

Agency representatives raised the problem of keeping in touch with their people in the field and hoped that DOD could make transportation available; Jim Ellster and Emmett Rice explained that this would not be possible. Ellster also discussed why residents of the Trust Territory could not serve in the U.S. military so long as the Trusteeship remains in effect. Jim Berg gave a run-down on the current status of negotiations on the Compact and discussed the section dealing with the applicability of federal programs to the territory under free association.

It was stressed that there should be no new programs for the TT or at least none that would be of long-term duration. The U.S. ought to phase down assistance slowly so that there will not be any sudden drop in U.S. support once the Trusteeship is ended. Zeder noted that already \$100 million per annum is spent in the TT not including federal programs. He cited his difficulties with the Guam Power Authority as an example of why it is necessary to watch closely how U.S. funds are spent in the area.

Questions were asked about an overall policy regarding the phase out of U.S. programs and Micronesian development needs. Rice said that the meetings were designed to help work out some kind of phase out policy. As for development, the UNDP was discussed and Zeder noted that the COM, while endorsing the plan, was reluctant to implement it since it required that some unpopular steps (such as an increase in taxation) be taken.

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