18 September 1984, 17-18.

The social and political problem posed is how to reconcile this institutionalized nationalism brought about by the creation of the Congress of Micronesia with the traditional patterns of Pacific Island identity which derive from individual islands rather than the conglomerate groups of islands.[3] It is this problem that has resisted solution and has led to the choice of different political status.

Initially, the United Nations, dominated by the victorious four major powers of the United States, Russia, China, and Great Britain, designated the islands a strategic trust of the United Nations and designated the United States as trustee. The United Nations, in its declaration for the granting of independence to colonial countries and peoples, had set forth the principle that all peoples have the right to self-determination. Included in the Trusteeship Agreement was the obligation of the United States to promote the political, social, educational, and economic development of the Micronesians which would lead to self-determination of their future political status.[4]

The prevailing attitude of the United States when it assumed trusteeship represented a compromise between the conflicting interests of the State and Defense Departments. The Defense Department did not want to relinquish control of a

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[3]Ibid., 18.

[4]Heine, 48-54.

strategic territory and favored annexation as a territory of the United States while the State Department, reflecting the ideology of a democratic country, did not want the embarrassment of being thought of as a colonial power. Thus, the trusteeship status served as a workable compromise.[5]

The position of the United States government was and remains that no change in the territory's political status would be acceptable that opens up the water and lands of Micronesia to other world powers, or in any way restricts options by the United States to construct or retain military installations in what it considers to be its western defense perimeter. Its long-range objective, therefore, has been a Micronesia with ideological and political links to the United States. Trusteeship status would permit political development and education of the Micronesians toward this objective.[6] Monitorship of the trusteeship by the United Nations Security Council would permit the United States to exercise its veto should any of the four permanent members seek to thwart the United States' goal.

The other major consideration impinging on free political choice, economic self-sufficiency, played a significant role in narrowing the options available to the Micronesians. Writing in the Journal of Pacific History, Barrie MacDonald

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[5]Kiste, 127.

[6]Heine, 195-222.

stated the importance of economic relationship to political choice:

> It is thus questionable whether on strategic issues any more than economic ones the small states of Oceania have any real choices. Their development, political stability, and security all depend on the largesse and relationship with the Western Alliance. Their political attitudes, like their constitutions, systems of education, and their social and economic aspirations, derive from this colonial relationship and those same powers.[7]

The United Nations in its Resolution 1541 declared that there were three ways for Micronesia to gain the full measure of self-government which would satisfy the Trusteeship Agreement: (1) emergence as a sovereign independent state, (2) free association with an independent state, and (3) integration with an independent state.[8]

The United Nations expressed its definition of free association as:

> (a) Free association should be the result of a free and voluntary choice by the peoples of the territory concerned expressed by informed and democratic processes. It should be the one which respects the individuality and cultural characteristics of the territory and its peoples, and retains for the peoples of the territory, which is associated with an independent state, the freedom to modify its status through the expression of their will by democratic means through constitutional processes.
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> (b) The associated territory should have the right to determine its internal constitution without outside interference, in accordance with due constitutional

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[7]Barrie MacDonald, "Decolonization and Beyond," Journal of Pacific History 21 (October 1986):124.

[8]Micronesia Support Committee, From Trusteeship to - -?: Micronesia and Its Future (Honolulu: Pacific Concerns Resource Center, 1982), 9.

> processes and the freely expressed wishes of the people. This does not preclude consultations as appropriate or necessary under the terms of the free association agreed upon.[9]

To determine the choices available to it, the Congress of Micronesia, on August 8, 1967, established a Future Political Status Committee and directed it to report back in one year recommended options for the future status of Micronesia.[10]

On June 26, 1968, the commission filed an interim report stating that the subject was too complex to be fully explored within the given time period but that it had reached a conclusion that "a divided territory would bring no greater political, economic, or social advantage than a unified territory."[11] It noted that in its investigations two of its members, Chairman Salii and Senator Olter, had visited Puerto Rico and the Virgin Islands, a commonwealth and a territory, respectively, of the United States, to examine their relationships. It recommended further exploration of four possible political alternatives: (1) complete independence, (2) free association with the United States, (3) integration

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[9]United Nations, Security Council, Determination of Political Status, Resolution 1541, 1964.

[10]Donald F. McHenry, Micronesia: Trust Betrayed (Washington, D.C.: Carnegie Endowment for International Peace, 1975), 89.

[11]Trust Territory of the Pacific Islands, Congress of Micronesia, Interim Report of the Future Political Status Committee, 26 June 1968, 3.

as a commonwealth or unincorporated territory, and (4) continuance of the status quo (Trust Territory). The option of free association had been suggested by the arrangement of the Cook Islands with New Zealand.

One year later, in its second report, the Future Political Status Committee recommended to the Congress of Micronesia that it no longer considered the status quo of remaining a Trust Territory to be a viable option. This recommendation stemmed from the aspirations of the members of the Congress to establish a Micronesian nation. Micronesian Congressman Jacob Sawaichi expressed these aspirations in 1968 in addressing the United Nations Trusteeship Council:

> The need, therefore, to examine our rate of progress toward self-determination has gained a new dimension of urgency. We are anxious to get on with the job of nation building.[12]

The Future Political Status Committee recommended as its first choice a free association with the United States and, if that could not be negotiated to Micronesian satisfaction, it recommended the alternative of a nonaligned independent nation. It also recommended four basic principles to be followed in any negotiations on association with the United States: Micronesian sovereignty, self-determination, structure of constitution and government, unilateral revoca-

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[12]Nufer, 67.

tion of any association.[13]

The political alternatives available to the Micronesians have several significant differences in the areas of self-government, citizenship, foreign affairs, and possibility of change of status in the future. The differences among options are described in the following paragraphs.

Under a status of free association (the first choice of the Status Committee), Micronesia would operate as a single nation with the form of government established by a Micronesian constitution ratified by its several member states, with each state's territorial limits resembling closely the former seven administrative districts of the Trust Territory. It would be self-governing in both internal and foreign affairs while the United States would have full authority and responsibility for defense of the territory. Each of the several sovereign states would function under its own adopted constitution and its form of government would be that locally established.[14] Citizens of Micronesia would have the privileges of United States nationals and those traveling abroad would be under the protection of the United States. The

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[13]Trust Territory of the Pacific Islands, Congress of Micronesia, Second Report of the Future Political Status Committee, June 1969.

[14]Department of State, Office of Micronesia Status Negotiations, Draft Compact Between the United States and the Micronesian Political Status Delegation ([Washington, D.C.]: U.S. Department of State, Office of Micronesia Status Negotiations, 2 June 1976).

association could be terminated or amended at any time by mutual agreement, and could be terminated unilaterally at any time after a period of fifteen years.

As an independent nation (second choice of the Status Committee), Micronesia would have complete internal and external sovereignty and would be governed under the provisions of its ratified constitution. Micronesia would control all aspects of its foreign relations and national defense. Inherent in this status would be the requirement for self-development of the indigenous economy to provide the bulk of funds necessary to organize and operate a viable government and provide benefits and services to a population grown accustomed to a standard of living sustained by United States' subsidies. The newly independent Micronesia would also of necessity have to seek alignment with a great power in a security pact to guarantee its continued independence, not having the resources for self-protection.

Under the status of integration as a commonwealth or unincorporated territory (the final viable option, status quo having been discarded by both the Status Committee and the Congress of Micronesia), the citizens of Micronesia could choose to be either citizens or nationals of the United States.[15] All children born in the islands after integration

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[15]Citizenship is the relation of an individual to the United States by which he or she owes obedience and loyalty and in turn receives the guarantee of privileges and immunities specified in the Constitution. A national does not

would automatically become United States citizens. The United States would have complete authority over the commonwealth or territory except as negotiated in the integration agreement. Micronesia would be permitted to establish tourism, cultural, and economic offices in foreign countries. The commonwealth or territory would be considered a permanent part of the United States and this status could not be terminated or amended except by mutual consent.

Clearly, the differences among the three options posed a dilemma for the Micronesians. The status of an independent nation offered the maximum self-government but resulted in the loss of economic support by the United States, thus forcing a drastic lowering of the standard of living after almost three decades of rising standards and expectations.

At the other end of the spectrum, integration as a commonwealth or territory would promise an enhanced standard of living in exchange for the almost complete loss of self-government. The benefits of commonwealth status would be that the islands would be an integral part of the United States economy and would receive high levels of individual benefits and services and a continued flow of United States appropriations. Ambassador Williams made the choice quite clear in discussions with the Micronesian members of the negotiating commission:

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pledge allegiance and loyalty and is merely guaranteed physical protection by the government.

> At one end of the scale is commonwealth or membership in the American Family with all of its obligations and benefits including the widest range of federal programs and services. At the other end is independence with no United States financial obligations.[16]

The status of free association, the middle course, offers a workable compromise by accepting limits on complete independence of action while retaining the benefits of economic support by the United States. Additionally, because of its possibility for termination or amendment, it holds open the options for closer association or independence in the future.

As will be seen from the chronology of events that took place during the negotiations between Micronesia as a political entity and the United States, and the internal negotiations among the political representatives of the island groupings, it was the choice among perceived different levels of potential economic benefits that proved divisive and led to the demise of the early vision of a unified, independent Micronesian nation-state.

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[16]Trust Territory of the Pacific Islands, Congress of Micronesia, A History of Status Negotiations, Seventh Round, 31 December 1982, 15.

CHAPTER V

EVOLUTION OF POLITICAL SYSTEMS

Under the terms of the Trusteeship Agreement, the United States was charged by the United Nations to

> foster the development of such political institutions as are suited to the trust territory and . . . promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples . . . and to this end shall give the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; [and] shall develop their participation in government; . . .[1]

In attempting to fulfill its responsibility under the Trusteeship Agreement, the United States on July 13, 1949, presented to the United Nations its plan for the political advancement of Micronesia. The plan called for a progressive participation of the inhabitants in governance, beginning with the establishment of elected self-governing municipal units, then elected district bodies governing the administrative regions, and ultimately self-governing territory-wide institutions.[2]

In following this plan, the United States introduced

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[1]United Nations, Trusteeship Agreement, art. 6.

[2]Meller, Congress of Micronesia, 23-25.

into Micronesia a democratic political system paralleling its own system and significantly differing from that of previous administrators and the traditional systems of the inhabitants.

The plan submitted by the United States was systematically implemented over the years of its administration of the Trust Territory. Three levels of government were established: municipal (village, island, or atoll), seven districts, and the territory-wide legislature. Each district initially had an administrator appointed by the High Commissioner and also elected councils and legislatures. The legislative power was limited in that the district administrator and the High Commissioner held veto power over enacted legislation. The veto power could suspend legislation in part or in whole and was not subject to review or override.

The High Commissioner held all executive and legislative authority prior to 1965, when the Secretary of the Interior authorized the establishment of the district-wide legislature. Again, after the establishment of the legislature, the High Commissioner retained his veto power over enacted legislation.[3]

During the period of United States administration the people of Micronesia were gradually provided with the educa-

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[3]Kanost, 366-373.

tion and the political experience to play a greater role in establishing their political institutions and making their own political decisions. The legislature was given additional powers by Secretary of the Interior orders as it demonstrated to the High Commissioner the ability to assume more responsibility. Examples of these enlarged powers are the prerogative to appoint territory department heads and district administrators to replace United States personnel, and to review and recommend revisions to the territorial budget before submission to the Secretary of the Interior. In 1965 the first native Micronesian was appointed district administrator and, by 1976, when the Commonwealth of the Northern Mariana Islands was approved by the United States Congress, Micronesians had displaced most American department heads and district administrators.

The political development of Micronesia was influenced to a significant degree by which particular department of the United States government had preeminent responsibility for administration of the territory. The Department of the Navy had administrative control from 1944 when the islands were wrested from the Japanese until 1951 when President Truman vested administrative control in the Department of the Interior through the issuance of Executive Order 11021.[4]

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[4]President, Executive Order, "Administration of the Trust Territory of the Pacific Islands, Executive Order 11021," U.S. Code, vol. 48, sec. 1681 (1962).

The Navy era was further divided into two types of control: military government until 1947, and trusteeship thereafter. The Navy sought to carry out its responsibilities in a logical and conscientious manner. As stated earlier, it commissioned Yale University to undertake a thorough and scholarly study of the history and culture of the Micronesian society, and established a School of Naval Administration at Stanford University to train naval officers for their roles in administration. Its philosophy of administration was based on the findings and conclusions of the Yale University study, and resulted in the formulation of a basic policy statement enunciated by John L. Sullivan, then Secretary of the Navy:

> It is desired that the inhabitants of the island territories be granted the highest degree of self-government that they are capable of assimilating. They shall be encouraged and assisted to assume as much as possible of the management of their own affairs and the conduct of their own government. Local governments, insofar as practicable, should be patterned on the politico-social institutions which the inhabitants have evolved for themselves.[5]

Operating under this basic policy, the Navy first established local municipalities based on previously recognized political units. Each municipality was headed by a magistrate chosen by one of three available options: popular election, designation of the hereditary chief, or designation

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[5]Department of the Navy, Office of the Chief of Naval Operations, Government of the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Navy, Office of the Chief of Naval Operations, 15 January 1948).

by consensus of the local chiefs and elders. Selection of the option to be used was based on traditional practice. In isolated villages and the outer islands, the magistrate was designated by the hereditary chief or the council of chiefs. In the urbanized areas, which were usually administrative centers, the more politically sophisticated residents elected the magistrate. In most cases, even when the option was election, the traditional chief remained in power.[6]

Prior to being replaced as the administrative department by the Department of the Interior, the Navy continued the progressive participation of the Micronesians with the establishment of district congresses in Palau in 1947 and in the Marshalls in 1949. These bodies consisted of one elected member and the hereditary chief from each local municipality. Thus local custom was retained while an element of participatory government was introduced. These congresses served initially as advisers to the appointed U.S. district governor.

During the first ten years of its stewardship, from 1951 to 1961, the Department of the Interior continued the philosophy and the stated basic policy of the Navy Department. However, the progress of the island inhabitants toward increased participation in government and eventual self-government slowed, coming almost to a complete standstill.

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[6]Kanost, 110.

This was the period of benign neglect of the Micronesians both in funding and administration by the United States. The Department of the Interior had few if any personnel trained in administration of occupied territory and little interest in a territory so far removed from its traditional domain. The Interior Department headquarters for the Trust Territory was established in Hawaii where it remained throughout this period.

The basic policy of the Interior Department personnel during this period seemed to be to not interfere in events in Micronesia and to permit the inhabitants to live in their own fashion. This policy, coupled with the underfunding and lack of trained administrators, limited political development and administrative responsibilities at the local municipality level. These conditions were to change with the issuance of the 1961 report of the United Nations Visiting Mission to the Trust Territory, which galvanized the United States to action and resulted in a new policy destined to greatly increase United States financial support and to establish a permanent United States/Micronesian relationship. Secretary of the Interior Order No. 2918, issued on December 27, 1968, provided for the establishment of three branches of the Trust Territory government, the executive authority to reside in a United States High Commissioner, legislative authority in the elected Congress of Micronesia, and judicial authority in

an appointed High Court and subordinate courts.[7]

The next impetus to political development came from the Micronesians themselves. Returning college-educated younger leaders expressed their sentiments for an end to United States control and the establishment of a self-governing Micronesia.

One of the great successes of the United States administration of Micronesia was that of education. In addition to establishing a compulsory education system through the elementary grades and providing high school education opportunities, the United States also subsidized the attendance of Micronesians at college, principally in Hawaii. A group of these college students, who were to become the future political leaders of Micronesia, initiated the movement for the termination of the trusteeship and for political self-determination. Among these were Lazarus Salii, late President of the Republic of Palau; Alfonso Oiterong, Minister of the State of Palau; Tosiwo Nakayama and Bailey Olter, President and Vice President, respectively, of the Federated States of Micronesia; Anton deBrum, Minister of Health Services for the Republic of the Marshall Islands; and Senator Carl Heine representing Jaluit in the Marshall Islands legis-

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[7]Department of the Interior, Office of the Secretary of the Interior, Order No. 2918: Government of the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 27 December 1968).

lature. All held responsible positions in the Congress of Micronesia during its formative years.

Initially, the goal of these returning students was an independent nation-state, but this goal faded as the realities of economic imbalance, ethnic rivalries, cultural differences, and significant differences in strategic importance to the United States became increasingly apparent. Each of these realities contributed in varying degree to the separatist tendencies that were soon exhibited in the territorial legislature.

The district legislatures, initially established by the Navy administration beginning in 1947, represented culturally cohesive groups, each serving one of the six (later expanded to seven) administrative districts of long standing. Their primary purpose was to communicate to the district administrators items of district concern or interest and to report back to their constituents actions and concerns of the administrator. At first their function was purely advisory but, as the political development grew within the municipalities and the districts, the members of the legislatures sought and received greater power. In March 1956, by Executive Order Number 55, the United States granted the district legislatures the authority to enact laws subject to the absolute veto power of the High Commissioner.[8]

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[8]Meller, Congress of Micronesia, 49-49.

The next step in the progression of political development was the transition from consideration of district-wide problems and initiatives to those concerning the entire territory. This transition was accomplished in two stages, the first occurring in 1957 with the initiation of annual interdistrict conferences attended by representatives from each district. These informal conferences led in 1961 to the establishment of the Council of Micronesia, formally constituted by the Micronesian district legislatures to discuss major problems of the entire territory. The establishment of this council suggested for the first time indigenous acceptance of territorial unity, heretofore artificially imposed by foreign administrations.[9]

The Council of Micronesia, whose members were not elected but designated by the district legislatures from among their members, sought a more formal, institutionalized forum for discussion of territorial affairs and recommended to the High Commissioner that the United States authorize the formation of an elected territorial legislature.

In 1965 the United States acceded to the Micronesians' repeated requests and took an important step toward promoting the political advancement of Micronesia by creating a bicameral Congress of Micronesia with specific legislative authority. Each district was entitled to two members in the

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[9]Ibid., 181-187.

House of Delegates (the senior body), while the General Assembly was to consist of twenty-one members allocated on the basis of population, the smallest district having a minimum of two representatives.[10]

It should be noted here that in following the example of the United States in establishing a bicameral legislature with each district (state) guaranteed equal representation in the senior body, the Micronesians, with diverse ethnic backgrounds and historic district rivalries quite unlike the relative homogeneity of the American colonists, may have sowed the seeds of future discord and separatism. In fact, it was the district rivalries that played a significant role in the breakup of the unity faction. The structure specified by the United States in establishing the Congress of Micronesia was in accordance with the recommendation of the Council of Micronesia and accommodated the stated desires of the inhabitants of Micronesia, who saw their political development as an opportunity for the redistribution of the power exercised by foreign administrators.

The final step in the progression toward self-determination was taken by the Micronesians in 1967 when the Congress of Micronesia established a commission of six of its

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[10]Department of the Interior, Office of the Secretary of the Interior, Order No. 2882: Administration of the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 28 September 1964).

members to investigate and report on the various forms of the political alternatives available to it upon termination of the trusteeship by the United Nations.[11] This action was the first tangible evidence of a growing Micronesian determination to shape its own political future.

The establishment of the Congress of Micronesia as the territorial legislature provided the Micronesians the opportunity of representation and participation in the political decision-making process, formerly the purview of their foreign administrators. The Congress of Micronesia became the forum through which the Micronesians expressed their political opinions on their constitution, form of government, and future political status. The events and discussions that occurred in the Congress of Micronesia provided the basis for the evolution of their political systems.

The Trust Territory relationship with the United States played a major role in the evolution of the Micronesian political systems. From the time of Micronesia's occupation by the United States military forces during World War II, the strategic geographic position of Micronesia has influenced United States policy toward it. While the United States had no clear, cohesive policy to guide its actions in Micronesia, one thread remained constant through all discussions and

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[11]Trust Territory of the Pacific Islands, Congress of Micronesia, Committee on Laws and Resolutions, Establishment of a Future Political Status Committee, Senate Joint Resolution No. 25, 1967.

negotiations: the United States would not withdraw its military presence or permit any foreign power to again occupy Micronesia. The United States' position was that it had paid a huge cost in lives and materiel to gain control of the islands and it would not willingly give them up. This position underlay the United States' insistence that the trusteeship be monitored by the Security Council of the United Nations where it possessed veto power. Sentiment in the United States for this permanent relationship had been voiced on many occasions by influential political and military figures. Hanson Baldwin, an eminent military analyst, wrote in 1971:

> For a number of reasons, the islands of Micronesia are absolutely vital to the long range security of the United States. . . . In a potential enemy's hands, Micronesia would be a strategic nightmare to U.S. defense planners.[12]

In the following year, Captain James H. Webb, United States Marine Corps, wrote:

> A strong probability in the development of a new U.S. role in Asia is for us to fall back from presently occupied "forward positions" to a more consolidated and economical "internal position," from which the same national security goals could be accomplished. The ideal--and perhaps the only--location available for this type of regrouping is the Trust Territory of the Pacific Islands with Guam as a cornerstone.[13]

The negotiations between the representatives of the

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[12]Hanson Baldwin, "Keys to the Pacific," Reader's Digest, December 1971, 164.

[13]Webb, "Turmoil in Paradise," 28-29.

United States and the Congress of Micronesia were governed by the strategic location of the islands and the United States' intention to maintain some degree of permanent relationship with them. This relationship had two basic intents: first, to keep all foreign military forces out of Micronesia so that Pearl Harbor could not be replicated (the Japanese naval base established on Truk was key to the attack), and second, to contain perceived Russian intentions to establish influence and power (to preclude the establishment of Russian bases in Oceania). The United States' intention to retain a relationship was expressed frequently during the discussions in the United Nations concerning the future of all territories that were freed from the defeated nations.

Following an extensive trip through the Pacific Ocean area during 1946, then Congressman Mike Mansfield of Montana expressed his belief that the United States should "assume complete and undisputed control" over the islands of Micronesia.[14]

The United States' position was further reinforced in 1962 when President Kennedy enunciated the United States' policy to be "the movement of Micronesia into a permanent relationship with the United States within our political

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[14]Congress, House, Committee on Naval Affairs, Pacific Island Territories: Hearing before the Committee on Naval Affairs, 80th Cong., 1st sess., 24 February 1947, 767-768.

framework."[15] One year later President Kennedy established a task force to study the situation and provide recommendations to implement his stated policy.[16] The major recommendation in the report of this study group (commonly referred to as the Solomon Report of 1963) was the termination of the trusteeship and the establishment of Micronesia as a United States territory by 1968.[17] The report signaled the beginning of a new era in the relationship between the United States and the Micronesians. While great strides were made in education, health care, and the construction of facilities as a result of the report, its effect spilled over into the political arena, for it marked the beginning of the acceleration of political development. The establishment of the Congress of Micronesia and the initiation of negotiations on future political status were a direct result of the report.

The negotiations from the Micronesian perspective were

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[15]National Security Agency, Office of the Director, Action Memorandum No. 145: Movement of Micronesia into a Permanent Relationship with the United States ([Washington, D.C.]: U.S. National Security Agency, Office of the Director, April 1962).

[16]National Security Agency, Office of the Director, Action Memorandum No. 243: Programs and Policies for an Accelerated Rate of Development of Micronesia ([Washington, D.C.]: U.S. National Security Agency, Office of the Director, May 1963).

[17]Department of the Interior, Office of the Secretary, Report to the President by the United States Survey Mission to the Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 1963), S-19.

to be governed by four principles recommended by the Future Political Status Commission in its report of April 1969 to the Congress of Micronesia. These principles were that:

1. Sovereignty is a right of the Micronesian people

2. Self-determination is a right of the Micronesian people

3. The Micronesian people have the right to write and amend their own constitution, and

4. The Micronesian people must have the right to unilaterally revoke any compact with the United States.[18]

During the first round of talks in January 1970 between the Micronesian Political Status Delegation and representatives of the United States, the recommendation of the Solomon Committee for incorporation of Micronesia as a territory of the United States was presented but unanimously rejected by the Micronesians. Following this rejection the United States in May 1970 proposed a commonwealth relationship with Micronesia. This proposal was also rejected by all but the representatives of the Mariana Islands, who, because of their experience under Navy Department administration, desired to continue their close relationship with the United States, stating as their reason:

> . . . we desire membership in the United States political family because of the demonstrated advantages of such a relationship. More than any other nation with which we have had contact, the United States has brought to our

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[18]Department of State, Trust Territory, 1981, 20.

people the values which we cherish and the economic goals which we desire.[19]

The United States continued to press for a permanent relationship with Micronesia, whether as a unity or as separate states or territories. The negotiations between the two parties were hindered by lack of agreement on four major points: United States sovereignty over the islands, permanent versus interim association, unilateral termination of association, and the power of eminent domain. Protracted negotiations on these points continued until April 1978, when agreement was reached on the Hilo Principles of Free Association.[20] These principles represented common agreement among Ambassador Peter R. Rosenblatt, representing the United States, and the chairmen of the Political Status Committees of Palau, the Marshall Islands, and the Federated States of Micronesia. The thrust of the principles was a definition of free association as a political status different from independence and included a requirement that all future negotiations be on a government-to-government basis, rather than a Micronesia-wide basis.

The remainder of 1978 and all of 1979 were spent in

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[19]Department of State, Office of Micronesia Status Negotiations, Report on Micronesia Status Negotiations ([Washington, D.C.]: U.S. Department of State, Office of Micronesia Status Negotiations, 1972), 61.

[20]Statement of Agreed Principles of Free Association, in Department of State, Trust Territory, 1985, 298. (See Appendix B for complete text of Principles.)

translating these general principles into the specific texts of the compacts with the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Representatives of the Marshall Islands approved its compact on January 15, 1980, followed by representatives of the Federated States of Micronesia in October 1980, and the President-elect of Palau on November 17, 1980.[21] However, all these agreements (the Compacts and the Commonwealth Covenant) were subject to ratification by the legislatures of the four separate Micronesian entities, to plebiscites by the inhabitants, and to enactment of legislation by the United States Congress. They were to become operative upon termination of the Trust Agreement by the United Nations Security Council. The United States announced to the United Nations Trusteeship Council in 1980 its intention to seek international monitorship of the plebiscites to ensure free exercise of choice by the voters.

Plebiscites were conducted in the Federated States of Micronesia on June 21, 1983, and in the Marshall Islands on September 7, 1983. The voters of both nations approved the Compacts. The United States Congress passed the enabling legislation in 1985 and President Reagan signed it into law on January 14, 1986. Although the Compacts of Free Association can be unilaterally terminated by any party at any time (as agreed in the Hilo Principles) the Compacts' defense and

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[21]Department of State, Trust Territory, 1980, 9-10.

security provisions as well as those relating to economic assistance will continue for the prescribed fifteen (or longer) year period. Thus, the United States' strategic interest and the Micronesians' economic interests are protected.[22]

The internal negotiations among the representatives of the districts of Micronesia presented quite a different problem because of the difficulty of securing a consensus on future political status. In establishing Micronesia as an artificial entity and attempting to deal with it as a single political unit, the United States ignored the social and cultural differences characterizing the Micronesian peoples. Traditional rivalries have existed even among people living on the same island or within a single island chain, and there is little understanding of the social and cultural heritage of the people living on other islands.[23] These rivalries have formed the basis for political strife and presaged the separatism that eventually defeated the notion of a unified nation-state. The difference in perceived economic benefits from the available political options hastened the breakup of whatever hope there was for Micronesian unity.

When the Congress of Micronesia was established in 1965 it basically was presented with two momentous questions. The

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[22]Department of State, Trust Territory, 1981, 15.

[23]Norman Meller and Terza Meller, Constitutionalism in Micronesia (Honolulu: University of Hawaii Press, 1985), 11.

first concerned the nature and character of any future association with the United States upon termination of the Trust Agreement. The second concerned the establishment and form of any future government or governments within Micronesia. While these questions seemed to be approached separately, they were so closely interrelated that one constantly impinged on the other. Neither could be solved in isolation.

Seeking consensus, the Congress of Micronesia in 1965 established a Future Political Status Committee (later renamed a Commission) composed of the political leaders from each of the administrative districts to recommend a solution to the question of relationship with the United States. The report of this commission recommended a single, self-governing nation in free association with the United States. It envisioned termination of the trusteeship and complete self-government under a self-developed constitution.[24]

These recommendations ignored the basic orientation of the Micronesian peoples: ethnic rivalry, regional competition, economic competition, and hostility to outside leadership and influence. Political factionalism became evident early in the actions to implement the recommendations, and the early consensus soon gave way to regional goals and strife.

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[24]Trust Territory of the Pacific Islands, Congress of Micronesia, Report of the Future Political Status Committee, 1967.

The inhabitants of the Mariana Islands were the most politically astute of the Micronesians, because the Marianas were the first and most thoroughly colonized of the islands. Ethnically Chamorro and culturally homogeneous before contact, they were initially administered by Spanish-appointed loyal Chamorros. In the early 1800s a Spanish-appointed council was established and later in the nineteenth century the council became elective. This pattern of quasi-participative government continued through the German and most of the Japanese administrations. The Navy Department, during its period of occupation and control from 1944 to 1951, recognized the importance of local custom and followed a policy of minimum disruption of local institutions except "when necessary for the preservation of peace and order, the maintenance of property rights, the enforcement of measures for health and sanitation, and those laws respecting trade, industry, and labor which are essential to economic well-being."[25] This policy encouraged the development of political participation by the inhabitants in the election of municipal magistrates and the councils. The continued interest of the Defense Department in the Marianas led to higher economic benefits to the inhabitants and development of a

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[25]Department of the Navy, Office of the Chief of Naval Operations, United States Naval Administration of the Trust Territory of the Pacific Islands, Vol. III ([Washington, D.C.]: U.S. Department of the Navy, Office of the Chief of Naval Operations, 1957), 282.

United States-financed infrastructure on the islands to support the military programs. The operations of the Navy contributed to the development of a money economy and achieved for the residents of the Marianas educational standards, economic stability, and a political sophistication superior to those of other Micronesians. The advantages of these benefits were not lost on the inhabitants and produced broad multiparty political support for permanent association with the United States. The people of the Mariana Islands had long been clear about their long-range goals. There was widespread support for the goal of political association with the United States and their leaders made full use of every available means in pursuit of this goal. They mobilized sign-carrying crowds to greet arriving United States and United Nations dignitaries; they organized and conducted plebiscites; and they sent delegations to address sessions of the United Nations to plead their cause.[26] As early as 1959 this goal became publicly acknowledged when the Marianas decided to seek a merger with Guam and integration as a territory of the United States. In 1965 the residents of Guam in a plebescite voted against a reunion with the Northern Marianas.[27]

The proposal by the United States during the Seventh

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[26]Kanost, 373-374.

[27]Meller, Congress of Micronesia, 390-392.

Negotiating Session in May of 1970 for commonwealth status for the whole of Micronesia, while rejected by the Micronesian delegation, found favor with the people of the Marianas. Although nominally still a part of a unified Micronesia and participating in the discussions of the Congress of Micronesia, the inhabitants began to participate in a growing separatist movement. It was an action by the Congress of Micronesia itself, in seeking to further a sense of national unity, that provided the necessary impetus to move the Marianas toward separate negotiations with the United States.

During January and February of 1971 the Congress of Micronesia debated an income tax bill which the representatives of the Marianas saw as unfair to their interests. They believed that a disproportionate share of the revenues would be derived from their monetized economy and would subsidize the poorer districts of Micronesia. The Congress of Micronesia overrode their offered compromises and enacted the tax legislation as proposed: equal sharing of appropriations. This action accentuated the differences in the future political-status aspirations of the inhabitants of the Northern Mariana Islands and those of the inhabitants of the remaining districts of Micronesia, and the Marianas district legislature on February 19, 1971, issued a statement declaring its intent to secede from the Trust Territory and negotiate directly with the United States for commonwealth status. On April 12, 1972, the United States announced its willingness

to engage in separate negotiations with the representatives of the Marianas and the first division in Micronesian unity occurred.[28] The negotiations between the elected representatives of the Northern Mariana Islands and the United States were completed in 1975. The resulting agreement, a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States, was submitted to the people in a United Nations-observed plebescite on June 17, 1975, and approved by a majority of 79 percent of the voters. The covenant was approved by the Congress of the United States on March 11, 1976, and became Public Law 94-241. On March 24, 1976, following the congressional enactment of the legislation, the Secretary of the Interior by Secretarial Order 2989 removed the Northern Mariana Islands from the jurisdiction of the High Commissioner of the Trust Territory and established the Government of the Northern Mariana Islands. This order placed executive authority in a United States Resident Commissioner and legislative authority in the Northern Marianas Legislature, but left judicial authority with the existing Trust Territory judiciary. This secretarial order provided for partial implementation of the covenant under the locally approved constitution.[29]

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[28]Micronesia Support Committee, 11-17.

[29]Department of the Interior, Office of the Secretary of the Interior, Order No. 2989: Government of the Northern Mariana Islands of the Trust Territory of the Pacific Is-

On October 24, 1977, the President of the United States announced the approval of the Constitution of the Northern Mariana Islands, and local elections of a governor and lieutenant governor took place soon after on December 10, 1977.[30] The constitutional government took office on January 9, 1978, making the Northern Marianas a local self-governing entity. The full implementation of the covenant awaited the termination of the Trusteeship Agreement by the United Nations and the United States, which occurred on November 3, 1986, and the Northern Marianas became a commonwealth in political union with the United States.[31]

The tax legislation enacted by the Congress of Micronesia which led to the separation of the Marianas also contributed to the same movement by the Marshallese. The distribution of the tax revenues was an early source of irritation to the Marshallese, as revenues generated in the Marshall Islands were held under Congress of Micronesia control and not returned to the Marshallese.

The inhabitants of the Marshall Islands, culturally and

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lands ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 24 March 1976).

[30]President, Proclamation, "Approval of the Constitution of the Northern Mariana Islands, Proclamation 4534," Federal Register (24 October 1977), vol. 42, no. 267, p. 56953. Microfiche.

[31]Department of State, Trust Territory, 1986, 3-4, 271-296.

linguistically homogeneous, long had a strong desire to become a separate political entity. Although German and Japanese administrators had separated the islands into two districts, the eastern and western chains, the United States, upon assuming control, consolidated the two districts into one administration responsible for the entire Marshall Islands.

The desire of the Marshallese for a separate nation surfaced in February 1972 when Representative Charles Domnick of the Marshall Islands proposed to the Congress of Micronesia that each of the six administrative districts be free to negotiate its own political future. He based his proposal on the disunity existing within Micronesia, the linguistic and cultural differences, the variations among the districts in ambitions, initiative and rate of political and economic progress desired, and the variety in extent of resources. In spite of all the reasons cited, the basic impetus for the proposal was economic.[32]

The Marshallese had a rudimentary money economy as a result of the development of the copra trade by the Germans and Japanese, who paid the laborers wages instead of the traditional in-kind subsistence. This monetized economy was sustained and enlarged by United States contractors who hired the Marshallese to work on Defense Department contracts.

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[32]Heine, 248-252.

Roughly 60 percent of the Micronesian tax revenues originated in the Marshall Islands, and the Marshallese sought for many years to amend the tax legislation to return 50 percent of the revenues to the district of origin. These efforts culminated in an ultimatum by the Marshallese in March of 1973 to the Congress of Micronesia to amend the tax legislation or they would enter separate negotiations with the United States. With no action by the Congress of Micronesia on this ultimatum, the district legislature of the Marshall Islands informed the United Nations Security Council that it desired to begin separate negotiations with the United States and that it would not be part of a Micronesian polity after dissolution of the Trust Territory.[33] In April of 1976 the district legislature authorized separate negotiations, and one year later the United States adopted a two-tier negotiating posture with Micronesia: separate negotiations with the Marshalls and unified negotiations with the remainder of Micronesia. The Marshall Islands was the first of the remaining districts of Micronesia to approve its own constitution and on May 1, 1979, became the Republic of the Marshall Islands, a self-governing political entity.[34]

While separatist actions were taking place or being openly discussed in the Marianas, Marshalls, and Palau, the

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[33]Meller and Meller, 82-92.

[34]Department of State, Trust Territory, 1981, 16.

Congress of Micronesia was proceeding in a different direction, trying to resolve the questions posed above: the nature and character of future political status and the form of the future government. In 1974 the Congress authorized the establishment of a constitutional convention which was directed to:

> . . . draft a Constitution for the future government of the state of Micronesia. Such Constitution shall make adequate provision for the exercise of legislative, judicial, and executive functions, and shall guarantee to all the citizens of Micronesia a form of government which permits the free democratic expression of their views.[35]

The convention began its work on July 12, 1975. Its membership consisted of twenty-three delegates who were current or past members of the Congress of Micronesia, thus having a distinct orientation toward Western-type governmental institutions. The basic disagreement among the delegates paralleled that of the United States Constitutional Convention, i.e., whether to establish a strong central government or a weak confederation of states. The delegates from the Marshalls and Palau favored a loose confederation with strong district autonomy. The delegates from Truk, Yap, and Ponape wanted a strong central government in which they could exert control, by virtue of their larger populations, over tax revenue distribution. In the end the convention adopted a constitution prescribing a federal government

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[35]Trust Territory of the Pacific Islands, Congress of Micronesia, P.L. 5-60, 1974.

consisting of six states, each state being a former administrative district. The constitution was to be submitted to individual state referendums for ratification, and any state voting against ratification would be free to go its independent way. The constitution envisioned a sovereign Micronesia as an independent nation but was written in such a way as to be able to accommodate the selection of any of the options. Independence of Micronesia, however, even if permitted by the United States, would in all probability end or severely decrease the inflow of United States-appropriated funds and result in much economic dislocation for the inhabitants. On the other hand, the status of free association which was being negotiated promised the continuance of United States funds while permitting a substantial degree of self-governance. This economic difference was not lost on the voters of Palau and the Marshalls.[36] The Marianas, having already approved its covenant for commonwealth status with the United States, did not participate in the ratification process. The inhabitants of Palau and the Marshall Islands did not ratify the constitution and instituted separate negotiations with the United States.

After the Northern Marianas in effect went its separate way in 1975, the Congress of Micronesia enacted legislation calling for a general referendum by all the inhabitants on

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[36]Meller and Meller, 317-324.

their desired future political status.[37] The voters were given six options from which to make their choice: status quo (defer decision), free association, commonwealth, independence, statehood, other status. The referendum was held on July 8, 1975, with five of the six districts participating; the Northern Marianas again abstained. The results of the referendum were rather inconclusive as to political choice since the voters did not express a majority choice from among the options. The four leading choices of those voting were:

Status quo.	40 percent
Free association.	25 percent
Commonwealth.	13 percent
Independence.	9 percent[38]

However, it is clear that the voters recognized the benefits of association with the United States since 78 percent voted in favor of continuing some sort of relationship.

Despite the lack of cultural, linguistic, and geographical affinity, it appears that the major reason for the breakup of Micronesian unity was the United States military interest (and the derivative economic benefits) in the Northern Marianas, the Marshalls, and Palau. On September 18, 1984, Richard L. Armitage, Assistant Secretary for International Security Affairs, stated:

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[37]Trust Territory of the Pacific Islands, Congress of Micronesia, P.L. 6-20, 1975.

[38]Kanost, 267-276.

> Regarding the Trust Territory of the Pacific Islands, there are some areas which are more vital than others. I think if you picture the Trust Territory of the Pacific Islands, you can see the Northern Marianas and Guam, and down through Palau, as being of strategic importance to us. Also, the Kwajalein Missile Range has enormous value to us as a test site for our ballistic missiles. But for the area as a whole, denial is the real key, denial of access to third country military forces which might wish us ill will.[39]

This interest and the concomitant flow of United States-appropriated funds into those areas and the reluctance of the leaders of these three districts to share these revenues accelerated the growing separatist sentiment. The total population of Micronesia in 1986 was approximately 164,000. Only 74,000 lived in the three districts receiving the funds generated by Defense Department activities and which would furnish the tax revenues to subsidize the 90,000 population living in the districts which generated little if any funds. To put this in better perspective, the Marshall Islands, Palau, and the Northern Marianas with about 45 percent of the total population generated internal revenues (taxes, etc.) of some $48 million (80 percent of the total) while the remaining districts generated but $10 million.[40]

The Marshall Islands, with about 50 percent of their population living in the two urban centers of Majuro, the capital, and Ebeye, the support island for Kwajalein, derive

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[39]Congress, House Foreign Affairs, Compact Hearing, 2.

[40]Department of State, Trust Territory, 1986, Statistical Annex, 1.

the major portion of their monetized economy from wages paid to the inhabitants by contractors to the Defense Department. Over eight thousand Marshallese living on Ebeye are employed in these activities, primarily in support of the Kwajalein Missile Range.[41] The inhabitants of the Marshalls and their leaders favored negotiating separate arrangements with the United States so that they would not have to share their relatively larger inflows of United States funds and tax revenues with the other, more populous areas of Micronesia. In March of 1974, when their proposed tax distribution legislation failed to pass the Congress of Micronesia, following the lead of the Northern Marianas, the Marshallese delegates walked out of the Congress and in April 1976 their leaders undertook separate negotiations with the representatives of the United States, negotiations which were ultimately to lead to the establishment of the Republic of the Marshall Islands, a self-governing nation-state in free association with the United States.[42]

The leaders of Palau were among the first to indicate opposition to a unitary or federal plan of government. Early in 1969 they advocated a Micronesian confederation of self-governing states, similar to the United States organization

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[41]Stephen C. Smith, The Republic of the Marshall Islands: An Emerging Nation (Columbia, Md.: Development Through Self-Reliance, Inc., 1986), 15-16.

[42]Micronesia Support Committee, 20-22.

under the Articles of Confederation from 1776 to 1789, with most powers reserved to the individual states. One of the conditions expressed by the Palauan delegates for joining the confederation was the right to secede at any time and pursue their separate aspirations. The Palauan political outlook was succinctly stated in the record of the Congress of Micronesia as:

> In the political area, we should strive toward a confederation of free states rather than a unified nation with a centralized government. Our respective constitutions and laws should pertain to the unique cultures of each district, by thus governing ourselves according to our unique cultures and ethnic values, but by joining with the other free states of Micronesia for logistic reasons, a common market, postal system, currency, and other important functions, we will each progress at our own rate.[43]

In addition to any possible United States strategic interest in the Palauan group of islands was the distinct possibility of a commercial interest in siting an oil superport there. To come to fruition, this commercial interest required a politically stable Palau with some sort of a permanent relationship with the United States. Again, the desire to keep the economic benefits of such a venture within Palau and not shared with the other, more populous islands contributed to the Palauan desire to keep its options open.[44]

Although the economic benefits of association with the

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[43]Trust Territory of the Pacific Islands, Congress of Micronesia, Political Status Digest, Fourth Congress, 1971.

[44]Meller and Meller, 190-210.

United States were well recognized by the Palauans, it should be pointed out that the traditional Micronesian distrust of foreign influence and control was prominently expressed in the Palauans' political orientation. The people of Palau in particular had a long history of seemingly trying to place roadblocks in the way of a permanent relationship with the United States and were the last of the four political entities to ratify their association. Early in the political discussions in the Congress of Micronesia, even though the Palauans were almost totally dependent on United States funds, the late President of the Republic of Palau, Lazarus E. Salii, then Chairman of the Micronesian Future Political Status Delegation, alleged that the United States' economic policy was designed to force Micronesia into becoming an integral part of the United States:

> The United States appears to be trying to buy Micronesia. Either they will buy it now with this offer of Commonwealth, or they will buy it little by little, year by year, in a series of time payments, in the form of mounting budgets, carefully chosen promotions, and essentially alien economic programs.[45]

Even after it became evident that the economic and social development of the people of Palau depended on some sort of permanent association with the United States, the Palauans continued to try to upset the negotiations. Following the Palauan declaration for a loose confederation of self-govern-

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[45]Trust Territory of the Pacific Islands, Congress of Micronesia, Future Political Status: Hearing before the Congress of Micronesia, Third Congress, 14 August 1970.

ing states, the Fifth Palau Legislature created on April 28, 1975, its own Palau Political Status Commission to report back within one year on the desirability of separate negotiations with the United States and to conduct political education within Palau on the draft Compact of Free Association. The major recommendation in the report of this commission was that Palau not join the Congress of Micronesia in any status negotiations but pursue its own independent course.[46]

Palau, in asserting its political independence, also established its own constitutional convention separate from the one established by the Congress of Micronesia. In keeping all its options open, the convention produced two constitutions. One constitution provided for complete Palauan independence while the other provided for Palau becoming a state within the Micronesian nation.[47] After its rejection of the Congress of Micronesia-proposed constitution in the referendum of July 12, 1978, Palau proceeded on its own way and developed a revised constitution which provided for a separate nation in free association with the United States.[48]

Palau has not achieved the political stability necessary for the termination of the trusteeship or for required economic development. Approval of the Compact, although

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[46]Department of State, Trust Territory, 1981, 20.

[47]Meller and Meller, 92-99.

[48]Hughes and Lingenfelter, 252-255.

initialed by the President of Palau in 1980, has been subjected to a series of plebiscites in which majorities ranging from 63 percent to 71 percent have approved its adoption. However, this adoption has been stymied by judicial challenges because of a perceived conflict between the Compact and the Palauan constitution, and the trusteeship has not been terminated. In the intervening years of the controversy the initially elected president was assassinated for reasons still not clear and his successor committed suicide while in office.

The actions taken by the Northern Mariana Islands, the Marshall Islands, and Palau left only the four former districts of Kosrae, Yap, Ponape, and Truk comprising what was to become known as the Federated States of Micronesia. Although these former districts contain the majority of the population, they are those remotest from the centers of United States activity and with the least amount of exposure to American society and culture. Their society is characterized by semi-subsistence rural living, and their economy is heavily dependent on government salaries subsidized by United States-appropriated funds. These inflexible economic limitations were the basis on which the leaders of these districts established a coalition in the Congress of Micronesia supporting a unified Micronesia and control by the Congress of all monies over which their population strength gave them numerical superiority and control.

These common goals, however, did not suffice after the withdrawal of the other districts from a unified Micronesian political entity and the internal divisiveness of the four districts began to become evident. The four districts, which are now states within the Federated States, are those which have experienced the least amount of cultural change over the years of the United States administration. The position of the traditional leaders remains very strong as do the ethnic and regional rivalries. This is particularly true in Yap and Truk; their political leaders began to express separatist tendencies in 1981, only three years after the voters of the four districts approved the draft constitution in July of 1978.[49]

After the Micronesia-wide referendum on the constitution in July 1978, the Secretary of the Interior on September 1978 issued Secretarial Order No. 3027 separating the Marshall Islands and Palau, whose voters rejected the constitution, from the Federated States of Micronesia. The order provided for the establishment of the Interim Congress of the Federated States of Micronesia and limited its authority to the districts of Kosrae, Yap, Truk, and Ponape. The Palau and Marshall Islands legislatures were vested with

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[49]Kanost, 301-320.

legislative authority over their respective districts.[50]

The Federated States of Micronesia established its constitutional government in May 1979 and the First Congress of the Federated States convened on May 10, 1979, with representatives of the four approving states in attendance.

With the establishment of the constitutional government on Ponape, the progress toward self-government accelerated and by May 1980 most of the functions previously administered by the High Commissioner and his staff were transferred to the government of the Federated States.[51] On October 31, 1980, the Secretary for External Affairs, acting for the Congress of the Federated States, initialed the Compact of Free Association, signifying satisfaction with its provisions and the specified relationship with the United States. Putting this choice in perspective in light of the initial preference for independence, Mr. Epel Ilon, the representative of the Federated States of Micronesia to the United States, reported:

> One of the primary reasons our people voted for the Compact of Free Association was because of our economic dependence on the United States--not, I repeat not, because we were forced to accept free association as a result of our economic dependency, but because the Compact puts within our grasp to reduce and soon eliminate

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[50]Department of the Interior, Office of the Secretary of the Interior, Order No. 3027: Interim Transition to Governments Based on Locally Developed Constitution ([Washington, D.C.]: U.S. Department of the Interior, Office of the Secretary of the Interior, 29 September 1978), 2.

[51]Department of State, Trust Territory, 1980, 9.

> this dependency. Full independence was an alternative available to us, is an alternative available now, and will be an alternative available to us in the future. Many nations would be willing to recognize and legitimate a status of less than independence, such as free association, if it was clear that in the future a freely associated state could choose independence.[52]

The conclusion reached as a result of this research is that no single factor influenced the inhabitants of Micronesia to abandon their initial desire for an independent and unified political nation. Rather, it was a complex combination of historical, cultural, economic, social, and political forces. In the first instance, there was and continues to be a lack of cultural, linguistic, and geographical affinity among the various peoples of the many islands comprising Micronesia. The major unifying force was the desire of the administering powers to deal with a political unity, however artificial it may have been. In the final result, it was the extreme cultural and linguistic differences that divided the administrative unity.

The Micronesians, through their exposure to the United States administrators, developed a twentieth-century appetite for materialism and the concomitant desire and expectation for a higher standard of living, but lacked the domestic resources to support it. They became almost totally dependent on external financial assistance to maintain their

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[52]Henry J. Schwalbenberg, "The Micronesian States: A Question of Legitimacy," Pacific Islands Monthly 56 (August 1985):50-51.

artificial economies supported by public institutions and employment far beyond the requirements of emerging nations. Their leaders lacked the political will both to reduce government employment and to limit the imports required by the inflated standard of living.

The uneven allocation of resources among the islands fueled the separatist movements as the "have" districts were reluctant to share their bounty with the more populous "have not" districts.

Finally, the exposure to Western democratic principles and ideals, particularly in the administrative centers, broke down the cultural traditions of deference, consensus, and hereditary chieftains and led to public discussion of issues and the formation of advocacy factions, which undermined the unity movement.

Thus, the political leaders compromised between the ideal of political independence and the reality of economic and social stability to satisfy the aspirations and expectations of the inhabitants of Micronesia. None of the new nations have achieved complete political independence but they all have guarantees of United States financial assistance for the immediate future while they seek economic self-sufficiency.

The United States, as trustee for the islands of Micronesia, is a member of the South Pacific Commission, an advisory and consultative organization established in 1947 by

the governments responsible for administering the island territories located in the South Pacific for the purpose of improving the social and economic conditions of the inhabitants of the territories. With the initialing of the draft Compacts in 1980, the United States began to relinquish its complete responsibilities for regional relations affecting the Micronesians. The first initiative in this area was the admission of the governments of the Northern Marianas, the Marshalls, and the Federated States as members in their own right in the South Pacific Commission. The Federated States began its participation in the international community of nations by early becoming a member of the South Pacific Bureau for Economic Cooperation, the administrative arm of the South Pacific Forum.[53]

The four newly created political entities progressively extended their participation into international and regional associations and, by the end of the trusteeship, were active members of the South Pacific Commission, the Asia Pacific Parliamentarians Union, the South Pacific Forum, the Forum Fisheries Agency, and a wide variety of other specialized regional organizations. In addition to membership and participation in the Pacific Basin organizations, the new states have established government-to-government relations with Japan, Australia, Taiwan, and New Zealand, showing their

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[53]Ibid., 51.

determination to exercise the political potential agreed to in the Compacts.[54]

It is apparent that, under the tutelage of the many participating United States agencies in the administration of the Trust Territory, the inhabitants of Micronesia learned from their exposure to Western political institutions and are well on their way to participating in a wide range of international activites and adapting their newly established forms of government to meet their unique needs as they strive to reach complete self-determination.

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[54]Department of State, Trust Territory, 1986, 16-24.

CHAPTER VI

CONTEMPORARY PERSPECTIVES

A significant part of my research for this study was interviews conducted with Dr. Norman E. Meller, an author of several books on Micronesia and a close observer of the continuing political drama, and with the representatives of the three newly formed Micronesian nations.[1] Although they viewed developments from different ethnic, cultural, and political perspectives, their responses to the questions posed to them are remarkably similar and, in effect, amount to a consensus. I have chosen to highlight their observations in regard to three general subject areas that seem to me to have been decisively important in the political evolution with which this study is concerned, namely, the obstacles to a unified Micronesia, the desire for sovereignty, and the economic situation.

All of the interviewees were in agreement that ethnic, cultural, and linguistic differences gave the lie to the presumption that there was and could be a unified Micronesia.

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[1]The material in this chapter has been extracted from interviews with persons recognized as authoritative or who represent the new nations with the United States. Transcripts of the interviews are in Appendices C, D, and E.

In his response, Dr. Meller stated:

> . . . there never was a unified Micronesia. It was a political myth fostered by the United States and other outside nations. The people are ethnically and culturally diverse. They speak several distinct languages. . . . There is hostility and competition among the islands. So the Micronesian unity is a political myth.

Mr. Banny deBrum of the Marshall Islands reinforced that view by stating:

> There was no breakup, there was never any unified Micronesia. It was only a unified Micronesia in the eyes of the United States. There were a few people that tried to make it unified. I think that the core breakdown of the whole thing is number one, it was probably an impossible vision to start off with. There are eleven different dialects; also different cultures.

Mr. Haruo Willter of Palau in speaking of the actions of the Future Political Status Commission related:

> The intent was to keep us together or at least at one time it was the feeling of the United States. . . . We got together and drafted one constitution and, when I say we, I mean the Saipanese, the Palauans, the Marshallese, and the Federated States of Micronesia group. But then it became obvious that we cannot share the same constitution, because of cultural differences, because of aspirations, because of things we could not share.

These viewpoints, supported by the actions of the representatives of the island groupings during the tenure of the Congress of Micronesia, do indeed suggest that any notion of unity was a political myth and could not provide the basis for a unified government.

The second major topic, that of the desire for sovereignty, evinced no less of a consensus. There is little doubt that the Micronesians, regardless of ethnic and cultural background, fervently desire to retain their respective

cultures free from outside influence.

Dr. Meller summed it up thusly:

> We encouraged the Micronesians on the road to political development and encouraged them to communicate their desires. They surprised the United States by their determination to end the trusteeship. . . . We wanted to end it on our terms but the Micronesians had other ideas. . . . So, if you look at it from the Micronesian point of view, it is understandable that there is a feeling against a permanent relationship. Additionally, even though you are assured of the benefits of a United States citizen or national, you are also assured that you are not going to be a Micronesian and continue the Micronesian culture, and, politically, this is a major disadvantage. In spite of all that has happened, the Micronesian values his relationship to his family, his lineage, his particular village, and his culture. These are things that are not American at all.

Mr. Willter, the Representative of the Republic of Palau, put his feelings on sovereignty a bit more strongly:

> I think we should in our own way create, not create but build upon the constitution that we already have and the democratic type of government that we already have, which we voted for and we wanted. But I think we should be the one building; I don't think the United States should continue to dictate what should be done here and that is my hope. I hope we will do that and I think that we will. . . . They [the United States Congress] are trying to say we are doing it wrong and they are going to tell us what to do. I'm saying to them, please, the only way we can build a better government and democratically is through the people here, our own people. They must realize that at such time as Palauans are answering our own questions, that will be a permanent solution. . . . We don't want anyone to tell us what to do.

As significant as the two elements discussed above are, the economic situation seems to have been the key to the political choices made by the Micronesians. All available data indicate that the existing economic conditions in Micronesia must drastically improve even to sustain the present

political status. Dr. Meller took a more critical view of the situation than did the other persons interviewed. His evaluation is that the three newly formed states are economic "basket cases" and that there is little hope for future improvement of any magnitude. His thesis is that:

> Except for Nauru, Papua New Guinea, Fiji, and perhaps the Solomon Islands, all the Pacific Islands that received their independence are pretty much basket cases. Take a look at the gross national products, at the rates of suicide, at the mortality rates, at the disparity between income and outgo, at all the socio-economic indicators. They are all nonviable. . . . I think the United States will continue to provide for them [beyond the term of the Compacts]. . . . Private employment hardly exists and that that does is primarily to service people who work in government. . . .
>
> The main problem is getting outside investors to start up businesses that will effectively employ the large number of educated young people.

Mr. deBrum echoed the dim possibility of any great economic improvement during the term of the Compacts but holds out hope for the longer term by saying:

> Let's just say that all three governments will probably renegotiate the Compact after the fifteen years, I don't think there is any doubt of that. I don't think there is any one of the three governments that can become totally economically independent in fifteen years. . . . I think that all three of them can be economically independent in fifteen years if they restructure their governments and reduce the size of it by 50 percent, but if they want to maintain the standard of living that's been introduced and maintain the type of government they have, that's going to take a little bit longer to achieve that.

Mr. Willter of the Republic of Palau agreed that his nation will not achieve economic independence during the term of the Compact and expects his government to seek to extend financial assistance from the United States beyond

that term. Mr. Willter stated that Palau:

> . . . is a country with very little fuel to go with because there is no economic base, no tax base . . . we have not really developed the island to meet the challenges of today's world as far as economic development, namely tourism, namely the ability to attract outside investors to come to Palau, and develop industry in Palau. . . . But we feel that fifteen years for economic assistance reasons is sufficient time for us to review ourselves, for us to try to develop our base economy and for us to go back to the table and tell the United States, look, it's our fifteenth year and we haven't done much about the economic base so we need to extend the Compact.

What these interviews suggest are the following conclusions: that there was a genuine desire on the part of the Micronesian people to end the trusteeship in a manner that would permit them to follow their different ways of life according to their individual cultures; that these cultures were sufficiently diverse to preclude integration in an all-encompassing union; that the Micronesians wished to live free of foreign or outside dictates; and that the economic conditions necessary for political independence are lacking now and likely to continue to be for the foreseeable future.

CHAPTER VII

PROSPECTS FOR THE FUTURE

Four political entities have emerged from the former Trust Territory of the Pacific Islands, a strategic trust established by the United Nations Security Council in 1947. The Trusteeship Council of the United Nations, on May 26, 1986, by Resolution 2183 (LIII) affirmed that the political choices were freely made by the residents of the islands in accordance with the requirements of Article 6 of the Trusteeship Agreement.[1]

The people of the Northern Mariana Islands chose a permanent association with the United States in the form of commonwealth status. Through this action the residents became citizens of the United States unless they declared their intention to become United States nationals. Politically, socially, and economically the residents tied their future to that of the United States. In effect, they will continue to exercise the local self-government they have enjoyed since 1979 and will be able to maintain the enhanced standard of living brought about by the United States administration

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[1]Department of State, Trust Territory, 1986, 139.

since the end of World War II.[2]

The residents of the remainder of the Trust Territory chose temporary relationships of fifteen to fifty years with the United States, with the ultimate goal of complete economic and political independence.[3] The environments in which these relationships will exist are enumerated in legislative agreements between the United States and the new political entities. The Compacts of Free Association which govern relations between the three emerging states of Micronesia (the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia) and the United States are without precedent in the constitutional history of the United States. Their many provisions, particularly those concerning security and defense matters, tie the three new nations to the United States for the duration of the Compacts. Further, all three nations have a serious dependency on the U.S. funding provided for in the Compacts. That financial dependency varies with the economic health and future development of each. Recognizing the need for continued economic development, the United States requires each state receiving financial assistance to submit every five years an economic development plan and to be subject to audit

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[2]Commonwealth of the Northern Mariana Islands Act (1976).

[3]Haruo Willter, Banny deBrum, and Francis X. Solomon, interviews by author, 1 August 1988, Washington, D.C. (full transcripts in appendices).

by the General Accounting Office of the United States.[4]

It is unlikely that any one of them could survive well without United States financial assistance. Under terms of the Compacts the three nations will receive approximately $2.2 billion before adjustment for inflation over a period of fifteen years. The Compacts also provide United States federal program assistance at no cost to the nations in the areas of public health, international mail service, airline and airport safety, commercial air service, natural disasters, and weather service.[5]

As time passes, the dependency of the three nations on the United States will almost certainly increase unless measures are taken to reduce the cost of government and to bring imports and exports into better balance. The Compacts of Free Association with the Republic of the Marshall Islands and the Federated States of Micronesia provide for substantial reductions in grant aid beginning with the sixth and eleventh years of their terms to provide incentives for economic self-sufficiency.[6] Past performance by the Micro-

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[4]Compact of Free Association Act, U.S. Code, vol. 48, sec. 1681 (1986).

[5]Department of State, Office of Freely Associated State Affairs, Evolution of the Former Trust Territory of the Pacific Islands ([Washington, D.C.]: U.S. Department of State, Office of Freely Associated State Affairs, 16 February 1988).

[6]Compact of Free Association Act (1986).

nesians does not lend confidence that this aim will be accomplished. Of thirty-nine individual projects approved for the five-year capital improvement program beginning in 1976, only thirteen had been completed by the end of fiscal year 1986.[7]

The 1987 budget report of the Federated States of Micronesia gives an inkling of the economic problems facing the three nations that chose free association as their political choice.

> The operation of the Federated States of Micronesia government has long relied heavily on United States grant assistance appropriated each year by the United States Congress. . . . While a welcomed source of additional program funding, the proliferation of United States federal grants over the years has resulted in the National and State Governments becoming exceedingly dependent on them for the support needed to continue important programs . . . these grants have become such integral components of various agencies' budgets that the reduction or elimination of federal grant funding places the existence of many programs in serious jeopardy.[8]

The report also recognized the impact of population pressure on the striving for economic self-sufficiency. It reported an annual population growth of 3.5 percent, noting that almost half the population in 1987 was under fifteen years of age, and predicted a doubling of the 1987 population by the end of the Compact period, commenting that:

It is unlikely that employment opportunities in govern-

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[7]Department of State, Trust Territory, 1986, 52.

[8]Federated States of Micronesia, Office of the Budget, "United States Federal Programs Under the Compact of Free Association," August 1987, vi.

> ment or the private sector will be able to absorb the number of new entrants to the work force anticipated each year.[9]

The report summarized the responsibility of government as follows:

> The task of shifting the nation's economic base from almost total reliance on United States aid to increasingly greater dependence on local, value creating economic activities must be undertaken effectively if standards of living are to be preserved or bettered. Failure to accomplish this will prolong dependence on foreign assistance or result in severe reduction in government services causing considerable citizen hardships. Although there are numerous private sector businesses they tend to be non-productive, service oriented types. There are only isolated and modest examples of commercial development.[10]

The prevailing view among the leaders of the Micronesian people that free association is transitory and a prelude to eventual complete independence is not based on past performance, which seems to indicate a continuing and extensive dependence on foreign financial assistance.

The United States' strategic interest in Micronesia is certain to increase. One provision in the Compact permits the United States to foreclose access or use of Micronesia "by military personnel or for military purposes of any third country." Recent events in this area of the Pacific where the great powers' strategic interests meet are certain to increase the United States' resolve to retain its position of preeminence. The Soviet Union has enlarged its Pacific fleet

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[9]Ibid., 23-24.

[10]Ibid., 126.

and its presence at the naval bases in Vietnam. It has also signed fishing agreements with Kiribati and other newly independent islands of Oceania, which may signal a growing Russian interest and presence in the islands adjacent to Micronesia.

The political and economic instability in the Philippines threatens the loss of the United States naval and air bases in that country. Such a loss would almost certainly result in the relocation of the U.S. military forces to Guam, the Marianas, and Palau.

All of these indications point to a heightened United States strategic interest and a resolve on its part for a continuing if not permanent relationship.

The economic problems facing the newly established governments are easily documented. In fiscal year 1986 the United States Department of the Interior provided $88.455 million to the Trust Territory in the form of an operational support and capital improvement grant. An additional $44.191 million was provided by other United States agencies in the form of categorical grants. The other major source of funding is revenue generated by tax levies enacted by the legislatures of the three nations. These locally generated revenues annually approximate 22 to 23 percent of the total revenues of all three nations.[11]

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[11]Department of State, Trust Territory, 1986, 50-148.

The economic dependence of the former Trust Territory and its lack of economic development have been recognized since the United Nations Visiting Mission first reported in 1959 that "the [U.S.] administration still fails to provide adequate funds for the maintenance of present services and for the purposes of economic development." Similar remarks were made in the intervening reports of the Visiting Mission until 1976 when it reported that "the Micronesian people expressed a general but regretful feeling that the territory was still too dependent on United States aid to be able to consider loosening its ties with the United States."[12]

Other authorities familiar with economic conditions throughout Micronesia have expressed the same view. The reasons given as a bar to economic self-sufficiency have consistently been the same: the vast geographical dispersion, the virtual lack of natural resources, the limited land area and poor soil, the frequency of natural disasters, the enormous distances from potential markets, and the weak economic drive of the inhabitants. Two authoritative views on the subject, spanning two decades of United States administration, sum up the beliefs of all:

> Though economic development is a worthy aim, Micronesian self-sufficiency is, in my view, an illusion and a dream. Financial assistance on a relatively large scale will be needed from the United States for the indefinite fu-

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[12]Micronesia Support Committee, 5-9.

ture.[13]

> The tragedy of Micronesia--and this writer would challenge that at the present time there exists an entity that can truly be called Micronesia--then and now, is the fact that none of the six districts can possibly hope to become a viable, self-sustaining independent entity.[14]

Clearly, one of the obstacles to economic development is the dominant role of government and its creation of a welfare program through incredibly excessive government staffing and employment of a government work force that is largely nonproductive and held to not even minimum levels of performance and responsibility. The solution is a phased plan for reducing government jobs which would demonstrate persuasively to prospective foreign investors, international institutions, the United States government, other bilateral donors, and the people of the Federated States of Micronesia that the officers of the government are committed to make the hard decisions that will move the economy to viability, growth, and real independence.[15]

The above conclusions were supported in interviews with representatives of the newly established nations after termination of the trusteeship. The most optimistic predic-

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[13]Frances Smith, Micronesian Realities: Political and Economic (Santa Cruz: University of California Press, 1972), 189.

[14]Heine, 294.

[15]JK Report on Micronesia (Kolonia, Pohnpei: JK Reports, February 1988), vol. 1, no. 8, 2-3.

tion was that at best two-thirds of the economic development goals would be achieved by the end of the fifteen-year term of the Compacts of Free Association. All the representatives foresaw negotiations to extend the Compacts and, with them, the provision of United States financial aid.[16]

Present events and trends suggest that the view of the leaders of the new nations that the association with the United States is a temporary status on the way to complete independence is illusory. It seems reasonable to predict that the present association will be maintained for as long as the United States perceives Micronesia as a strategic necessity.

The conclusion of this research is that two major forces shaped the development of the political systems in Micronesia. The first was the United States' strategic interest in the islands which would not permit any form of independent government that did not guarantee an American military presence and did not deny access to the islands to any other world power. These guarantees in the Compacts of Free Association, together with a neutralized Japan, effectively preclude Russian intrusion in the eastern Pacific region and protect the west coast of the United States.

The other major force is the economic dependency of

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[16]Representatives Banny deBrum of the Republic of the Marshall Islands, and Haruo Willter of the Republic of Palau, interviews by author, 1 August 1988, Washington, D.C., tape recording. (See transcripts in appendices.)

Micronesia which has developed as a result of the exposure of the inhabitants to the consumer-oriented United States society. This exposure changed the local economies from subsistence to consumption and stimulated an artificially high standard of living without the resource and other means to sustain it. In spite of all attempts at economic development, the limitations imposed by culture, geography, and natural resources make it necessary for external financial assistance to support the standard of living enjoyed by the inhabitants, who show little sign of wishing, or being willing to return to their former mode of life.

Micronesian political leadership has thus satisfied the acknowledged aspiration of the inhabitants for an end to foreign administration while satisfying their taste for consumerism. It has accomplished this by trading the islands' strategic importance for long-range financial assistance, the two forces that in the final analysis shaped the decisions on the post-trusteeship political status of Micronesia.

MAPS

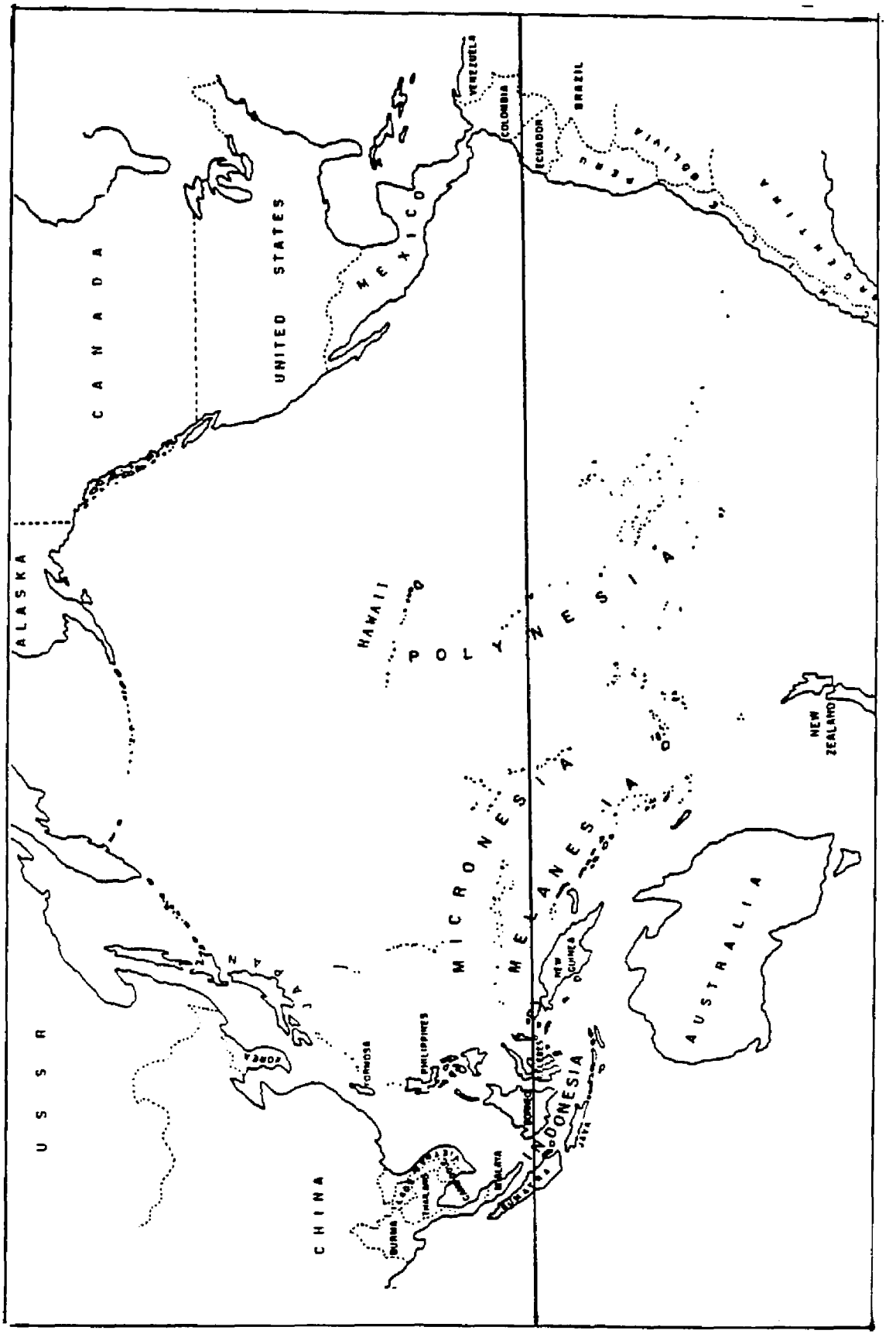

Fig. 1. The Pacific Ocean Area

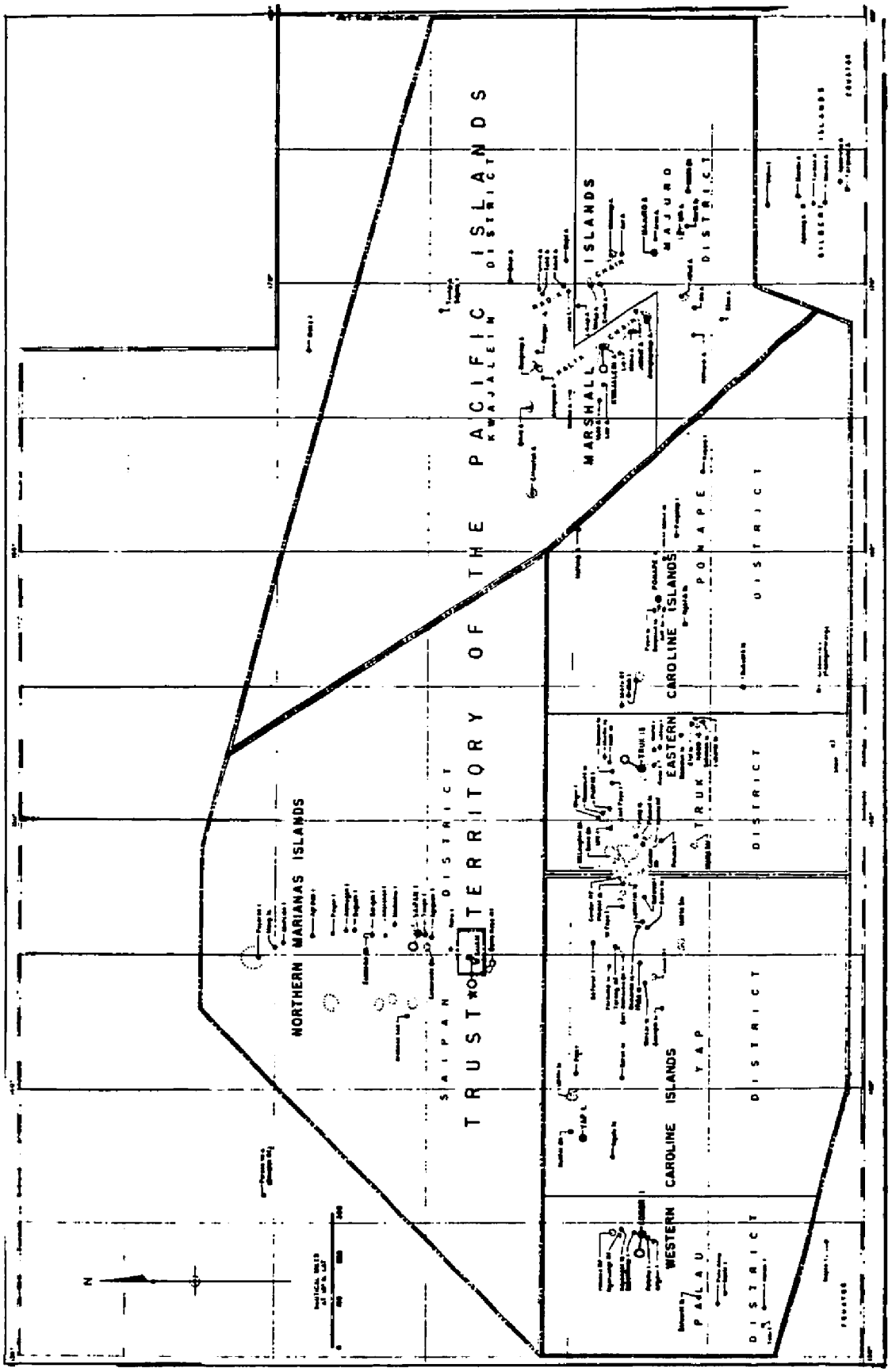

Fig. 2. The Islands of Micronesia

APPENDIX A

TRUSTEESHIP AGREEMENT FOR THE FORMER JAPANESE MANDATED ISLANDS APPROVED AT THE ONE HUNDRED AND TWENTY-FOURTH MEETING OF THE SECURITY COUNCIL

ARTICLE 1

The Territory of the Pacific Islands, consisting of the islands formerly held by Japan under mandate in accordance with Article 22 of the Covenant of the League of Nations, is hereby designated as a strategic area and placed under the trusteeship system established in the charter of the United Nations. The Territory of the Pacific Islands is hereinafter referred to as a trust territory.

ARTICLE 2

The United States of America is designated as the administering authority of the trust territory.

ARTICLE 3

The administering authority shall have full powers of administration, legislation, and jurisdiction over the territory subject to the provisions of this agreement, and may apply to the trust territory, subject to any modifications which the administering authority may consider desirable, such of the laws of the United States as it may deem appropriate to local conditions and requirements.

ARTICLE 4

The administering authority, in discharging the obligations of trusteeship in the trust territory, shall act in accordance with the Charter of the United Nations, and the provisions of this agreement, and shall, as specified in Article 83 (2) of the Charter, apply the objectives of the international trusteeship system, as set forth in Article 76 of the Charter, to the people of the trust territory.

ARTICLE 5

In discharging its obligations under Article 76 (a) and Article 84 of the Charter, the administering authority shall ensure that the trust territory shall play its part, in accordance with the Charter of the United Nations, in the maintenance of international peace and security. To this end the administering authority shall be entitled:

1. to establish naval, military, and air bases and to erect fortifications in the trust territory;

2. to station and employ armed forces in the territory; and

3. to make use of volunteer forces, facilities, and assistance from the trust territory in carrying out the obligations toward the Security Council undertaken in this regard by the administering authority, as well as for the local defense and maintenance of law and order within the trust territory.

ARTICLE 6

In discharging its obligation under Article 76 (b) of the Charter, the administering authority shall:

1. foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the people concerned; and to this end shall give the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends.

ARTICLE 7

In discharging its obligations under Article 76 (c) of the Charter, the administering authority shall guarantee to the inhabitants of the trust territory freedom of conscience, and, subject only to the requirements of public order and security, freedom of speech, of the press, and of assembly; freedom of worship, and of religious teaching; and freedom of

migration and movement.

ARTICLE 8

1. In discharging its obligations under Article 76 (d) of the Charter, as defined by Article 83 (2) of the Charter, the administering authority, subject to the requirements of security, and the obligation to promote the advancement of the inhabitants, shall accord to the nationals of each Member of the United Nations and to companies and associations organized in conformity with the laws of such Member, treatment in the trust territory no less favourable than that accorded therein to nationals, companies, and associations of any other United Nation except the administering authority.

2. The administering authority shall ensure equal treatment to Members of the United Nation and their nationals in the administration of justice.

3. Nothing in this Article shall be construed as to accord traffic rights to aircraft flying into and out of the trust territory. Such rights shall be subject to agreement between the administering authority and the state whose nationality such aircraft possess.

4. The administering authority may negotiate and conclude commercial and other treaties and agreements with Members of the United Nations and other states, designed to attain for the inhabitants of the trust territory treatment by the Members of the United Nations and other states no less favourable than that granted by them to the nationals of other states. The Security Council may recommend, or invite other organs of the United Nations to consider and recommend, what rights the inhabitants of the trust territory should acquire in consideration of the rights obtained by Members of the United Nations in the trust territory.

ARTICLE 9

The administering authority shall be entitled to constitute the trust territory into a customs, fiscal, or administrative union or federation with other territories under United States jurisdiction and to establish common services between such territories and the trust territory where such measures are not inconsistent with the basic objectives of the International Trusteeship system and with the terms of this agreement.

ARTICLE 10

The administering authority, acting under the provisions of Article 3 of this agreement, may accept membership in any regional advisory commission, regional authority, or technical organization, or other voluntary association of states; may cooperate with specialized international bodies, public or private, and may engage in other forms of international cooperation.

ARTICLE 11

1. The administering authority shall take the necessary steps to provide the status of citizenship of the trust territory for the inhabitants of the trust territory.

2. The administering authority shall afford diplomatic and consular protection to inhabitants of the trust territory when outside the territorial limits of the trust territory or of the territory of the administering authority.

ARTICLE 12

The administering authority shall enact such legislation as may be necessary to place the provisions of this agreement in effect in the trust territory.

ARTICLE 13

The provisions of Articles 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may determine the extent of their applicability to any areas which may from time to time be specified by it as closed for security reasons.

ARTICLE 14

The administering authority undertakes to apply in the trust territory the provisions of any international conventions and recommendations which may be appropriate to the particular circumstances of the trust territory and which would be conducive to the achievement of the basic objectives of Article 6 of this agreement.

ARTICLE 15

The terms of the present agreement shall not be altered, amended, or terminated without the consent of the administering authority.

ARTICLE 16

The present agreement will come into force when approved by the Security Council of the United Nations and by the Government of the United States after due constitutional process.

APPENDIX B

STATEMENT OF AGREED PRINCIPLES FOR FREE ASSOCIATION

1. An agreement of free association will be concluded on a government-to-government basis and executed prior to termination of the United Nations trusteeship. During the life of the agreement the political status of the peoples of Micronesia shall remain that of free association as distinguished from independence. The agreement will be subject to the implementing authority of the United States Congress.

2. The agreement of free association will be put to a United Nations observed plebiscite.

3. Constitutional arrangements for the governance of Micronesia shall be in accord with the political status of free association as set forth in these principles.

4. The peoples of Micronesia will enjoy full internal self-government.

5. The United States will have full authority and responsibility for security and defense matters in or relating to Micronesia, including the establishment of necessary military facilities and the exercise of appropriate operating rights. The peoples of Micronesia will refrain from actions which the United States deems after appropriate consultations to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. This authority and responsibility will be assured for fifteen years, and thereafter as mutually agreed. Specific land arrangements will remain in effect according to their terms which shall be renegotiated prior to the end of the Trusteeship Agreement.

6. The peoples of Micronesia will have authority and responsibility for their foreign affairs including marine resources. They will consult with the United States in the exercise of this authority and will refrain from actions which the United States deems to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. The United States may act on behalf of the peoples of Micronesia in the area of foreign

affairs as mutually agreed from time to time.

7. The agreement will permit unilateral termination of the free association political status by the processes through which it was entered and set forth in the agreement and subject to the continuation of the United States defense authority and responsibility as set forth in Principle 5, but any plebiscite terminating the free association political status will not require United Nations observation.

8. Should the free association political status be mutually terminated, the United States economic assistance shall continue as mutually agreed. Should the United States terminate the free association relationship, its economic assistance to Micronesia shall continue at the levels and for the term initially agreed. If the agreement is otherwise terminated, the United States shall no longer be obligated to provide the same amounts of economic assistance for the remainder of the term initially agreed.

HILO, HAWAII--APRIL 1978

APPENDIX C

DR. NORMAN E. MELLER INTERVIEW TRANSCRIPT

Interview with Dr. Norman E. Meller, author and adviser to the Congress of Micronesia, February 23, 1988, Honolulu, Hawaii, tape recording. (Boldface type denotes questions by interviewer.)

What do you believe is the reason that the initial sentiment for a unified Micronesia failed?

The primary reason is that there never was a unified Micronesia. It was a political myth fostered by the United States and the other outside nations. The people are ethnically and culturally diverse. They speak several distinct languages. Japanese and the English language are the most prevalent. There is hostility and competition among the islands. So the Micronesian unity is a political myth.

So the people of Micronesia didn't have this feeling of unity prior to the administration of the United States and the Germans and the Japanese?

I identified the elements of a political myth the Micronesians might have used in order to try and build the sense of unity. They didn't understand what it meant, and once the constitutional convention was underway and completed, the separations were evident and it wasn't possible to go back. The myth talks about the old empire which did not include the Marshalls and didn't include Palau and probably didn't include much of the Marianas but everywhere else it supposedly held the rest of it together. It is a good political myth and used right could have been the basis for a unified government but, other than that, there is nothing holding Micronesia together, so it's really an artificiality.

Do you think that artificiality extends to the Federated States of Micronesia and that there's a possibility that it also will break up?

There is a very strong independence feeling in Ponape and, as far as Yap is concerned, it can go either way. Yap decides what it wants to do and then takes action accordingly. There is a very strong irritation about centralized government and unless the Federated States moves toward some decentralization, breakup is a strong possibility.

Which brings up another point. Do you think that the remaining three nations other than the Marianas will be capable of economic development

that will permit independence or will they all rely on the United States for financial assistance for the foreseeable future?

Except for Nauru, Papua New Guinea, Fiji, and perhaps the Solomon Islands, all the Pacific islands that received their independence are pretty much basket cases. Take a look at the gross national products, at the rates of suicide, at the mortality rates, at the disparity between income and outgo, at all the socio-economic indicators. They are all nonviable. Tuvalu recently got grants from Australia, New Zealand, and Japan to build a trust fund so it can live off the income and survive.

What would be your prediction as to what will happen in fifteen years when the term of the Compacts ends?

It depends upon how much money the nations get from the United States in the meantime. They are already saying, as far as the renegotiation of the Compact, that they interpret it as if there isn't enough money, not only is there going to be a renewal of the Compact, but the language must be looked at. The way the Compact is set up, if it terminates, the security provisions, in effect, are permanent. Some of the leaders of Micronesia already interpret that as nonbinding if additional money isn't forthcoming.

So, since they are basket cases and since, apparently, the United States will never give up its strategic interests in Micronesia, it appears that the United States will be accommodating as far as pumping money into them even though the Compact calls for decreases in the amount of funds in the sixth and tenth years.

I think the United States will continue to provide for them. For one thing, as far as the northern Pacific is concerned, our security status is such that we have to have access. At the very least, if we don't have access we don't want anyone else to have access and so this denial is, I think, a major element in present United States installations north of the equator. And in those terms, Micronesia has a very strategic location. Don't forget an awful lot of the "birds" are parked along the equator, which is where Micronesia is, and gradually we are beginning to use up the space to put the "birds." (Already the people of the Marshalls have talked about the air space, that they own it from the center of the earth up to the heavens.) So there is more than just security in the sense of weapons, there are other aspects as well, all communications. We are talking about service communications, about telecommunications, and the need to control the area, at least making sure no one else has control.

Why do you think the people of the Northern Marianas chose commonwealth status instead of free association?

Well, first the people of the Northern Marianas always looked down on the rest of Micronesia. People from the Northern Marianas have always

felt superior to the people of the Carolines. This relationship goes back to the old Spanish days and the Japanese days when the people of the Northern Marianas accommodated the Japanese and were well treated. That is part of it. Secondly, Guam has been with the United States since the end of the 1800s. The people of the Northern Marianas could see all the benefits that the people of Guam were getting that, as a trust territory, they weren't getting. They could see the federal minimum wage; they could see some other things. They could see that if somehow or other they could have the status that the people in Guam have, or at least something like them, at least different from the rest of Micronesia, a trust territory, they would have more benefits. So, initially, they were the ones who were pushing for joining with Guam. As a matter of fact, the way that the trusteeship is set up, it permitted the joining.

Why did the Guamanians turn down the chance to unite with the Northern Marianas?

Primarily because it was a very small vote and, secondly, because of a residual dislike for the people of the Northern Marianas. The Northern Marianas' people came down with the Japanese during World War II.

And you feel the Guamanians made an error in not accepting?

Well, the point is that now it is a little different from what it was. But at least for a very long while, Guam's economic opportunities were better than those available to the Trust Territory to the extent that it had an enlarged horizon; its people had far more schooling; they had far more access to Western technology, far more economic potential. Whereas by separating themselves, the Guamanians not only had a physical division, they had a legal division, customs and all the rest of it. Now, of course, what is happening is that the Japanese are coming to prefer, and are welcome to stay in, the Northern Marianas. Guam and the rest of Micronesia (the Federated States of Micronesia) as a tourist destination are rapidly being overshadowed by Saipan in the north and Palau in the south.

And the Marshalls' choice to go its own way, again was it for economic benefit?

The Marshalls are a different situation. The Marshalls still have a class society, a different sort of structure than the rest of Micronesia. Each of the areas in Micronesia has a wholly distinctive difference, and the Marshalls didn't want to be treated like the rest of Micronesia, so they chose to become a separate republic.

Was the reason Palau chose to be separate that of the petrochemical complex the leaders thought would be established? Whatever happened to that potential?

A number of things contributed. As to the oil superport, first, it was

the uncertainty over the future of the oil industry in the Pacific. Secondly, it wasn't going to be set up unless there was going to be some assurance that the area was going to be under the American flag. Thirdly, the money was never forthcoming from the investors for the project. Finally, it is yet to be determined what the United States Congress wants to do relative to the Palauan constitutional controversy. Until that is cleared up, the status of Palau is in question.

It appears that, instead of there being any one dominant reason as to why each went its separate way, there was a combination of many reasons, each pertinent to one or all of the island groupings.

That's right, and there were a lot of personalities involved, personalities of the key players, although they comprised a very small group. Secondly, there was a whole new group coming up to challenge them. This is the group now found in the administrative centers, the urban locations. But, they were not in a position really to have that much influence. They were challenging the leadership of the group in the Congress. This is the reason, for example, for insisting that the districts had representation in the negotiations. So you had a lot of people vying for the leadership of the Congress.

What did the common people, the voters, feel about this? From all I have read I get the impression that support of the political leadership is based on culture, tradition. While one may disagree with the political leaders, one doesn't make any public expression of this. Do we really know what the people think and want?

Again, this depends upon the political system in the various locations. Palauans, for example, have competition ingrained in their culture and are free to challenge individual leaders and political ideas. Yapese, on the other hand, traditionally do not. So, as a consequence, one cannot make these general statements. It is only outsiders who do not recognize the differences and make statements of this sort about Micronesia.

Would it be a valid statement to say results of the plebiscites in certain areas were preordained because of the leaders' positions?

No, I'd say that is not the case. Let me qualify that. The influence of the leaders varies with the location of the voter. As one gets closer to the district centers, individuals probably have more education, are more apt to have more experience with the outside world, and are more apt to criticize and express individual points of view. As one moves farther and farther from the centers, one will find less conflict, less criticism, less expression, particularly when the leaders have expressed an opinion. Leaders, in our sense of a knight on a white horse charging around, are not found in Micronesia. Leaders out there very frequently do not take a positive stand until there is a feeling of consensus and then the consensus is expressed by virtue of what the leadership says it should do. Again, it is very difficult to make a

general statement.

How valid is the ballot? Is it a secret ballot?

It is a secret ballot. I can remember when balloting was someone coming in and whispering their vote to the clerk. But the balloting today is secret. The ballot count is not always reliable. Sometimes ballots get lost and are not counted. I don't believe there is much stuffing of the box. Don't forget, however, the vote depends on clan and area loyalties. There is a great inadequacy in the registered vote but I don't think this is any political skulduggery, but administrative incompetence. Another type of problem is the accessibility of the voting place. Suppose one is voting in an outlying area. How many places are there actually available to cast a vote? There is only one place. The answer to the validity of the vote is, I think it's pretty good, but, if you want to start picking flaws, they can be found.

It is a good system but are there accommodations? It may not be representative of what would happen if there had been a complete vote?

That's right, technically also I think the turnout is pretty good but we don't know what the true census readings are. There are still problems today on how many people there are in Micronesia. Secondly, we don't know how many qualified voters there are, as distinguished from what there would be if the registration figures were accurate. So, while the turnout seems pretty good, all these things have a bearing, and the number of people who ought to be voting may be so much more that the actual turnout may be very poor. I don't know the answers, I don't think anyone knows the answers. Statistics aren't so good that they will tell you that the turnout is good.

The figures I have seen on voter participation are phenomenal as far as percentage of eligible voters. You made the statement of this political competition, the older group of ins being challenged by the younger, more educated group.

Not necessarily more educated, just different. You have to remember there was initially a very small group that came out for education and they were the ones who moved right into leadership positions. Later there was a lot of small separate contingents that became college educated. Finally, there was this tremendous surge, three or four thousand people outside of Micronesia who went to college.

You say that the competition really focused on changing the status quo, ending the trusteeship. Do you think the people would have been happy with the status quo if there hadn't been any pressure from the political leaders for ending the trusteeship?

I think the answer to that is, --well, look around the world, where do you see anybody today holding on to what was?

But much of that was a result of political agitation from the educated, from the bureaucrats, from those in government and not really as a result of pressure from above, kind of self-generated pressure by the political leadership.

It is kind of hard to say all movement in Micronesia is a result of top-down pressure. Obviously there must have been a certain amount of dissatisfaction and my guess is most of the people in Micronesia have been much impressed by the ways of the West, so they have become, while insisting they were holding on to Micronesian ways, more and more consumer-minded. And consumer-minded in ways far more than the West. In the West one thinks being consumer-minded includes putting certain things away for a rainy day and investment and what have you. Consumer-minded in Micronesia is actually using it up; the idea of investing money or saving is foreign to the people. They want to buy a car, to have the benefits now. So, to say that they weren't satisfied with what they had, when there was a chance to do better, the promise of getting more, is the result of pressure from the political leadership is not valid. There is very little ideology behind that desire for improvement.

Then it really was the materialistic tendency, the pot of gold at the end of the rainbow that contributed to the desire to end the trusteeship and get on a bargaining basis?

Micronesians for a long time believed that the trusteeship administrations were inept, incompetent. As a result, they want to govern themselves to take care of themselves and to develop their economy. When somebody talked about there being $50 or $60 million of fish out there they thought of it as $50 or $60 million of income, not as a potential catch, which is a lot different from income. But that is the sort of thing, the way they look at things. They think that they have a lot of valuable assets which are somehow or other being denied them, which are not being developed, and can be developed. As a result, if on their own, they would have a better government, a less inept government, be more responsible, then they wanted a change.

As far as I can determine, all of this money is going into creating government jobs. I read an article by Baldwin who recently quit his job with the Federated States of Micronesia who said there are no standards of work, everybody is just on the payroll, and the payroll keeps getting bigger and nothing is going into the economic development which is necessary for future self-sufficiency.

It is both true and untrue. It is definitely true from American standards. Micronesians have different standards and different ways of measuring things. Micronesians have limited sense as far as I can see of maintenance of facilities and infrastructure. As a matter of fact, the Trust Territory administration didn't give them much training in the need for this, so that is one of the things they lack. This idea that a capital improvement is not to be consumed but maintained, this is

where the consumption society comes in. I don't think the Micronesia culture saw things in light of maintenance. When the roof wore out or leaked, they just put a new roof on. Obviously, they live off their income. As far as their work habits go, they come in at eight or eleven and go home at three; they don't go by the clock, they go by the work to be done. If someone has a funeral to attend, one doesn't see him for three days. In our sense, this is all wrong. The worker is being paid for seven or eight hours of work. In their sense, they are being paid to do a job but not in any set hours. It all depends on what one's standards are.

Even though all these nations have these economic five-year plans, their culture doesn't support that type of thinking. It just looks great on paper.

In many areas. Another thing is that the middle managers are untrained and incompetent in these areas. Some people at the top may be trained but the middle managers who are the necessary part to follow through are not that well trained. When the administration draws up a plan the middle management, the implementation, particularly, tends to be weak in following through, not in the precise word but in the rationale of what is supposed to be done. The process tends to be "by the book" administration; at times it drives you crazy.

How widespread is lower education throughout Micronesia? Are we getting education out into the isolated villages, for example?

There are schools all over. That is one of the things the Trust Territory insisted on right from the beginning. As a matter of fact, during the Navy days, back in the '40s, we were teaching them in Japanese and we were working out of textbooks from the Japanese era. Then as we progressed, gradually we started moving from Japanese into English, and moving beyond the elementary grades. High schools and trade schools were being set up by the '50s. In some of the areas one couldn't go beyond sixth grade, maybe eighth grade; beyond that one had to come into the centers for high school. That's even true to this day. For example, a kid wanting to go to high school in the Marshalls either has to be in the Marshalls at the capital or one of the several other centers. If one was anyplace else his family would have to send him over to one of the centers.

What happens to the high school graduate? It seems all he can do is go into government?

That is part of the problem. Private employment hardly exists and that that does is primarily to service people who work in government.

Is there a good service industry building up?

As you got more money in the area the problem becomes less acute. The main problem is getting outside investors to start up businesses that

will effectively employ the large number of educated young people.

How about trade schools?

Well, there is of course the trade school in Palau that is part of the college system. There is an attempt made to include a certain amount of trade training in the high school, but a minimum amount. I might suggest to you that to have an education designed to take care of the people going back to the land and living in the outlying area is somewhat of an illusion, even if it sounds awfully good. In Honiara (Solomon Islands), I talked to the chap who was the permanent secretary of education but had to be moved out of it to another department. The reason being is that when he was in education he talked his minister into the idea the high schools ought to be primarily set up for training people so as to understand the trades and people should not be in high school exclusively for purposes of going on to college. You know what happened? His minister got defeated in the next election because all the people said they want their kids to be educated; they didn't want separate class education; they want their kids to be able to get a job in government or go on to college.

From all that I understand, that is another detriment, since government salaries are much higher than private-sector salaries.

That is true. Besides that, why work out on the plantation when you can sit at a desk in an air-cooled office and never get your hands dirty. The Micronesians are not fools. It takes an awful lot of sophistication to first of all understand the need for manual work in the private sector and the requirement for it in services and trades, and, second, to sell the idea. It is all well and good to talk about manual labor, but where do the ministers' sons go. They go to high school and college.

It appears then that the Micronesians don't have the political system sophistication or economic sophistication to look down the road and plan for the day when the financial assistance ends and they are on their own economically.

If you go back you'll find in the literature on Micronesia for years and years, when the Congress of Micronesia was ending, the Congressmen were always insisting that it was absolutely necessary to decentralize, to reduce this overhead of government, to one way or another develop the economy, to aim at economic self-sufficiency. These themes were repeated over and over again but to no practical avail. The first time the Congress attempted to move to cut down on the number of people in the government, particularly cut down on the number of people who were employed as schoolteachers, there was such a protest that the attempts were quickly dismissed. In the budget, the story was they wanted to go from human service-type operations into economic development operations. The budget should be set up so there was less on welfare, less on this, and less on that, and more on the infrastructure and economic develop-

ment and that's what they always talked about. You look at the budget today and you'll see that there is still the same slant, and they know very well they politically can't make the change.

What then is the future?

Well, the future is a continued dependency of all the districts except the Northern Marianas on the United States for financial assistance.

That brings up a very interesting point. It seems to me I read somewhere towards the end of your latest book that you still favored Micronesian unity over the breakup.

Yes, that was something a little different. My feeling is that there is a degree of economic saving that can be achieved by a centrally structured government, even if it was one of high decentralization. In other words, allow each one of the states to have a lot of the functions instead of what you really now have, a lot of duplication of federal and state functions. That by the way was something they insisted on doing, having a federal system which more or less reflects that of the United States, which some of the leaders understood. As far as I was concerned, it was quite possible to have a federal system like Canada, or like Switzerland with a very minimal central government.

We (the constitutional convention staff) provided that information, so they could understand the United States system wasn't the only system. Unfortunately, when people see the Federated States of Micronesia constitution, they assume this is by virtue of the fact that this is what they were told to do, but they did it of their own volition, made the decision that this was the type of system they wanted. My feeling is that it was a mistake, that it would have strengthened the Federated States of Micronesia if it had a far more decentralized system, a great deal more diversity, but on the state level. The central government is relatively weak in a number of ways.

It seems to me one central government for all of Micronesia provides an opportunity to concentrate limited manpower and resources in ways that splitting up into three or four or five entities just doesn't afford. In other words I don't think they have that much skilled manpower to staff a whole series of governments. You have to have a certain number of competent individuals to run that many systems.

On a different note, do you think that the United States consciously forced the economic dependence, fostered this consumer material attitude in order to maintain a power position?

I can give you reference to many books that definitely say that. There is a doctoral dissertation which says very definitely that the Micronesians were so corrupted by the expenditures in a deliberate effort to make them economic junkies. My reaction is that it is a combination of two things. I know some of the Congressmen from Hawaii

who insisted that Micronesia be included in the various grants-in-aid, that it could be done under the trusteeship. Department of the Interior for a long time objected because it would mean some loss of control, other executive department agencies would have their noses in. Knowing these Congressmen, I am convinced they thought this was in the best interest of the Micronesians, taking care of children, food lunches, old-age assistance, repair of facilities, etc. But to say that they did that to buy off the Micronesians is absolutely false. On the other hand, I am convinced, there were some who said this was the best thing to do. In fact, this was what the Solomon report said in 1962: put more money in so the Micronesians feel closer ties with the United States is the way to go.

I can go along with the Solomon concept of friendly persuasion, but was there a conscious effort on the part of the United States to force dependence so that there was no choice, either become a commonwealth, association, or territory in order to survive?

Well, it is not that side of the coin, it is the other side of the coin: the United States very deliberately did not allow external economic development in Micronesia. As a result, with the money coming in from the United States as it did come in, that dependency on the United States was assured. And very definitely the United States did not allow economic development in those areas where there was potential external investor interest. I can count on my fingers the external activity which was allowed in. Now the United States government and some of the American High Commissioners sincerely believed that this slow economic development was correct, and said they did not want to move any faster than the Micronesians themselves could rule and develop their own economies. We did not want them to be exploited. Any economist would have told you an area devoid of capital is never going to develop unless you either put in capital and/or allow outsiders to come in and develop it.

In addition to the United States viewpoint on development is the fact that the Micronesians themselves did not want outside economic interests to come in. They proposed setting up in each district a district council. For an outsider to come in, he had to get permission from the district council. The Trust Territory administration refused to allow this concept to go through saying that only the High Commissioner had veto power over these actions, not the Micronesians. He limited the Micronesian function to that of advice and recommendation. So while they did not have total control over economic development they had an advisory role. The Micronesians did want others to come in, but they wanted to get their share of any ensuing economic benefit.

Are the Micronesians developing a second tier of the economy by developing local agriculture, local industry to feed into the established stores and services?

This is the disappointing thing, not just peculiar to Micronesia, but to marketing in most developing areas. The movement from the traditional

barter to the producer coming to the curb of an urbanized area, to then moving into a place, not on a curb but in a fixed market, is still not the same as producing for a seller of goods. We have the same problem here on Hawaii in all of our stores here; the supermarkets much prefer getting their stuff from the mainland where they have an assured supply and an assured quality. Don't forget that here there is a small producing capacity and secondly it is much more difficult to insist that the quality be maintained as they do on the mainland. When people here buy they don't know if it is good food or bad food but whether it looks good. The markets won't buy papaya unless it has uniform size and good looks even though the quality is good, but the farmers' markets will.

How widespread is the English language throughout Micronesia?

Starting in the '60s, the Trust Territory established English as the language of instruction in the school system and brought in teachers from the States. The result was that they blanketed the place with American schoolteachers. Additionally, all the business of the Trust Territory was conducted in English and that was a prerequisite for the locals to get any place in government, the desired and well-paying jobs. My guess is that kids by the time they enter secondary school have the ability to read and understand a fair amount of English.

Is there any newspaper distribution away from the central areas?

There is very little. Attempts are being made in the districts to enlarge distribution but there isn't much promise of success. People in the government centers read the papers to pick up stuff having to do with United States policy regarding Micronesia but that is about the extent of newspaper interest.

Why is it that there is this feeling among the Micronesian leaders that they really want no part of a permanent arrangement with the United States?

Well, initially of course, there was the welcoming of Americans in the war; there was the perception that they were no longer occupied by the Japanese. The members of the armed forces gave them food and clothing, helped repair their shelter, and generally treated them well. Secondly, the treatment by the Japanese at times could be very rough so when the Americans came in, the American GI and his typical fraternization, the feeling was that everything was going to be hunky-dory. As long as the war lasted there was the feeling of unlimited resources and the Americans were set up as benefactors. But when the war ended and the Trust Territory was established, it was obvious to the Micronesians that they were being treated as second class. The Trust Territory administration never distinguished itself and it soon became evident that things were not going to be returned to the economic levels of the Japanese administration. All of the Japanese-built facilities that had been destroyed during the war were not replaced. Like it or not, the Japanese ran a pretty efficient operation, the interisland ships ran on time,

pickups were made at various places in the island districts, there was good health care, and the economy functioned. So, a sort of dissatisfaction with the United States set in.

We encouraged the Micronesians on the road to political development and encouraged them to communicate their desires. They surprised the United States by their determination to end the trusteeship even though we ourselves had built up the expectation that it was going to terminate. We wanted to end it on our terms but the Micronesians had other ideas. They refused to negotiate except within the terms of the Hilo principles. It was only when we responded to what they were saying that the Compact negotiations really began to move forward. Even then it took years of negotiation and delay before we could reach agreement although the United Nations continued to exert pressure for an early end.

So, if you look at it from the Micronesian point of view, it is understandable that there is a feeling against a permanent relationship. Additionally, even though you are assured of the benefits of being a United States citizen or national, you are also assured you are not going to be a Micronesian and continue the Micronesian culture, and, politically, this is a major disadvantage. In spite of all that has happened, the Micronesian values his relationship to his family, his lineage, his particular village, and his culture. These are things that are not American at all.

APPENDIX D

HARUO N. WILLTER INTERVIEW TRANSCRIPT

Interview with Mr. Haruo N. Willter, Representative of the Republic of Palau to the United States, August 1, 1988, Washington, D.C., tape recording. (Boldface type denotes interviewer questions.)

One of my major concerns is what the United States has done in Micronesia in the area of political, educational, and social development and what is the feeling of the Micronesians about the path taken by the United States. The United States gave to the Micronesians or at least guided the Micronesians to a political system that was different from what the Micronesians had known and from that the English and the French had introduced in their territories in the Pacific, and I wondered if you had any comments about the availability of alternative political systems besides the one that was adopted as a result of the American administration.

Well, I think if you sit back and look at the total picture of what the United States started with, you know a lot of people are saying that they really haven't done anything what they were supposed to do in Micronesia. I am not taking that view totally because there is an evidence of what the United States has planted in Micronesia. They planted the seed in Micronesia in reference to the education programs that you are talking about. I am here today as a result of that process, and many of us are in competition with the world and in competition with our own colleagues. We have no doubt learned the principles of democracy and the rule of the majority and the basic rules of how to run a government, the exact blueprint of what is now going on in the United States. No other country which came to Micronesia did this. Perhaps the Japanese did little to influence the Micronesians to live the way they wanted them to live and practically they were just there for trade purposes or they discovered us and they more or less did very little to influence the people other than the language. But the United States within the past forty years has done a lot in terms of education, to influence the environment, the lifestyle of the people, and whether that is good or bad remains for every individual and every government in Micronesia to criticize. For me, I think that a person makes of himself what he wants to be and also that will be the result of the government in this area. There is no question that they did plant the rule of democracy, the rule of majority in Micronesia. And so the government of the Marshalls may be a little different than the government of Palau but they are all about the same; they are all based on one basic principle. What I think

that the United States failed to do is to provide for the basic support of that concept, that is the economic support to support the feelings, the lifestyle, the environment that they created in the area. So here we have a person very well educated in Micronesia who can run and get into a congress or he can run for president to run a country, but it is a country with very little fuel to go with because there is no economic base, no tax base. We have learned to accept the handouts from the United States, mainly the federal grants program. The United States has been very cautious in letting us make our own decisions; even today we are struggling here in Palau, trying to get away from the United States, not from the principles of democracy and majority rule, the seeds they have planted. It is very difficult to reverse the whole trend in any part of Micronesia. What we want is simply to be able to make our own decisions for us, that's all, and we have not gotten that yet. So, we feel that we should get there as soon as possible, and I would like to say here that I am optimistic; I think we will get there very soon.

What do you see as the potential for economic development in Palau?

Well, we have been for the past several years under the United States administration and have not really developed the island to meet the challenges of today's world as far as economic development, namely tourism, namely the ability to attract outside investors to come to Palau, and develop industry in Palau. I can compare Palau to areas like Saipan and Guam--we're in the same area--and they're getting lots of tourists from Japan and from all over. Palau is just as beautiful and has a promising future in that industry but we have not been able to do that for two reasons. Again, one is that investors are reluctant to invest money in Palau today because of its unstable political future. They don't know what's going to happen, whether we will be under the United States or will we go independent, or some other status, so they are holding back. They told us that. We feel that we are going to begin to do some of these things on our own. We feel that since for a long period of time, the United States did very little about that, that we feel that perhaps we can go on our own and try. And we have been saying that we haven't been able to agree on the development. We need airports; we need docks; we need roads; we need sewer systems; we need hotels and other things which the United States government is not going to provide, but they did provide us with the opportunity to get into this development by granting us the status that we want. I am very optimistic that Palau will bypass the other areas once we are granted that status so investors can come in and start getting the money in there.

There was talk in the 1970s of a superport being established on Palau. What has happened to that?

I really don't know anything about that. I was then in Saipan and I got into a briefing one time about that idea; there was a gentleman, a developer, a businessman who wanted to do that project, but the people of Palau opposed it. Some of the people wanted it to happen but we

didn't think it environmentally good for Palau at the time and then the idea has gone away. If there is any further interest on it, I'm really not familiar with it.

You talk of the economic development and the economic potential of Palau. What will this do to the traditional way of life, the matrilineal way of life?

That's a very good question. I would say that ten, fifteen years ago, as early as that, there were still discussions in Palau about it. People who were still concerned about the traditional system, the mother environment. If you go to Palau today and look at the people, look at how they live, look at their political problems, you will see that the main issue is their struggling to try to put together a constitution which has been approved by the Palau people, all the people. That document provides for just what you asked me. It provides for two ways or rather combining the mother type or environment with the traditional way and so it has a provision to recognize the power and the authority of the chiefs. It also has a presidential type of government, a democratically elected leader. So that issue still remains and I think it will for the next several years in order to try to blend together that kind of government. And so far, I don't think we are really having problems with that. It's not a problem of whether we can live under those two principles because eventually time will tell. The older generation will go away and who knows what fifteen or twenty years from now, the constitution may be amended. The problem we're having now unless we address it, is that those who believe that Palau can continue to be under subsistence economy or those who believe that I can work until 4 o'clock and then I go fishing. I feed myself through my taro patch and my little garden and fish and ignore other things. I think you will find that may be very difficult to do today. I think you will see that Palau is into Truk's problems. If you go to Palau today, you have cars running on a paved road. I mean people demand these things; they have as I said, the seed has been planted in Palau. The whole future has been dictated to the people and they are going to have to live with that. If we continue to run away from it, I think it will mean more problems. I think we should learn to cope with it. We should learn that way of life means economic development and that means the tax base. I strongly think the Compact funds which everybody talks about, that we are going to get hundreds of millions of dollars, is not going to survive for a long time. And I don't think any government should depend on the purse of someone else. I think we should in our own way create, not create but build upon the constitution that we already have and the democratic type of government that we already have, which we voted for and we wanted. But I think we should be the one building; I don't think the United States should continue to dictate what should be done here and that is my hope. I hope we will do that and I think we will. I testified before the U.S. congressional committees recently because they are trying to direct the Palau government. They are trying to say we are doing it wrong and they are going to tell us what to do. I'm saying to them, please, the only way we can build a better govern-

ment and democratically is through the people here, our own people. They must realize that at such time as Palauans are answering our own questions, that will be a permanent solution. Anything short of that is a short-run solution it seems to me and it will only make us more and more dependent on Uncle Sam and I don't think we should be that way.

In 1970, July of '70, under the House Joint Resolution 87, the Congress of Micronesia set out four basic principles and legal rights for negotiating. Do you think that the Compact allows you to exercise those rights and principles?

I wasn't involved in the statute negotiation. From time to time I was consulted as an adviser but that was it. Now on the first part that they agreed right after 1969 to create a political status commission which then our now President Lazarus Salii became chairman of that status commission for the Congress of Micronesia. At that time the whole Micronesia was still together, including Saipan, so there are six stars you will find in one of the flags because we were together. The intent was to keep us together or at least at one time it was the feeling of the United States. Now after 1969, as you said in 1970, the United States decided that perhaps Micronesians should be entitled to write or chart their own destiny through the constitutional process. We got together and drafted one constitution and, when I say we, I mean the Saipanese, the Palauans, the Marshallese, the Federated States of Micronesia group. But then it became obvious that we cannot share the same constitution, because of cultural differences, because of aspirations, because of things that we could not share. We didn't say that we could not get along together but we did say, look, we must have separate houses. And then we can talk because of some demands, like Palau's. Palau presented four non-negotiable points. One of them was the capital of Micronesia must be in Palau because we probably wanted the first president to be a Palauan, you see. So then we decided this will not work; the United States recognized that, and they started to let us do our own negotiating. Saipan moved out with the government and decided to be a commonwealth. We decided each to write our own constitution. As a result, we came up with that, and the United States acknowledged that. They said that they [the constitutions] are legal documents but one thing is still hanging. Until such time as the Trusteeship Agreement is terminated, those constitutions are not fully binding and Micronesians are not really on their own, do not have self-government. So we are operating under a secretarial order issued by the Department of the Interior which is still haunting Palau today. The United States is still saying your constitution is subject to the secretarial order, so today if our Congress in Palau passes a law signed by the president, we still have to send it to the Secretary of the Interior to decide whether he should suspend it or let it stand. So that is the answer to the constitution and we're proud of it and we are still working on it. The same is not true for the Marshalls and Federated States of Micronesia because they now have received their Compact. Palau is still subject to Secretary of the Interior. Now, on the question of control of internal affairs and foreign affairs and security matters. The United States

agreed to give us self-government and internal control over our affairs and our own government, as well as over foreign affairs matters. So we can trade, we can build relations with any foreign country, as long as those dealings do not conflict with the intent of the security question, meaning the defense. If we negotiate a treaty that will be contrary to that then we have to talk to the United States, but on no other matters that I know of. Today, contrary to those provisions, there is a bill pending before the Interior and Insular Affairs Committee, known as House Joint Resolution 597, which they are trying to push through now, that would have some internal control over the Palauan government, which we strongly oppose.

Another basic negotiating right/principle of the Congress of Micronesia would be that the United States would retain possession of the existing military bases in the Marshalls and Palau but would have to negotiate for any additional land.

Yes, in so far as Palau there has been, and there are specific agreements in the existing Compact, which is known as Public Law 99-658, which specifically outlines what the United States can do and cannot do in Palau. My understanding is that the only issue I know that exists today is the question of compensation. When they use the land, we would like to know what part they want to use and we would like to be able to tell them that this cannot be used because we would like to preserve it, it is historical or whatever. They would have to come back to us and say we have to use it, and then we will have to go through our constitutional process to get it from the owners and give it to the United States. However, we are now asking them that they consider the compensation part of it; that the people will be reimbursed. Not only in Palau, but elsewhere, there has been some comment in the press and by the real estate people that says the military of the United States will have access to more than a third of the island of Palau. That is not my understanding. I don't know where they are getting the information. I trust the United States in that regard as long as the defense requirement exists. Not only that, I feel that if we are going to ask, and we will ask for the United States to defend Palau, we must be in a position to let them come into Palau but we do not want them to come into Palau in violation of our constitution. We have to stick to that, otherwise our people will have a problem understanding.

What is the current hangup on getting trusteeship terminated for Palau?

I am talking about Palau right now. At the United Nations, in 1986, 1987, and 1988, Palau has bid farewell to the United Nations three times and still is unable to terminate the trusteeship. I have participated in those deliberations for the past three years. The reason for the holdup as I see it is on both sides. We in Palau, of course, have the same political system as you have in the United States. There are those of us who feel that we should remain under the protection of the United Nations until such time as the United States completes or performs its obligations in the Trust Territory of Micronesia as they were set to do

or at least agreed to in the Trusteeship Agreement and that means to leave the islands, Palau and the rest of Micronesia, economically sound or have an economic base and have social and education matters, politically and to the point where we can go on our own. We feel that the United States all told, has not done to our satisfaction all of these things. We feel forty years is a long time to try to do these things. We feel that some of the problems are our fault, things that we should be doing. Now the hangup at the United Nations, I don't think really is a United Nations problem. They are only listening to us, asking what do you want to do, and I'm saying the people who should decide to terminate the Trusteeship Agreement are the Palauans. Why? Because we were never part of the agreement in the first place. We didn't negotiate it like what we are doing now in the Compact of Free Association. It's not our word, it's not our say, but we have to live with that and I accept that. But if the Palauans say, which the majority of the Palauans have said, we want to terminate the Trusteeship Agreement and go on the Compact, we should be allowed to. We're going to the courts on the constitutional issue. The question of the court ruling is another matter, it's a legal issue. But that does not remove the intent and the wishes of the people of Palau, for six times they have said they would like to terminate it, once again setting aside the legal issue. I think that if we, the people of Palau, say we want to terminate it, nobody should hold us from terminating it, and the hangup as I said, currently is the United States Congress or at least one committee of the Congress insisting that unless the United States government itself corrects its mistakes in the past forty years in the Trust Territory, it won't let it go, it won't let the Palauans go. To further that, in violation of those concepts that you have mentioned to me, the United States Congress is saying that unless Palau hires an auditor, hires a prosecutor, unless we do these things so they can be assured we don't have a corruptive government, it won't let us go. And I think prolonging it will just create more problems. I believe that we can do it and I think we should. But to answer your question, if the United States agrees to implement a Compact which we have agreed to and they have agreed to and President Reagan has signed it, then I think it is terminated. I think the United Nations will terminate it. One example is there: the Marshalls, and the Federated States of Micronesia. Maybe they have not been officially terminated by the United Nations but they are operating their governments on their own; they don't ask anybody any more questions even though the United Nations Security Council has not said they were officially terminated. I remember the statement of President Amata Kabua of the Marshall Islands way back in 1986. He said that the Marshallese are terminating the Trusteeship Agreement.

Do you see that happening in Palau? Do you think Palau will make a unilateral decision?

I don't want to make a comment for all the Palauans but I am one of those that believe that if you push us too far, we might make that decision.

The latest budget figures I've seen show a great imbalance between imports into Palau and the exports from it, and it appears that the people's wants and needs and desires have come into the twentieth century, but they have not built the economic base to support those. How long do you feel that this imbalance between imports and exports can continue?

I will say, as I said earlier, and you put it just right that we have adapted ourselves to the twentieth-century lifestyle but, as I said, there are shortcomings to this because we have learned to use the modern things but we haven't got the base to support them with, the economic base to support it. I think that the sooner we get on, we resolve the status issue and get on to the economic development, the better. Get us started and I'll tell you why. The trust fund, with the granting of the freely associated state of Palau to the United States, together will pave the way for investors to come in and employ the people. I strongly believe that the government alone cannot do it. In fact, it's my understanding that it is the private economy that fuels the government, not the government fueling the economy. Today Palau's payroll, government payroll, is the only source of economic fuel to the whole community. An experience happened in 1987 when President Salii said there is no more money, you're [the government employees] going to have to go home without pay. Nine hundred people went home without pay, they called it the furlough. That created violence; that created dissatisfaction, frustration among the people, not just the government employees. Those government employees, according to our customs, have extended families to support. That's our system, that's our clan, that's the traditional way in which Palauans are brought up. I may be the only one working in my clan, but I feed the rest. My salary may be feeding thirty to forty other people, so when the furlough happened it affected a lot of people. It's not like in the United States when I say I am going to quit my federal government job, maybe I go to a state government, and if not, then I go to a Burger King. It's not there so when you quit, you quit. I am saying that the sooner we terminate the trusteeship and get into the Compact, that economic development, private development, can start to go. I would compare us to, say Saipan. Under trusteeship their budget was the same as Palau's, about $6 million. I used to be a budget officer there at Saipan in the Trust Territory and I lived in Saipan for twelve years. Today, their local revenue is exceeding $65 million. They are getting $14 million from their government, from the United States. There are more businesses in Saipan. Some people say, well but that's because it is a commonwealth of the United States. Well, I don't think there is really any difference, this commonwealth business. The United States government, the United States business is not the one in Saipan, it's the Japanese so you see. I'm saying, you're asking me my prediction on the time it will take. I'll say that in five, ten, fifteen years Palauan revenue, which is now about $6 million or $7 million, will double that. We are not seeking the money from the Compact alone. Some people are saying that you are getting so much money from the United States. Just imagine you are going to get so much money. I'm saying that's a shot in the arm to stimulate the economy; it's not a

solution, or a permanent solution to the economic base of the Republic of Palau; it has to come from the private sector.

This brings up a very interesting point. You are now educating many, many young people in Palau and their only recourse today is to get a job with the government and there has been talk that the educated young Palauans are leaving Palau because of the lack of opportunity.

Let me point out that that may be true, that many Palauans live outside of Palau, but let me say that Palauans have always been like that. If you look back historically, you will see that Palauans are in the Marshalls, they're in the Federated States of Micronesia, they're in Guam, they are all over the United States. This is before even the Compact was approved. Now I think we're outnumbered in the United States, at least comparing to the Federated States of Micronesia and the Marshalls, because they have free entry provision in their Compact and so do we, but we haven't got the Compact yet so our people are going to be deported if they go to the United States and work, but I don't believe that the weak economic base in Palau or the mother life or the environment or the approval of the Compact will draw more Palauans out of Palau to other countries. I think it's just the other way around. I think Palauans want to be in Palau; they don't have jobs now; they don't have opportunity; they're going someplace else. Yes, there will be some people that will not be in Palau, like some doctors. My brother is a doctor and he is practicing in Fresno because he is making eighty to ninety thousand dollars a year, and if he is in Palau he is not going to be doing that. I myself could come here and work if I am permitted to and, even if it is at minimum wage, I'm probably better off than in Palau, but I don't want to come here. I want to be in Palau and I believe that Palauans will stay in Palau if Palau has a good economic base and people are working at it. What I am afraid we will have, we will have more problems in the future if we don't develop the economic base. There will be more Palauans staying in other countries. I am not afraid of that because if the Compact is approved it will entitle the Palauans to join the military and there are a lot of our people who need that kind of discipline, who need that education, and I think they will be very happy to get in and go away, and then, when they develop their skills, I know they are going to want to come back to Palau.

So you think really the key to foreign investment and economic development is political stability which depends upon the termination of the trusteeship and the approval of the Compact?

Yes, of course, I really believe that, not because I have created it myself and it's been with me. I come to a reality and a realization of this in talking to a lot of people who want to be involved. There is only one group who seem to look way ahead of themselves and that is the Japanese investors. They are gambling in Palau today and they are saying you will pay us later which is all right. So when we get the Compact, the Japanese will be well established in Palau.

And the Japanese are the principal source today of foreign investment?

That is what the Japanese are doing all over. They don't worry too much about when they are going to get their money. They are looking at the long term.

It has been said that the American value system has replaced the traditional value systems of the Micronesians, the proclivity if you will for accommodation, for consensus, for group decision making; that the American value system, particularly with the new political leader, has destroyed that traditional system.

Yes, I am one of those who believe that there is no question that the American values, their democratic system, has in fact replaced some of the Palauan system. But I must say strongly that I am not afraid of that, because the only thing it has done, the good side and the bad side, has replaced those things in Palau which are really not the basic principle or traditional principles, is to replace some of the customs. For instance, the chiefs are still traditionally selected, no one can tell another one what to do; he is traditionally selected by his own group, he is not elected. Some people today are the governor for life because their constitution says that, that whoever becomes the chief of the clan will be the governor, so your election is already dictated for you and you are guaranteed that position until you decide that you don't want to, or you do something very bad that the women of your clan remove you because that is the system. That is a basic principle and that has not changed. What we have lost that is very interesting, and that is unfortunate, is some of the traditional respect. We used to, when meeting the chief, step aside and let him by. Today some of the young men are not doing that. We often still call them by titles. We can publicly say something about them, which we didn't used to do. The very name of our congress, the house of whispers; we didn't yell at each other, but we made decisions in groups; we respected each other. We used to donate our land, things like that. But today you see the letters from the Congress in Palau, openly telling people, criticizing, arguing. That is a democratic principle. We used to, as I said, donate our land for public use, for nothing. Today, Micronesian Legal Service, established by the trusteeship, tells the people that this isn't right, the land is valuable, you don't even know how much you are losing, you must ask the government to pay you. And so that is gone away. But you can't have it both ways. If you want to be enjoying the life that the United States is enjoying, there are things, good and bad things, that go with it and I just pray that we continue to respect our elders and our chiefs until they go away, and let the people of Palau decide when that is going to be. We will amend the constitution when the time comes. But obviously when we wrote it, and I was one of the drafters, we didn't think it was time to let them go so the principle is still there.

Do you see any conflict between the selection of the traditional chiefs and the elected legislature?

There is obviously in Palau because the money concept has come in. The chiefs used to serve free but now, if you serve, you get paid and so there are fights about who is going to be the next chief, but, as I said, selection still follows the system. The chiefs have to be on the maternal side; they have to be part of that clan; they can't be just anybody no matter how smart they are. And if one is not older and there are two of them in the clan, the older must come first and the younger comes next. Yes, there is a clash sometimes. In the state of mine we have an elected government by popular vote and then we have a high chief of that place and sometimes they don't agree, but the chiefs have learned to live with the majority. That is why it is very difficult for me to understand why the United States is still questioning the Palauans about this constitution because it has gone to the people. I don't care what the law is; I think that the highest law is the voice of the people and that's what they have said. Maybe we didn't write our constitution in the exact words that the judges see it but my recollection was that we wanted the United States to defend Palau, obviously we have to do something about that. We can't say we want you to defend us, but when you come leave your uniform, just come with your Sherman tank. That is not possible under today's world so we have to face that reality but we got the Compact and the United States government agreed that an emergency would dictate their presence here or that they are here for transit purposes. They are not to store (this is on the nuclear issue); they are not to dispose; they are not to test. Where we got caught is with the word "use." The constitution says the United States is not to use. The judge ruled that when the United States uses nuclear propulsion or carries nuclear weapons in the airplane, it is using nuclears. So we must mean that we don't want them here. Well, I respect the judge but I am saying that that was not the intent. So we try to correct the constitution to whatever the judge says. So, if we have to amend it we have to go to the people again for approval.

What do you see for the future relationship between Palau and the United States?

I see a very good relationship because Palauans are saying this and saying that when it comes to the United States, many Palauans put a high mark on the United States in comparison to others, particularly in comparison to the Japanese era which really hurt them, and the Spanish and the Germans didn't do anything. The only thing, and I don't want to say this on behalf of all Palauans, because we differ on this, but the only thing that I disagree with the United States is their continued insistence on (not the whole administration) but there are still those in the decision-making ranks who still claim that they know what is best for the Palauans. And I think the sooner that goes away we will have a beautiful relationship because the United States doesn't share that concept with other countries. We don't want anybody to tell us what to do. We are a small island nation but we would like to share the same

feeling. They say that Palau has problems, the drug problem, corruption problems, all kinds of problems. But when I get up here in the morning in Washington, D.C., and turn on the TV, I see investigation going on in the Pentagon, I see drug problems here in D.C., almost one every so many minutes or seconds, so I don't think our problems are any different than anybody's. I think the United States is doing something about their problems, why not let us do something about ours. What we need is the tools of know-how, some money from the United States if they are really serious about helping us. But to dictate to us and tell us what to do has proven to be wrong for the past several years and I don't see any reason why we should continue.

As I read the Compact, it would seem to me that once the United Nations terminates the trusteeship, there is nothing in the Compact except for foreign relations and defense that the United States would have any cause to tell the Palauans what to do.

I think you are not far from it, and I think that there are many of us who feel that way. What I am saying is that there is an attempt to amend it now and what I am saying is we made an agreement. Some of the reasons given to me for amending it are we are giving you almost $1 billion. And I say that is beside the point. When we negotiated the Compact you didn't tell us that you want those provisions in it. If you had said those things then maybe we wouldn't have approved it. I said let's look at it again and we won't object to improved government operations. Nobody wants to see corrupt government officials but until such time as those things are hashed out by the government of Palau with the assistance of your government if you wish. The person is found guilty, he's guilty but that is for the Palauan people to decide under their own system. We may not be as up as what you think we should be but that is our business really. Our late President Remelik always used to tell me, because I said to him you have to do it this way, you have to go forward, these people have to be fired because they are not doing anything. He told me you have been gone for almost thirty years, this government may be slow but it is the government of this people. He said to me that sure we can fire the men but putting them out on the street, not having them in here, does not diminish my responsibility to them. They are equally part of this government thrown out and in the street as they are in here. What you must do, you as minister, I was his minister of finance, is to find the solution, not throwing them out but how are we going to develop the economic system and the training programs to teach people to work not just throw them out. And I think he is right, it may be slow but it is government by those people, it is custom. And if the United States wants to deal with us, it has to deal with us on those terms. It cannot come in and harass us, and say we are going to eliminate this whole thing. If you want to get rid of President Salii or members of the Congress of Micronesia or Palau, you obviously can't do that. The people of the place on their own must decide on their own that this leader or that is not a good leader so you are going out the door and we'll get a new leader in here. What you can do is help us provide the tools and the know-how if you are really serious about help-

ing us but not to interfere with the role of politics nor do you decide what the government should do down to the daily operations. That is not part of the agreement; the Compact is very clear in how it is stated.

I gather then from your comments that the people of Palau view the association as kind of an interim period or relationship leading to total independence?

Oh, yes. That has always been in the mind of the Palauans, in fact, fifty years (the term of the Compact) is a very long time and it was a big issue in our discussion about the Compact and also in explaining and promoting it to the people. Our concept was let's develop ourselves and then we can talk about it. So as a result of that and it's a compromise, we have compromised in the Compact as well as the United States did also. We will follow the general provisions for fifteen years, but we will follow the military ones pertaining to defense for fifty years. But as far as the Compact goes on that, we can terminate it and the United States can terminate it any time after it is implemented with a mutual understanding. But if that happens, we have to have the fifty years agreement in there and the trust fund remains in there, but the other funds are in question. But we feel that fifteen years for economic assistance reasons is sufficient time for us to review ourselves, for us to try to develop our base economy, and for us to go back to the table and tell the United States, look, it's our fifteenth year and we haven't done much about the economic base so we need to extend the Compact. If we find we don't need them, or there are some circumstances that warrant us to sit down face to face with them before fifteen years, there is a provision in the Compact to do that, so I think the agreement is flexible and allows us to develop.

What do you think might happen if you do not build this economic base?

Well, I hate to think that way because I am very optimistic about it for a reason. In the vicinity, in the area where we are, the only place I know that may have some economic problems is the Philippines, and that's because of their political problems. That is why I am so afraid in Palau, it is the political status that we must resolve before we get Palauans fighting against each other too fast or too much which will open an avenue for outsiders to come in and influence it more. We must solve the nuclear issue which is causing the political instability and get on with the economic development under the Compact. I am not accusing anybody but we too have offers from the Soviet Union and other people about this and there's Greenpeace people in Palau promoting their cause, and that is understandable. They have a kinship, we don't want nuclear, so at least it's clear we don't want nuclear so we just talk to them. But when you get some other influence for a very different purpose and it promises funding, you may think it's nothing but it may grow and that's precisely what will happen. You press too much economically and the people are going to be depressed. I read the other time about what happened in Vanuatu. Somebody's going to say do you want $5 million and we might take $5 million. So that is what I don't

want to see and that's why I want to say I'm optimistic and it's going to work. You take the environment and what I see in the area today. I haven't seen one going down; I haven't seen Saipan going down. I can only see Palau going up and I have reasons to believe that if we don't get the political status issue settled quickly, not only our people are going to get frustrated, they're going to try a lot of other things. I think the Pacific region in that area will be very unstable because there may be some problems, some influence that will come into Palau that the United States might not want to see there.

APPENDIX E

BANNY DeBRUM/FRANK X. SOLOMON INTERVIEW TRANSCRIPT

Interview with Mr. Banny deBrum, Deputy Representative of the Republic of the Marshall Islands to the United States, and Mr. Frank X. Solomon, Economic Consultant to the Kwajalein Atoll Development Authority, August 1, 1988, Washington, D.C., tape recording.
(Boldface type indicates interviewer questions.)

From my point of view, political independence is not possible without economic independence. If you are economically dependent on another nation, then you are politically dependent on them. As I understand it from my talk with the representatives of the Federated States of Micronesia and the Republic of Palau, they are economically dependent on the United States and view the Compact of Free Association as an interim measure pending full independence once they achieve economic balance. I believe the Federated States of Micronesia representative said that his nation hopes by the end of the fifteen-year period to have achieved 60 to 65 percent of its economic goals, and the representative of Palau couldn't be more specific. Both felt that if their nations hadn't maintained some sort of a balance between their exports and imports and built up a tourist base by the end of the fifteen years, they maybe would go back and ask for an extension of the Compact pending economic independence. Is the same true for the Republic of the Marshall Islands?

There aren't too many countries in the world which are totally economically independent, and not too many politically. Let's just say that all three governments will probably renegotiate the Compact after the fifteen years; I don't think there is any doubt about that. I don't think there is any one of the three governments that can become totally economically independent in fifteen years. I think that ranking wise, the Marshalls and Palau will go farther than the Federated States of Micronesia in the fifteen-year period as far as economic independence. I think that all three of them can be economically independent in fifteen years if they restructure their government and reduce the size of it by 50 to 60 percent, but if they want to maintain the standard of living that's been introduced and maintain the type of government they have, that's going to take a little bit longer to achieve that. One perfect example of a place out there in the region that people keep saying is never going to reduce government and achieve economic independence, is Saipan. I think that the Northern Marianas, through their tourist growth, is illustrative of what could happen. An uncontrolled

growth of tourism is going to have a lot of repercussions in the long term. The Chamorro people are going to disappear and the Japanese are going to own the island. As far as revenues coming in, there have been substantial revenues, but the Japanese run a circulatory system where most of the money goes back to them. There are enough dribs and drabs that drop off that help the economy. They have a lot of tourists coming in; there are airport fees, taxi cab drivers, housekeeping services, etc. Just the general economy lifts up. Palau has the same potential, even greater than Saipan as far as a tourist stop. It is probably, as far as an island setting goes, the most attractive of all the places in Micronesia. The Marshalls are similar, but the Marshalls are more scattered and it is harder to get to the beaches than it is in Palau. So, I think you are going to see a lot of tourism development in Palau, if and when Palau ever gets together with the United States on governmental relationships. These are still in turmoil.

What is the economic potential of the Marshalls?

Most of the economic potential of all these places in Micronesia lies in the ocean; the Marshalls' potential today is in fishing. Ocean mining is down the road. The Marshalls are probably the most attractive in the world in terms of ocean natural resource deposits, the best in the Pacific basin anyway. They have the best crust and nodule development in that whole region. There are a lot of people looking at the potential. The Marshalls have the mineral rights of the waters, so there will be some development there. I think that there'll be a smaller tourist trade, and possibly it could turn out to be pretty good. We are going to have to direct a lot of the tourist trade promotion more to the United States than to Japan because the United States are closer and we can draw some tourists. I think that other industries that go along are support industries for the military bases in Kwajalein. The residents are doing a lot of work just now, but there are a lot of other service industry needs that they could meet fully.

Are there any contingency economic plans in the event of the Kwajalein missile range going down?

No, there is no contingency plan for that; there is nothing on the horizon that would indicate the Kwajalein missile range is going to go down. It is something that is difficult to plan for. There are about eight hundred workers, I forget what the exact numbers are, there now, and if it goes down, it is going to create a big void. There is no plan, no place to move the people to, in other words, in terms of job opportunities. The private sector is just starting. I think that you'll see, going on the list of potential things, I think you'll see some manufacturing, light manufacturing, possibly some textile development going on, similar to Saipan. A lot of it depends on, I think, the outcome of a couple of things that must take place. One is different United States trade negotiations with Japan. If Japan opens her markets up, there's the potential that the United States may want to invest in the Marshalls, as a way around Japan's import quota restrictions.

Are the Marshalls and the government of Japan in negotiations on trade?

We're in the process of negotiations and I think the Japanese government is going to recognize the Marshall Islands as a sovereign nation under the Compact of Free Association. The negotiations are moving along and agreement may come at the end of this month. Some of the holdup has been because of Palau's status, which is being held up by the House Committee on Interior and Insular Affairs. There are concerns about drug traffic and government fraud. There are not that many; there are only thirty-six addict cases out of the four hundred that were reported in the paper. This problem is exaggerated. But their inability to move forward on the Compact still has the Trusteeship Agreement locked up in the United Nations. I mean the United States looks at it as terminated for the Marshalls and the Federated States of Micronesia but the international community like Japan and some other countries say wait a minute, you (the United States) may say that, but the United Nations is not saying that. They are saying it is still there, it still has to go through Security Council, whatever that procedure is. That has not been done before, and that has slowed down to some extent the Republic of the Marshall Island's ability to be recognized as an independent, and I think once that recognition comes, other things will open up. The Marshalls have a joint venture with some Honolulu people to open up a ship registry program which is going to be a nice little economic development package which is going to bring some other things with it, if it is done properly. We are also exploring investing in a tuna boat jointly with some United States tuna boat owners. So, we are trying to move out economically. There are only so many things one can do on an island that has a population of fifteen thousand people. There are only so many services you can provide, unless you bring in outside workers and once you start bringing in outside workers, you run into the two-edged sword that Saipan is facing. You have a large alien population and not all the islands want to move as quickly and as fast as Saipan is moving. They want to be more selective in terms of what they are going to focus on.

Has the Republic of the Marshall Islands done any licensing of Japanese fishing boats?

We lease the waters for the Japanese to fish. We are using renegotiation of the leases as sort of a leverage against the Japanese for the recognition issue. There are many more things you can get from Japan rather than one and a half or two million in money. One could get service products or trade agreements which may be down the road in the next couple of years. The government may go to Japan and say we don't want one and a half million dollars or yen. What we want is the ability to ship five million worth of products into your country. That will benefit us more than the one and a half million dollars. I think if we start using that type of leverage with the Japanese, we could go to the United States market and get somebody, the United States or the Australians, to build something here in the Marshalls and ship the products into Japan. That potential is there. I think it is going to take time

to develop and I think the Japanese will go along with it. There is potential but the problem is with United States investors. The United States investor is looking at short-term gains rather than long-term investment potential. Also, the large corporations are looking toward investments far beyond the size offered in the Marshalls, while the mid-size firms which would be interested in one to two million dollar projects are not looking outside the United States. So we are looking at gearing up in terms of a better marketing, a better outreach program to try to get people in the United States interested. Because along with that comes the climate for the people in skills development. Lacking the knowledge of potential development projects, we can't just go out and develop the skills of our young people out there now because we don't know what to train them in. They have basic high school education, a lot of college graduates, and they have the ability, even though they don't have the exact technical knowledge. We don't want to do anything until we have something going, a certain plant, a product line, then start a training program coupled with the start of the operation of the plant.

What do you do with the young men who are high school graduates and college graduates where there is no economic opportunity for them, except to go to work for the government?

Well, that's a tough question because by the time they graduate from college and go apply for a job, it is already filled. We have more of the Marshallese people stay in the United States after they graduate because they are not going to get jobs in the Marshall Islands.

So you are getting an outflow of your educated young people away from the Marshall Islands?

I don't know how significant that is. There is definitely an outflow but I don't think it is as drastic as people make it out to be, not for the Marshalls. The problem is people do come back and there are no jobs. It's going to continue to be a problem because there are only so many jobs we can offer now with thirty thousand people. We have talked about this. There has been too much emphasis in the last ten years attributed to the United States, particularly the Department of Education, on college education and not enough skill development, trades, plumbers, carpenters, etc. We have started out, in cooperation with the military at Kwajalein, started up a job training program where we're going to get about eighty people in a skills program. That's where the deficiency has been and that's not all been the Marshalls' fault. It's been the trend in the United States in the '60s and '70s that everyone needs a college education. What happens is our trade schools go downhill and that's where we have a big void. The problem we have is that most of our students only get into professional fields, they don't go to vocational schools where we really definitely need these kind of peoples.

Is there a bias among the Marshallese for vocation vs. professional?

I think the attitude is that it is better to work for the government behind a desk than to get out and work outside. I think the bias changes when the wage rates of a plumber are more than the office worker. I think the money makes a big difference. The people would rather work behind a desk than go out and dig ditches or build houses.

But as I understand it there is a big differential in pay in Micronesia, that the service jobs are paying nowhere near what the professional jobs do.

That is difficult to say. There is such a lack of professional service people in the vocational trades, it is really hard to make that comparison. We started a vocational training program with the Department of the Navy, and we ran through about 120 students over a four-year period, or something like that, and all of them are working, some in the private sector, some in government. Some dropped out, I don't know what our dropout rate was but it was very low at about 20 percent, which is low for the Marshalls. When you travel through the Marshalls, you don't see licensed electrician, licensed plumber like you see licensed automobile mechanic. We are just getting there so you can't compare them with what those people will make. The people who work in the service industry and in construction make good money if they have their own private-sector business because they are the only persons around who know how to fix that car. They make good money in comparison to government jobs but they don't have a lot of employees that you could scale your average of dollar per day. They have a lot of unskilled people working for them. The wages in government are steady and they are higher than the private sector because there is no middle ground in the private sector. There are only the skilled owners and the unskilled workers.

Turning to the political side, what led to the breakup of what started out to be a unified Micronesia?

There was no breakup, there was never any unified Micronesia. It was only a unified Micronesia in the eyes of the United States. There were a few people that tried to make it unified. I think that the core breakdown of the whole thing is number one, it was probably an impossible vision to start off with. There are eleven different dialects; also different cultures. One important thing was the tax legislation. The Marshall Islands contributed much money for the Congress of Micronesia and we only didn't get half as our share. We were giving the biggest share and the Congress of Micronesia took part of our share to distribute to the other districts. We were outvoted because we were a minority. Palau and the Marshalls didn't get along. Palau was another big contributor and Palau was going to pull out. The poor sister states were the Federated States of Micronesia; they always have been. And Saipan was the strongest economically and they benefited from the Trust Territory headquarters being out there. They got a hell of a lot of

money because of the Trust Territory headquarters, not a percentage more than our people necessarily, but from the United States travelers and the federal agency people. There was a lot more private-sector development out there. They had more hotels, more services, restaurants. So the Commonwealth of the Northern Mariana Islands benefited the most from Trust Territory headquarters. They went and voted for commonwealth so they pulled out. The Marshalls were never going to become part of it. They tried to work out a scenario where the revenue return was favorable. But everybody was voting for taking their money away. Palau, historically, really never wanted to be part of it. They wanted to be on their own. They saw themselves as having the greatest economic potential of all the districts. The unified thing was only something forced on the United States. The divisions were always there, that the islands were going to break out. What was kind of amazing was that the four states did get together to form the Federated States of Micronesia. I didn't think they would ever do that, although I was young on the scene at the time. I thought that the Ponapeans' fear of Truk would have stopped it but they didn't. Things aren't still right out there. Nobody liked Truk and nobody trusted Truk, because Truk didn't deliver anything to the alliance and Truk took or demanded the most. They were the largest population center, had some forty thousand people. They generated no income; they were the most disorganized. They had no central representation, had fragmented representation. They always acted as a proud, arrogant people with nothing to be proud and arrogant about. They never got along with them. They had some good leaders. I am not talking about the leaders, but the people in general. They wanted the biggest lion's share so nobody wanted to deal with them. And the Marshalls saw their fate as better by themselves. We were always by ourselves and saw no advantage to linkage especially to the Federated States. The United States talked about unification but then they also dropped the carrot on the states that they would talk separately if we wanted to. That was the only thing that we needed so we held the vote and it went the way that it did. I was personally surprised that the Federated States of Micronesia got together. Yap, I could always figure to go with Truk. Yapese had close ties with the Trukese. A lot of people didn't know that but their islands meet and there are a lot of ties. The Ponapeans were going to be extremely cautious.

It seems to an outsider that it was a matter of self-survival for them to get together. What do we do if we don't go with the Federated States of Micronesia?

Kosrae, yes. Yap had the option to go with Palau but they would probably never go with Palau anyway so they were stuck. The population of Yap is about eight thousand, Kosrae is about six thousand, so they couldn't stand alone as an independent state, but they are all together now. And the Federated States of Micronesia always have made the least amount of effort for potential economic development. Ponape doesn't even have any beaches. Yap's got some nice beaches but they won't let anybody come there. Kosrae's got some potential but they're religious, they are really fanatically religious. That may become involved in blocking any

type of full-scale tourist development. The Marshalls have the nicer beaches to attract the tourists. The outer islands have miles of just pure white beaches.

I take it then you view the Compact as an interim vehicle toward further independence?

That is something that I leave it up to the government to decide. We are in that same path now, self-competence, after fifteen years or something I think the Marshalls would say they have full independence now except for the economic ties. I say that because we have the ability to terminate this agreement at any time and go with somebody else.

Do you really think, and I am speaking now not as a U.S. citizen but as an observer of the international scene, do you really think that the United States would permit that? We are talking now about a very strategic location where the East and the West meet.

I am not speaking for the government but I am speaking for myself. I don't think so because Kwajalein is absolutely essential for the defense security and because the United States is having problems with the Philippines and even Guam. I don't think the United States government would allow that. The Marshalls are the most important United States base because of the Kwajalein missile range. Would the United States allow the Marshalls to become linked with another country? I would say that would depend on which country it was, if it was Australia, that might be all right. To throw their hat in the international ring, to become linked with anybody, Russia or France, I don't know, especially because of the missile range. The Marshalls are the most important. The Federated States of Micronesia are important only because of its proximity to the Marshalls. Palau is important because of its proximity to the Philippines and that area. With the base on Guam and the potential of military training activities on Saipan, the United States wants to wrap up the whole of Micronesia. My inside information tells me there is a lot more turmoil and aggravation going on in the Philippines than we are reading in the papers. But, practically, there is nothing big enough in Micronesia that could ever replace the bases in the Philippines. There is something like forty to fifty thousand people who work for the military in the Philippines and that is three times the population of Guam and equal to the combined population of Truk and the Marshalls.

My feeling is that the United States, for strategic reasons, would never allow a potential enemy to sign any kind of an agreement with any part of Micronesia.

Yes, the Pacific has always been the United States' backyard, but it's not anymore with the Russians in Vanuatu and other places. The United States always overlooks that. They always look beyond but I think they recognize more and more that Russia is making more and more visits, sailing around more now than they have been the last nine years and they

don't want to see it happen in Micronesia.

In July of '70, the Congress of Micronesia set forth four basic principles and legal rights that had to be considered in any negotiations with the United States. Do you feel that those rights are incorporated in the Compact of Free Association?

We now have, and realistically have had since 1979, complete control over internal affairs. We do have sovereignty to deal with other nations, except that we are not going to talk to the Russians and Chinese without some approval from the State Department. We have been talking to Japan, Israel, and other nations. The land issue is kind of strange to us because the United States never really took a lot of land in the Marshalls. A lot of that was land held by the Japanese but the United States paid for that under indefinite lease agreements, different from Guam where they took all the best land. The United States did not take whole islands for government operations. They are not taking it now, except for Kwajalein; they took Kwajalein. In the other islands, there was very little land takeover and they have paid for all that. There are still some pending lawsuits going on which could have been settled years ago except for the attorneys that got involved in that. But that is not a problem, what is a problem in land is that the government of the Marshall Islands really doesn't have access to a lot of land. As a result people want a lot of money and they are forcing the costs of government to go up, forcing land rent or lease parcels for the government offices. The fourth principle involved the writing of our own constitution, which we have done. On the sovereignty issue, there is a bill to be introduced in the United States Congress which would provide the new nations with ambassadorships, which would help clear up a lot of the international recognition problems, help clarify the status of the new states. We have already done the letters, in fact we have already signed the agreement with the State Department.

So from the point of view of the government of the Marshall Islands, the Marshalls are pretty happy with things as they stand? No major bones of contention with the United States?

I think there has been a very positive reaction to the Compact. I think we have been overly enthused. So far we've been happy with the deal that Congress has given to us. We are happy with the Compact and I think we made that clear when we testified in April of this year.

So you're not waiting, you are moving out on your own even though the United Nations hasn't terminated the trusteeship?

There are different opinions on what the status of the termination action is. The Marshalls have moved out with the countries we are willing to deal with to the extent we can.

It is my understanding that the President of the United States declared that the trusteeship has been terminated in accordance with a request of

the Trusteeship Council.

What the technocrats are hanging their hat on is that the Trusteeship Council has the jurisdiction for trusteeships. Because it is a strategic trust, it falls under the Security Council. There are no rules or procedures or precedents for terminating a trusteeship under the Security Council because it's been the only one. The United States believes that if they bring it up for a vote in the Security Council, Russia is going to vote against it. So they have presented the paper in such a way that there couldn't be a no vote. The United States didn't say we'll bring this up for a vote, they came up with the paper. They went to the United Nations and said the Marshalls have voted in a plebiscite to sign the Compact, our Congress in the United States passed it, their people accepted it, therefore the trusteeship is terminated as far as the Marshalls are concerned. In our mind it is a jurisdictional question; the UN has still not wrapped up all their little edges and pieces yet, because the question of Palau is the thing that is holding it back.

I think you are right; the President just declared that the trusteeship was terminated and the United Nations Security Council has taken no formal action.

The Marshalls and the Federated States of Micronesia went along with that. They would rather not have seen it that way but if we had to wait for the United Nations the relationship would never have got off the ground. And like anything--this relationship in the Compact--there are a lot of people second guessing how it's going to work, but you never know how it's going to work until you get into it, start it, get your feet on the ground. The first couple of years are going to be trying, the fifth year is going to be a test because the revenues go down. The revenues drop the fifth year and the tenth year so that would be, in a critical path analysis, that would be a critical step in the process, to see what happens at that point in time.

Was there any great sentiment among the people of the Marshalls to retain the status quo, to continue the trusteeship?

No, I don't think so because we have a plebiscite, we let the people decide on what they wanted to do, and it seemed that the majority wanted to go with the Compact. In fact, we even had a political education campaign and educated them.

I mean before the Compact. As I understand it there was some plebiscite, in the late '60s, in all the islands and four choices: independence, status quo, territory, or commonwealth.

Back in the '60s, commonwealth always got a large percentage of the vote, 30 to 35 percent. The United States probably could have signed the Compact of Free Association with the three Micronesian governments in 1968 for one-fifth of the money that they signed for in 1981 but the United States could never get its act together. The United States has

been the reason that the Compact took so long to negotiate because of the changes of administration, the change of people, the change of attitudes. I think that the attitude back in the '60s may have been that the trusteeship is a nice arrangement because it wasn't until the late '60s that the money started going to Micronesia. You look at the funding pattern after the Solomon Report. I mean the budget of the Trust Territory in 1960 was $1 million, $1 million for everybody. The headquarters was in Honolulu. In 1964 when the big construction push came on, what was it called, the golden era or something like that, Johnson and Kennedy, and the money went all for education and schools, and there was a big push on that. Then, in 1968 there was another push, and Nixon put in a big program, a construction program, $500, $600 million for the five-year program. That's when the push came in, so you know after the money started flowing in, the people started saying everything is all right now. The common people probably to a large extent didn't really care about the formal political structure, what was going on, as long as they had jobs and opportunities. It was the political leadership that prolonged the relationship. But Trust Territory had to change, whether it changed to commonwealth, independence, or compact was something that the leaders of Micronesia orchestrated whichever way they wanted to go. But the trusteeship could never last because it was something that had outlived its time; the people of Micronesia wanted a change of leadership.

Was it the people or was it the political leadership?

Mostly the political leadership. The common person on the street probably to this day couldn't tell you the difference between the relationship of the trusteeship and the free associated states and 99 percent of the people in the United States couldn't tell you what the relationship is. I could tell you the difference because I've worked eighteen years on it. But to the common people in the political education program, it is still a good program. There are still a lot of nuances in the Compact that are hard to understand. The people know that the relationship is different and probably highlight the funding and the political independence as the two things that they have realized.

Do the Marshall Islands have something akin to a five-year economic development plan?

We do have a five-year plan. I think it is one of the requirements under the Compact that we should have a five-year plan. But we do have a five-year program. As a matter of fact, our economic development plan was just updated recently.

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