

THE WHITE HOUSE

WASHINGTON

December 24, 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH:

DONALD RUMSFELD

FROM:

WILLIAM N. WALKER

SUBJECT:

Commissioner of the Trust
Territory of the Pacific Islands
(GS-18 PAS)

Secretary Morton, in his December 4, 1974 letter to you at tab A, expressed his desire to replace Edward E. Johnston, the present High Commissioner. For the reasons he outlines in this letter, plus the reasons he outlines in the confidential paper at tab B, I recommend that you request Johnston's resignation.

_____ Agree

_____ Disagree

Secretary Morton and his staff have screened several candidates to replace Johnston and are highly attracted to Mr. Fred M. Zeder, II, age 53, a Republican, of Dallas, Texas, resume at tab C, to be the next High Commissioner. Zeder is the son of the co-founder of the Chrysler Corporation, a highly successful entrepreneur in his own right, and a very interested and active citizen. He is a life-long Republican who has served as a precinct chairman, and as an assistant to the chairman for the Republican National Convention Arrangements Committee in New York. He served in the staff headquarters for Nixon, for Goldwater, for the Dallas County Nixon-Agnew Steering Committee, and as finance chairman for Jim Collins and George Bush. I believe also that Fred Zeder is well known to you.

Secretary Morton believes that Zeder brings the type of management skills and public interest necessary to turn around the deteriorating situation which currently exists in the Territories of the Pacific Islands. I recommend that you nominate Mr. Zeder for High Commissioner.

_____ Agree

_____ Disagree



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Replacement of the High Commissioner of the
Trust Territory of the Pacific Islands

The High Commissioner of the Trust Territory of the Pacific Islands is appointed by the President of the United States, with the advice and consent of the U.S. Senate. From 1951 through 1969, the incumbents were appointed by the Secretary of the Interior. The present incumbent is the first Presidential appointee. The position carries a grade of GS-18 plus a 20% post differential.

The present High Commissioner, Edward E. Johnston, has now completed three and one-half years in the position. An insurance executive by profession, Mr. Johnston was politically active in the Republican Party of Hawaii in the past, having served as an appointed Lt. Governor during the Eisenhower Administration and State Party Chairman prior to the 1968 election.

During his tenure as High Commissioner the situation in Micronesia has undergone significant change. There has been a large increase in U.S. appropriated and grant funds with a consequent broadening of management responsibilities for the High Commissioner. The Micronesians have become more politically sophisticated and there have developed much greater pressures for a larger measure of Micronesian involvement in the administration of the Trust Territory. In addition, for the past three years the U.S. Government has been actively negotiating with the Congress of Micronesia for the future political status of the Territory. This, in turn, has generated its own internal ferment and increased political pressures. The position of High Commissioner has thus assumed greater dimensions and requires higher skills than heretofore.

We believe that a change should now be made in the High Commissioner position. There has been a gradual erosion of confidence in, and acceptability by the Micronesians of the present High Commissioner. In recent months there has developed a growing hostility toward the High Commissioner, on the part of Micronesians, particularly the Micronesian Congress. He and some of his key staff members have been bitterly and publicly attacked by influential Micronesians. The result is a steady deterioration of the effectiveness of the Trust Territory Administration.

Mr. Johnston has been lacking in leadership and management capability necessary in running a large organization. His Administration has been seriously handicapped by his tendency to appoint friends of mediocre talents (often from Hawaii) to high Trust Territory Government positions. He has shown, at times, a lack of judgment in critical situations. Overall, he has been repeatedly less than responsive to policy and operational guidance from the Secretary. Mrs. Johnston clearly dislikes living in Saipan and associating with Micronesians and, consequently, spends long periods of time in Hawaii. This is resented by the Micronesians.

DECLASSIFIED

Authority: Interior Dept Guidelines

by HC NLF Date 10/8/99

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The High Commissioner's position is one of the most delicate and demanding in the Department. Though a Presidential appointee, he reports to the Secretary of the Interior through the Deputy Assistant Secretary for Territorial Affairs and the Assistant Secretary for Public Land Management. He is the chief executive officer of a full-fledged government of 6,000 employees serving 100,000 inhabitants of Micronesia. As such, he must represent the views of the Micronesians to the U.S. Government. He must face both the Congress of the United States and the Congress of Micronesia to defend his budget and programs with each body having its own priorities, philosophies and goals. Finally, he must annually defend the actions of his administration as well as U.S. policy before the Trusteeship Council of the United Nations.

To accomplish these major, and at times conflicting, responsibilities the High Commissioner must be an individual with extraordinary abilities and talents. He must be responsive at all times to guidance and direction from the Secretary of the Interior. He must be flexible with the Micronesians while not deviating from Departmental policy instructions. He must recognize the divergent interests of his various constituencies and exercise an unusual degree of independent judgment in accommodating them. He must have dignity and a demeanor equivalent to his title and position, but have a common touch with the people. He must have quiet strength, be above the battle but inspire the confidence of the Trust Territory Government bureaucracy, the Congress of Micronesia and the general public. Above all, he must be loyal to the Secretary.

We strongly recommend that Mr. Johnston be replaced by an individual who has definite management ability, experience in the U.S. Government, empathy with foreign peoples or at least an above average degree of sensitivity in intra-personal relationships, and demonstrated adaptability to living in a foreign and relatively isolated environment.

If at all possible, action to replace the High Commissioner should be taken quickly before the Congress of Micronesia meets for its regular fifty-day session commencing in early January. From January through May a series of scheduled activities would make replacement more difficult, i.e., Congress of Micronesia session, Visiting U.N. Mission January through February; U.S. Congressional budget hearings in March, and U.N. Trusteeship Council meeting in May. We should also avoid, if possible, a long interim period with an Acting High Commissioner which would increase Congress of Micronesia pressure for a role in selecting a new High Commissioner.

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FRED M. ZEDER II

1400 Expressway Tower, Dallas, Texas 75206, 214-369-2151

5920 Westgrove, Dallas, Texas 75240, 214-233-0397

BUSINESS: Mr. Zeder is Chairman of the Board of Hydrometals, Inc., a diversified manufacturing company, whose common stock is traded on the New York Stock Exchange.

Founded in 1870 as Illinois Zinc Company, Hydrometals was near bankruptcy when Mr. Zeder was asked to become its president in 1959. Today, Hydrometals is among FORTUNE's "Top 1,000" industrial companies in the U.S., and has successfully converted to a diversified manufacturer of consumer products from the metals milling and mining company it was when he became president. He was elected to his present position in 1971.

A World War II fighter pilot in the Pacific Theater, Mr. Zeder founded Zeder-Talbott Advertising Agency, with offices in Los Angeles and Detroit, in 1947. The agency was later sold, and he became vice president and marketing director of McCann-Erickson Advertising Agency. In 1956, he became co-founder and president of Chrysler-Zeder, Inc., an investment and manufacturing concern. In 1958, he was elected to the board of Hydrometals, Inc., and was asked to assume its presidency a year later.

Mr. Zeder is a founding member of the World Business Council, and a former member of the Young Presidents Organization. He is currently a member of the executive committee of the Committee of Publicly Owned Companies, and a director of North Central Bank of Dallas.

CIVIC:

Long involved in a wide variety of civic activities, Mr. Zeder was elected to the Dallas City Council from an at-large position in 1971, and served on the non-partisan council until 1973. He served on the National League of Cities Committee on Revenues and Finances, and as the city's representative on the Dallas County Community Action Board of Directors. During his tenure on the city council, Mr. Zeder chaired or served on a number of council committees dealing with problems ranging from utility regulation to delivery of social services to the public to city hiring practices. He originated



and chaired a committee under whose aegis a long-range study was conducted which developed methods for improving the effectiveness of city council and city government operations.

As Metro Chairman of the National Alliance of Businessmen, 1971-1973, Mr. Zeder led the most successful campaign in NAB's history in Dallas. This campaign found literally thousands of jobs for returning Vietnam veterans, plus others for the disadvantaged and summer jobs for disadvantaged youths.

Mr. Zeder is currently a member of the board of directors of the Dallas/Fort Worth Regional Airport; of the Catholic Foundation of Dallas; of the North Texas Chapter, Arthritis Foundation; of the National Conference of Christians and Jews; of Saint Paul Hospital; of Catholic Family and Childrens' Services; and of the Dallas Civic Ballet Society.

He is Chairman of the Board of Trustees of Northwood Institute, a Trustee of Jesuit College Preparatory School, a member of the Board of Development of Bishop College, and Chairman of the Theater SMU League.

Additionally, he is a past vice president of the Citizens Charter Association, a past member of the Dallas Assembly, past chairman of the Connecticut American Red Cross, a present member of the Economic Development Council of the Dallas Chamber of Commerce, and a former member of the U.S.I.A. Selection Board.

A life-long Republican, he was a precinct chairman in California in 1948. In 1952, he served as assistant to the chairman of the Republican National Convention Arrangements Committee in New York. In 1960, he served in the staff headquarters for Nixon in Connecticut, and in 1964 returned to these same offices for Goldwater. In 1968, he served on the Dallas County Nixon-Agnew Steering Committee, and as finance chairman for Jim Collins' first successful Congressional campaign. In 1970, he was Dallas County Chairman in George Bush's campaign for the U. S. Senate. In 1974, he was Dallas County Campaign Chairman for Jim Granberry for Governor of Texas.

PERSONAL: Mr. Zeder is the son of Fred M. Zeder Sr., co-founder and vice-chairman of Chrysler Corporation. He was born in South Orange, N.J., in 1921.

He grew up in Detroit and graduated from the Detroit University School. In 1938, he entered the University of Michigan to study engineering. World War II interrupted his education, and he enlisted in the Army Air Corps, receiving his commission in 1942.

While on leave from the service in 1942, he married Martha Blood Zeder of Detroit.

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He continued his education after the war, and received his Bachelor of Science degree from UCLA in 1947.

The Zeders made their home in Los Angeles until 1949, when they moved to Greenwich, Conn. They remained in Greenwich until 1965, when they moved to Dallas.

The Zeders have five children, two boys and three girls. Fred III is an attorney practicing in Seattle, Wash. Suzan, a former Fulbright scholar, is studying for her PhD in children's theater at Florida State University. Howard, who holds a BBA from the University of Texas, is plant superintendent of a Dallas manufacturing company. Melinda, a senior at the University of Michigan where she was an Angel Scholar, is currently on an archeological expedition in Iran. Wendy is a freshman at Southwest Texas State University. The Zeders have three grandchildren.

Martha Blood Zeder is an honor graduate of Wellesley College. She is active in Dallas civic and educational affairs.

