



EXECUTIVE MANAGEMENT SERVICE, INC.

January 11, 1971

Mr. Marvin L. Stone
Associate Senior Editor
U. S. News & World Report
2300 N Street, N. W.
Washington, D. C. 20037

Dear Marvin:

I have thought frequently of the great interest in Micronesia you showed during our lunch last Monday. In view of your interest I am summarizing the points made:

1. Relations between the Congress of Micronesia and the U. S. have steadily worsened since May of 1970, to a present impasse which constitutes a danger to our significant interests there.
2. This stems from the visit of the U.S. Assistant Secretary of the Interior for Land Management, chairing an Inter-Agency Committee, to Saipan to "negotiate with their Status Delegation on the ultimate status of the Trust Territory of the Pacific Islands, a negotiation during which the High Commissioner was privy neither to the U. S. position nor the discussions. The Committee offered a "Commonwealth" status which incensed the Micronesians because it was without definition on even matters existing with respect to Puerto Rico; except that the U. S. would have "the right of eminent domain".
3. After the Congress of Micronesia adjourned, a State Department Foreign Service Officer arrived in Saipan, unrequested and resisted by the Trust Territory Government, ostensibly as Political Advisor to the High Commissioner but also reporting directly to Washington on "the Micronesian attitudes on the political status question to the Inter-Agency Group", chaired by the Assistant Secretary of the Interior for Land Management. This by-passes High Commissioner Edward E. Johnston.
4. Micronesians recall the Japanese efforts in agriculture as beneficial to them in comparison with U.S. trusteeship because, even though it may have exploited, Japan bought everything they produced. In this connection, even though agricultural and sea food products constitute the most immediate available economic base upon which to build, the U. N. Visiting Mission reported in May, 1970, "Agriculture, however, looks like the poor relation. It has declined in comparison with its flourishing condition before the war and seems to be in a state of stagnation."

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5. We can turn the situation around, but it requires (a) "cooling" our political (obviously strategically motivated) maneuverings and build-up of Washington presence; (b) making Micronesians conscious of U.S. sincerity in improving their economic well-being; and (c) quietly tying Micronesia to the U.S. through economic means.

6. We can cool the political status hot box by:

a. Immediate pull-back of the State Department Political Advisor to the High Commissioner;

b. Instructions to the High Commissioner that he, a Presidentially-appointed official in the Department of the Interior, is solely responsible for providing liaison with the Congress of Micronesia and the Secretary of the Interior; and

c. Instruction to the High Commissioner that, in line with the intent of the report of the U. N. Visiting Mission in May, 1970,

(1) the Trust Territory Government is to emphasize political education of the Micronesians and make Government communication media available for such education and for related discussion in the Islands;

(2) the High Commissioner and his U. S. staff is to discuss informally with the Congress of Micronesia and District and Municipal Legislatures the political, economic, and administrative implications of status alternatives as requested, and

(3) the U. S. Government will, after the Congress of Micronesia has settled upon Micronesia's status subsequent to full deliberations by Municipal and District Legislatures, create and appoint an appropriate Status Commission to meet with officially designated representatives of the Congress of Micronesia.

7. In the meantime we can immediately build, without fanfare, broad-based local awareness of U. S. economic benefits and create an economic tie by:

a. having an outside objective study of -

(1) the present and future purchasing requirements by U. S. military bases on Kwajalein and Guam and by the Trust Territory Government throughout the Territory on food products which are or could be produced in Micronesia; and

(2) the Micronesian food production capabilities for present, immediately short-range, and longer periods, recognizing the motivating influence in food production of prior determinations of assured markets, effective marketing systems (including transportation and storage, and modern marketing techniques), and quality standards;

b. establishing through negotiation with the Assistant Secretary of Defense for Logistics and Installations year-by-year, over a 10-year period, ceilings under which Micronesian food products, in classes identified by the study as commercially feasible, will be purchased on a preferential basis (Deputy Assistant Secretary Riley informs me he has this authority); and

c. establishing similar ceilings and assurances of food purchases by installations and commissaries of the Trust Territory Government.

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8. We can convince critics in Micronesia and elsewhere that we are in fact preparing the Micronesians for self-administration by:

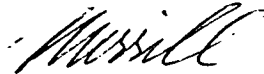
a. Setting up the separate Trust Territory Government personnel system and the unified salary plan separated from constantly increasing U. S. salary schedules, as recommended in our reports to the High Commissioner in December, 1969 and September, 1970;

b. Studying and clarifying the authorities, responsibilities, and functions of the Assistant Secretary of the Interior for Land Management, the Office of Territories, and the Ad-Hoc Inter-Agency Group with respect to the High Commissioner and the Trust Territory Government, and

c. Evaluating the ability of the present headquarters structure and top executive personnel, from Deputy High Commissioner through Department Chiefs, to carry out an effective implementing program, with particular reference to the decentralized operations of the Government; and recommending changes in structure and personnel as considered to be necessary.

I am genuinely concerned about the situation and believe action along these lines is urgently needed.

Sincerely yours,



Merrill J. Collett
President

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