



TRUST TERRITORY OF THE PACIFIC ISLANDS
OFFICE OF THE HIGH COMMISSIONER
SAIPAN, MARIANA ISLANDS 96950

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CABLE ADDRESS
HICOTT SAIPAN


May 16, 1972

Captain William Crowe, Jr.
Office of Micronesian Status Negotiations
Room 6514
Department of the Interior
Washington, D.C., 20240

Dear Bill:

You will be interested in the attached speech by Carl Heine, before an economic development seminar on Saipan, April 24. Some of his own language is a bit garbled, and the secretary who transcribed the speech from a tape garbled it even further. But the thought processes are there -- and are most interesting. In point of fact, I seriously doubt that Carl believes half of what he is saying. But he sees the handwriting on the wall and, in public statements of this type, will probably continue to butter the Congressional bread.

Most sincerely,


John C. Dorrance
Political Adviser

P.S. I addressed the same group on April 28, but without a tape machine going. The thrust of my remarks was directed at not only the results of the Palau talks, but also at the economic problems that are likely to arise from too loose a relationship with the U.S. . I gave especial attention to disabusing those who can see Japan, UN agencies, etc., as alternative sources of budget support.

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" Political Development in Micronesia "

by Carl Heine

Staff Director of the Joint Committee of the Future
Political Status of the Congress of Micronesia.

(Typed verbaton from tape)

First of all let me thank the organizers of this economic development program for this kind invitation. I want to tell you that what I am going to talk with you within 5 to 10 minutes or so is classified "Top Secret" of Micronesia.

Your task as economic planners for Micronesia is an extremely difficult one. You are engaging in an area where nobody really knows what the goals and priorities are in Micronesia. I am aware of the Administration policy of placing more emphasis on tourism and fishing. I am also aware of the general feelings from the Congress of Micronesia toward economic development in Micronesia. But no one really knows what are the priorities as far as economic development in Micronesia is concerned. The Administration, it seems to me, is pursuing a different goal of economic development and Congress of Micronesia is pursuing a very different course.

I am in danger to say that the next four years at the most will become a most important in terms of economic planning than any other periods in Micronesia. For this reason, I think overall coordination in our planning of Micronesia's economic future as well as political future will become very important. Not specific areas is more important, however, than the priorities which we placed on political and economic fields. In this context our goals and priorities become very important. It seems to me, it is very difficult for any economist to plan or to set priorities on economic development in that knowing what the politicians and the legislators are talking about especially in the political future of Micronesia. In the next four years or so the role of Congress of Micronesia will become more and more important not only in terms of economic development but also political development. There will be a period of transition and change in government. The Interior Department has voiced many, many times in the past that Congress should set the economic goal as well as political goal of the overall policy for this territory.

Let me share with you some thoughts on the recently concluded fourth round of negotiation in Koror during the past several weeks. I hope you can bear with me as I tend to stress some of the causes and effects of the whole Micronesia's quest and struggle for freedom, you might say, and newly improved way of life. When Bill Stewart asked me to give a paper in this seminar, I have already prepared a paper of which I will be

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giving at the University of Papua New Guinea next week. Rather than write another paper for this I thought I would share some of the thoughts and things in that paper with slight modifications.

The American defense role and specific policy in the Far East, Southeast Asia and the entire Pacific Ocean area has been reduced and lessened considerably in recent years. The Japanese are getting Okinawa back; and, the "Leftists" in Japan want all U.S. troops out of their country. The U.S. troops in Taiwan and Korea have been cut; and, the Philippines wanted U.S. to move out of the military lands. All in all, we have seen a gradual reduction and weakening of American participation in this part of the globe.

For those who are under the ware of the existence of Micronesian islands, the recently concluded fourth round of status negotiations in Koror, Palau may seem significant and perhaps meanness. However, it represents a complex web of U.S. development and involvement in the Pacific and Asian affairs. A closer look reveals certain logics that this is theory of balance of powers. To this extent the Palau talks represent a really serious attempt on the part of the U.S. military planners in reaching an agreement with the Micronesian people about the political future of these islands and the future role of U.S. military in these islands. Thus, while the U.S. foreign policy makers are trying to paint an overall picture of U.S. military in the Pacific, the facts of the recent negotiation in Palau do not necessarily give that impression. In theory, it makes some sort of satisfaction to the U.S. and the World Community. However, the fact remains that the U.S. wants to remain permanently in Micronesia. While President Nixon was courting and preparing a twenty-year of strained diplomatic relations with the People's Republic of China, preparations were already made for President Nixon's personal representative to come to Micronesia; and, once again to negotiate not so much the political destiny of some hundred and seven thousand (107,000) people, but the future role of Micronesia as a military base for the United States. This is the real meaning of those past rounds of negotiations. For the U.S., the success of these negotiations are absolutely necessary. These islands together with neighboring Guam represent the last of the U.S. strongholds in the Western Pacific for the future of its own defense against outside aggressors.

On the island of Koror in the Palau group of islands, the representatives of the people of Micronesia and the U.S. delegation headed by President Nixon personal representative, Ambassador Franklin Haydn Williams, met in the fourth of a series of rounds of negotiation since 1969 on the ultimate political future of Micronesia. From all practical considerations, the talks at Palau were the real victory for the Micronesian people. The U.S. has come to rephrase all of the four principles and legal rights adopted by the Congress of Micronesia and articulated by the Joint Committee on the Future Political Status.

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It is difficult to understand and appreciate the real problem of these last four rounds of negotiation without some appreciation of the events leading up to the First Round of Talks and the role in which the Congress of Micronesia had played in these negotiations during the last four years. Future stories may fail to give some recreation to the role of the Congress of Micronesia. But it is difficult to imagine any willfail to recognize the fact that the real turning point to the whole Micronesian quest for self-government or independence was investigation of the Congress of Micronesia. This had been a real tension of social, economic and political change in Micronesia. In retrospect the curious policy in the islands has been one of the theological part theory, a holding operation. Ten years ago the budget for the islands was about seven million dollars (\$7,000,000) annually. The official justification for so small an appropriation was that the U.S. did not want to commit from the rewards by establishing a budget where we could never hope to meet from our own resources. But the change of this philosophy occurred as the Viet-Nam war began yesterday and pressures began mounting for the reversion of Okinawa to Japan. Within a few years the budget rose to about forty million dollars and today sixty million dollars (\$60,000,000). But our second largest exports still remains to be U.S. scrap metal from World War II; and, our largest export is copra, currently the biggest loser in the world market. For the political entity that encompasses some one thousand miles from north to south and twice that much distance from east to west, over three million square miles of ocean, it is difficult to consider total export of fish last year amounting to only nine hundred thousand dollars. Our real source of revenue, unfortunately, is grants from the Administrating Authority.

Sometimes in the early 1960's when Washington was forced to make a decision to bring the islands out of isolation into the orbit of the twentieth century, education was placed in the forefront of deliberately forced cultural change. This was turned on the premise that free manpower was essential for increased economic activity and inform sectionally legislators to assume roles of self-government. But whatever measures of success or failure we place on U.S. presence in the Trusteeship, one element speaks about the rest, the establishment of the Congress of Micronesia. Ironically this is the greatest achievement of the richest nation on earth in Micronesia. In 1965 the Administering Authority finally allowed a territory wide legislative body for Micronesia. In that year Secretarial Order 2882 was issued creating the Congress.

To Washington it was just another legislative assembly similar to those created in other U.S. territories. Little did Washington realize then that the whole U.S. defense foster in the Western Pacific and around the Pacific Ocean would be altered in such a way that the Congress of Micronesia would become a leading actor in the whole drama. Starting in 1967 the Congress started the whole movement toward change, not just any change but alteration of the very basic structure and the political future of Micronesia itself. Yet Washington was still unconvinced about the seriousness of the Micronesians guest for change in political future of

Micronesia. However, Washington finally came to realize how seriously Congress of Micronesia was when in 1969 the Congress established the first Political Status Commission to study the nature and political arrangements of other islands and countries of the Pacific area. Upon the return of the Commission the Department of Interior took the first step by inviting the Status Commission to Washington to begin discussion on the political future of Micronesia. The Department of the Interior represented the U.S. Government at the first two rounds (of talks) and repeatedly failed. They failed because there was no real genuine effort to try to understand Micronesia and Micronesians in their struggle to gain a new entire status for themselves. The Interior Department had no original ideas to offer except annexation or commonwealth and their moves were turned down authorized by the Congress of Micronesia. With technicality by the Interior Department to exercise imagination at the foresight and the political situation in Micronesia reaching a point of explosion, the White House moved in to command the entire field of Micronesia political status negotiation. At the third round of negotiation at Hana, Maui in the Hawaiian islands, the new U.S. delegation conceded on three major important issues. They were (1) eminent domain (2) control of law (3) the right of self determination. However, for the first time the U.S. spelled out its first actual defense needs and requirements in Micronesia. The question of unilateral termination became the only point remain unresolved. For Micronesia this was a very refreshing approach. As a result, the Micronesian commitment to the idea of free association became stronger. With these major concessions made by the U.S. government, the Joint Committee on Future Status issued the next invitation for the Fourth Round of status talks which was held in Koror last couple of weeks. In Koror the U.S. delegations continued its approach to an agreement on the Micronesian proposal for a state in free association with the U.S. by accepting in principle the question of unilateral termination. This action completes the four major demands of the Micronesian people which to them must constitute any basis of relationship in free association with the United States. At Koror, also a new element was introduced into the status talks. That is the issue of transition. The U.S. position agreed to by the Micronesian delegation was that any meaningful approach to the issue of Micronesians' struggle for self government necessarily implies to period in which actual transition of administration will take place. Under the broad agreements reached at Koror, Micronesia would become, after the transfer from the Trusteeship status, a fully self governing state in a relationships of Free Association with the United States. All internal matters will be under the Micronesian people and their elected leaders. By agreement under the "Compact" the U.S. will be responsible for all Micronesia's foreign affairs and for the defense of Micronesia. In return for the use of Micronesian lands and rights to maintain a military presence in Micronesia, The Joint Committee on Future Status asked for all that the annual grant from the U.S. Congress to the Trust Territory

Government be made to the Government of Micronesia.

In the area of transition after the compact of free association is signed and ratified by ^{DCM}Asides, the position of the High Commissioner should be replaced by an overall executive council with members representing each of the districts of Micronesia. This would constitute the highest level of policy and decision making in the new State of Micronesia. The executive council will elect the chairman from among its members who shall serve at determined period of time.

As the two sides move closer and closer to reaching of goals on broad principles which will cover the new state of Micronesia and its new relationships with the United States, the regional differences within Micronesia are becoming more serious and dangerous to the internal unity in Micronesia. I am now turning to discuss some of the problems that will eventually face the emerging new state of Micronesia. The general state of affairs in Micronesia at this point in time still have to challenge where Micronesia can still be manipulated to hate what it loves and what it hates. Micronesians know that to survive in this world it must stay together. It knows that to expand is to cause trouble and trouble. The present Americanization of Micronesia is an unprecedented phenomena in Micronesia. The American penetration of and intrusion into the islands of Micronesia since 1944 has brought an incalculatable amount of confusion and frustration and damaging both people and materials. The Micronesians as a whole are gradually losing their sense of harmony and trust. There seems to be serious lack of national leadership and national goals. There is lack of public participation in the important issues that are effecting Micronesia and its people. This, in terms, restores the Micronesian collective identity which was strong and effective in the earlier days. It seems that the target is slowly and gradually moving out of sight; and, in the absence of a target the people of Micronesia are beginning to turn on each other. It would seem that the chief trait which characterized temperament move in Micronesia today is impatient. Tomorrow had become a dirty word. The future is now hoped at determination and desires. The present young generation cannot see why it should wait because of unnecessary domestic and international affairs of Micronesia. Everywhere there is a quest for pride. Pride is the only currency that can acquire soul and undertaking a course will make gateway in any district only if it generates pride. The day when Micronesia will assume responsibility and governing service pass the portion. Micronesia must soon forget its minor internal differences. There are more things that unite Micronesia than those that divide it. Historically, as you all know, these islands have always been isolated from one another. The presence of outsiders helped bring them together and hold them in a political entity. If the presence of an enemy is the only unifying force then Micronesia must look inward to see enormous problems that have confronted Micronesia for centuries. I submit that the real enemies

are poverty, disease and illiteracy. These are the real challenge of this decade for Micronesia. Throughout history each generation has had to answer these summons of history. The American Administration since early days made its biggest mistake when it alienated the present generation of Micronesia who are now controlling the political destiny of Micronesia. Their proclamation and their struggle for freedom against U.S. colonialism in Micronesia is a direct result of two decades of mismanagement and mistreating. It is a direct result of policy of human containment in Micronesia. In Koror the U.S. delegation helped decide the future status of Micronesia by agreeing to the Micronesian demands. But it is up to the Micronesian people themselves to decide for themselves the kind and quality of life they want. This is the destiny of Micronesia. Some countries of the world had defined their destiny in the battle field. Others by war of liberation and conquest and still others in the process of political revolution. In Micronesia, unfortunately, its destiny has to be negotiated. Here, a people who place sovereignty over their lands and destiny has had to come in a face to face confrontation at the negotiating table to find its ultimate faith.

From the Palau Talks, Micronesia has emerged as future new State of Micronesia in Free Association with the United States. In Palau the world most powerful nation met with the world tiniest and weakest Micro State. In their sessions, decisions were pursued and agreements were reached on the future political status of Micronesia. It is proposed now that upon the signing and ratification of the compact the State of Micronesia will be created and a constitutional convention will be called to draft the formal constitution of Micronesia. The springtime of Micronesian struggle for freedom and human dignity is virtually coming to a close. Changing its political status from Trusteeship to free association, however, is only the beginning. There are problems awaiting the new state of Micronesia. Problems of internal unification, bureaucracy and transition. Whatever the new state of Micronesia will be able to cope with these problems is a matter of speculation. In light of the last quarter of a century experienced under outside colonial powers, no person can imagine that these small and scattered islands across the Micronesian water would want to continue under an old fashion western colonialism. The new state of Micronesia is a downgrading annexation and independence; or as one American observer states, "The middle road to freedom!" It is a new phrase in the American federalism in that no precedent. To the Micronesians it represents the ideal and the most realistic of the proposal for the future of Micronesia. It is a Micronesian independence disguised under the name of Free Association. In this day and age there are difficulties for all the mini states of the world. The only hope for freedom and self respect must depend on a great degree in the concept of interdependence. For truly, there is no real independence in this world. This is an era of cooperation and

interdependence. No nation can ever really hope to be on its own. Micronesia recognizes this state of world affairs. Its option for free Association with the United States speaks for itself. The nature of the Micronesia's struggle for freedom is less a struggle against economic dominant of an outside power than it is a moral issue. The dominancy of colonialism and loss of human dignity and self respect in Micronesia has been more repugnant to the Micronesian people than their economic situation. The American grand design for dominancy in Micronesia has come to an end in this era.