UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIES
WASHINGTON, D.C. 20240

Hon. M. W. Goding
High Commissioner of the Trust Territory
of the Pacific Islands
Saipan, Mariana Islands

SEP 17 1965

Dear Mr. Goding:

I am a late-comer to the issue of dual compensation in the Trust Territory, having in the past been only generally aware that the problem exists and having not had it brought to my attention in terms of particular individuals and specific salaries. The matter has now come to my attention in just those terms: Peter Coleman, or any other U. S. citizen District Administrator, paid at an annual minimum of $14,140 plus valuable additional benefits, and Dwight Heine (and I assume any other, so far hypothetical Micronesian District Administrator, paid at an annual rate of $7500 to $10,300). I refer to your letter of September 7 (to other portions of which, along with your letter of July 23 on a related subject, we will reply separately soon).

I am greatly disturbed by the fact that the lesser salary will be paid the Micronesian District Administrator solely because he is a Micronesian. A U. S. citizen serving as District Administrator for the Marshalls would doubtless be paid at the higher rate. Another Micronesian District Administrator, if one were to be appointed, would presumably be paid at the lower rate. I am of course assuming that as District Administrator in the Marshalls, Mr. Heine will have precisely the same responsibilities and will discharge them as fully and as competently as his predecessor. His job description will be the same. His title will be the same. Yet, solely because he is not a U. S. citizen, his annual compensation will be but a fraction of his predecessor's. I know that this is but one manifestation of the dual compensation system, and that this system has long existed for a number of reasons, some of them complex. But I think we will simply have to devise a means to overcome the complexities, and soon. The Heine case is so visible, and patently indefensible, that we can only anticipate the most acute embarrassment from every forum if it persists. Regardless of the considerations which have given rise to the dual wage structure, I strongly believe that they will be dismissed by our listeners forthwith. No one will wait long enough for us to explain these considerations, in light of the fact that a trained, talented, and experienced Micronesian, who will perform the same job as his U. S. citizen counterparts, is being paid far less than they. The only basis for the difference is citizenship, and I just don't think that will wash in the United States Government in 1965.

My associates are somewhat less hysterical on this subject than I, and I enclose copies of notes to me from both Mr. Milner and Mrs. Vidi to make this clear. I of course agree with them that the problem should be systematically explored and corrected rationally. I'm nervous, however, because I've heard about dual wages and of the fact that someone ought to do something about them for easily ten years, and I think now we're confronted with a case that requires correction in a matter of minutes.

The following considerations seems to me relevant:

1. On the basis of the facts that I can gather, the dual wage system now in effect results in paying U. S. wages to U. S. citizens regardless of whether they are brought from the United States or hired locally. Thus the U. S. citizen wives of Trust Territory employees (in some cases with American husbands, in some Micronesian), who are in the Trust Territory by reason of marriage and not by reason of their having been hired to go to the Trust Territory, receive full U. S. type wages. I doubt that this is acceptable under the Civil Service Commission's ruling of 1951, which is the basis for our use of Federal Civil Service in the Trust Territory. But setting aside that consideration as not relevant to the immediate problem, it does of course point up graphically the practice of gearing pay to citizenship.

2. The existing system has (or has had) the virtue of tidiness and predictability. We know that Micronesians, regardless of other considerations, will be paid on the basis of one pay plan and U. S. citizens on the basis of another. But even this virtue will soon evaporate, if it hasn't already, when the Micronesian Legislative Counsel is paid at the rate required by the pertinent Secretarial Order. He will, I infer, be paid substantially more than the District Administrator. While we would all agree that the Legislative Counsel post is one of acute importance, I suppose we would also agree that it is not one-third (or thereabouts) more important or more complicated than that of District Administrator.

3. Of the 4500 Micronesians now employed by the Trust Territory Government, I suppose that well over 4000 are employed in capacities for which there are no U. S. counterparts. The question of the level at which they ought to be compensated is obviously one that should be seriously and continuously explored, but I should suppose that it is separable from the dual-wage matter. I do not mean to suggest that if Dwight Heine and others similarly situated (and I'm frankly not sure that there are any) are paid what their American counterparts are paid, that all Micronesian employees are entitled to a comparable increase. The problem of equal pay for equal work, regardless of citizenship, doesn't arise with respect to the bulk of your Micronesian employees.

4. The problem arises only with respect to those Micronesians who are doing exactly the same job as their American predecessors, or who are doing a job of the same general level of complexity as Americans now employed in the Trust Territory. It does not necessarily arise with respect to a Micronesian who carries the same title and sits at the same desk as his American predecessor. You are far more aware than I of the charge often made, by the Solomon people and by other expert visitors in recent years, that Micronesian replacements all too often are unable, because of inadequate training, to do competently what they were hired to do. By way of an unspecific example, if an American GS-11 is replaced by a Micronesian, hired to carry the same title and do the same job, I believe such Micronesian should be paid the same base pay as the American if he is in fact going to do the job. But if he will be performing it at the level of, say, a GS-5 American, then he ought to be paid as a GS-5. Differently stated, I do not see that an equal-pay-for-equal work premise needs to result in paying each Micronesian precisely what his American predecessor was paid. I should expect that very, very few would qualify for this kind of treatment. But I'm quite sure that Dwight Heine is one who does.

To what extent these considerations advance either of us in resolving the problem which exists, I am not at all sure. My comments seem to me sufficiently obvious to be banal. But I do hope I have conveyed to you my own conviction that the current situation is almost impossible to defend and will result in acute embarrassment to us all; that a proper study by the right people is essential, but that it should be launched today; and that corrective action, even if stop-gap, should immediately be taken in the Heine case, and others (if any) of a similar sort.

Please let me know what you think, as soon as you can.

Sincerely yours,

(Sgd.) Mrs. Ruth G. Van Cleve

Mrs. Ruth G. Van Cleve
Director

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9/20/65