



## CONTINENTAL AIRLINES

ROBERT F. SIX  
PRESIDENT

January 7, 1971

Dr. Henry A. Kissinger  
Assistant to the President  
for National Security Affairs  
Western White House  
San Clemente, California

Dear Dr. Kissinger:

I have just returned to the office and cannot tell you how happy I was New Year's Eve to have the opportunity to meet you and discuss with you in short detail some of the international aspects of Southeast Asia where, of course, our wholly-owned subsidiary Continental Air Services is so actively involved. Audrey and I talked about it later and both of us were completely fascinated with the great grasp that you have of the many problems facing this country, certainly in those areas. I only hope when you are here in the future you will give us a call.

The day after New Year's I saw Kirk again and he advised me he had discussed with you the possibility of getting you, with Kirk and Anne, to the Lazy 6 Ranch in Ridgway, Colorado. This is a complete retreat and has been Secret Service cleared and the information on it is in the Secret Service files in Denver, Colorado. It is exactly two hours block to block from Los Angeles airport to the ranch in the beautiful western slopes country of Colorado. Kirk has asked me to bring this to your attention again toward the possibility that sometime in the near future you might be able to get away for a couple of days and join with Kirk and Anne and Audrey and me for a short

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Dr. Henry A. Kissinger

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rest, particularly when you are here at San Clemente.

I am enclosing the articles that Wayne Parrish wrote on Micronesia which Audrey discussed with you. She advised me that you told her you would like to see them so I hope I am not boring you with them and hope you will find them of interest.

In the meantime, Audrey joins me in best wishes for a very happy New Year to you and hope we will have an opportunity to see you again.

Always,

Robert F. Six

RFS:jll  
Atts.

cc: Mr. and Mrs. Kirk Douglas

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# EN ROUTE

## Micronesia: Tomorrow's Tourist Paradise

Those idyllic islands and atolls dotting the broad Pacific west of Honolulu are very appealing, but don't rush out there now and expect to find fine hotels and all sorts of things to do. Just about everything has to be developed from scratch.

There are just two air-conditioned hotels that I know of on the 4,200-mile Air Micronesia route from Honolulu to Saipan and both are at the end—one on Guam and one on Saipan. The 100-room hotel on Saipan isn't bad and is well air-conditioned. The Cliff Hotel on Guam is a series of motel units, cool and comfortable, with a pretty fair steak house adjacent, but the units are nowhere near a beach or anything else.

On Yap there is an immaculately clean 10-room (20 beds, adjoining baths) hotel, the Rai View, run by an American woman; and the spartan but good food is served in a very clean but spartan dining room. It is in the village and is used by businessmen and traders and the few tourist visitors who show up.

The Palau islands, which have a very excellent tourist potential but are quite far from the U.S. (something like 7,000 miles), have one hotel, the Royal Palauan in Koror, with about 30 rooms. That's not much of a starter for the tens of thousands of Japanese, and the Americans, who want to go there.

Two groups of islands nearer to the U.S., about 3,000 miles from Honolulu, will probably be very attractive to Americans when accommodations are built. Truk is a series of lush and beautiful islands rising out of the Pacific floor, surrounded by miles and miles of coral reefs and emerald water. Ponope, now reached only by amphibian from Truk until the air-

strip is ready (perhaps in 1969), could well be the No. 1 tourist mecca. Not only is it lush in tropical growth, with beaches and reefs, but it has the stone ruins of a city built centuries ago. The origin of these impressive ruins is as obscure as the origin of the huge stone images on Easter Island. But neither Truk nor Ponope has anything but minimal accommodations at the moment. Nor has anyone provided glass-bottom boats and other accessories that would delight the vacationer wanting to see the fantastic sea life along the coral reefs.

So far, just one major step has been taken, and that is air service, at long last. Air Micronesia, which began in May, reports good load factors throughout the system and some very high ones on some segments, despite the newness of the service. Tourists from the U.S., however, should make certain they have accommodations tied down before venturing out that way. Also, no one should expect any resort atmosphere until Continental gets some hotels built. The first one should open next year in Guam along a fine beach.

When I made some rather excoriating remarks earlier about the U.S. administration of the Pacific Trust Territory, which embraces all of Micronesia, I thought I had made it clear that the bungling dated back to the earlier years. Certainly today, the TT administration, under Commissioner William Norwood, is doing a very creditable job. There are some fine, dedicated and experienced men on deck. They're trying to make up for lost time, because the U.S. will be faced with a plebiscite in 1972 when the 100,000 natives decide whether they want to remain

under U.S. administration or to go back with the Japanese. There's no overlooking the fact that some of the older natives, if not the young, look back longingly to the Japanese reign.

Air Micronesia, set up by Continental, Aloha and some Guam business interests, won the fight for the contract airline, which was let out for bid by the Department of Interior. Pan American, Hawaiian and Northwest were all hard after the route, and it wasn't known until later that Northwest Airlines had not only put up a very stiff battle but had converted some Lockheed Electras into combination cargo/passenger airplanes with the expectation of capturing the contract. Continental got the nod, for one reason at least, because it committed a Boeing 727 jet to the line.

The stage is now being set for another battle involving not only Micronesia, which lies above the equator, but all of the islands to the south. A CAB examiner has just concluded hearings on this proceeding, which can't be decided until sometime in 1969, but the contestants are Eastern, Northwest, Continental and Air Micronesia. I have no idea how this involved hassle will turn out, but you can lay a bet on one thing: This will be the beginning of an expansion of service and vacation hotels like nothing else but.

Heading up Air Micronesia as president is 55-year-old Dominic P. Renda, who is also senior vp of Continental. Following four years in the Navy (he was discharged as a lieutenant commander), he joined Western Air Lines in 1946 as assistant to the vp and secretary, becoming secretary in 1947 and general attorney in 1948. He was senior vp of Western when he left to head up the Pacific airline.

Chairman of Air Micronesia is the man who thought up the idea of mating a couple of airlines with local business interests in Guam. He is Carlton Skinner, tall, a rare mixture of intellectualism with a pragmatic business sense, who was the first governor of Guam, appointed by President Truman in 1947. He left that post when the Eisenhower administration took office, but for some years he has been and still is the senior U.S. commissioner on the South Pacific Commission, to which five other nations belong. The commission meets annually and the U.S. delegation operates under the Department of State. Skinner is an intensely dedicated man with probably the most thorough knowledge of Pacific problems of any American. A great believer in the future development of the Pacific, Skinner has guided Air Micronesia's policies. He has his own business in San Francisco when he isn't out in the islands.



Dom Renda (left), president of Air Micronesia, and Carlton Skinner, on an inspection trip to Yap. Passenger 'waiting room' is in background.

Wayne W. Parish

# EN ROUTE

## Grass Skirts, Stone Money and Betel Nuts on Yap

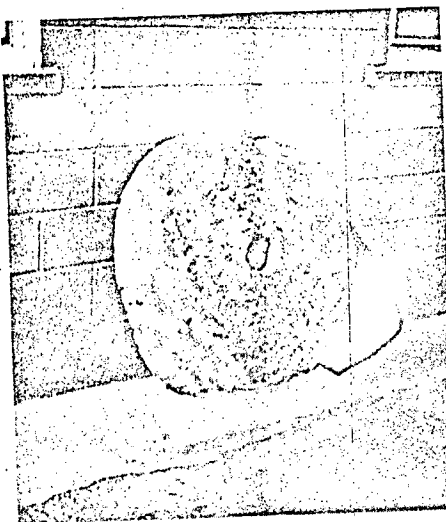
Yap is one of those strange, exotic names that conjures up an image of far-away adventure and romance. For a very long time I've wanted to go there. I made the grade on Air Micronesia's first DC-6B flight in May.

I was there only a few hours while the airplane flew on to Palau. I saw the stone money and the grass skirts, and drove around part of the 38-square-mile island, and then back to Guam on the return flight. And I reflected again, as I so often have, what a miraculous thing the airplane is to enable an outlander like myself to dip briefly, like an intruder, into a remote and tiny part of the world where the customs of the ages still prevail.

Yap is 450 miles southwest of Guam. It is the largest island of the Yap District, which includes atolls over an area 160 by 700 miles, in Southwestern Micronesia. In this entire district there are only about 6,600 people, and of these about 4,100 live on Yap. The origin of the natives and customs is lost in obscurity, but they were using stone money before the first explorers reached this remote area.

Yap has had quite a history. It was discovered by the Portuguese. The Spanish moved in back in 1874, but the Germans and British also were interested because of the copra trade. In 1899, the Spanish sold the islands to the Germans, who proceeded to develop them, and laid a cable from Guam to the Asiatic mainland with Yap as an important station. The Japanese moved into Yap in 1914 and kept the islands until World War II, and it should be noted that the only place in the Yap District that the U.S. took by war action was Ulithi. The Japanese had fortified Yap very well and when you drive from the airstrip to the main village you see all sorts of wrecked Zeros.

But about that money, there was a very shrewd guy by name of Captain O'Keefe, known as His Majesty out that way, who made a fortune hauling stone from the Palau Islands to Yap for new money. This was late in the 19th century. O'Keefe was a trader and owner of a fleet of ships with headquarters on Yap, and he built up a big copra business in Hong Kong. His life was lost in a tropical storm. There is no stone on Yap, so it must have been quite a job for the early natives far back in history to bring stone from the Palaus in canoes and rafts over 300 miles of open sea.



Small piece of stone money on display outside the 10-room Rai View Hotel on Yap. Rai means 'money' in Yapese.

Copra is the mainstay of the weak Yap economy today, but there's a lot of fishing and gardening. Crops include taro, yam, sweet potatoes, bananas, Polynesian chestnuts, breadfruit, papaya, oranges, tapioca, coconuts, pineapples and tobacco. Chickens and pigs are raised, but usually eaten only on special occasions.

Ulithi is part of the Yap District. It is a magnificently beautiful atoll from the air, about 50 miles northeast of Yap, and noted for being a great naval staging area in World War II. It is also the home of the most beautiful Yapese girls, whose dances (topless) and genuine grass skirts bring raves from all who have seen them. I regret I can't give a first-person report since Air Micronesia doesn't stop there.

Yap is the only place in the world using stone money. They still do. A piece of money is simply a cartwheel of stone, doughnut shaped, with hole in the middle. If it is less than 15 inches in diameter, it isn't real money. The biggest piece I found was at least 9-ft. tall. Virtually every native hut or house has these cartwheels standing up in front, or along the road, and in the center of the main village there is a money "bank" consisting of several score cartwheels.

Of course, if a Yapese wants to buy something from the one trading store for

the island he uses U.S. currency, but the stone money is used for tribal and inter-tribal transactions, land, houses and so forth. The value has a lot to do with the age of the stone and how much work went into acquiring it. The natives have their own intricate bookkeeping system and the stones aren't moved, at least very often. Just because a family has a big stone doesn't necessarily mean they own it; they may "owe" it to somebody else.

There are a great many strange customs unique to Yap, too many to describe here. But one major difference between Yap and the outside world is the female dress. No Yapese woman may expose her legs above the calf. She may wear either a dress or grass skirt, but in either case it must be long. I rarely saw a Yapese woman without a grass skirt, even though it was being worn over a dress.

On the other hand, many Yapese women, in fact most of them except when they are working in the main village, are bare-breasted. Exposed legs might entice men, but the breast in Yap is a utilitarian appendage for feeding of babies, and natives being what they are the net result is not very appealing except in the young. Being polite, I took no photos, although a visitor can do so if permission is asked, but any Yapese woman would wonder why in the world she should be photographed so long as her skirt goes below the calf of each leg.

I guess there isn't a solitary Yapese who doesn't chew the betel nut, and if you know anything about these things the betel nut makes the teeth and gums deep red, wears down the teeth to nothing at all, and is a disgustingly revolting habit often found in the Far East. The betel nut comes from a palm tree, is orange-colored, a fruit, and you sprinkle some lime on it (made from burnt coral) and wrap it in a betel palm leaf, and chew it from morn to night. Medically it is supposed to expel or destroy intestinal worms, but it also increases the saliva and it produces an abnormal contraction of the pupil of the eye. Apparently it is mildly narcotic, a state that can be increased by adding beer or whiskey. Yap is a lovely tropical island with fascinating customs, but Lord save me from the betel nut.

Wayne W. Parish

# EN ROUTE

## Coral Jet Route Through the Pacific

A revolution has come to the islands of the Central Pacific.

An incredible revolution. A revolution that should have arrived years ago when the rest of the world was gaining the advantages and the necessities of the airplane.

But the great United States, which acts like a Gulliver tied down helplessly by minority Lilliputians, which brags of greatness and brains and intelligence and advanced technologies but which is run by politicians of astonishing cowardice and frailty, has goofed like a drooling idiot in its own backyard.

The backyard is the vast Pacific over which the men of the U.S. fought and died a quarter of a century ago. In 1947, the United Nations turned over a vast chunk of this area, known as Micronesia, and gave the U.S. the administrative responsibilities over what is called the Trust Territory, an area as big as the continental U.S.

Until a few years ago, when some cleaning up was done, this TT was a haven for alcoholic uncles and cousins and second-rate bureaucrats who couldn't hack it anywhere else—it was a dumping ground of loafers and opportunists and mediocrity. The Pacific became a forgotten stepchild of Washington politics. And believe me, unless we come to our senses out there, we will lose the allegiance of the Micronesians to another nation, probably Japan, when a plebiscite is held in 1972. Stupid? Terribly so. Just as bumbling as we are with crime in the streets at home.

Now what would you think if you lived in St. Louis and your only trading post was Philadelphia and it took weeks or even months to get your order to the trading post and when the order was ready the supplier dispatched your goods by way of London where they were trans-shipped to Rio de Janeiro and trans-shipped again to New Orleans and then transferred to a river boat up the Mississippi to St. Louis. You'd call that pretty stupid in this day and age.

But that's the kind of idiotic transportation and idiotic thinking that has been going on in the Pacific. If you were living on Truk or Majuro, the first big island areas southwest of Honolulu, you'd get your order to Honolulu via Guam way out west, whenever an airplane showed up, then the goods would be shipped to San Francisco and trans-shipped to Tokyo, and

then put on an infrequent boat to Guam and then await shipping via a smaller inter-island boat to Truk or Majuro, and maybe the time of delivery might be three or four months. Stupid? Yes, but the U.S. administration of the Trust Territory has been just exactly that stupid. What I've described is not hypothetical, it's for real.

If you were an individual passenger, you were dependent 100% on the battered little airline that the TT ran for itself. Initially, Transocean had the contract to operate, but when Transocean went busted, Pan American moved in. The TT did all the ticket selling and making of reservations and was the real boss. So you would try to get a reservation, but if and when you got one, it wasn't worth a tinker's damn because at any time before a plane departure a government bureaucrat could walk up and bounce a paying passenger even though the poor sap had had a reservation for three months.

### Idiot Operation

That's the kind of idiot operation we have had in the Pacific. A top TT official could divert an airplane from its regular schedule at any time. Schedules were mythical. There was a C-54, maybe two, trying to serve the area, but the airplane was old, the seats were canvas, there was never any food service in any way whatever despite the long distances, and where the C-54 couldn't land they used two old Grumman SA-16 amphibians whenever they were operational, which wasn't too often.

Three years ago, I'm told, Pan American was given the chance to take over the TT service and operate it as a commercial airline, without subsidy. But Pan Am, concerned with huge new airplane orders and increasing world competition, couldn't hold on to the contract when it came up for renewal last year. But this is the history of competition and I guess we should thank the Lord that there is always more than one outfit that wants a route or a contract.

All this is by way of saying that I had the privilege of being a passenger on the first commercial flight of Air Micronesia on May 19 from Honolulu to Johnston, Kwajalein, Majuro, Truk, Guam and Saipan. It was on a Boeing 727, which might not seem so odd to you, but some of the runways are coral and some haven't been kept in tip-top condition and Air

Micronesia was the only airline to hop into the competition for the new contract with the Trust Territory and it guaranteed that it would use a jet instead of Electras or something else less modern.

Just about everybody said a 727 couldn't hack the route, but Robert F. Six, president of Continental Air Lines, isn't the kind of guy who takes the word of the scoffers and the loafers and the golfers who waste time boozing up at country clubs indulging their paranoia. Six said he'd use 727s, and by golly he did, and is, and in the short span of 120 days he and his cohorts put together a 1968 airline with an efficient dispatch that everybody else said was impossible.

The more you see of this guy Six, the more you have to give him credit for taking risks in the national interest. He's in Laos and Thailand and Vietnam under circumstances that make the average airline executive shudder. He's in Air Micronesia in a venture that anybody else I know would turn down flat, for this jointly owned airline has to operate without subsidy and in five years the majority stock—51%—will be owned by Micronesians; in fact, in seven years Continental will be down to 20% interest and the Micronesians will have 60% and Aloha Airlines of Hawaii will continue to have 20%.

I'm telling you the truth, it was one of the most heartening things I've ever seen to observe the immediate patronage that Air Micronesia received after all those years of the lousiest and most disgraceful service imaginable. You should have seen the over-sized cargo compartment of that 727 when it unloaded freight and mail at Truk. You should have seen the native Micronesians boarding a deluxe airplane (74 seats, six abreast) with hostesses and hot-meal service and all the trimmings of a U.S. domestic flight. You should see those load factors from the first day.

So in the next few issues I'm going to tell you about grass skirts and topless babes on Yap, and the stone money still being used out thataway, and lots of other interesting things (illustrated), but I wanted to pay this initial tribute to Bob Six and his gang for starting to open up the vast Pacific. My hat's off to the whole crowd.

Wayne W. Parish