ORIGIN/ACTION EA-8

Enclosure No Good

DEPARTMENT OF STATE

AIRGRAM

03 POL 19 PACTT

FOR RM USE ONLY

A-268 UNCLASSIFIED

NO.

HANDLING INDICATOR

RECEIVED DEPARTMENT OF STATE NOV 1 8 25 AM 1971 RS/AN ANALYSIS BRANCH

TO : Department of State

INFO: AmEmbassy Wellington
HICOMTERPACIS Saipan for Polad
CINCPAC for POLAD
Amconsul SUVA

FROM : AmEmbassy CANBERRA DATE: October 21, 1971

SUBJECT: Peter Hastings Writes on the U.S. Trust Territory

REF :

Timed to coincide with the talks in Hawaii on the future status of Micronesia in early October, the Sydney Morning Herald published October 11-13 a series of three articles by columnist Peter Hastings. Hastings recently visited the Trust Territory and presents a good, generalized picture of the political, cultural, and social problems there. He is not unsympathetic to the U.S. role in Micronesia but clearly does not enter into the merits of whether the Territory should be self-governing, enjoy dominion or commonwealth status, or have full independence. The conclusion of his articles is summed up in an editorial which appeared in the Herald on October 13. It describes the conflict in Micronesia as a struggle between David and Goliath and states that concessions will have to come from Goliath since David's rights in the 1970's cannot be ignored.

Attachments:

News clippings.

RICE

RM/R	REP	AF
1		
ARA	EUR	FE
NEA	CU	INR 6
E	P	IO 5
L	FBO	AID
		SP/S 1
AGR	COM	FRB
INT 7	LAB	TAR
TR	XMB	AIR 5
ARMY 3	CIA 16	NAVY 6
OSD 34	USIA 10	NSA 3
		NSC 6

1971 NOV 1 PM 12 49 COPYFLO-PBR

FORM 4-62 DS-323 UNCLASSIFIED

FOR DEPT. USE ONLY In Out

Drafted by: POL:WCNenno:ak 10/21/71

Contents and Classification Approved by: POL:TFConlon

Clearances:

03-021825

The Sydney Morning Herald

6 WEDNESDAY, OCTOBER 13, 1971

ewca 268 Ca

15/7

US in the Pacific

AFTER THE great wave of independence which engulfed Africa from Lagos to Lusaka in the early 1960s, anti-colonialist nationalist movements seemed at an end. What remained of European empires were the islands of the Indian and, particularly, the Pacific Oceans, tiny ethnic enclaves on scattered atolls and volcanic islands seemingly condemned by lack of communications, political cohesion and self-sustaining economies to be forever the political pensioners of one or other of the metropolitan powers. And yet this has not been the case. In the Pacific there are three independent mini-States keenly aware of their political fragility but intensely determined upon ethnic survival and political independence, at least to the extent of controlling their own land, society and resources. And there are more to come—Papua New Guinea, the Solomons, the Gilbert and Ellice Islands and, not least, Micronesia.

The negotiations now taking place in Hawaii between a top-level United States mission and representatives of the Congress of Micronesia over the future political status of the US Trust Territory of the Pacific—three million square miles of Pacific Ocean and scattered atolls inhabited by 100,000 Micronesians—is not without significance for either Australia or Papua New Guinea, if for different reasons. Micronesia and New Guinea in fact comprise the last two UN Trust Territories in the world. They share a common "border" along the equator and common problems.

It is a sad fact that until very recently the US has but indifferently discharged its obligations under the UN Trust Agreement to develop Micronesians to the point where they may freely choose self-government or independence. Early US Navy administrations were able only to maintain minimal development. Later civilian administrations struggled with parsimonious budgets. Having no colonial service and no theory of colonial government—indeed all US history is against either—under successive administrations ad hoc decisions masqueraded as policy and theories substituted for programs. The US, which has given more aid, more generously, to more countries than any other in history, has frequently been a poor guardian of the interests of those placed under its charge. But in Micronesia in large part it has also been the victim of a conflict between its own vital interests.

The US won Micronesia's tiny islands from Japan in the bloody battles of World War II and has ever since regarded them as an area of vital strategic interest. Whether it is so today with the US withdrawal from Asia, the overriding effectiveness of the nuclear balance and the availability of Guam—a dagger pointing at East Asia—is arguable. The US Defence Department clearly thinks so and is the mainspring in ambivalent US attempts to see that US political control over Micronesia is preserved. While the Micronesians are willing to give the US continued control over its $1,000-million missile test site in the Marshalls, they want nothing less than internal self-government and the formal right later to opt for independence. David and Goliath are now locked in conflict and there will have to be concessions. But they will have to come largely from Goliath. David has rights which cannot be ignored in the world of the 1970s.

03-021826

The Sydney Morning Herald, Monday, October 11, 1971

"DAUGHTERS OF ANOMALY, Tomorrow Thru Friday."

Among the first things [illegible] offices on Saipan, the tiny island headquarters of the United States Trust Territory of the Pacific, are the open, commercially operated "skin flicks" — those bluer-than-blue art imports from distant 42nd Street over which giggling Saipanese stenographers gossip at coffee break.

Obscurely signalling more than celluloid fun for frustrated expatriates or curious indigenes, they represent—as did until recently the unrestricted sale of firearms—haphazard intrusion of a great and powerful civilisation's life-styles into one of the world's remotest corners, Micronesia.

In the past 400 years Micronesia has experienced many intruding life-styles—Spain's, Germany's, Japan's and, since the end of World War II, America's—and somehow survived.

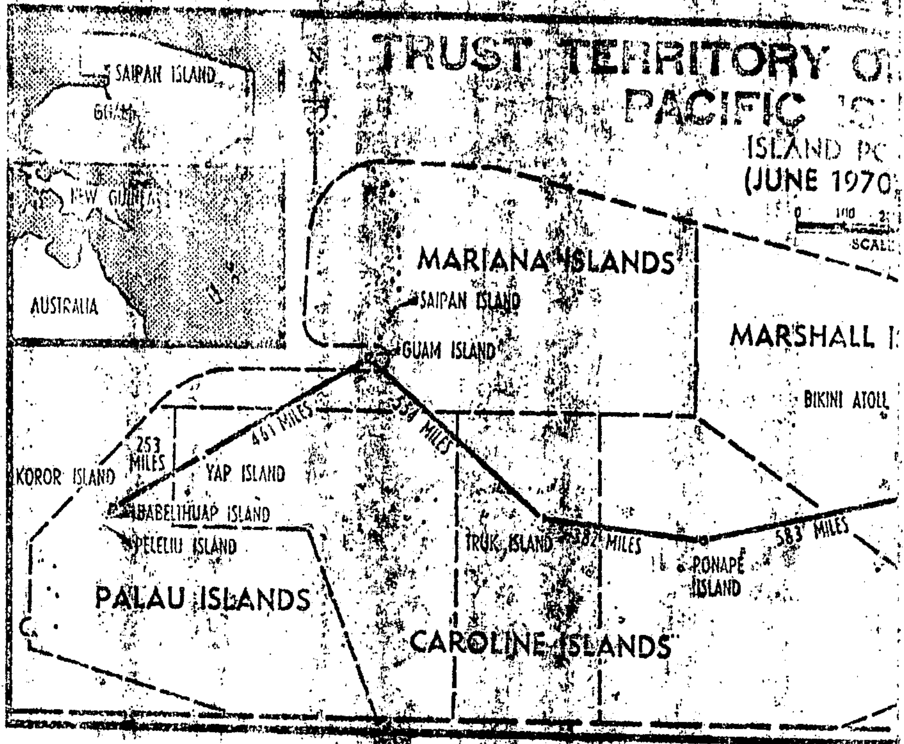
On a hundred tiny islands the indigenous culture, bruised, savaged and sometimes all but destroyed, has remained unyielding. An old man who used to bring the morning coffee spoke fluent Spanish, Japanese, German and English. At home he spoke Chamorro, the language of the Marianas. "What else?" he asked, astonished.

The Americans came to Micronesia during World War II, spending enormous amounts of blood and treasure to wrest the airstrips and coral anchorages of Truk, Ponape, Peleliu and many other tiny islands from the tenacious Japanese. Six thousand Americans died in the grisly battles of the central Pacific.

At war's end the US demanded that Micronesia remain American territory, maintaining that it was essential to US strategic defence. Never again would the US risk another Pearl Harbour.

The result was a trusteeship agreement, concluded between the US and the UN Security Council in 1947.

It was a curious agreement, [illegible] within it the seeds of [illegible]. While it per[illegible] US to fortify and [illegible] for military [illegible] also enjoin[illegible] the [illegible] self[illegible]



MICRONESIA: Reluctant pensioner of Uncle Sam

HOW do the Americans shape as colonial administrators? PETER HASTINGS has spent a fortnight in Micronesia seeking the answer. In the first of three articles, he writes of American success and failure.

[illegible] claration of unilateral independence.

Washington's attitude is understandably ambivalent: aware of increasing UN and domestic pressures for a new political deal to Micronesians, but also intensely aware of its strategic interests in the area—remember Bikini? Aware, too, of its $1,000-million ABM and missile-testing site at Majuro in the Marshalls, the world's largest atoll lagoon (where, it is said, missiles launched 4,000 miles away drop like glowing cinders in the night sky).

[illegible] in the wind-up of its military operations in Vietnam and the return of Okinawa to Japanese control. Much of the military infrastructure is being removed to Guam which, although geographically part of the Marianas, is US sovereign territory. Much of it could be moved to the trust territory itself, but only if the US has undisputed political control there.

In the meantime, it sits on the very real political pressures building up throughout Micronesia (a tired joke predictably [illegible] "Mike who?"), formed by the three great North Pacific island chains [illegible] Marianas [illegible]

[illegible] 1,500 and Hawaii, the nearest US State, about 3,900.

The area is isolated and distances within it are enormous. From Saipan to the eastern Marshalls is about 2,600 miles, from the northern Marianas to the southern Carolines about 1,700. Although island population groups are small, ethnic differences are considerable; there are nine major language groups and many dialects.

While Micronesia does not compare with New Guinea in complexity of culture, language and geography, the differences between island groups are sharply accentuated [illegible]

numberie[illegible] were coloniali[illegible] nesia as economic Japanese; paring it military Pacific.

This [illegible] bloodshe[illegible] the decim[illegible] populatio[illegible] American[illegible] cans [illegible] towns, in cannibali[illegible] charges hundreds men, [illegible] leaping stone cli[illegible]

But fo[illegible] whose [illegible] Ichiro or[illegible] a hauntin[illegible] of a time only pro[illegible] order [illegible] Japanese alike, it they we[illegible] they we[illegible]

The [illegible] nesian [illegible] Administ[illegible] America[illegible]

There [illegible] The p[illegible] story has long per[illegible] certainty rent pi[illegible] quently [illegible]

3 [handwritten: ... 268 Canberra]

15/7

[illegible] ... relation to the ... future.

... the political ... [illegible] ... which ... much longer, ... ers of Micro- ... manding auto- ... ernment as a ... mum; many ... is not forth- ... ill seek a de-

... [illegible] ... political control. It is not only a matter of maintaining strategic installations in the vast island territory, but also one of strategic denial. The US did not gain Micronesia through the bloody battles of World War II merely to allow the Russians or Japanese access to the islands if they became independent.

It also has another problem, ... [illegible] ... shans, which lie just above the equator.

In all, Micronesia comprises about 2,000 islands, 100 of them inhabited, spread over the [illegible] million square miles of the Pacific (about the same area in size as continental Australia). From Saipan, the trust territory headquarters, Manila is about 1,700 miles, Tokyo the same, Sydney about

... inter-island communications. Unity in Micronesia, therefore, remains almost as elusive as it does in Papua New Guinea.

But it is coming, after a fashion. Despite ethnic rivalries there is a growing common bond between all Micronesians, a single-minded dislike of all interfering foreigners and a desire to establish their own national identity.

The colonial experience has, by and large, been a predictably bad one. The Spanish, while in the area longest, were the least effective administratively. They decimated the Chamorro populations of the Marianas in fierce wars, bequeathing a parting legacy of Catholicism, Spanish names and the physical evidence of intermarriage.

The Germans simply claimed the Marshalls in the latter part of the nineteenth century, and upon Spain's defeat in the Spanish-American war bought the remaining Carolines and Marianas for today's equivalent of about $50 million while the Americans took Guam and the Philippines.

German rule, bloody-minded, administratively strong and economically efficient, lasted only about 14 years. The Japanese, entering World War I on the Allied side, seized the islands and in 1920 received a League of Nations mandate.

The Japanese period, which ended in the bloody battles of World War II, is the most significant of all and is remembered with a curious nostalgia by a middle-aged population which recalls large towns, intense economic activity and a certain propriety of relations between colonial master and native inhabitant.

Under the Japanese, Saipan was a vast sugar estate and the island encircled by a railway. Its town of Garapan was a thriving urban centre with busy streets, large houses, a central hospital, a huge sugar mill and permanent concrete structures.

Koror, the centre of the scenically attractive Palau Islands District, was the administrative capital of Nanyo-Cho, the Japanese South Seas mandate. It was a busy, house-proud, prosperous, provincial capital with paved roads, bridges, permanent concrete homes and administrative buildings, the centre for phosphates, bauxite, fishing and pineapple industries. It was a time of jobs, limited education and cultural security.

The only vestiges of Garapan today are the ruins of the hospital and the remains of a Spanish belltower, while Koror is a slum, its roads full of potholes, its bridges unrepaired, its houses little better than shanties. It is no better in Truk, Ponape or Yap.

Micronesian nostalgia is curious. The 70,000 pre-war Japanese in Micronesia—out-

... [illegible] ... was ... [illegible] ... budget ... [illegible] ... which, preoccupied with ... questions, was able to do little more than furnish a few sealed roads and keep open a few schools."

From 1951, when the islands came under US civil administration, until the early 1960s the story was little better. The annual grant-in-aid was about $7 million at a time when Australia—a country with one-twentieth the US population—was increasing its annual grants to New Guinea from $8 million to $25 million.

In the early 1960s internal Micronesian pressures, external criticism in the UN and elsewhere and the advent of the Kennedy Administration brought about a dramatic change of US policies. The annual grant began to spiral towards its present figure of $62 million yearly, or $620 for every Micronesian.

Costs

Even so, any visitor to the territory, looking at the surprisingly bad roads, poor airstrips in some parts, dilapidated and deserted villages, the almost moribund economy and generally poor infrastructure, asks immediately where the money has gone.

The answer, simply, is that it has gone into administrative costs and salaries—at US rates—which now account for 65 per cent or more of the total territory budget. Some idea of the economic neglect of the past 20 years is indicated by the fact that Micronesia's total export income, mainly from copra and fishing, is only about $4.5 million. Tourism is the hope of the future.

This has resulted in two economies. On the outlying islands and in poor parts of larger ones subsistence living remains practically untouched. In the towns, to which islanders increasingly drift, the economy centres on employment, either in government or in the shops, hotels and transport enterprises which service it. The vast majority of Micronesians are now absurdly high-priced pensioners of "Uncle Sam"—and they know it.

This very dependency has inevitably bred Micronesian ambivalence and resentment, while the fear of being swamped by American dollars and culture has led them to a last-ditch determination to maintain their identity and run their own affairs.

At the same time [illegible] ministration's [illegible] ... the field of ... and political development ... created some of the [illegible] culate political elites ... Pacific; elites ... the American ... feathers and ... the best po... the future ... sible ...

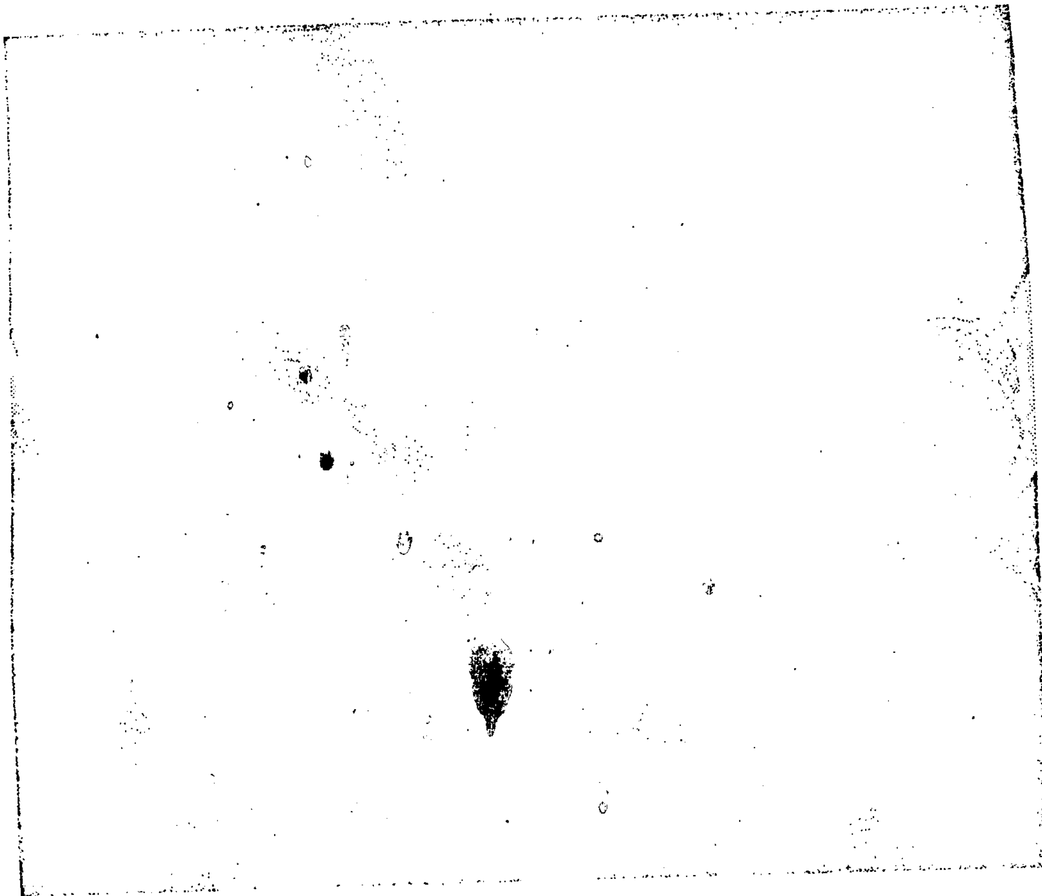
021827

03-

The Sydney Morning Herald

TUESDAY, OCTOBER 12, 1971

MICRONESIA . . . 2



A Micronesian fisherman rounds his net.

The trustee's dilemma

5 [illegible] 268 Canberra

ALL THIS WEEK on the Hawaiian island of Kauai a top level US mission comprising State, Interior and Defence Department officials and headed by an ambassador specially appointed by the President will be negotiating with a Micronesian mission on the future political status of that huge swatch of Pacific Ocean and tiny coral islands known as the US Trust Territory of the Pacific.

It's not a world-shaking event, but it's important nevertheless. Micronesia has been the centre of US atomic testing in the past at Bikini and Eniwetok and the US today has a major missile-testing site at Majuro in the Marshalls.

Micronesia's future political status, whether it be independence, close association with the US, or even "Stateside" integration, has a direct importance for Australia because it will determine future US strategic dispositions in the Pacific.

The talks may not prove much more than a basis for further talks, as both sides are too uncertain on where their exact interests lie. While the US firmly holds both purse strings and political power, as administering authority it is also curiously vulnerable.

Under the terms of its trusteeship it has the right to fortify the islands and use them for military purposes. It has also undertaken to bring the island people to self-government or independence.

Those two functions are now in sharp conflict. Twenty-five years ago the US probably believed that the Micronesians would never reach the stage of demanding political independence, or that its own strategic interests in the area would have phased out long before the dawn of popular political consciousness.

The US record as administrative power in Micronesia has not been particularly impressive except in the twin fields of education and political development. Education has been good, and has inevitably led to the rapid articulation of political demands and a closer, if uneasy, identification of interests between traditional Micronesian leaders (the chiefs), elected politicians and younger elites.

Rapid political development since 1965 has resulted in the Congress of Micronesia, comprising a Senate and House of Representatives, which has become extremely vocal in demanding more political power for Micronesia.

Broadly speaking, most Micronesians want some form of self-government. But there are sharp differences of opinion between the people of the Marianas and those of the Carolines and the Marshalls on the form and conditions of it.

The Marianas include Guam geographically but not politically. Guam is US sovereign territory, a huge naval and air complex where the B52s scream down at night from their distant missions.

The Chamorro people of the Marianas look enviously at highly subsidised Guam and wish to join their tiny islands with it and form a US territory. They would like to see the Marianas, with Guam, become a US State eventually, like Hawaii.

The people of the Marshalls and Carolines want to continue their association with the US but also want internal self-government, and it is at that point that Micronesia and the US have reached an impasse. The US wishes to retain complete political control.

In 1967 the Micronesian Congress petitioned President Johnson for a special US-Micronesian committee to explore possible political changes in Micronesia's status. Mr. Johnson agreed, but the committee was not formed, due mainly to US congressional and defence opposition.

In 1968 the Micronesian Congress, tired of waiting, formed its Future Status Commission and wrote its own report.

After exploring the alternatives, including integration with the US (which would have meant, among other things, unlimited American migration into Micronesia) the commission opted for free association status along the lines offered by Britain to its Caribbean dependencies, and by New Zealand to the Cook Islands.

Under the NZ arrangement the Cook Islands have complete sovereignty over all internal affairs while NZ assumed responsibility for defence and foreign relations. The arrangement can be terminated by either side after due consultation.

The Micronesian view was that free association would give the Micronesian Congress power over internal affairs but that defence and foreign affairs powers would be vested in the US, giving Washington the political control it needed to safeguard American strategic interests.

The US at first reacted coolly, then politely vetoed the suggestion—but not without some extensive debate in Washington. The State Department, conscious of UN pressures and the growing image of the US as unrepentantly imperialist, wanted more sympathetic consideration of the proposition.

The Defence Department was adamant. In its view, free association status, with the right of unilateral termination, was too risky. What it wanted, and still wants apparently, was a political status that guaranteed continued US sovereignty.

In May, 1970, the US returned with a counter-proposition — commonwealth status similar to that enjoyed by Puerto Rico, with Micronesia eligible for various forms of US federal aid in addition to the annual subsidy and Micronesians as American nationals

021828

enc a 268 Canberra

with the right to opt for citizenship.

The Micronesians rejected the offer. Their Congress would have no control over land or internal laws and no freedom to choose future political status. The land problem in particular "bugged" both sides.

The Micronesians, while prepared to grant long-term leases of already alienated land and future land to the US Defence Department, wanted sovereign control of it vested in the Micronesian Congress. The Defence Department wanted not only to retain control over the land it had but the right to acquire additional land by negotiation and, if this failed, by outright acquisition.

But if the land problem irked the Micronesians, they were even more aggrieved by the fact that the US offer of commonwealth status was conditional on its being permanent and irrevocable. They were also resentful of the fact that the US was not prepared to negotiate free association status along British lines in the Caribbean.

These were, simply, that the Caribbean dependencies at any time could terminate their association status, but only on 90 days' notice and only after legislation had been passed by two-thirds of the legislature and two-thirds of the voters in a popular referendum.

Having explored all avenues, the Micronesians sent one delegation to Japan and another to talk with the UN Committee of Twenty-Four — just as a warning. It then asked the US to consider granting independence.

Not surprisingly, this suggestion was received also with a marked lack of warmth, negotiators remarking that independence could not be "an appropriate, realistic status" for a long time to come.

Very few of the Micronesians now supporting the independence movement really believe what they say. The islands are too small and scattered, human and economic resources too few and political cohesion too fragile. Most admit that the financial risks are appalling, and find the prospect of post-independence Japanese or Russian interference frightening.

The threat of a unilateral declaration of independence is no more than a threat, a grandstand play for UN and big power support in obtaining from Washington, all too conscious of unfulfilled trusteeship obligations, more money and more concessions.

Driving a hard bargain

The islanders are driving as hard a bargain as they can, but they also need to play it cool. The US has not been ungenerous to them in the past and will not be in the future. But it is not irrevocably committed to its defence interests in the trust territory. Times are changing.

It is true that past US strategic doctrine has regarded political control of Micronesia as essential to US security; that Washington regards its $1,000-million missile test site at Majuro as of great importance (it is certainly so to the Marshallese — their cash economy depends upon it); and that the US fears that if it loses political control of the area it will not be able to deny it to others.

All these elements give the Micronesians handy political leverage. But it is equally true that with "de-escalation" in Asia, the US, if faced with Micronesian intransigence, may choose to fall back on Guam as a front-line logistic base.

If the Marianas carry out the threat of their district legislature to opt out of the trust territory ("by force of arms if necessary") and seek union with Guam as a corporate US territory, then the US will have a strategic chain of islands extremely close to East Asia containing, in addition to Guam, the airstrips and deep-water wharves which the Americans built on Saipan and Tinian during the war.

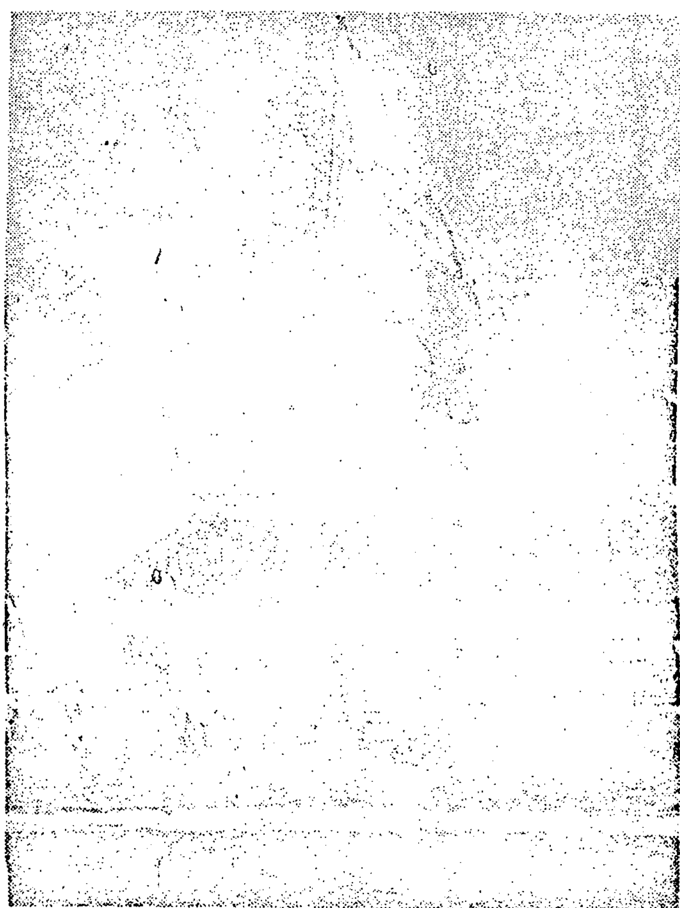
Both sides need good judgment and clear thinking in their Hawaiian talks. The US may be tempted to solve the situation over the long term by pouring money into the territory in an attempt to Americanise it, and thus neutralise it, as quickly as possible. It's a risky enterprise and could backfire. The Micronesians resisted Spain for 300 years; they can resist America.

The Micronesians in turn may be tempted to force the independence issue as a gambit only to find it a dreadful reality, that the US is prepared to cut all its losses except for the vital installations at Kwajalein—at enormous expense even they could be moved — and concentrate on Guam, which is indisputably American.

Both sides will have to give and take in this week's talks and in those that follow. One [illegible] is certain — a substantial and increasing number of Micronesians will not settle for less than internal control of their own affairs and, above all, the right to freedom of future choice.

7 Enc a 268 Canberra

The Sydney Morning Herald, Wed, Oct 13, 1971



Education . . . and inevitably, political consciousness.

When US know-how breaks down

021879

8 [illegible] 26 8 Canberra

MICRONESIA . . . 3

THE STRIP at Babelthuap was scarcely promising, a stony, coraili-form desert shimmering in the heat, with red clay, treeless surrounds and a thatched-roof open hut serving as waiting room and Customs and immigration office. Welcome to Palau District, United States Trust Territory of the Pacific.

The drive across Babelthuap's broken-down roads to Koror, the district centre, a tiny island separated from the larger one by 1,000ft of water and an arthritic ferry punt, was agonisingly slow, almost as slow and uncomfortable as the four-hour flight from Saipan on an aging, low-flying DC6 as it edged its way along the perimeter of a typhoon raging far to the north near Japan.

But if Babelthuap, once a thriving community serviced by Japanese all-weather roads, is now a depressing wasteland of deserted villages, Koror is dismal beyond belief.

The beautiful island and town which once served as the busy capital of the Japanese South Seas mandate is now little better than a dump; its roads are a mess of potholes, and the great concrete structures, the houses, offices and culverts, were shot to pieces by the conquering Americans.

But the island and its people have charm, history and perhaps a future if the US takes genuine steps to repair the very obvious evidence of neglect over the past 25 years. It will take a very considerable effort, for the district is in a state of near-permanent shock.

It's generally conceded that the Palauan islands had about 20,000 to 30,000 people in pre-European times. Their culture was vigorous, their style of housing unusual and they possessed considerable skill as agriculturists and wood-carvers.

During the brief period of direct Spanish occupation their numbers dropped to about 10,000, evidence of the ferocity of both Spanish rule and Palauan opposition. During the 14 years of German administration the numbers dropped still further, and started to recover only towards the period of World War I.

In the Japanese period, high-water mark of general Palauan prosperity, the figures rose to [illegible], although this was less than half the number of Japanese settlers and administrators on the two main islands. At war's end the population had been greatly reduced again but today, thanks to US medical services, it is about 12,000, nearly half of them living in and near Koror.

The three most significant characteristics of Koror and adjoining Babelthuap are the almost complete absence of [illegible] cash cropping [illegible] Palauans in the town of Koror and the melancholy nostalgia of many Palauans, more particularly the middle-aged, for the sense of order and ethnic security of Japanese times. About the Japanese themselves most Palauans are ambivalent.

Yet they are very much aware that, regardless of what future political status they may negotiate with the United States, booming, wealthy Japan is as much a fact of the future as of the past. There are Japanese tourists in increasing numbers all over the islands and Japanese businessmen speculatively eyeing off future chances. Japanese money is already being pumped in discreetly — and illegally — in the form of long-term credits for quite a number of Micronesian business ventures.

The history of American administration has been nothing less than eccentric. When American troops regained Koror in 1944 after intensive bombing of the town they put it out of bounds to all but a few Palauans engaged in cleaning up the debris of war.

The US commander deliberately bulldozed most of the town, leaving only six Japanese-style buildings standing. The place is now a litter of old Japanese gateposts and ruined Japanese buildings, although some have been rehabilitated for Government use.

When angry Palauans asked him why he was destroying the only thing of value left to them he replied that it was a matter of health. It was not; it was anti-Japanese vindictiveness combined with a contemptuous disregard for the future welfare of a people whose only crime was to have been governed by Japan.

It has been a slow climb back to some semblance of order and prosperity, and there hasn't been much of the latter until very recently. The US annual grant-in-aid to the whole of Micronesia was only about $7 million until 1962.

The theory behind this extraordinary parsimony was that the less money spent on infrastructure the less dislocation to indigenous culture.

Since 1962 the grant has risen to $62 million yearly or a sizable $620 a head throughout Micronesia. But 65 to 70 per cent of it goes on expensive US-style administrative costs and salaries. Not a great deal has been left for the daunting task of improving roads, air services, water and power reticulation and for the revival of [illegible] cash crop economies on widely separated and largely resourceless islands.

Nor is it merely a matter of money. The great events of 1776 created in the newly forged United States a deep and genuine anti-colonialist ethic which was to conflict 120 years later with the need to administer quite sizable bits and pieces of empire.

The notion of a permanent [illegible] continuous colonial administration was unacceptable to the American mind for the best of reasons — but frequently for the worst of results.

Each change in the US Administration means a change in trust territory administration involving a new high commissioner and a largely new administrative team anxious to prove that it has the answers. They are mostly new answers.

It has also meant a contract civil service of alarmingly high turnover, and not least, the imposition of a distinctive US-style economy on a subsistence culture. Wages and salaries are commensurate with those in the US. A married couple working with reasonable skills under contract to the territory administration can earn between $US30,000 and $US34,000 annually.

While Micronesian salaries do not come near this they are nevertheless high, but can only be obtained in Government service or in the allied service industries of hotels, entertainment, [illegible] business.

The result is an inexorable drift of labour from all but the remoter subsistence islands to the district centres. Koror is an excellent example; the indigenous culture is undergoing tremendous strain. It is not merely a matter of dislocation or disorientation, but also of being bought out.

Thus, while Palauans bemoan the fact that the administration has not revived the phosphates, bauxite, copra and pineapple industries started by the Japanese — or even attempted to find out if there would still be a Japanese market if they were revived — not a single one wants to work in them again or in cash cropping. Too much like hard work.

The Palauans exhibit all the signs of that impotent anger which characterises the political pensioner. The high wages of the town, the nightclubs and the beer halls, the imported

Datsuns and Hondas (which are practically useless after 12 months on Koror's roads) are the palliatives of an increasingly meaningless existence.

These reasons, with a strong sense of ethnic survival, make Palauans the toughest of all Micronesians in their demands for independence — by which they really mean internal autonomy, — rejecting the rationale of US strategic interests in the area. It is a sense of impotence and dependency which leads so many of them to talk so avidly and knowledgeably about regional arrangements between Micronesia and other Pacific Island groups—Nauru, Tonga, New Guinea. But doing is one thing; talk is easier.

So at night they go to the Boom Boom Room or the Cave Inn, a superbly designed, air-conditioned nightclub fashioned from a natural limestone cave, get drunk and complain to sympathetic Peace Corps workers how curious it is that the roof of the new $800,000 vocational training school should comprise expensive Californian wood shingles when acres of valuable hard timber are within hand's reach.

By day they go to the stores and buy fish, probably caught off their own teeming shores but canned in Peru or Japan, or Spam at 70c a can when their minimum wage is 50c an hour, or expensive goods from America, where the minimum wage is $1.60 an hour.

Twenty years ago several hundred men were expert, traditional boatbuilders; they now buy Yamaha outboards. Where even 10 years ago there were in each village at least 10 men to build a traditional meeting house, some villagers now have to look up textbooks to see how it is done, or pay a contractor American rates for a construction of concrete blocks and imported timber.

It is an old and familiar story. Alcohol has become the major consolation of far too many adult Palauans, and drinking, violence and criminal activities the resort of far too many of the young. It is cultural despair, sparked off by the ready availability of liquor, the chief source of income for local government.

It is the younger Palauans, handsome in jeans or smart store-bought dresses, politically conscious and articulate after a generation of American education, who are the most bitter, most impotent, and perhaps most ready to resolve their conflict in senseless violence. There are plenty of guns in Koror, or in most centres for that matter. The Micronesian Congress legislation banning the open sale of firearms has come too late.

None of these problems is unique to Palau. Each and every one is common in some degree to all traditionalist societies, from the Ivory Coast to the Gazelle Peninsula, where the villager comes to town leaving the security of clan affiliations and sanctioned custom for status and money.

What is unique is the apparent unconcern with which governing Americans regard Palau's coming cultural crisis. In part this is due to their conditioned acceptance of the crises of a pluralist society, in part to their optimistic belief that there is no problem so complicated that more dollars can't solve it.

However, beyond a certain point it's not the number of dollars that count but how they are used — as both Micronesians and Americans are beginning to discover.

[Previous articles appeared on Monday and Tuesday.]

021830