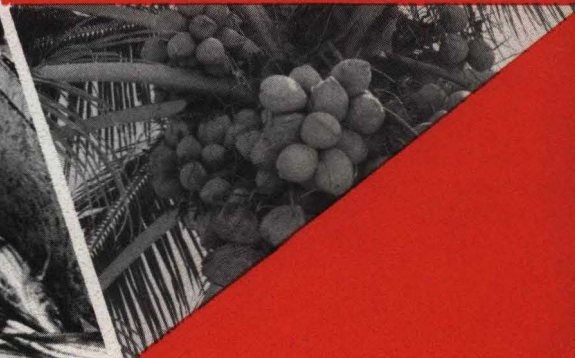


MicronesianReporter

FOURTH QUARTER 1975

Food Resources in Micronesia

ConCon - p. 38



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This Quarter's Worth

At the time this issue of the *Micronesian Reporter* was being prepared, the delegates to the historic Micronesian Constitutional Convention were meeting on Saipan working out the details of a constitution for the Federated States of Micronesia. That constitution is printed as an insert in this edition along with an article by Dr. P.F. Kluge, Director of Public Information for the Convention, describing the work of the Convention.

Important as it is, we maintain that the constitution still must share first place with the very basic issue of assuring the very survival of the people of Micronesia for whom the document was drafted. After all, people must be alive in order to live in peace and work in harmony under a constitution.

For this purpose, we are offering three articles which we feel are of paramount importance to the Micronesian people. The articles—which make up our cover story—deal with “food resources in Micronesia”: what they are, where they can be found, and what their nutritional values are.

We also offer related essays on subjects vital to Micronesia: food exports and imports in Micronesia, Ponape rice project, and controlled foreign investment.

For Fiscal Year 1975, imports were estimated at about \$16 million, an increase of \$1 million over last year, according to the author of one of the articles in this issue. However, the economic picture in the Trust Territory is not pessimistic. Jim Hiyane, Ponape District Agriculturist, reports that the Ponape Rice Project is expected to

produce about 300 tons of polished rice annually when the project is completed by the end of 1977.

For potential foreign investors, the article on “Controlled Foreign Investment for Micronesia” will offer guidelines on how to invest in this Pacific region . . . We feel it is time now to recognize the efforts of the CETA program, a Federal Government program designed to provide job training and employment opportunities to the economically disadvantaged people . . . Finally, for our nautically inclined readers, our prolific and inquisitive correspondent—John W. Perry—offers an historical account of the cruise of the whaleship *Charles W. Morgan* in Micronesia in 1852. — *B.B.*

Who's Who

...in this issue of the Reporter

Two of the three articles of our cover story on “Food Resources in Micronesia” were written by employees of the Department of Resources and Development of the Trust Territory Government. They are **Leo Migvar** and **Christopher K. Mitchell**. Migvar, a long-time employee of the Division of Agriculture and presently Chief of Agriculture Extension Service, writes on “Agriculture Production for Self-sufficiency in Micronesia” . . . Mitchell is Chief of the Marine Resources Division, and he writes on “Food From the Sea in Micronesia” . . . The third article comes from **Dr. Masao Kumangai**, Director of Health Services for the Trust Territory. His article—“Some Health Aspects of Micronesian Food”—discusses the nutritional values of Micronesian food and the role they play in the development of Micronesia.

Adelina Celis, Marketing Specialist at the Economic Development Division, is from Saipan. She joined that Division in January 1975, shortly after graduating from Creighton University in Nebraska with a BS degree in Business Administration.

James Hiyane is Ponape District Agriculturist. He writes about the Ponape Rice Project, which is expected to yield more than 300 tons of polished rice annually when the project is completed by the end of 1977.

Elizabeth S. Udui is Chief of the Investment Branch at the Department of Resources and Development. Her article—“Controlled Foreign Investment for Micronesia”—treats a significant part of the R&D's program.

Ann Marie Myers, Federal Program Coordinator for the Comprehensive Employment and Training Act (CETA) in the Trust Territory, offers her first article to the magazine, describing the program that has served Micronesia well in “providing job training and employment opportunities for the economically disadvantaged, the unemployed and the underemployed”.

John W. Perry, a former Peace Corps volunteer in the Marshalls (1967-1969), is a Washington, D.C. based writer-researcher. A prolific writer and frequent contributor to this quarterly, Perry offers an historical account of “The Gallant Huntress: The Whaleship *Charles W. Morgan* in Micronesia, 1852”.

Dr. P.F. Kluge, Director of Public Information for the recently-concluded Micronesian Constitutional Convention (July 12-November 8, 1975), offers a personal assessment of the work of the Convention. Kluge served in Peace Corps/Micronesia from 1967-1969, and has written a novel—“The Day That I Die”—based upon his experience in Micronesia and using Palau as its main locale. The thriller is scheduled for the spring 1976 list at the Bobbs-Merrill publishers.

INTERVIEW:

Fred M. Zeder

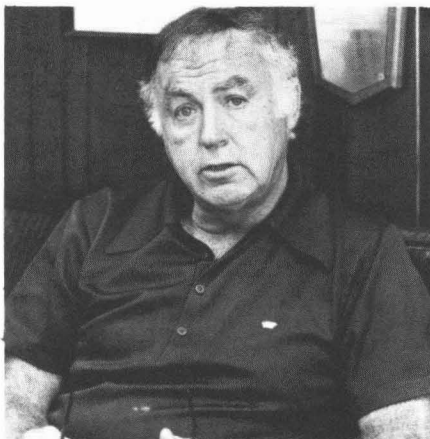
The subject of this quarter's interview is the man whose official title is Director of Territorial Affairs (DOTA), one of the principal offices in the Department of the Interior in Washington, D.C. In this capacity, he reports directly to the Secretary of the Interior; and his responsibility covers an extremely large area, which includes all American territories—Guam, the Virgin Islands, American Samoa—and the Trust Territory of the Pacific Islands (TTPI).

Fred Monroe Zeder, 54, filled the position vacated by Stanley S. Carpenter when the latter went back to the State Department late last year. The territorial post was vacant up to June of this year when Zeder was appointed by former Secretary of the Interior Rogers C.B. Morton to become DOTA. The Texas manufacturer and civic leader brought to this post a wealth of knowledge including that acquired from his active participation in the affairs of the city council of Dallas, Texas, a city of 900,000 people. As a councilman in Dallas, where he has lived for the past ten years, he had many experiences which proved to be beneficial to him in his job at the Department of the Interior.

Since assuming the territorial post, Zeder has visited the Trust Territory two times. His first trip to Micronesia was in July, and he spent six weeks in Micronesia familiarizing himself with the operations of the Trust Territory Government. His second trip took place in October when he briefly visited the Trust Territory Headquarters on Saipan and the eastern districts of Micronesia. It was during the latter trip that the Micronesian Reporter had the golden opportunity to sit down with him for one hour in High Commissioner Edward E. Johnston's office on Saipan to conduct this interview.

In the course of the interview, Zeder spoke mildly but eloquently responded to our questions with straightforward candor. We began the interview by asking him to give us a brief explanation of his present official title and an account of his past business experience.

ZEDER: I have the title of Director of Territorial Affairs. The Office of Territorial Affairs is part of the Department of the Interior in Washington, D.C. In this capacity, I report directly to the Secretary of Interior. We have a new Secretary as you know, Mr. Thomas Kleppe. I am very pleased to see Mr. Kleppe, who was sworn in on Friday, begin these important responsibilities. He is a fine man, and I am looking forward to working with him. Prior to my association with the Government, I was Chairman of the Board of Hydrometals, Incorporated. This company is now headquartered in Dallas, Texas, and is listed on the New York Stock Exchange. It is also listed by FORTUNE magazine as one of the thousand largest companies in the United States. It is a



company I started about fifteen years ago. I have acted as President, Chairman, or Chief Executive Officer until I moved to take over this assignment at the Department of Interior.

REPORTER: Is your former job related to what you are doing now?

ZEDER: Yes, in some respects, it was. Not necessarily as it related to my position in Hydrometals, however. I took a very active interest in the affairs of the city of Dallas where I lived the last ten years. I was elected to the City Council of Dallas, a city of about 900,000 people, in 1971. Dallas has a rather unique city council system with eleven council members, including the mayor, each with one vote. I felt it was a very high honor to be elected, particularly after a very short period of residence. As a councilman, I had many experiences that have been beneficial to me in my job as Director of Territorial Affairs in serving the multifaceted needs of the territories.



REPORTER: Had you heard of Micronesia before you were appointed Director of Territorial Affairs?

ZEDER: Yes, I had been very much interested in this part of the world for many, many years. I read extensively on Micronesia. I visited American Samoa on occasions in the past. I gave consideration to helping them with their economic development program as I had years ago in Puerto Rico. In 1956, a company I co-founded, called Chrysler-Zeder, set up a factory under Puerto Rico's "Operation Bootstraps" program. I have also traveled extensively as a founding member of the World Business Council in this part of the world. In the past, Hydrometals had offices in Hong Kong and in Tokyo which brought me out here on business. During World War II, when I was flying with the Air Force, I had a great desire to come to the Pacific; and when given an opportunity, I volunteered. However, instead of sending me to the South Pacific, they sent me up to the Aleutians, and I spent a year flying P-46's and P-38's on the Aleutian chain. I always wanted to get further south. I welcome the opportunity, at long last, to become associated with this great area, and I am delighted that it is under much nicer circumstances than it was thirty years ago.

REPORTER: When you were appointed Director of Territorial Affairs, what were your immediate reactions to that appointment?

ZEDER: My immediate reaction was the feeling of being honored. I appreciated the great honor of the assignment. I recognized too the challenge that this assignment involved. Prior to my appointment, I was fortunate enough to sit in as a listener on the Senate Committee on Interior and Insular Affairs hearings. For two days I heard the testimony of staff members of the investigating team on management of public works projects in the Trust Territory of the Pacific Islands who came to the Trust Territory and registered their concern for a number of problems existing here. At the end of that two-day period, I recognized that the challenge before me, if I took the assignment as Director of Territorial Affairs, was really enormous, much more interesting than I had anticipated. So I think my reaction was also one of humility. More importantly, here was a tremendous challenge where I could use many of my past experiences, particularly the work that I had done requiring reorganization, rededication, and selection of goals and targets. For example, when I assumed the responsibility for the affairs of Hydrometals, that company was on the verge of bankruptcy. It was a small operation, doing less than two million dollars per year in business, and losing over a million dollars a year. I recognized the opportunities and challenges, and it was gratifying when I saw the company go over a hundred million dollars in sales for the first time, do well on the Stock Exchange, and employ some three thousand people. I kind of hearken back to that experience. When I came into the Interior Department, I saw a situation, hopefully not as desperate as was the Hydrometal experience, but nevertheless with similar problems, and some great opportunities.

REPORTER: What are your plans and priorities regarding Micronesia?

ZEDER: There are many plans, of course, for the future of Micronesia. We'll be working in concert with the

Congress of Micronesia and their programs. I think we should keep in mind that we are engaged in the political status negotiations with Ambassador Williams. I met with the Ambassador just prior to my coming out here. I had a very pleasant breakfast meeting that lasted some three hours in San Francisco prior to catching a plane for Tokyo. I was gratified to learn from the Ambassador, who I am in touch with on a frequent basis, that his attitudes are very encouraging. He thinks very strongly that our plans are going along well and that a great deal of progress has been made. Let me say, however, that I feel the twin priorities of greatest importance for Micronesia are responsible self-government and balanced economic development.

REPORTER: Which of the American territories (trust or otherwise) occupies most of your time?

ZEDER: Well, presently, I am spending a great deal of time on Trust Territory related activities. I think we have a broader range of concern regarding Micronesia than we do for the U.S. territories. The last time I came to the Trust Territory, I was sworn in on a Friday morning in Washington and left that afternoon for the Trust Territory. I spent six weeks here on that visit. Since my return, I have been putting together certain recommendations based on the observations that I made. The purpose of this trip is to follow through on some of the recommendations and to see what progress has been made to implement them, and to get ready for the second phase. Phase One was to define what the areas of concern should be, what the problems are, and make recommendations to correct them. Phase Two will involve implementing those recommendations.

There are some new developments in Guam and the Virgin Islands with the recent indication of their desires to re-write their constitutions. Congressman Won Pat (of Guam) introduced a bill in the United States Congress, a short while ago, which has

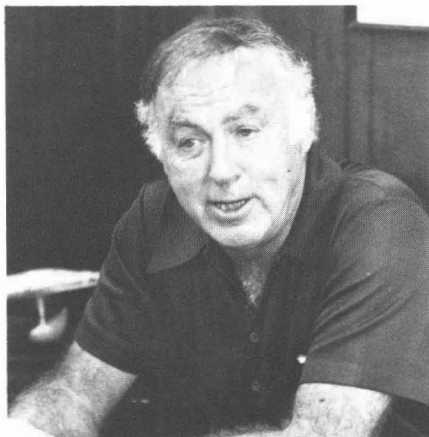
since passed the House and will soon go to the Senate. That bill would clear the way for Guam and the Virgin Islands to enact locally written constitutions.

REPORTER: Guam and the Virgin Islands have reached a stage where they are now electing their own governors and delegates to Congress. Are there similar plans for American Samoa and the Trust Territory of the Pacific Islands?

ZEDER: They achieved that position because they requested it and demonstrated to the Federal Government and the United States Congress that individual rights and freedoms would continue to be protected in their constitutions, and by their locally elected governments. The people of American Samoa, on more than one occasion, as you know, have been offered the right to popularly elect their governor, but have always turned it down. I understand this may come up again soon. If they, in American Samoa, desire to exercise this right, they certainly may. In regard to the Trust Territory, it must be remembered that the fundamental difference is the political status of Micronesia. The other territories are actually a part of the United States. As Micronesia moves forward to full self-government, and as the people of Micronesia become more aware of the choices before them, we really feel that the most appropriate form for the actual working out of the procedure for future self-government is the future political status negotiations in which the President is represented by Franklin Haydn Williams. I might note here, one district (Marianas) has completed negotiations for a commonwealth. When the Covenant is approved by Congress, procedural arrangements will commence for a fuller measure of self-government in the Marianas including an elected governor. We in Territorial Affairs remain hopeful that the other districts of Micronesia can find with Ambassador Williams' help a common solution to their future political status.

REPORTER: Do you foresee a day when Micronesia will elect its own governor or president or prime minister? In your own opinion, when will be the most feasible date for that?

ZEDER: Concerning a popular election of president or prime minister or governor or whatever title is decided to be bestowed upon the chief executive officer of Micronesia, I think it is interesting to note that the popular election of a chief executive officer of Guam and the Virgin Islands has come about because they requested it and demonstrated to the federal government of the United States that they could work out a constitution and constitutional freedoms that would continue to be protected. As to the date



of full self-government for Micronesia, it is a little premature right now to try to determine precisely what the timing will be.

REPORTER: Is self-government for Micronesia compatible with the policy of the United States in this part of the world?

ZEDER: Certainly it is a policy of the United States Government to prepare the people of the Trust Territory for self-government. That is our prime trust and our real obligation under Article 6 of the Trusteeship Agreement. This responsibility we do take very seriously and we are working hard at implementing it. We have created legislative bodies at all levels of

government from the municipal councils to the territory-wide Congress of Micronesia. You also note that in recent years the Trust Territory administration has been placing a greater number of Micronesians in senior positions within the executive branch. So in answer to your question, a definite yes. And I think we are making progress along these lines.

REPORTER: The Trusteeship system started with eleven trust territories from all corners of the globe. Today there is only one left — that is the Trust Territory of the Pacific Islands. What is your thinking on this?

ZEDER: You are absolutely right that the TTPI is indeed the last trust territory. It is interesting to note a little history here. When the trusteeships were created in 1947, it was envisioned that each would be administered in accordance with unique local conditions. So that it would be realistic for Micronesia to achieve a new political status, the United States has been attempting since 1969 to negotiate a mutually acceptable condition for Micronesia's future. It remains our desire to terminate the Trusteeship Agreement. The negotiations that have been going on have resulted in a tentative agreement on the Compact of Free Association. That happened in October 1974. This document has been submitted to the Congress of Micronesia for its consideration. The Congress rejected Title IV which embodied the financial provisions of the Compact and instructed the Joint Committee on Future Status to renegotiate these provisions. The United States, of course, is anxious to continue talks leading to the termination of the trusteeship. It seems though that the Micronesians require time to review their position and reach agreement among themselves as to the future course of negotiations. Until these basic decisions are made, it would be unrealistic to talk about termination of the trusteeship, since further negotiations will likely be necessarily before full agreement can be reached on

the status of the TTPI following termination.

REPORTER: Why is the Trusteeship Council still necessary in view of recent events?

ZEDER: The role of the Trusteeship Council has been largely defined by historic precedent. As you know, the United States is the Administering Authority and reports annually to the United Nations of the political, social, economic, and educational developments of the TTPI. The member nations of the Trusteeship Council have and we hope will continue to make very helpful recommendations and observations regarding the affairs of Micronesia. Further, the Council's representatives have made special observation trips to the Trust Territory for the purpose of seeing first hand the effects of the U.S. Administration.

REPORTER: Is the Trust Territory's economy a factor in causing Micronesia to be the last trust territory in the world?

ZEDER: One aspect of the United States responsibility for the administration of the Trust Territory is our desire to develop the territory economically so that it can be self-sufficient. Ambassador Williams and the Congress of Micronesia's Joint Committee on Future Status have talked about 1980 and 1981 perhaps as the possible termination dates for the trusteeship. The Department of the Interior in consultation with the Congress has attempted to design programs and grant levels which will bring Micronesia to a position of self-sustained growth before termination of the trusteeship. I would like to emphasize that we in Washington view the growth of Micronesia both politically and economically as a continuing process. We have talked about 1980 and 1981 as tentative dates for termination of the trusteeship because our best judgment, indicates that the necessary political arrangement could be implemented by that date. My office along with others concerned with

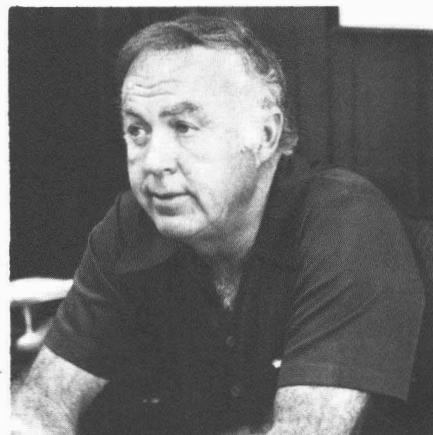
the Micronesian affairs is looking for ways to develop short and medium-term programs which will bring about the type of economic development and sustained growth which will build Micronesia's self-sufficiency and strengthen the ties of friendship between the United States and Micronesia.

REPORTER: What do you think about the Congress of Micronesia? Is it a body worthy of its name?

ZEDER: I met many times with the Congress of Micronesia, and I can tell you that I think it is certainly worthy of its name. I have been very much impressed with not only the formal meetings that I have attended but also with the personal contacts that I have made here and in Washington with individual members of the Congress. I have not, of course, been acquainted with the operations of the Congress prior to my coming here. But I really cannot emphasize too strongly how impressed I am with the caliber of the individuals of the Congress and the progress that they have been making. These are dedicated, intelligent men and women who are working hard. And I believe they recognize their role in the history of this area. When I was here previously, I had the privilege of addressing the Congress and pointed out to them at that time that I felt that these were the Thomas Jeffersons, Patrick Henrys, and Benjamin Franklins of the future; and nothing that they have done to date has dissuaded me from this view. I think these are great leaders who are doing a magnificent job under very, very difficult circumstances.

REPORTER: Do you periodically work with the Secretary of the Interior or keep him apprised of what is happening in the Trust Territory?

ZEDER: Yes, I do. The chain of command in Washington requires that I report directly to the Secretary. As you may know, we have had a number of changes in the Department of the Interior. The first Secretary I had association with was Rogers Morton,



who was the Secretary who asked me to take this job. Shortly after I agreed, Secretary Morton left and went to Commerce, and Acting Secretary Kent Frizzell took over. I worked with him very closely, reporting directly to him. Then Stanley Hathaway came in. As a matter of fact, I was out here on Guam when I received the sad news that Hathaway had become ill and was forced to resign. I reported to him briefly. Then after his departure, I reported back to Frizzell again. And now I am happy that we have a new Secretary on a full-time basis, Secretary Thomas Kleppe, who I think with his background and his experience is ideally suited for this job. And prior to my coming out here this time, Secretary Kleppe and I had dinner and I had an opportunity to brief him on my past visit out here and told him why I am coming out again this time. I will be back in Washington probably on the third or fourth of November and I am looking forward to sitting down and having a long discussion with the Secretary. I know he is keenly interested in all of territorial affairs, and one of the things that I am going to try to persuade him to do is to visit the Trust Territory with me as soon as possible. I know that it is very important. I know that he is going to be quite busy initially catching up on the job, finding out what it is about. He is a quick-study, and he is a smart gentleman. He has been in and around

Washington long enough that I think he is going to catch on in a hurry. And I hope he will be in a position shortly to accept an invitation that has recently been extended from the Congress to visit the Trust Territory.

REPORTER: What effects would a separate administration of the Marianas have on the rest of the Trust Territory?

ZEDER: Present planning calls for the Marianas to remain legally a part of the Trust Territory until the termination of the Trusteeship Agreement. The administration of the Marianas would be separated from the High Commissioner and the Congress of Micronesia so that the Marianas may make their transition to a commonwealth as easily as possible and with minimum interference to the other districts or the Headquarters Government. With this said, I think there will be some effects resulting from the administrative separation. First, if the Covenant is approved, and separation occurs, the Marianas will no longer take part in the Congress of Micronesia. This will permit the Congress to concentrate on the affairs in the interest of other districts. The Congress will, of course, lose the revenue which is generated in the Marianas. I think this is an issue that the Congress, in consultation with the districts, should consider very closely. So long as Headquarters and the Congress of Micronesia remain on Saipan, there will be some difficulty in working out administrative questions,

and they have to be resolved by cooperative discussions. I am sure that these cooperative discussions are going to continue.

REPORTER: The House of Representatives of the United States Congress has approved the Commonwealth Covenant. What will happen if the Senate does not approve it?

ZEDER: Well, of course, we hope that the Covenant will be approved by the Senate, and we continue to feel that this will be the case. In the unlikely event of disapproval, I think the Federal Government and the people of the Marianas would have to attempt to work out an agreement consistent with the desires of the United States Congress.

REPORTER: The result of this year's political Referendum on July 8 in the Trust Territory showed that the overwhelming majority of the people of Micronesia want unity. However, the Marshalls and Palau have indicated a separation tendency. What is your opinion on this?

ZEDER: As you know, the long-standing hope of the United States is that the Marshalls and the Carolines would find a common solution to their political status. Our desire for unity also extends to the type of internal political structure which might be defined in the Constitutional Convention. We nevertheless can understand that different districts in the Trust Territory might differ somewhat in the political and economic aspirations. I hope and I know that the future political arrangements devised for Micronesia will be a workable compromise between the advantages of unity and the desire for local identity.

REPORTER: In your own personal opinion, what seems to be the most feasible political status for Micronesia?

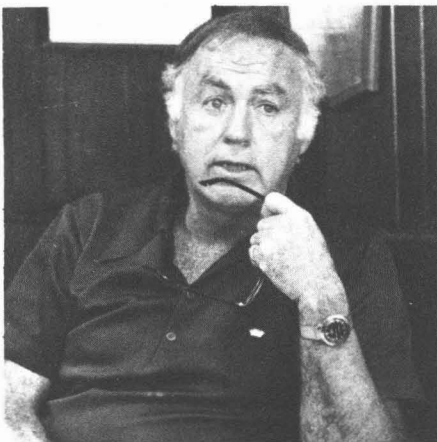
ZEDER: I really don't think my own personal opinion is important. The thing that is important here is what the people of Micronesia decide is best for them and it is our purpose in

Washington to try to assist and help the people of Micronesia achieve what in their judgment is their desired objective.

REPORTER: How do you assess the work of the Micronesian Constitutional Convention?

ZEDER: I think they are doing a good job. Again, this is a very tough job that they are directed themselves to. I have watched the progress that they have been making. Of course, we receive daily communications in Washington, and discuss the issues. I think they are conscientious in their approach. It seems to me that they have made a great deal more progress lately. It got off to what I thought was a kind of slow start initially, but the delegates seem to have worked out their problems. We must not forget the magnitude of this problem. There are so many various issues, and so many diverse questions that the delegates are really facing a tremendous task. I have seen situations in the United States; I recall the State of Texas when we tried to rewrite our constitution that was very, very outdated. It went back to 1800 something. The State of Texas never had a revised constitution. They worked for two years — and I am ashamed to say how much money they spent — and never came up with a revised constitution. This is not a unique situation. I hope that with the continued dedication of the members of this August body (the Micronesian Constitutional Convention) and if they continue to work and be patient and be cooperative, they will come out with the final document that will really be historic. I think that they have been making progress, and as I said, things are getting better as they go along. Now this is not always the case. Sometimes people start off well and the situation will deteriorate. It is encouraging that progress is improving as time goes along, and I am very much encouraged by it.

REPORTER: When important decisions are made involving policy in the Trust Territory, are they made in Washington or here on Saipan?



ZEDER: The answer is that they are not made in one specific place. When matters of significance require decisions of new policies, the decision-making process is not localized in either Washington or Saipan. It is rather a cooperative effort often involving the Congress of Micronesia or even the United States Congress. Sometimes we tend to forget that the Office of Territorial Affairs is located in Washington for a very good reason. We are the advocates for the needs of the territories in the Federal Government. We also can advise whether or not a policy is workable from the viewpoint of the Federal Government. In addition, as part of our responsibility to the Secretary, we continue the attempt to seek new types of policies and programs for the territories. Again, in answer to your question, this is a cooperative process that is neither made here on Saipan nor back in Washington.

REPORTER: This is your second trip to Micronesia. Are you happy with what you see now?

ZEDER: Yes, in many ways, I am; in other ways, I am a little discouraged. I think over the years we have made progress in specific areas. But I believe that there is a great deal of room for improvement. The things that I recognized during the first visit following the impression that I received in the Jackson Committee's hearings indicated that there were some serious problems in the Trust Territory. We have taken some corrective steps to try particularly to tighten up our financial management controls. Because of my background, being in business all my life, I was very frankly quite disappointed in the rather loose financial management that we had in the Trust Territory. Accountability seems to be a key problem; we were just not being as conscientious as we should be in our money management. This is an unacceptable situation, and the kind of thing that leads us into situations where we have to make crash decisions on a crisis basis. There just has not been an

EDITOR'S NOTE

Improvement of the Financial Management System has long been a goal of the TTPI Administration. Efforts were begun by High Commissioner William Norwood in 1969 and followed through as a top-priority item for the next six years under High Commissioner Edward E. Johnston. A chronology of the TTPI's efforts is shown on the inside back-cover of this issue of the Reporter.

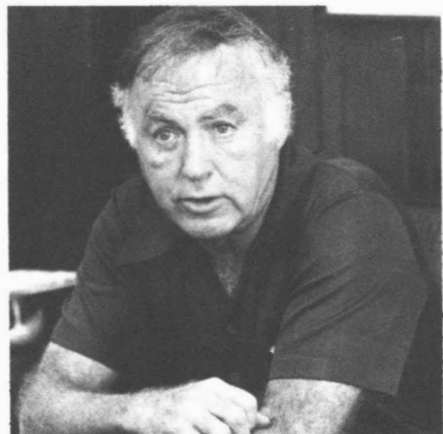
official, long-range planning in the management of our financial affairs. I am very much encouraged during this visit at the progress that has been made just since I was here last. I had just finished a very interesting tour of our budget control and financial management organization of the Trust Territory Headquarters. We have new systems that were being put into effect. We've got some excellent computerized programs now which are very business-like, very well organized. We are making progress in getting controls and systems in. We have two gentlemen here — Mr. Garrett and Mr. Linderman — who came in about the time of my last visit, and I am absolutely delighted at the progress that they are making. As a matter of fact, in a meeting on this subject this morning, I advised the Deputy High Commissioner and other members of the financial management team here that putting the financial affairs of this office in proper perspective and in proper order was a number one priority and nothing should stand in the way of the accomplishments of the purposes that we had set out to achieve. We have a very good control system set up; it is modern, efficient, great in its simplicity, and it has worked before. I have every reason to believe that it is going to straighten up many of the problems that we had here in the past. I am encouraged, but I am not satisfied. I think that we could move faster, and

that was one of the reasons why I am out here now and one of the reasons I intend to come back in the very near future with the people from my financial department in Washington to implement the expedition of this program. I hope this time on this trip that I would be able to bring one of my financial officers with me, but at the last minute he was not able to make it. But we are very much concerned about this; it is our top priority. Again, progress has been made, but it is not going fast enough.

REPORTER: Could you bring us up to date on the return of the people of Bikini and Enewetak to their respective atolls in the Marshall Islands?

ZEDER: As you know, it has been hoped that the first contingent of the Bikinians would move to Bikini Atoll this fall. That schedule has had to be changed a little due to a number of reasons. Last year, the people decided that there were some of the remaining houses to be located in the interior portion of Bikini. Originally, they had considered putting these houses that we built for them on the beach area, but there was also some interest in moving some of them to the interior. This required that we make another radiological survey of the interior of the island, and this was conducted by ERDA (Energy Research and Development Administration) last June. They gave us a preliminary result of that study a few weeks ago back in Washington, and we had some thorough meetings on this that involved many, many people and great deliberations from those recommendations that came out of these additional surveys, certain things should be done on Bikini to assure that there is no danger on the island. There were some indications that perhaps we had not gone quite far enough. So the next project was an additional radiological survey which would include an aerial surveillance using some new and very sophisticated techniques which would pinpoint the dangerous areas perhaps a little more

closer than we had been able to do in the past. The logistical support for this radiological survey is being worked on now by ERDA. When I left Washington, we had made some progress to expedite that. I have since learned, when I arrived here, that a legal suit has been filed in the District Court of Honolulu by the legal representatives of the Bikini people. A part of this suit asked that the people not return to Bikini until a complete radiological survey, including an aerial survey, be completed. This is, of course, a matter that is before the court at the present time. I had intended on this trip to stop by in Kili; I had it on my schedule and to meet with the people of Bikini and discuss the situation with them. I am afraid that in



view of this surprise legal action — it is surprising to me at least — that it will not be proper for me now to include my proposed trip to Kili. But I do hope that on November 1 to meet in Hawaii with representatives of the people of Bikini for further discussions. This is a matter of great concern to us. We recognize our obligation to the people of Bikini, and we are trying to do everything we possibly can in their interests.

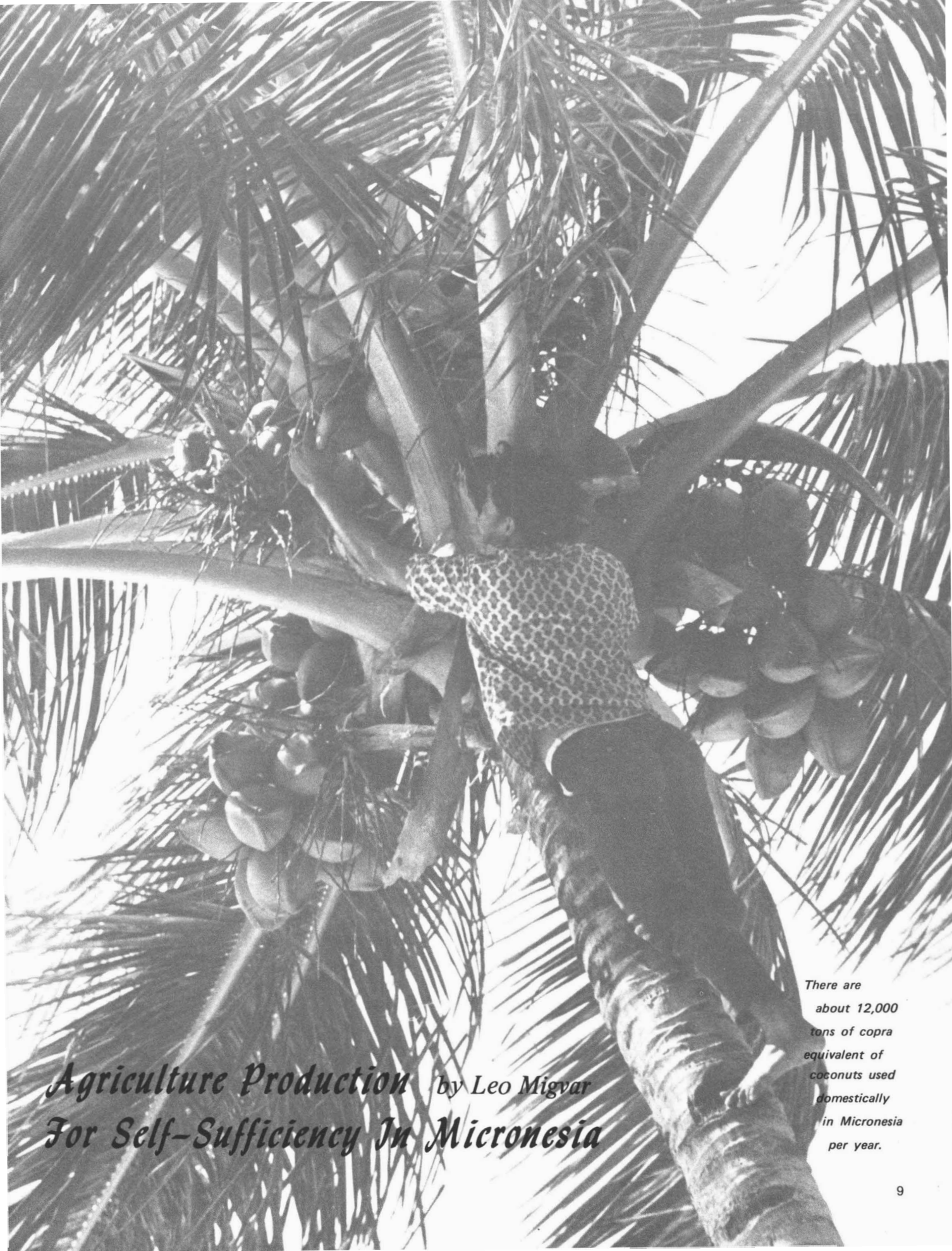
As I have indicated in the past, I will meet any time, any place, any hour, day or night, with anyone to help resolve this. I am looking forward to the meeting in Hawaii.

REPORTER: How is the money picture in the United States Congress as far as the Trust Territory is concerned?

ZEDER: When we talk about money, we have to talk about money not necessarily as it implies to the Trust Territory but we have to think of the total money picture in the United States. The economy of the United States generally seems to be improving somewhat. There have been some encouraging signs for the future. President Ford has suggested a continuation of last year's tax cut; he is trying to cut the budget. If this goes through, there is going to be less general revenue for Congress to appropriate. I think the basic philosophy of the Government is that the Government should restrict itself to doing only those things which other parts of the economy cannot do. That means that we are trying to make things more efficient and really develop skills and resources of groups of individuals to be more self-reliant. Many of the problems that the United States is in today have resulted in overspending and inefficiencies in the distribution of welfare programs particularly, which have not in the long run been to the benefit of most people. This has an interesting effect on our situation in Micronesia, and I think it relates to the plans of the Micronesians and their desire for greater self-dependence and for greater self-sufficiency. It makes more important their desire to be able to generate for themselves necessary financial capabilities and revenues that they need. I think that is a fine thing. You are going to see a greater encouragement of that tendency on the part of the United States Government. In the consideration of our infrastructure, one of the things that we recognize as being very important is the contribution, particularly from my Office of Territorial Affairs, in helping the people of Micronesia in their economic development programs. We have been very lax in the past in putting together good, sound, basic programs to assist in this area. We have a wonderful opportunity, for example, right here on Saipan, for tourism that we have

continually missed. This is a beautiful island where you should be able to fill every one of the hotels here with tourists. I met in Washington with our travel and tourist people, and we are going to discuss some programs to increase tourism not only in Saipan but throughout Micronesia. There are literally hundreds of opportunities that we have been missing in the past for self-development through economic independence. I feel again that the experience that I have had not only in business but in civic affairs and the experience that I had in Puerto Rico in their Operation Bootstraps program, can be of assistance in realizing these opportunities in Micronesia. One of the things that I am changing or restructuring in my Office of Territorial Affairs is a greater emphasis and greater capability on our part to be able to offer services that involve the development of economic objectives. We are going to strengthen our ability to be able to do that, and we will be announcing shortly our plans — internal plans — along those lines within our department. This is one of the things that I am very anxious to talk to Secretary Kleppe about when I get back, because I think what Micronesia really wants is to be self-sufficient. The Micronesian people want to experience the special feeling of pride of accomplishment. We are standing ready to assist them in this worthwhile goal.





Agriculture Production by Leo Migvar
For Self-Sufficiency In Micronesia

There are
about 12,000
tons of copra
equivalent of
coconuts used
domestically
in Micronesia
per year.

It has been said that if all the foreigners left today, and there was no further outside aid coming into Micronesia, no Micronesian would starve. Several hundred years ago there were probably twice to three times as many Micronesians living in these islands and from all indications, there must have been an adequate food supply from the land and sea. Therefore, one can assume the first statement is possibly true.

There is adequate arable land area in Micronesia to grow the food crops needed for daily sustenance. What is lacking is the socio-economic conditions in Micronesia to enable it to be self sufficient. This has come about due to foreign influence and the changing food habits and desires for material goods by the people. However, with exports of agricultural products, marine products, tourism, handicraft etc., money will be available to purchase some of the desired imports such as clothing, rice, canned meats, beverages, vehicles, boats and motors as well as building materials.

Food production toward self-sufficiency is very possible. Of course complete self-sufficiency can never be accomplished and is probably not desirable. However, the traditional food crops such as the various taros, sweet potato, yams, pandanus, cassava, breadfruit, arrowroot, banana and other fruits and nuts can be and should be grown to reduce imports. With the addition of vegetables to the food chain, a balanced diet can be attained on nearly all the islands. Certain islands are more suitable for the production of food crops. For example, the high islands can grow a greater variety of crops whereas the atolls are limited.

In order to become more self-sufficient, inhabitants of some of the islands may have to change their life style from that to which they have become accustomed; this may be difficult and will cause temporary hardship in some cases, especially in urban centers. There will have to come about a move from the District Centers back to the land where the food can be produced.

The production of food crops such as copra, black pepper, bananas, pineapple, citrus, vegetables, etc., for export will be necessary to provide some of the foreign exchange to purchase those items that cannot be produced in Micronesia. Also certain islands or areas can produce certain food crops to trade or sell to another island. As an example, Kusaie can produce taro, vegetables, citrus, bananas and breadfruit to trade or sell to the atolls of the Marshalls. The Marshalls can produce twice as much copra as they do now to earn more to buy food crops from Kusaie. The Marshalls can also produce much more taro by rehabilitating the numerous taro swamps that are now in disuse. This possibly could reduce their imports of taro from

Kusaie to negligible levels, and they could import only those items that are essential to health and a balanced diet.

The production of meat (beef, pork and poultry) has to be considered as a luxury in most of Micronesia. The land area is too small, considering the long-term population increase, to be able to devote much land and effort to the production of meat. Pork production can be accelerated a great deal before pigs would be consuming food crops that are necessary to the inhabitants. Pigs can thrive on scraps from the table and non-usable food crops. Small numbers of poultry can be kept as backyard flocks and can also eat table scraps, but to produce poultry meat in the quantity that is now imported and consumed will most likely be uneconomical. Beef can be produced on the marginal lands of the high islands only to the extent that they don't interfere with other food crop production. As population pressures increase, beef cattle production will decrease. The cheapest and best source of protein for the Micronesian inhabitants is the sea, as it has been for their ancestors for the past hundreds of years.

Certain areas of Micronesia will be unable to attain self-sufficiency in food crops due to limited arable land and population pressures on existing land resources. Some of the outer islands of Truk are fast approaching this situation. I believe they have two alternatives of action — out migration or family planning.

This is a trial planting of Williams hybrid banana. It is estimated that about 12,000 tons of bananas are annually used domestically in Micronesia. All these food crops — bananas, taro, yams, etc. — have a dollar value of about \$15,000,000 annually in Micronesia.



It is roughly estimated that on an annual basis about 12,000 tons of copra equivalent of coconuts are used domestically; 12,000 tons of root crops (taro, yams, sweet potato and cassava); 10,000 tons of breadfruit; 12,000 tons of bananas; 2,000 tons of vegetables; and 1,000 tons of miscellaneous food crops. All these food crops have a dollar value of about \$15,000,000 annually.

There are technological problems involved in attaining near self-sufficiency in food production. The low coral islands agriculture is restricted by three main factors: salt spray, rainfall and the nature of the soil. The salt spray factor is constant and crops that are susceptible to damage must be grown in the interior, the lee side of islands or be protected by wind breaks. Those coral atolls which receive less than 100 inches of annual rainfall are limited because of possible draught periods and lack of fresh ground water supply; those with over 100 inches of annual rainfall are most favorable for food crop production. A number of atolls in the Northern Marshalls are in the first category.

Coral island soils consist almost entirely of calcium carbonate. These soils are not productive unless they contain large quantities of humus. The islanders' answer to this situation was the development of "pit" cultivation which takes into consideration the availability of rain water and improvement of soil by accumulation of humus. The development of copra production in the Marshalls has caused the gradual abandonment of this system of low island agriculture.

Testing varieties of sweet potatoes



This system of food production must continue where population pressures, limited financial resources, and isolation require intensive methods. The "pits" are further improved by addition of large quantities of all kinds of organic matter on a continuous basis to improve soil texture, fertility, reduce evaporation and suppress weeds.

The high islands have numerous valleys and plateaus that are suitable for food crop production; however, the central hill soils of the large islands have been depleted of their fertility by natural weathering, by burning, or by harmful agricultural practices of the past. The higher interior areas of Palau and Yap are good examples. Reforestation of the higher hills for the production of timber for building materials is the solution that is being recommended.

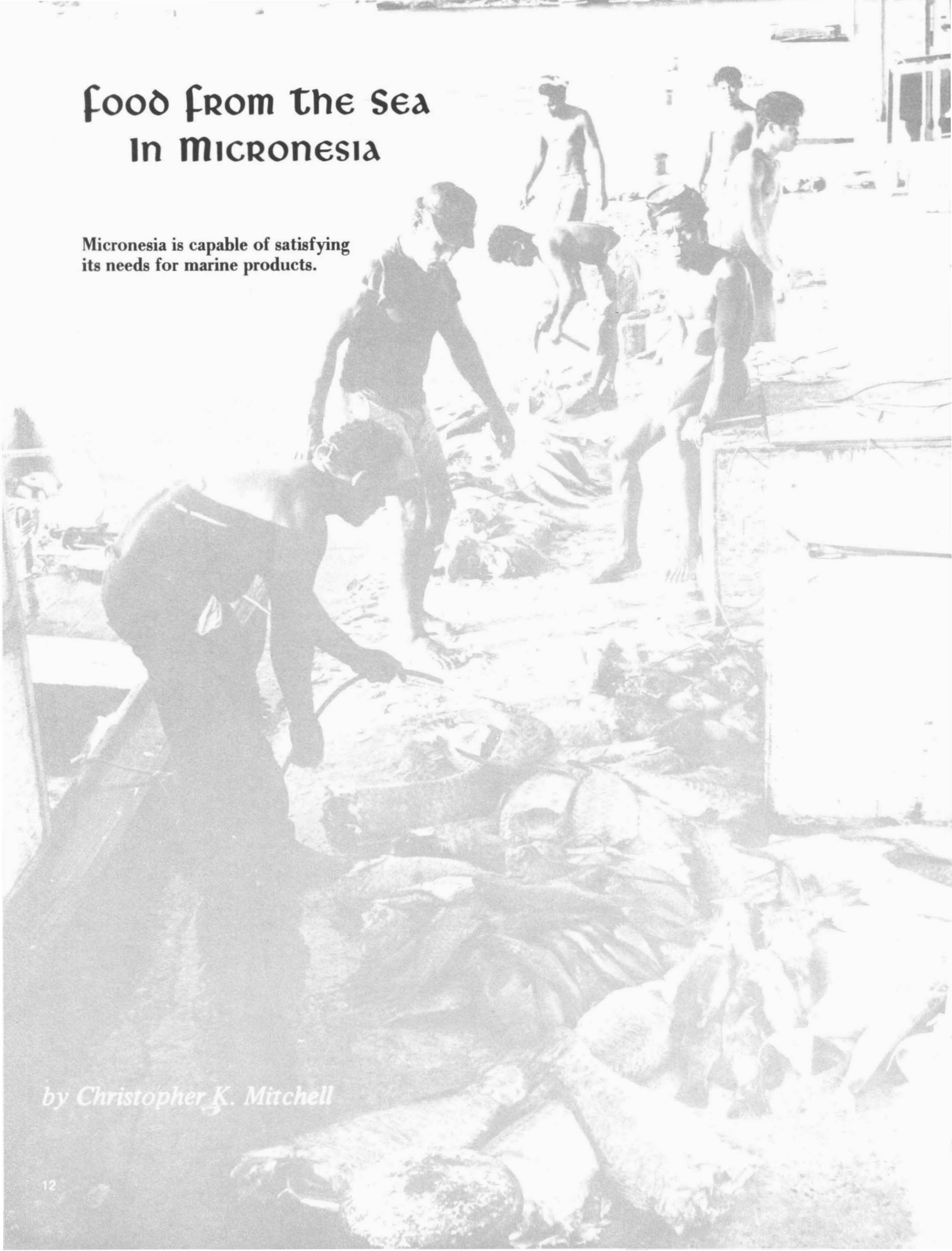
Since the arrival of the first inhabitants in Micronesia, there has been a continuous introduction of economic plants and animals. Later on, the whalers, missionaries and Spanish colonists brought in useful plants. During the German administration, formal agricultural stations were established in some islands and these were continued and expanded to the maximum for plant introduction up to the present time. The introduction and testing of new species and varieties of coconut, taros, banana, fruits, breadfruit, cassava, sweet potato, spices, timber trees, and annual vegetable food crops is essential for improvement and expansion of the agricultural food crop base of Micronesia. The continued evaluation of the quality of local varieties of crops and introduction of new species into Micronesia to resist disease and insects and improve quantity and quality of production is of prime importance and a necessary function of the agriculture program.

The intensive cropping system that will be necessary to attain near self-sufficiency will also require greater attention to pest control, fertilizer usage, crop rotation, use of green manures and compost, irrigation, mechanical equipment for tillage, storage and marketing facilities. A well trained and experienced extension service will be needed to advise the food crop producers in the latest techniques and methods available.

Food from the Sea In Micronesia

Micronesia is capable of satisfying
its needs for marine products.

by Christopher K. Mitchell



Ever since the Micronesian Archipelago became populated, the Micronesian people have looked to the sea and marine areas as a source of food. In a few hours time, families armed with primitive spears and hooks, or by hand could harvest enough marine products to feed themselves.

The basic method of food gathering changed very little for centuries. To be sure many of these tried and true methods still continue today in the Outer Islands of Micronesia and to a lesser extent even in the District Centers.

With the coming of the Japanese era, things began to change as Japan, which is among the world's leading fishing nations, and which also must look to the sea for the majority of its protein, introduced new and industrialized commercial fisheries. It must be understood that commercial advances were due to the fact that the fishing industry, as such, was controlled and operated principally by Japanese personnel.

Attention was first given to the skipjack grounds and efforts were made to develop them. As a result, skipjack fisheries were fairly well developed on the grounds around the coasts of the various islands. In 1940, the value of the fishing products, including dried, canned and shelled fish, totaled about \$3,256,000.

Japanese fishing installations, in addition, were rather extensive as 762 fishing boats were operating in the TT as of 1940. Shore installations – storage sheds, drying sheds and refrigerating units – were located in Palau. Mackerel sardine, trochus, trepang and pearl were other major marine products exploited.

The hostilities of World War II effectively destroyed this commercial fishery and production rapidly dropped back to the subsistence level. In has been only in the recent years of the American administration that the importance of the development of the marine sector seems to have caught on again. In 1964, Van Camp Seafood Company, a division of Ralston Purina, set up a commercial skipjack fishery and freezer storage facility in Palau.

In 1973, the Congress of Micronesia created Fishing Authorities in all six districts to facilitate more rapid development of Micronesian fisheries through fishery cooperative activities. The Trust Territory Government is procuring seven new skipjack vessels and a mariculture development center through the Micronesian War Claims Agreement.

All this, and more, indicates a high priority and profile for expanded and accelerated development of this sector. The question remains then, what kind of



In a few hours time, Micronesians – armed with spears and hooks – could harvest enough marine products to feed themselves.

development does Micronesia need to supply the nutritional needs of the people and to financially assist Micronesia to become economically self-sufficient?

A fishery data collection system was inaugurated early in 1974 to begin to answer the question of how much fish is caught in Micronesia. Though the data is incomplete and basically reflects only marine products landed at fishing cooperatives, it is nevertheless better than the guesstimates of yesteryear. Table I shows the fish production for Fiscal Year 1975 by districts. The data is incomplete as receipt of the same requires data collection and submission from the districts themselves.

Table I. FISH PRODUCTION FOR FY 1975

District	Species	Poundage Landed	Pounds Exported ¹	Dollar Value
Palau	Tuna	28,573 ²	2,135	\$6,131.00
	Reef fish	141,329	35,553	53,160.00
Yap	Tuna	1,922	—0—	871.00
	Reef fish	3,281	—0—	1,243.00
Truk	Tuna	71,273	—0—	28,116.00
	Reef fish	107,855	58	38,451.00
Ponape	Tuna	76,880	823	27,936.00
	Reef fish	156,533	2,614	42,865.00
Marianas ³	Tuna	3,695	—0—	2,199.00
	Reef fish	1,839	—0—	1,181.00
Marshalls	—	no data received	—	—

1. Includes exports between districts.

2. Does not include Van Camp, Palau landings.

3. Data for Marianas is January through June 1975 only.

Though it is known that the data shown in the above Table is inaccurate, it is the best information presently available. In an effort to see how reliable such data was, last year the districts were asked to participate in a survey of typical fishing villages to ascertain fish production, family consumption and disposition of the catch. Table II indicates the results of one such survey in Ponape.

Table II. SUMMARY OF PONAPE FISH CATCH SURVEY

Dates of Survey: November 5-11, 1974

Places of Survey: Pwudoi (Kitti); Toamwardong, Peleng (Kitti); Seinwar (Kitti).

Families Surveyed	11
Families Members	135
Guests	44
Total number of fishermen	62 for 21 trips
Total pounds landed	1,664
Total pounds sold	867
Total percentage sold	52%
Total pounds given away	76
Percentage given away	4%
Total pounds consumed, family & guests	721
Total percent, family consumption	43%
Pounds sold to Ponape Fishing Coop	293
Percent sold to Ponape Fishing Coop	17%

Two of the 11 families did not fish during survey period and average fish consumption per person per day 0.74 lbs.

If such a rate of production, consumption and sales held true for the entire year for all of Ponape, yearly production would approximately 2-1/4 million pounds with an approximate landed value of \$900,000. For a number of reasons, too detailed to discuss here, the figures are a little exaggerated. Nevertheless, such surveys indicate that statistical data obtained to date does not adequately reflect true production figures, which are significant.

Here the net is pursed and ready and in the process of moving the bait out to the boat and into deeper water. The live bait fish are concentrated within the small area of the net.



At this time a more sophisticated and accurate statistical data gathering system is being put into effect so that future production of artisanal fisheries may be obtained more easily with the use of a computer. In addition to this Micronesian fishery, the Van Camp Seafood Company established a commercial skipjack tuna fishery in Palau in 1964 complete with vessels, refrigeration plant and imported alien fishermen. Annual production has varied from year to year due to a large number of physical and biological variables and is shown in Table III.

**Table III. ANNUAL SKIPJACK LANDING – PALAU
1964 THROUGH 1974 IN POUNDS.**

1964 (5 months)	2,664,971
1965	6,007,618
1966	6,181,281
1967	7,726,546
1968	11,592,105
1969	11,590,124
1970	18,775,155
1971	6,049,037
1972	3,487,729
1973	10,169,939
1974	15,656,139

Even with production figures as large as those shown in Tables I and III, and extrapolation of information from Table II, the Trust Territory imported canned fishery products valued at nearly \$1 million dollars in fiscal year 1974. Table IV shows dollar value of imported canned fishery products by districts for FY 1974.

**TABLE IV
IMPORTS OF CANNED FISHERY PRODUCTS IN DOLLARS**

	Marianas	Truk	Palau	Ponape	Yap	Marshall
July	1,922.56	32,832.88	78,179.00	7,573.85	63.11	3,975.00
Aug	1,857.98	18,135.36	63,876.00	1,985.08	111.52	2,837.00
Sept	2,486.08	24,322.32	6,782.37	17,607.97	13.53	7,778.00
Oct	15,653.85	3,196.64	10,520.88	2,785.08	94.00	3,849.00
Nov	2,094.09	-----	1,422.00	-----	15.96	717.00
Dec	-----	66,776.96	14,990.00	15,781.50	49.20	483.00
Jan	5,279.16	39,181.42	32,861.00	27,126.23	13.34	24,803.00
Feb	-----	38,907.21	-----	-----	-----	13,142.00
Mar	6,430.41	38,907.20	-----	14,886.40	58.35	19,347.00
Apr	-----	38,907.21	18,556.00	866.28	32.78	14,069.00
May	8,819.95	38,907.20	7,579.03	34,494.53	36.34	21,404.00
June	1,415.78	45,215.12	33,520.43	1,589.20	61.67	7,562.00
	45,959.16	385,289.52	268,286.71	124,696.12	549.80	119,966.00

Total \$944,747.31

When comparing import vs. export values, a two-fold balance in favor of exports is noted. This indicates then that Micronesia is now producing enough marine products for its needs, but the fact that there are imports indicates an inadequate internal distribution system. This situation is caused by a multiplicity of factors; among them: the fact that nearly all fish caught in Palau for Van Camp are exported to the United States for canning; and the lack of holding and processing facilities in the districts. Inasmuch as most Micronesian families lack a home-type refrigerator, fresh or frozen fish are usually purchased for immediate consumption. On days when fishing is poor and the catches are small, most Micronesians nevertheless want to eat fish. Therefore, the convenience of having a can of mackerel, sardines or tuna in one's home cannot be overlooked.

If Van Camp were to establish a tuna cannery in Micronesia to satisfy the needs of the people, the initial problem could be solved. Another alternative would be for all the districts to establish small home cannery industries as is common in Alaska and on the U.S. West Coast. These small industries basically serve the need of fish preservation for the local populace and sport fishermen, but are not major dollar earners.

Other possible solutions include the placing of high tariffs on imported fish thereby stimulating our own fishing industry into developmental action and the construction of a multitude of village-based refrigeration systems, etc. Micronesia is capable of satisfying its needs for marine products, though its consumption per capita must rate among the world's highest. Nevertheless, because of inadequate refrigeration, processing and distribution systems, over a million dollars is spent annually to import fishery products.

Production will increase, but so will consumption. The real question to be answered is whether Micronesia can tap the unknown wealth of the lagoon and reef systems to feed its people as well as harvest the offshore stocks of pelagic fish of the Central Pacific to generate cash income to support this new nation in the style to which it has become accustomed.

This fishing vessel belongs to the Palau Van Camp. In 1974, 15,656,139 pounds of skipjack tuna were caught in Palau. Nearly all fish caught at the Van Camp are exported to the United States for canning.





Some Health Aspects Of Micronesian Food

Micronesian foods are nutritious and can play an important role in the development of Micronesia.

Micronesian foods are nutritious and could supply nutritionally adequate diets if adequate amounts and varieties of the foods are consumed. However, a significant number of people, particularly children in the age group of one to four years, do not eat nutritionally adequate diets; and malnutrition may soon become one of the most serious public health problems affecting the preschool children in Micronesia.

That observation was made by a former Trust Territory Public Health Nutritionist, Miss Jean P. Kincaid, who conducted a nutrition survey in all of our six districts in 1973.

These problems stem from inadequate budget planning regarding food monies; careless selection of foods; decreased local food production; introduction of nutritionally-less valuable foods such as soda, candies, cookies, doughnuts; changes in food habits; and lack of appropriate nutrition education for the general public in regard to the interrelationship of health and food.

The well-nourished individual is alert mentally and physically, has a wholesome and optimistic outlook on life, has good resistance to infections such as gastroenteritis, and generally shows numerous signs of good health. Micronesia's development depends on a

by Dr. Masao Kumangai

healthy population, and good food plays an important role in this development.

Miss Kincaid's recommendations for improving nutritional standards include utilization of local foods to the fullest extent possible. Nutrition education is also utilized to stress the use and value of local foods in the diet.

These observations are practically similar to the findings from studies conducted by other investigators in the early fifties. The recommendation that local food be stressed in the diet is a typical comment that has been made by other nutrition experts.

Micronesian foods are just as nutritious as Western foods, and if adequate amounts and varieties are eaten, they can furnish a balanced diet. In fact, there is scientific evidence not only to support this but emphasizes as well the essential richness of traditional foods derived from the sea and jungle. Local foods are known to minimize heart disease, stroke, high blood pressure and some kinds of cancer, and are associated with increased life's longevity. Yet there are Micronesians who have been led to believe that expensive

foods are better foods. This is a dangerous misconception. Protein from fish or shellfish is just as good as (most nutritionists would say **better** than) those proteins found in expensive meats such as beefsteak. Varieties of locally cultivated vegetables are rich in vitamins, minerals, as well as proteins. Some of the nutritious vegetables are chinese cabbage, string beans, green onions, and taro leaves. They are also excellent sources of iron and calcium. They are all easy to cultivate.

Many Micronesian foods are rich in protein. Examples of these are fish, crab, and shellfish of all types, poultry and wild bird meat, beans, and nuts. Green leafy vegetables such as taro leaves cooked in coconut cream could supply the essential protein in adequate amounts.

Fats and carbohydrates are usually adequate in Micronesian diets. Fats are found in fish, meat, coconut oil and other vegetable oils. The best food as a source of calcium is milk and its byproducts, but even

without them Micronesians could obtain adequate amounts of calcium from green leaves, nuts, small fish such as sardines, crabs, and shellfish.

Iron is obtained from liver of fish or beef and pork, shellfish, green leaves, and root vegetables. Taro, breadfruit, and pandanus can supply the needed iron if taken in adequate quantity. Vitamins are found in good quantity in most traditional diets based on green vegetables, fruits, fish, and starchy roots such as taro.

Imported foods now make up a significant portion of a typical Micronesian diet, especially that of the people residing in district centers. Whether such a diet is nutritionally adequate depends on an understanding of nutrition and an ability to buy the needed food. Lack of proper nutrition education, however, often leads to consumption of an inadequate diet due to unwise use of monies and careless selection of foods. For example, imported meat and other imported protein sources are often very expensive and most average Micronesian workers cannot afford them.

TABLE I
Sample Foods that will furnish an Adequate Diet and their Nutritive Contents. ¹

Food	Am't. in gm	Household Measure	Cal- ories	Protein grams	Calcium mgm	Iron mgm	Thiamin mgm	Vit. C mgm	Vit. A I.U.	Ribo- flavin mgm	Niacin mgm
Eggs	50	1 medium	81.0	6.4	27.0	1.9	0.05	0	570	0.13	0.67
Mackerel	120	4 oz.	190.0	26.3	312.0	2.6	0.04	0	144	0.42	10.08
Sardines	90	3 oz.	180.0	15.7	342.9	3.7	0.01	0	27	0.27	6.66
Taro, Tuber	150	5 oz.	147.0	2.9	42.0	0.5	0.19	3.0	30	0.06	1.65
Taro, Leaves	75	1 serving	30.0	2.6	57.0	0.8	0.08	23.3	2784	0.21	0.75
Cabbage, (Chinese)	75	1 serving	10.5	1.1	102.0	0.7	0.05	33.7	2100	0.13	0.67
Breadfruit	150	5 oz.	153.0	2.5	49.5	1.8	0.16	43.5	60	0.05	1.35
Coconut, (Mature)	60	½ coconut	215.4	2.0	12.6	1.2	0.06	1.2	0	0.01	0.12
Coconut Oil	14	1 tbsp.	123.8	—0	0	0	0	0	0	0	0
Banana	90	2 small	79.2	1.1	7.2	0.5	0.04	9.0	432	0.04	0.63
Yam	150	5 oz.	151.5	3.6	30.0	0.9	0.15	13.5	trace	0.06	0.75
			1361.4	64.2	982.2	15.6	0.84	137.2	6147	1.38	23.33
Recommended Dietary Allowance			2680.0	60.0	800.0	10.0	1.0	70.0	5000.0	1.3	17.0

¹ Composition of foods used in Far Eastern Countries. Bureau of Human Nutrition and Home Economics, U.S. Department of Agriculture. Agriculture Handbook No. 34.

Because of this, protein-calorie malnutrition of early childhood is now occurring in several of the district centers; this is something that, we think, never occurred in the past.

Table I shows samples of foods produced in Micronesia that furnish more than the daily nutrient allowance for an average-built Micronesian male, with the exception of calories. However, calories intake in the form of coffee, sugar, candies, and other foods eaten as snacks easily add up to meet the optimum daily caloric requirements.

Protein in the amount of 64.2 grams, as shown, is quite adequate for Micronesians, but the other food nutrients far exceed the daily needs. Sardines and mackerel were used as samples for protein sources because these fishes are found in waters in the Trust Territory. Mackerel is the best all-round supplier of several essential food nutrients. If 120 gms, or 4 ounces, of edible portions of mackerel are eaten it would furnish the following daily allowances: 44% of protein, 36% of iron, 75% of niacin, and 39% of calcium. The amount of taro leaves and chinese cabbage shown, if consumed, would supply all the daily requirements for Vitamin A. Taro leaves, which are often thrown away when the tubers are taken home for food, are quite nutritious. They contain a good amount of protein, iron, and are very rich in Vitamin A. Chinese cabbage, which is almost equally nutritive as taro leaves, is a much better food than head cabbage as far as nutritive contents are concerned.

Most Micronesians residing in the villages could obtain most of the foods listed in Table I from their farms. Those who reside in district centers could save on the food money if these local foods are bought instead of expensive imports. Wise selection of food based on nutrients can help a household to purchase more, and thus help furnish a nutritionally adequate diet in sufficient quantity.

Protein and iron are two food nutrients which are said to be somewhat low in Micronesian diets. Several nutritionists, including the former Trust Territory Nutritionist, had found that these were generally low. Trust Territory physicians have seen a number of protein-calorie deficiency diseases and in several districts anemia of pregnancy is unusually high. It is incredible that these deficiency problems exist when there are so many types of food in Micronesia that are rich in protein and iron. As has been mentioned, misconception of value of various imported foods, unwise use of food money and thoughtless selection of food, along with changes in food habits, are some of the contributing factors in this problem.

TABLE II
GRAMS OF PROTEIN IN 100 GRAMS OF EDIBLE PORTION

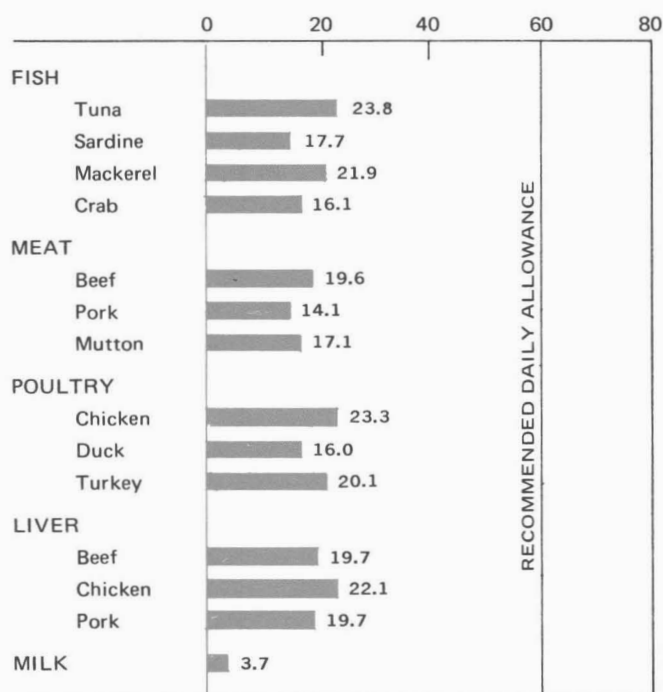


Table II lists samples of foods which are good sources of protein. It shows that fish contain just as much protein as meat. Canned meat generally costs twice as much as canned fish. However, canned fish generally costs twice as much as fresh fish. A wise housewife can stretch the use of her food money by purchasing food based on nutrient values. The price of a home cooked balanced meal could range anywhere from \$0.35 to \$1.50 per person, depending on the type of food used. Food that supplies the protein needs costs the most, but eight ounces of fresh fish that would supply adequate protein needs for one meal costs as low as \$0.18 in some districts, to as much as \$0.60 in other districts. Imported meat would cost much more.

Table III shows that fish are very rich in iron, but so are most locally produced foods, such as breadfruit, taro tubers, and mature coconut. If a person consumed the amount and kinds of food shown on Table I, 166% of the daily iron allowance is supplied. These facts indicate that there should be no reason why Micronesians should develop iron deficiency anemia. Small fish, including mackerel, sardines, and many other kinds of fish, can supply adequate daily calcium allowances.

TABLE III
MILLIGRAMS OF IRON IN 100 GRAMS OF EDIBLE PORTION

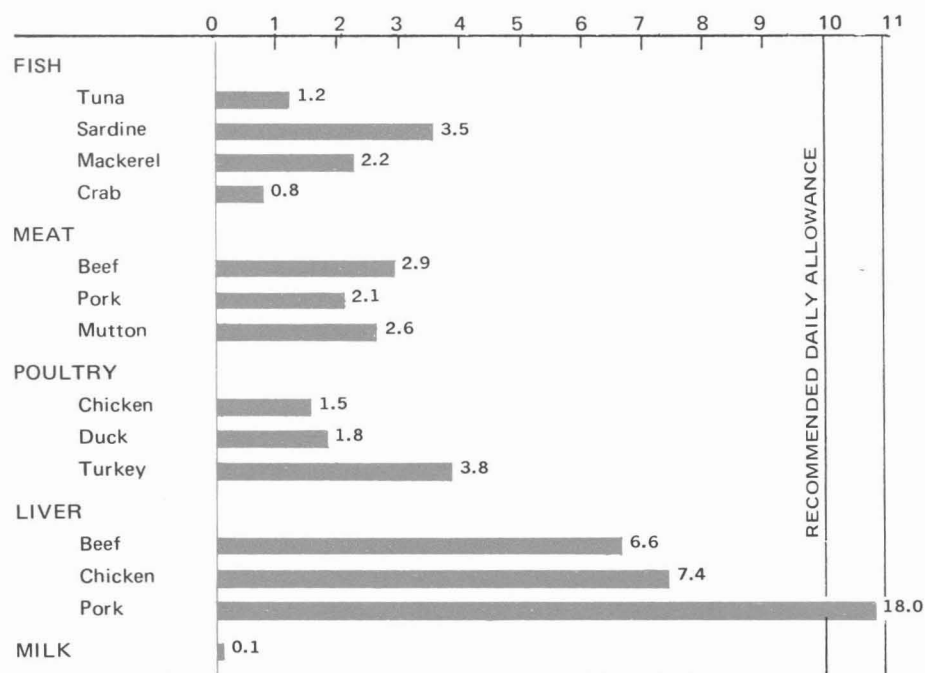
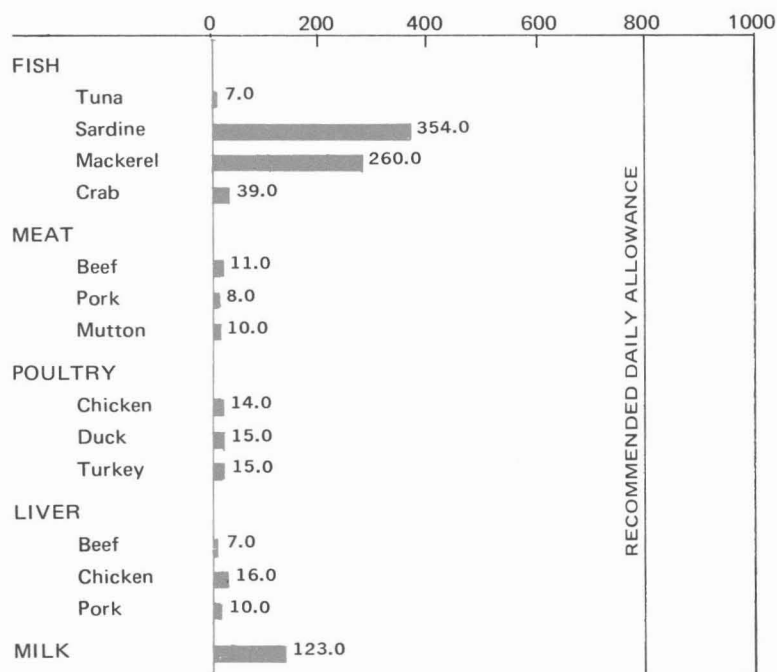


Table IV shows that sardines weighing 100 grams, or 3.3 ounces, will furnish 35.4% of the daily calcium allowance.

TABLE IV
MILLIGRAMS OF CALCIUM IN 100 GRAMS OF EDIBLE PORTION



Readers who are concerned about providing their families with nutritionally adequate diets and are curious whether traditional Micronesian foods are healthful will perhaps be surprised, and surely will be pleased to learn that our protein-rich foods would improve the health of their children. Switching from processed "convenience" foods to a traditional food diet would go a long way toward building a nation of healthy people.

MICRONESIA'S FOOD IMPORTS AND EXPORTS

by Adelina Celis



Imports like these are found all over the Trust Territory. For Fiscal Year 1975 (July 1974 – June 1975), food imports in the Trust Territory were estimated at about \$16 million, an increase of \$1 million over last year.

The balance of trade position of Micronesia is appalling. Today's imports are at much higher levels than can possibly be maintained by an economy based solely on our resources. Since Micronesia operates within the United States dollar area, there has been no real constraint upon the Trust Territory to develop policies to reduce the growing imbalance of trade. If Micronesia is to have any options in the future about the kind of relationships it might wish to have with the rest of the world, a serious effort must be made to reduce the rate of growth of imports and to develop new exports.

Micronesia's imports of food and beverages have shown increases of millions of dollars over the last 10 years, with the exception of 1969 and 1973. For this fiscal year, 1975, imports were estimated at about \$16 million, an increase of \$1 million over last year. Commodity exports on the other hand were \$2.5 million.

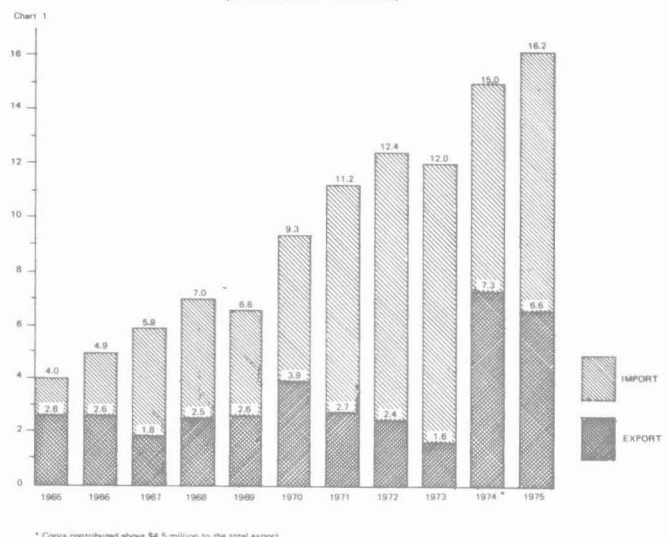
Major items of food imports are; rice, flour, sugar, canned meat, canned fish, and other foods, e.g. frozen meat, chicken, marine products, and fresh agricultural products. Beverages include beer, alcohol, milk and other assorted beverages.

The patterns of consumption by district vary considerably. Consumption of rice and other food is relatively high in the Marianas; flour and sugar in the Marshalls; and canned meat and fish in Ponape. The high volume of flour and sugar imported to the Marshalls could be attributed to the many bakery establishments in that district. There is no import of bread and other pastry items reported. The consumption of milk in every district is extremely low compared to beer and other beverages. Of the total \$3 million import of beverages, only \$500,000 was for milk. The possible reason for this could be that breast-feeding is a prevalent practice in Micronesia.

Although much of our imported food and beverages comes from the United States, we do import from Japan and other countries such as the Philippines, Australia, and New Zealand. Japan has the biggest share of the canned fish market.

Where food and beverage imports have been increasing regularly, exports of agricultural and marine products have fluctuated over the past years. Factors affecting such fluctuations are mainly the world market prices and transportation. We have been criticised for poor quality, especially in the packaging of marine products. Consistent production is more of a problem.

Total Value of Food and Beverage Imports
Compared to Agricultural and Marine Exports
(Million of Dollars)

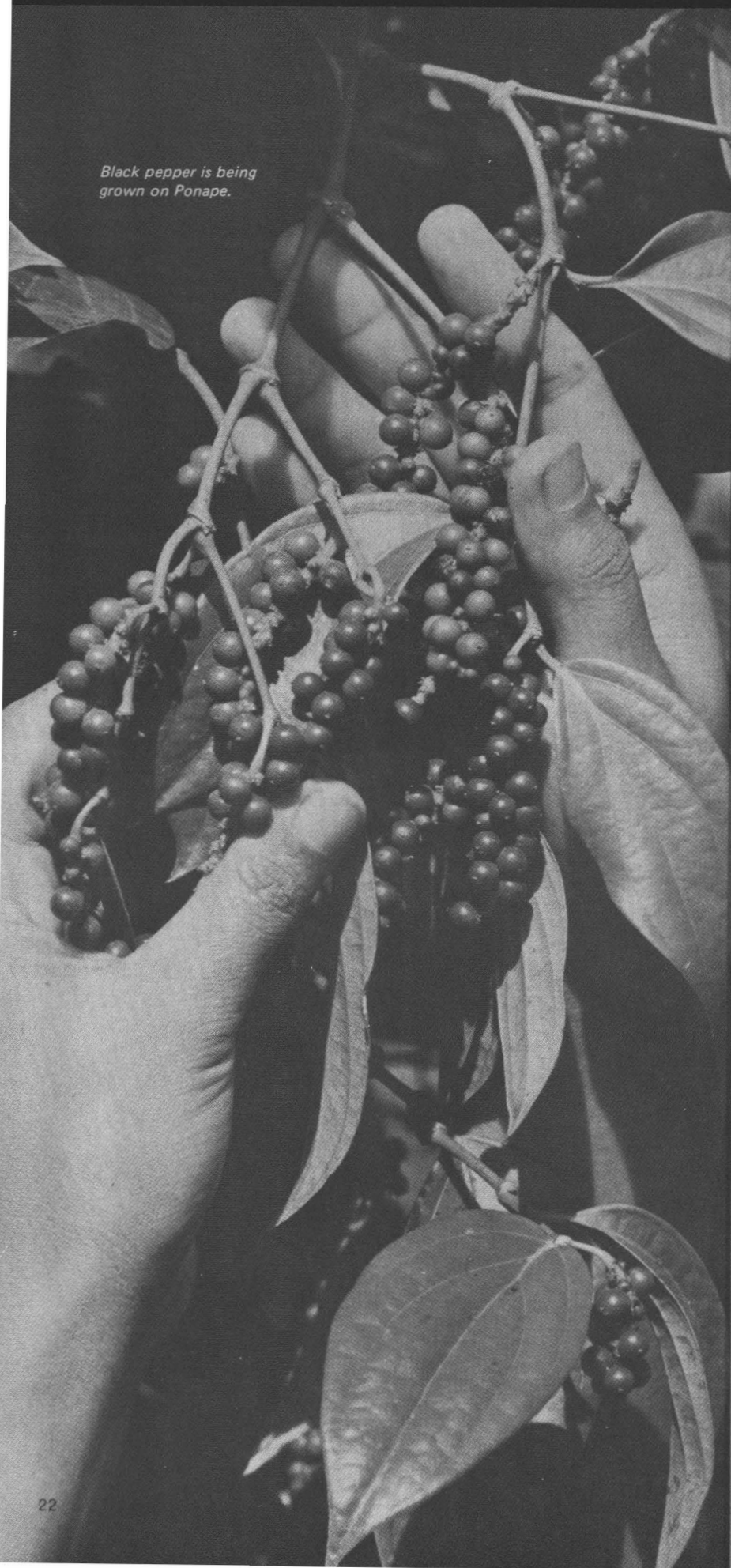


This year the world market price for copra dropped considerably, so copra exported from Micronesia decreased significantly from last year. The greater the decline, the more difficult it becomes for the Trust Territory Copra Stabilization Board to maintain a high copra purchase price in Micronesia. The world copra price tends to fluctuate considerably, partly because of a greater use in competing oils, for example corn oil, soybean oil, etc., and because of a surplus of copra in the Philippines.

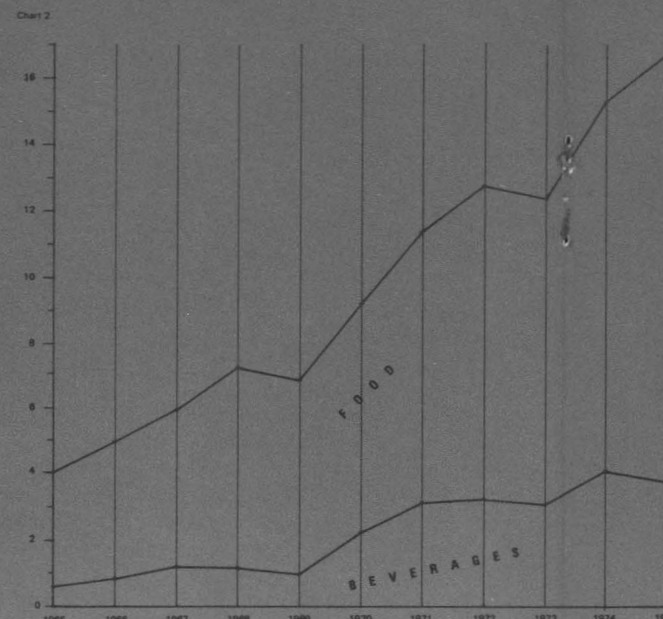
Because our agricultural and marine exports consist solely of perishable items, transport problems, both in terms of freight rates and structures, and availability and reliability of shipping are of great importance. Micronesia does not have the proper facilities for storing such items at their point of origin, therefore delay or cancellation of flight/vessel could mean a loss of both the sellers (exporters) and the buyers (importers).

Agricultural and marine exports from Micronesia decreased this year over a million dollars. The decrease was due primarily to the decrease in value of copra and reduced fruit, and pork exports. A total value of \$184,000 of vegetables, fruits, and staple crops was exported to Guam. This includes vegetables and staple crops from Tinian and Rota in the Marianas District. Beef and pork exports to Guam from Tinian and Rota amounted to \$170,000. Most of the products are shipped by air.

Black pepper is being grown on Ponape.



TOTAL VALUE OF FOOD AND BEVERAGES IMPORTS
(Million of Dollars)



Copra has been the primary export of Micronesia for many years.



Marine products continued as the second largest export from Micronesia. A total of over \$3 million worth was exported this year, an increase of approximately \$100,000 over the previous year. The increase is attributable to a better catch in the offshore fisheries. Tuna caught in 1975 increased almost 52 short tons over 1974.

While the Marshalls continue to lead all others in the export of agricultural products, Palau leads in the marine sector. Of the total copra exported, the Marshalls contributed over 50%.

By 1980, our food export is projected to reach over \$10 million annually and our imports over \$25 million. About \$4 million of our total export projection constitutes agricultural products; copra itself makes up about \$3 million. The remainder, \$1 million, is a combination of bananas, black pepper, beef, fruits, staple crops, and vegetables. Imports are projected to increase at 8% annually.

Copra has been the primary export of Micronesia for many years. Because it is traded in the world market, its price is subject to uncontrollable fluctuations. Therefore, to better protect our copra

producers, we are beginning to diversify and produce locally other items from the coconut.

Palau District has encouraged a foreign investor to establish a \$3 million Coconut Processing Mill. It has a yearly production capacity of 30,000 short tons of coconut oil, and 16,000 short tons of copra cake. The potential markets for these products are either the U.S., Western Europe, Australia, or Japan.

In addition to the above coconut plant, another one, about \$2.1 million investment, is planned in the Marshalls, and a dessicated coconut plant possibly elsewhere in Micronesia. The Micronesian Coconut Processing Authority is financing a feasibility study for the dessicated coconut plant.

Now that we are on the way to providing additional uses for coconuts, we must look into developing export industries for other agricultural products and marine resources.

Overall we must remain pessimistic in regards to reducing Micronesia's trade imbalance, unless a massive effort is immediately directed to export development. And to improve our trade balance, we must hold the annual rate of imports at its present level, as well.



Part of the Ponape Rice Project is manual digging of drainage ditches. Shown above are workers hard at work on a drainage ditch.

by James Hiyane

PONAPE RICE PROJECT NEARS COMPLETION

The peaceful air of the valley is shattered by a sudden explosion that lifts mud, rocks, shrubs, and water 400 feet into the air as a 750-foot drainage ditch is excavated by dynamite. So goes the work of the Ponape Rice Project to develop 228 acres of rice fields. The project has seen accelerated progress in recent months after much delay in its early stages.

After an appropriation of \$300,000 was made by the Congress of Micronesia in 1972 for a rice program in Ponape, followed by a protraction of nearly two years for completion of land certification as well as

prevalidation of funds to the District, the Ponape Rice Project is now well underway towards completion. Two sites in Nett and Madolenihmw municipalities on Ponape Island found to be suitable for rice cultivation are being developed. The full production of the two areas, expected to be accomplished by the end of 1977, will yield more than 300 tons of polished rice annually, easing substantially the need for rice imports into Ponape.

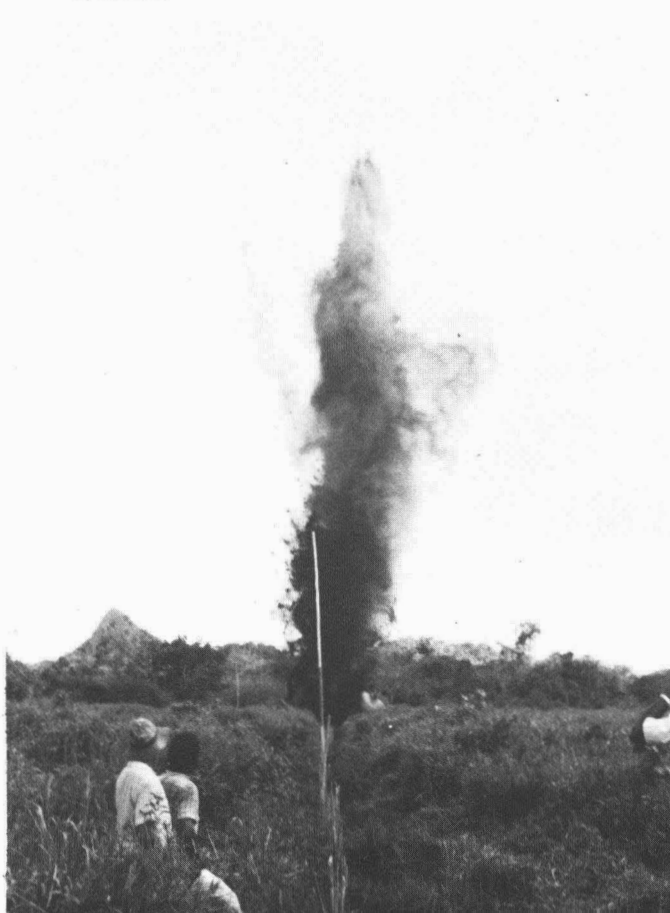
Initial requirements were the deforestation and drainage of the sites to enable heavy equipment to

work in the swamp areas. Manual digging of drainage ditches was slow and arduous, until the arrival of a supply of ditching dynamite. What took fifteen men to dig a 1,000-foot ditch more than a month, explosives strategically placed along drainage lines could accomplish in a few hours. After staking out the lines of ditches and clearing the right of way of overhanging trees which prevent blasted material from being thrown free of the ditch, placement of dynamite cartridges is made in the soil. The depth, the distance of cartridges, and the number of cartridges per hole depend on the size of drainage ditch to be dug.

This propagated method of blasting enables the firing of a 750-foot ditch, with a single blast. More than 6,000 feet of drainage ditches, eight feet wide and five feet deep, have been excavated by dynamite in less than two weeks, a feat that would have taken the labor crew more than eleven months in the waist-deep mud of the area. Thus work progress has accelerated at a much faster pace with significant saving in labor costs.

The frequent miring of heavy equipment in soft areas six to seven feet in depth, which required several days at times to extricate, has now been reduced due to the fast drainage of excess water. As a result, levelling and paddy installations have increased.

A drainage ditch for the Ponape Rice Project is excavated by dynamite.



Special wide-track bulldozers grade rice paddies on Ponape.

A healthy crop of Taiwan Rice is being tested on Ponape. It is expected that the rice project there will yield more than 300 tons of polished rice annually when the project is completed by the end of 1977.



The services of rice specialist, Mr. Jitsuo Nishimura of Japan, were recently acquired through the technical assistance program of the War Claims Act. He will be engaged primarily in the development of the area and training of rice farmers and agricultural extension agents.

Testing of several rice varieties, including the "Miracle Rice" developed by the International Rice Research Institute in the Philippines, was carried out to find varieties well adapted to Ponape. Two varieties from Taiwan were found to be superior if not equal to Australian and Californian rice for production in Ponape. The taste and grain texture of these rice varieties were found to be well-accepted by the Ponapeans.

In the coming years, as much land as is suitable for rice will be put under cultivation to make Ponape self-sufficient in rice.



Fishing is vital to the development of Micronesia and can be improved by controlled foreign investment.

CONTROLLED FOREIGN INVESTMENT FOR MICRONESIA

by Elizabeth S. Udui

The Department of Resources and Development administers more than thirty programs in the area of business and economic development. One of them is a foreign investment regulatory and promotional program as established by the Foreign Investors Business Permit Act. The following article asks to what extent, foreign investment, if properly controlled, will benefit Micronesia.

Controlled foreign investment is one of the most effective methods of raising general living standards in developing countries. It is most effective when it is used to raise income levels on a broad general scale and to increase employment throughout the country.

Micronesia, with its limited opportunities for domestic manufacturing, heavy dependence on production of copra and limited resources of land, labor and capital, should carefully examine the usefulness of private foreign investment in its development.

WHY FOREIGN INVESTMENT

Micronesia today is searching for national unity and identity. The search involves a wide range of social, economic and political activities. Development of the economy, in the private enterprise system, will necessitate expansion of the private sector—expansion of private ownership of business as opposed to government ownership of business. One Goal for Micronesia might then become high rate of growth and rapid expansion of the manufacturing and service sectors of the economy and full employment of the Mironesian population. Another Goal might be increasing the production of local products for local markets and export and establishing processing plants for local products.

If Micronesia decides that it wants economic growth, employment opportunities for its citizens and development of a private enterprise system, it must first assess what resources are available in its present economy and then what needs to be brought in from outside in order to accomplish this development.

We can see that if a developing country like Micronesia had to depend only on its own money resources to invest in new business, it would find them woefully inadequate. This is because most of the money earned in Micronesia is spent on consumer goods—things that are used up like food. This concept is discussed in the ESG booklet "Understanding Basic Economics in Micronesia" available from the Department of Public Affairs on Saipan.

If we look around us it is clear that even to support the present way we live, money available in the Trust Territory must be added to from sources outside

the Trust Territory—as is being done now through grants from the U.S. Government, through loans, and by direct investment of noncitizens.

At this time of decision, we cannot simply postpone or overlook the large amounts of capital which will be required to increase production of goods and services, to stimulate employment and to raise general living standards. However, if Micronesia does decide to seek an increased inflow of foreign investment, we must make certain that this investment is responsive to local desires and that benefits of growth stimulated by this investment are available to the widest possible segment of the population.

THE NEED

It is misleading for us to think of private foreign investment as the only, or principal, way to achieve development and raise living standards. Other factors—such as political and institutional forces—the quality and attitude of the population, the necessary infrastructure and complementary resources, play an important part.

Foreign investors (Bank of America, United Micronesian Development Association, J. Lawrence White, C.P.A.) provide rental income to a Micronesian business.





Continental AirLines Air Micronesia and RCA Global Communications are foreign investors providing transportation and communications services in Micronesia.

Large private investments may result in little or no increase in employment or may employ hundreds of people—such as a large hotel. On the other hand, significant local development could occur with the assistance of little foreign investment—such as through Bank of Micronesia loans.

There continues to be considerable debate on the merits and need for private foreign investment. Some of the major reasons given against it are that the profits of the company may be sent abroad and the local economy receives very little benefit from them. The impact of large investments—such as hotels—on the economics, social and political systems of country may also be detrimental. Radical changes in the level of economic development brought about by large infusions of money and import of numbers of aliens may cause disturbing tensions in the area's society and badly strain the country's resources as well. On the other hand, foreign investment is a vehicle to transfer managerial and process skills from developed areas to underdeveloped areas. Thus with economic advancement there are always certain trade-offs.

In the process of Micronesia's development, people may move to district centers to seek new job opportunities, and be forced to depend more and more on money to meet their everyday needs. The district centers may become over-populated with large numbers of unskilled and unemployed people looking for jobs. One way to prevent this from happening is to seek out the type of foreign investors who will provide jobs and training for local people and to carefully plan the location of the new investments.

Local businessmen may resent the foreign investor if they have neither the business experience nor the financial resources to compete with foreign businessmen. This is why in some countries businessmen can persuade the government to restrict or to do without foreign investment. In the Trust Territory, we have been trying to be positive about the benefits of planned foreign investment and at the same time provide local businessmen with technical and financial assistance.

The real issue in the decision of whether or not to have private foreign investment may be the need for a better life for the people compared with a country's present economic structure and businesses' ability to meet this need.

We feel there is definite need for foreign investment in Micronesia for the following reasons:

- As each foreign enterprise is launched, it has a dynamic effect on the immediate economy: it creates employment; it stimulates local business by providing otherwise lacking services and supplies; it develops a growing pool of skills (labor and managerial) from which other local enterprises can dip.

- As the local and immediate economy is thus stimulated, its effects begin to spread over a wider area. Purchasing power is increased, local stores and other enterprises have a wider and bigger group of purchasers, and the process multiplies and feeds upon itself in greater and wider circles.

- The local investor and manager is thus provided with a greater opportunity for profitable operations than if the scale of the economy were smaller.

- The total effect is to revitalize and speed up the entire economy far more than if development progress were restricted to present limited capital and technical resources.

HOW TO GET IT

The ability of Micronesia to attract foreign investment is greatly influenced by the opportunity investors see for profit and their opinion of the benefits to be derived from investing here rather than in other countries in our general area. The dominant motive given by some countries for investing in Asia and the Pacific has been the securing, maintaining and developing of overseas markets, with the desire to obtain low-cost manufacturing bases for exports back to the home country as second. This applies particularly to investments where low costs, similar resources and proximity to markets present several alternative locations. In Micronesia, investors prefer Saipan, rather than the other districts, because it has a favorable investment climate.

A "favorable investment climate" consists of a combination of certain desirable conditions which should exist in a country which would tend to encourage an investor. These may include:

Stable political situation—guarantees against expropriation and nationalization; removal of corruption;

Long-range plans as to the desired future course of the economy, including the role the country wants foreign investment and know-how to play;

Laws and regulations which are being enforced;

Development of infrastructure and good industrial sites;

Low tariffs and few import restrictions;

Availability of trained and productive labor;

Favorable tax structure;

Ready access to markets; and

Ready repatriation of profits.

Today, there is intense competition among developing nations for investment capital. Many countries spend large amounts of money to attract foreign investors. Perhaps the most notable is Puerto Rico whose Economic Development Administration's program to attract foreign investors by providing incentives such as land and buildings, skilled workers and tax concessions, has proved most successful.

In Asian countries, such as Malaysia, Singapore, Taiwan and the Philippines, investment incentives take the form mainly of taxation incentives—exemptions from certain taxes or certain deductions from taxes to be paid. Special incentives may be given for export

industries. Non-tax incentives also exist including tariff protection, industrial estate sites and investment guarantees.

Some countries such as Malaysia provide incentives to insure that an enterprise would be located in a certain geographic region and make a distinction as to the type of investment eligible for incentives.

Micronesia presently has no formal incentive program, although its location, low taxes, etc., make it a desirable location for foreign investors. However, Micronesian labor costs are twice as high as other developing countries in the Pacific Basin area.

HOW TO CONTROL IT

There seems to be some fear in Micronesia of being exploited by large foreign investors. At the present time this appears to be unfounded. A recent study of foreign investment in the Territory shows that of 154 active investors, only one has a total investment of over \$3 million. This is Continental Airlines which presently has made 36% of all the foreign investment in Micronesia.

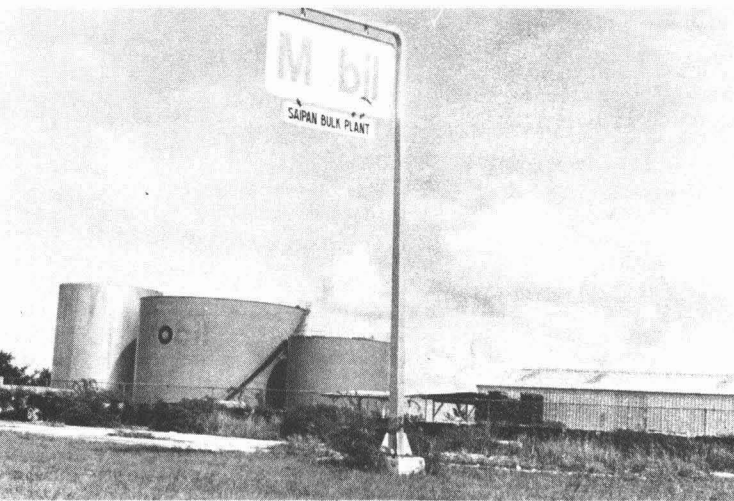
We should also realize that foreign investors are governed by local laws. For example, the Trust Territory Government can restrict and control a business as much as it likes, even to the point of making it impossible for the business to continue by taking away its business permit.

The Trust Territory's Foreign Investors Business Permit Act regulates foreign investment. Both Hawaii and Guam are presently studying this law as it might be applicable to their own situations.

The Act, passed by the Congress of Micronesia in 1970, established a board in each district to consider foreign investment requests affecting the district. Each Board is made up of 5 members, appointed by the District Administrator. All the members of the boards must be Trust Territory citizens. The District Administrator and a representative from Resources and Development in the district serve as ex officio members.

The Board is responsible to them through the Economic Development Division, Resources and Development Department. The Board makes a recommendation to the High Commissioner on each application as to approve or disapprove. This recommendation is based upon the following criteria: economic need for the service or activity; extent to which the operation would deplete non-renewable natural resources or pollute the atmosphere or water; Micronesian participation in ownership; employment preference and training for Micronesians; and the

Mobil Oil Micronesia, Inc., is one of the three largest foreign investors in Micronesia providing distribution facilities for POL products.





Van Camp Palau—Fishermen unloading at Malakal, Palau dock. Van Camp in Palau is an export-oriented, foreign-financed industry.

extent to which the operation will effect the existing social and cultural values of the District in which it will be located.

In the past four years, the High Commissioner has accepted the Boards' recommendations in all but three instances.

In 1973, UN Visiting Mission remarked that Micronesia's Foreign Investment Act appears to have worked reasonably well. It felt that the criteria laid down in the Act appeared appropriate for the protection of Micronesian interests and interpretations of, and amendments to, the Act have made it a relatively successful measure for controlling foreign investment for the purpose of promoting both economic development and Micronesian advantage.

The following chart shows actual investment in 1974, proposed for 1975, and average annual wages paid by Foreign Investors as of December 30, 1974.

CONCLUSION

In conclusion, we should all bear in mind the fact that although foreign investors invest in an area for profit, at the same time, they are not unaware of the problems of developing areas and some make attempts to assist in solving these problems.

In Micronesia, foreign investors seeking business permits provide for participation of local capital and labor. This works for the benefit of Micronesia and the foreign investor. First, if there is a partnership between local and foreign capital and management, there is harmony as this is a joint enterprise. Second, enlightened foreign investors believe that the more local skills in both labor and management are developed and utilized, the more stable and profitable the operation will become.

Foreign capital investment can play a much needed role in Micronesia in enhancing the prosperity of its people, through an increase in the production of goods and services, increase in employment outside the government and raising the general standard of living. The foreign investor should base his proposed venture on the needs, desires, capabilities and abilities of the Micronesian people—the Micronesian people should not be reluctant to benefit from the capital, technology and skills that are available outside the Territory.

The initiative for change and development rests with the people of Micronesia. Foreign investment is only a tool to achieve economic growth and higher standards of living.

The choice is up to you.

District	No. of Companies	Estimated Assets (in Thousands)	Proposed investment for 1975		Wages	
			No. of Companies reporting	Investment (in thousands)	No. of Companies reporting	Average annual wage
TT—Wide	27	\$60,547	7	\$ 838	12	\$2,011
Marianas	77	26,708	23	3,946	29	2,589
Marshalls ^x	22	333	6	307	7	757 ^{xx}
Palau ^{xx}	4	4,469	2	3,035	2	1,446
Ponape	15	1,511	6	274	4	1,749
Truk	7	3,185	3	135	3	714 ^{xx}
Yap	2	1	—	—	—	—
Total	154 ^{xxxx}	\$96,754	47	\$8,535		NA

x Only 7 companies reported
xx includes part-time

xxx only two active
xxxx includes Micronesians married to non-citizens required to file under PL 5-85

POLICY OF THE DEPARTMENT OF RESOURCES AND DEVELOPMENT IN REGARD TO
FOREIGN INVESTMENT.

We believe that foreign investment should be allowed in Micronesia, but only when ample opportunity is given for Micronesian participation, ownership and management. To this end our policy is:

- To welcome the United States, Japan, and any other nations to join our projects on an equal basis.
- To take into full account the effect of foreign investment on the rights of Micronesian people in whose resources and lands wealth lies.
- To encourage maximum Micronesian participation in outside investment on terms by which the control of our lands, resources, and industries remains in the hands of the Micronesian people.
- To encourage joint ventures in order for Micronesians to utilize capital, technology, and skills available outside the Territory in order to serve their best interests.
- To continue to regard the recommendation of the District Economic Development Boards which review foreign investment applications as paramount in the final decision on any investment.

Eusebio Rechucher
Director, Resources and Development

CETA IN REVIEW

The Comprehensive Employment and Training Act of 1973, as amended, is just what its title states. The Act was passed by the United States Congress so that cities, counties, states and territories could formulate comprehensive manpower plans to help alleviate the problems of the unemployed and underemployed people of their jurisdictions.

Previous to the enactment of CETA, there were several pieces of manpower training legislation totally administered by the Federal Government. Programs under these Acts were designed by staff in Washington, D.C. and seldom were flexible enough to meet the dissimilar needs of local jurisdictions.

The scope and purpose of CETA as stated in the Federal Regulations is as follows:

It is the purpose of the Act to provide job training and employment opportunities for economically disadvantaged, unemployed and underemployed persons, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency.

As a prime sponsor, the Trust Territory is most concerned with Titles I, II, III, IV and VI. Title I provides training, education and other manpower services needed to enable individuals to obtain employment and to advance in their chosen careers. It also provides grants to state prime sponsors to assist in vocational education, state-wide manpower services, and to support the State Manpower Services Council. Title II authorizes public employment programs and manpower training to unemployed and underemployed individuals. Title III provides for special programs to various groups of people;

by Ann Marie Myers

one of which is youth. The summer employment program is funded under this Title. Title IV establishes a Job Corps to provide residential and non-residential manpower services to young men and women. Title VI authorizes additional public service jobs and training programs for unemployed and underemployed persons.

Previously, programs were established under the Manpower Development and Training Act of 1962, as amended; the Economic Opportunity Act of 1964, as amended; and the Emergency Employment Act (EEA) of 1971. The first two dealt with the more traditional activities of classroom training, on-the-job training, and work experience. EEA provided public service employment to help alleviate problems caused nation-wide by a rising unemployment rate. Programs and

Education for Micronesian students going to the Hawaii Job Corps Center in Hawaii is funded by CETA.



activities authorized under CETA include those authorized by earlier legislation; however, there is a significant difference in the administration of programs.

Prime sponsors are granted funds under various Titles of the Act, and these sponsors are the ones who decide what activities will be undertaken and at what levels. The basic philosophy of CETA is that local jurisdictions best know their own manpower and employment resources and are therefore best able to design programs that will effectively serve their communities and people.

The decentralization theory has been applied to our own Trust Territory programs. We feel that the districts are more aware of their individual problems than Headquarters and are therefore should be best able to design programs and activities suitable to their needs.

Each district has formed a CETA Manpower Planning Committee. The communities are to assess the needs and resources of their districts, and based upon this assessment, approve training proposals submitted by departments or organizations in their district. Occasionally, a Headquarters' department will submit proposals to the Training Division which affect more than one district. In such cases, the proposals are evaluated at Headquarters and discussed with the districts. If the concerned districts agree that a proposal is in accord with their needs and goals, it is approved and each district contributes its share from its allocation.

There is a Federal Program Coordinator in each district to oversee the programs and to provide services to participants. He is responsible for reviewing proposals for compliance to the Act and the Federal Regulations. He is also responsible for seeing that programs are properly set; for the recruitment, selection and referral of

participants to training or public service employment; for monitoring programs to insure that the training is occurring as outlined in the proposals; and for assisting program staff and participants when problems arise.

The CETA staff in the Headquarters Training Division provides administrative control for the overall program and technical assistance and support to the districts. The Training Division is also responsible for program reports required by the Department of Labor and for assuring equitable distribution of funds to the districts.

Allocations to districts are based on three factors: 1) total population; 2) percentage of identified significant segments in the population in relation to the Trust Territory as a whole; and 3) percentage of unemployed in relation to the Trust Territory as a whole. For the next grant year, one more factor will be added—performance. We have not yet arrived at the final point system to be used in the performance factor, but it will include such items as timely obligation of funds, performance of district projects, and management of funds.

The training programs currently being conducted under CETA vary from clerical/secretarial to fishpond construction. Since the Trust Territory is in a developmental stage, we feel that CETA can best support it by developing the people along the lines of its economic development. Presently, it appears that development must center around the natural resources of the islands—marine and agricultural—and to a lesser degree, tourism. Much of the training is directed toward self-employment and an increase in economic self-sufficiency for the participants.

Small fishponds have been constructed at Rull and Tomil in Yap; two are in progress, one at Sokehs in Ponape and another in Kusaie. While the ponds will not make anyone immediately self-sufficient, it is hoped that they will expand to at least five

acres through assistance from the Marine Resources loan fund and through the initiative and imagination of those who are managing them. Similar ponds have been extremely successful in the Philippines. As the ponds grow and become more prosperous, we hope that the idea will be picked up by others. There is a good commercial market for fresh fish, and the ponds also act as a conservation measure. Similar in results expected is commercial farming training which will be done in Truk on Dublon and Uman. The training will concentrate on modern farming methods and use of implements and making best use and conservation of

from the oil. Aside from this project making good use of a readily available resource, the retail price of the oil and soap is about one-half of that charged for imported brands. This enterprise not only provides jobs for local people, but also saves money for the consumer. Ponape plans to fund a furniture manufacture training program which would be similar in terms of resources, employment, and consumer savings.

Yap is conducting training in handicrafts and commercial sewing and hopes that with assistance from Community Development and Economic Development to have the participants enter business on their own

Fishpond Construction trainees at Sokehs in Ponape



the land available as well as commercial farm management. If results over the next year or so are encouraging, we may do additional training in these areas.

In Ponape, PATS has been training people in the manufacture of coconut oil which can be used for cooking, ceremonial rites, and for cosmetic purposes. It is the type of business that any district could set up for its own use without a large outlay of capital for machinery. When the training in oil production has been completed, PATS will begin training others in the manufacture of hand and laundry soap

or form cooperative as a means of marketing their goods. The Marshall Islands have trained people in making fiberglass products. After a recent adventure in a leaky wooden boat in Ponape, we hope that fiberglass boats come into wide use there.

There are other more traditional types of training being done throughout the Trust Territory. The Marianas are concentrating on the clerical/secretarial occupations and this year will train people for employment in the hotel industry. Palau has started a nursing assistant training program and hopes

that many of the trainees will go on to further education in order to get their degrees in nursing. Where new refrigeration plants are being installed, as on Namonuito Atoll in Truk people will be trained in the maintenance and repair of the units. Training in the apprenticeable trades is needed in all districts. We have yet to find the best way to accomplish this, although Palau has started a carpentry training program.

In public service employment, we have concentrated in the education, health and public works areas. Although the term public service employment is widely used, in most instances, the situation is on-the-job training as the participants are learning the skills while

working. Under Title VI, there are several beautification projects, many of which are at historical sites. In Ponape, the Daihni area has been cleared and replanted as a site for the Ponape Museum. Soon after clearing began, the community started using the park area for picnics and swimming. They have also widened and improved the path from the waterfront to the hospital which makes it much easier for sick people to reach the hospital. Current plans call for a park to be cleared at the bottom of the path. The CETA staff has received permission from the

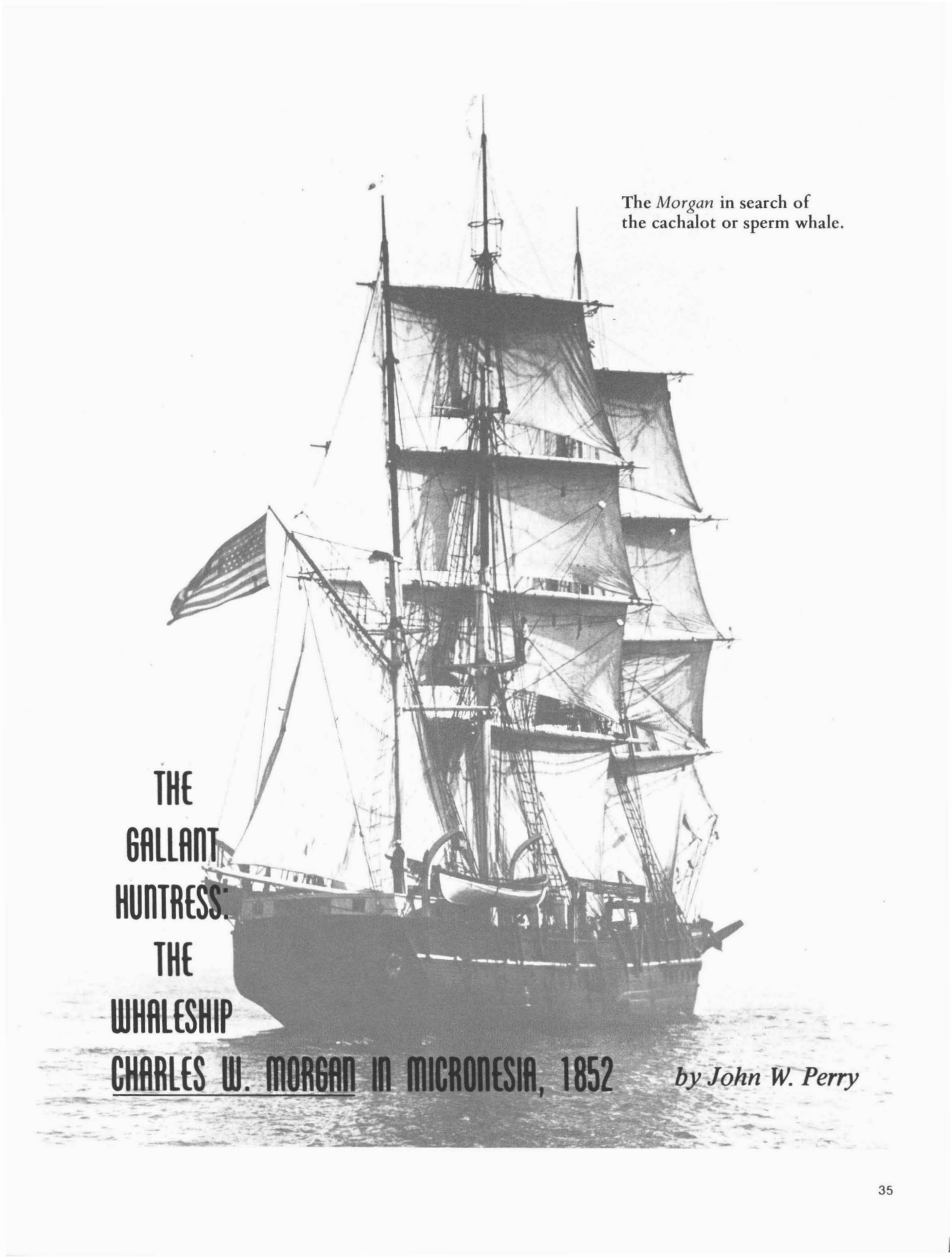
Nanmwarki of Madolenihmw to clear the archeological ruin of Nan Madol, and they also plan to improve the road to the site of the Sokehs Rebellion.

The Marshalls have built sidewalks through much of the district center. In Truk, a public park has been cleared near the beach and cement picnic tables built. One group has been working at Faichuk on Tol to clear a traditional meeting place of Chiefs and will build a small museum for some of the artifacts which were removed by the Japanese and have since been returned. Palau has provided assistance to the Palau Museum with carpenters, historical researchers, and translators. These projects, while partially aimed at the tourist industry, also serve to preserve the history and culture of the islands and benefit the community.

The full uses and benefits of CETA have not yet been realized, but we have come a long way over the past year. As in any new program, mistakes have been made, but we are learning from them. A recent trip through the districts was really great. More people are becoming aware of CETA and what it can do and enthusiasm is on the upswing. More imagination and ingenuity is being evidenced in adjusting CETA to the unique needs and problems of the Trust Territory. We will need continuing support, especially from the district legislatures and the Congress of Micronesia, but we feel that will be forthcoming once the program has proven itself. There is so much to be accomplished and so few dollars with which to do the long range quality training.

Completed picnic table at Truk public park





The *Morgan* in search of
the cachalot or sperm whale.

THE
GALLANT
HUNTRESS:
THE
WHALESHIP
CHARLES W. MORGAN IN MICRONESIA, 1852

by John W. Perry

When the New Bedford whaleship *Charles W. Morgan* returned in 1921 from her last Pacific hunt, a crew of cameramen, actors, and technicians went aboard to film the motion picture *Down to the Sea in Ships*. Nowadays this remarkable whaleship is a tourist attraction at Mystic Seaport, a well-known maritime museum in Mystic, Connecticut. A Registered National Historic Landmark, the *Morgan* is advertised as THE LAST WOODEN WHALESHIP. One can still see the poops aloft from which lookouts screamed their time-honored cry: Thar blows! She blooooooows! Bloooooooooooooooooows!

Like a wooden shark, the three-masted *Morgan* sailed into Micronesia in September 1852 in search of the box-headed cachalot or sperm whale, butchered for its spermaceti, oil and bone. As she cruised near "the line" (equator) in the Gilbert Islands, the wind failed and soon she lay becalmed under the noonday sun.

It was hot. The heat was so intense the pitch in the *Morgan's* seams melted and oozed down her hull. Several sweat-covered sailors sat on deck and waited their turn at the mastheads; others cooled the decks with buckets of sea water. No one knew when the wind would return.

Next morning the sun rose blood-red, swollen double in size, a sailors' warning of still another windless day. As the *Morgan's* captain, John Samson, sat down to breakfast, the cry "Land O!" rang out from the masthead. Coming on deck, Samson identified the landfall as Nonouti, the northernmost atoll of the southern Gilbert Islands.

Mid-nineteenth century seamen found Nonouti an inhospitable place. Earlier, Americans and Nonouti Gilbertese had met in hand-to-hand combat aboard the New England whaleship *Triton*, which had stopped at the atoll to trade. When the *Triton* departed, several crewmen lay dead on deck, some shot through the head, others speared or knifed to death.

As the *Morgan's* sailors had read of the *Triton* affair in the New England newspapers, none were anxious to approach the atoll, least of all the seventeen-year-old boatsteerer Nelson Cole Haley, whose memoir *Whale Hunt* (New York: Ives Washburn, 1952) is a remarkable account of American

blubber-hunters. Sitting high in the *Morgan's* crosstrees, Haley could see the Nonouti shoreline. As the ocean current nudged the *Morgan* closer, he looked on as a fleet of canoes put out from the atoll and made for the ship. "Here they come!" someone shouted. Below, Haley could see Samson arming the crew with flintlock muskets, revolvers and whalers' spades. A fight was imminent.

As the Gilbertese neared the *Morgan*, warriors waved sharktooth spears and three-foot-long sword clubs; some shouted to the sailors, others beat their paddles in the water. When one Gilbertese turned his back to the whaleship, bent over and bared his behind, an outraged Samson loaded his double-barrelled shotgun with bird shot, took aim and fired at the man's naked buttocks. He fell overboard, swam underwater to another canoe, and had to be pulled aboard.

The Gilbertese now attacked. Several canoes pulled alongside and numerous warriors tried to scale hacked at hands and fingers, killing lances pierced arms and shoulders. No Gilbertese were killed, but those beaten back to the waterline were minus fingers.

The would-be boarders repelled, Samson turned his attention to a more destructive enemy: the reef of Nonouti. The *Morgan* had now drifted within three ship-lengths of the atoll—drawn forward by the silent current. As there was no wind, Samson could not steer clear of the atoll; nor could he put out tow-boats for fear the Gilbertese would slaughter the crews. A miracle, it seemed, was needed to save the whaleship.

Of course the Gilbertese looked on in wild excitement, waiting with raised spears for the whaleship to strike Nonouti. Some tossed their paddles high into the air, others beat the water with their warclubs. The meaning was clear: death to the whalers.

Just a disaster seemed imminent, the *Morgan*, like a toy sailboat, spun around in mid-current and drifted out to sea. When the water at her hull turned deep blue, the sailors fired their rifles and cheered three times. The eleven-year-old *Morgan*, in a moment of luck, had drifted clear of shipwreck, much to the disappointment of the Gilbertese, who returned to Nonouti in disgust.

For the next six weeks the *Morgan* hunted whales in eastern Micronesia, taking enough blubber to make 250 barrels of oil. Then late in October she made for Kusaie to take on supplies.

In 1852 Kusaie was a major Pacific whaling port. Here whaleships from New Bedford and Nantucket stopped for wood and water. Frequent visitors included New Bedford's *Desdemona*, *Gratitude* and *Elizabeth* and Nantucket's *Narragansett*, *Barclay* and *Lexington* (which was wrecked at Kusaie in 1856). Of course these whaleships paused for "entertainment" as well as supplies, so much so one irate American missionary described the New England whaling fleet as "forecastles of sin."

As the *Morgan* sailed into Kusaie's Lele Harbor on or about October 26, Samson shouted orders to his crew: "Haul up the foresail! Haul down the jibs! Clew up topgallant sails! Port the wheel! Steady! Clew up the topsails! Stand by the anchor! Hard aport your wheel! Let go the anchor! Stand clear the chain!"

For the next two weeks the *Morgan* rode at anchor at Kusaie. Like his fellow-shipmates, Haley painted the ship, boated on board casks of fresh water, and stored wood to make fires to boil whale blubber. He was impressed with Lele Harbor and described it in detail in his memoir.

As one might expect, Haley liked the moonlit nights best of all. Coming on deck after dark, he paused to admire the moonlit harbor. What a peaceable place, he thought. However, he was in for a surprise, for soon a mate told him that somewhere beneath the *Morgan's* keel lay the ghostly remains of a ship and crew cut off at Kusaie in the 1840s. Haley was horrified. The harbor now seemed less romantic, especially with a cache of human bones and burned spars piled beneath the waterline!

No one on board the *Morgan* knew the name of the ill-fated ship, but in point of act she was the *Harriet*, a London-owned whaleship burned in Lele Harbor in mid-1843. Captain Charles Bunker was ashore hunting pigeons with half of his 30-man crew when Kusaiens attacked both the shore party and whaleship. Bunker was harpooned through the chest and all but five of his sailors killed. (Those who survived escaped in a whaleboat.) After the *Harriet* had been plundered, she was set on fire. An anchor, chain and figurehead was later fished from the harbor.

Occasionally Haley left the *Morgan* and hiked into the surrounding woods to hunt pigeons. On these outings he took with him a shotgun, hardtack, and a twelve-year-old Kusaien to carry the birds. Once he shot a bat, another time a coconut crab.

Apparently Haley did not meet the paramount chief of Kusaie, known to foreigners as King George; but he did meet Kanker, the chief's English-speaking son. At Kanker's insistence, Haley tasted kava (which he disliked) and watched a local dance. He also ate a pudding made of breadfruit, yam, banana, and coconut meat, which, he said, looked like ice cream. Before he left Kusaie, Haley named for Kanker all the former American presidents.

From Kusaie the *Morgan* stood for the open Pacific. When she returned to New Bedford in May 1853, she carried on board eleven hundred barrels of whale oil, a cargo valued at about \$44,000. Even though Haley received less than five hundred dollars in pay, he did not complain. He had seen first-hand the warlike Gilbertese of Nonouti and had tasted kava at Kusaie.

in the next quarter

David Ramarui, Trust Territory Director of Education, offers a scholarly description of "Education in Micronesia", starting with education under the Spanish Administration and tracing its development up to the present time and into the future.

Terry Malinowski, a Peace Corps volunteer on Ponape, literally takes us on a sojourn to the lush, tropical rain-garden of Ponape for a candid glimpse at his "house", a traditional Ponapean house built with local materials. "The reason why I decided to build this house (in Kitti, Ponape) was to show Ponapeans that Americans have a respect for and an interest in their traditions and customs," Malinowski said.

These and other absorbing contributions from our far-flung correspondents will be in the next quarter.

The author of the following article served as Director of Public Information for the Micronesian Constitutional Convention, which was held at the White Sands Hotel on Saipan from July 12- November 8, 1975. The opinions expressed in the following are those of Dr. Kluge, and do not reflect an official position of the Convention.

The Micronesian Constitutional Convention:

July 12-November 8, 1975

by Dr. P.F. Kluge

Tosiwo Nakayama was not happy.

The forty-four year old Trukese senator sat in a white lawn chair out beyond the edge of the Royal Taga Hotel swimming pool. In back of him, a mellow sunset was blending on the surface of the Philippine Sea. Across the patio, it was Saturday night: loud, lively party-goers zeroed in on trays of shrimp and sashimi.

For all the attention Nakayama paid to this scene, he might have been fishing back in Truk, listening to a strange sound coming from his outboard engine. He sat morosely, only now and then exchanging a few low words with Truk District Judge Soukichi Fritz. Nothing seemed to cheer him up.

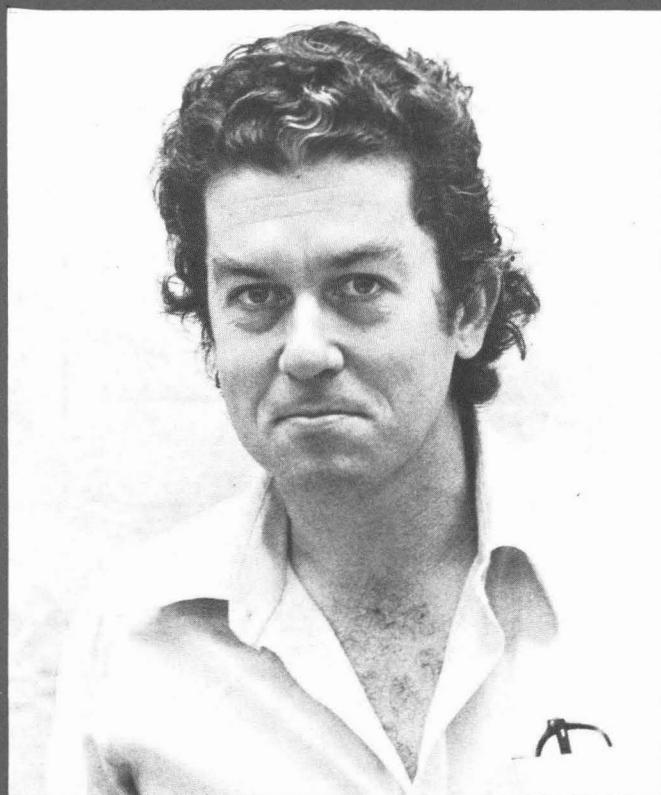
Tosiwo Nakayama was a veteran of ten years, on and off, in the Congress of Micronesia. He was president of the Senate. He'd been through seven rounds of status negotiations with the United States. And — over his persistent and sincere refusals — he had just been overwhelmingly elected President of the 90-day Micronesian Constitutional Convention.

The prospect ahead did not seem to please him. And it wasn't hard to see why.

"It is now or never for Micronesia," Nakayama had just remarked in his opening speech.

At the moment, at least as many people would have voted for "never" as for "now."

Dr. P. F. Kluge, Director of Public Information for the Micronesian Constitutional Convention.



To appreciate what the Micronesian Constitutional Convention managed to accomplish, you have to consider the odds against its success. They were substantial. A few weeks before, I'd sat in my office, jotting down what was intended as a devil's advocate argument. The devil was in persuasive form. Looking down my list of problems, it was hard for me to escape the conclusion that the Micronesian Constitutional Convention was the wrong event, in the wrong place, at the wrong time.

Consider, first, the place. Years from now, visitors to Saipan may check in at the White Sands Hotel, and be delighted to find comfortable, air-conditioned rooms, a cavernous, carpeted dining hall, artfully landscaped grounds leading down to the beach, where a grove of coconut palms and ironwood trees catches the breeze that whips across the straits from Tinian.

Anyone who spent the summer of 1975 around the White Sands will be dislocated and shocked by all this. Their memories will be quite different. They'll recall that the courts hadn't decided which of four groups of litigants owned the hotel, and the court-sanctioned management committee couldn't decide who should run the place, and the convention couldn't figure out who should receive the rent, or supply the toilet paper, or turn off the lights at night. They'll remember air-conditioners that failed, a microphone system that never really worked, offices that flooded, and cheap furniture that snapped like firewood under the weight of some heavy Micronesian bodies. (One delegate — not the heaviest or the lightest of the 57 — confessed that no less than three chairs had splintered underneath him before the Convention was a day old.)

High Commissioner Edward E. Johnston addressing the delegates to the Micronesian Constitutional Convention on July 12, 1975. Others in the photo are (l-r) Victorio Uherbelau, Secretary of the Convention; Vicente Sablan, Mayor of Saipan; Tosiwo Nakayama, President of the Convention; and Father Paulino Cantero, S.J., of Ponape.



I'll especially remember the hotel swimming pool. The pool was never filled. That was because of fears that someone might fall in and drown. It was equally possible that someone could fall into an empty pool and crack their skull on the concrete bottom but, after a while in Micronesia, you learn that some arguments should never be pushed to their logical conclusions.

Away from the immediate site — (which is where people tried to get whenever possible) — there was the fact that the Convention was being held on Saipan at all. Less than a month before the Convention, the Marianas district voted to break away from the rest of Micronesia and become a Commonwealth of the United States. Up and down Saipan's Beach Road, World War II tanks and bunkers were still daubed with high-minded mementoes of the more recent battle for Saipan: "Commonwealth — No Way" and "No Voters Are Animals." Though the pro-Commonwealth "yes" vote was a convincing 78.8%, the Covenant was still in for ups and downs in front of the U.S. Congress. It was easy to think that the Convention might become the victim of any disappointments the Commonwealth-bound Saipanese experienced in Washington.

If the time and place raised doubts, the deepest fears of all related to the event itself. Was Micronesia ready for a Constitutional Convention? Was this event necessary? Oh sure, there were xerox machines and IBM electrics ready and waiting; rental cars and committee rooms; a tense, mixed bag of staffers, lawyers, typists, pages, sergeants-at-arms. There was money — about \$1 million of it. But was there a need?

The biggest problem was that Micronesia was attempting to write a Constitution with its political status undecided and its unity uncertain. Up and down Micronesia, you heard the same old arguments about unity, about whether or not there was strength in numbers. The same arguments and the same rebuttals. And, seven years after status negotiations began, people were still defining, refining, back-pedaling, and generally chewing on the choice between free association and independence, keeping theoretical options open while the pure passage of time robbed them of any real choice. Never had a nation — if that's the word — less sure of its identity and goals attempted to write a Constitution.

Unified nations produce Constitutions. We all know that. But could a Constitution be used to unify a nation?

Sometimes you had to wonder why the Micronesians were even trying. Maybe they believed in miracles. And maybe a miracle actually happened.

But it was a long time coming.

Not even the most heated partisan would argue that the Convention began very well.* Everyone had expected the early weeks to be sluggish, as delegates divided up into committees and began discussing various areas of the Constitution. And, since most preliminary work was to be accomplished in committee meetings, everyone realized the early formal sessions of the full Convention would be nondescript and brief. But as days slipped by, there were some distinct signs of alarm.

Two different efforts were made to get the Convention moving. One resulted in embarrassing delay. The other provoked acrimonious debate.

Effort Number One was called Resolution Number One, otherwise known as the 90-day wonder or the Micronesian Mystery. Resolution Number One was introduced to promote debate, crystallize thinking, and develop guidelines. Mild-mannered and inoffensive, Resolution Number One simply declared a consensus "that a federation of autonomous states be established in Micronesia."

The history of Resolution Number One reads like a page out of the Book of Job: introduced July 18, a few days after the Convention began; discussed — briefly — on July 22 and postponed till July 28; then shipped off to something called the "Special Conference Committee;" on September 29, after the recess, Resolution Number One escaped from Committee, only to be deferred until October 15. On October 15, delegates postponed Number One until November 6, which was just two days before the end of the Convention. On November 6, Resolution Number One was permanently filed. That is, it died of old age and loneliness, and I, for one, will kind of miss having Resolution Number One around.

The other effort to get the Convention in gear came from the Civil Liberties Committee. Probably because individual freedoms do not particularly depend on the overall functions and structure of government, they could be considered in relative isolation. Thus, the Civil Liberties Committee was first to "report out" a proposal and recommend its passage by the full Convention.

The first such candidate for permanent lodging in the Constitution was deliberately selected to be simple, straight-forward and non-controversial. Convention planners seemed to reason: if the delegates can hit a slow pitch, straight down the middle, they can hit curve balls and knucklers later on. If, on the other hand, they miss, we can work on their swing, or lower the pitcher's mound, or maybe shorten the baselines.

So it came floating down towards the delegate-batters box: a proposal that there should be freedom of speech and press in Micronesia.

What happened was neither a hit nor a miss. The delegates kept fouling the measure off, knocking it into the stands, down into the dust, or back into the umpire's mask. Some delegates worried about spies photographing secret weapons; others fretted about pornographers. A much more potent objection came from the Convention's formidable gallery of traditional leaders. The chiefs contended that individual freedoms ought to be qualified and accompanied by language which protected chiefs, and traditions, from irreverent exposure and criticism.

After some hot debates, delegates agreed on a re-worded "freedom of expression" measure. But time was slipping by. One delegate complained that at "five days per freedom," the Convention might have time to complete a Bill of Rights — and very little else.

A disturbing number of debates during the first half had little or nothing to do with the Constitution. There were endless skirmishes on where the new capital of Micronesia should be; there was bitter snipping at press reports that made delegates seem a little shorter than Abraham Lincoln; and there was a whole see-saw campaign about whether or not the Convention should move from Saipan to Ponape after its 23-day recess.

But of all the pre-recess issues, the one that jolted the Convention the most was surely the stand taken by the Palau Delegation. As every living Micronesian must have heard, the Palauans confronted the Convention with a tough list of "non-negotiable" demands. "If and only if" the Convention acceded to all of these demands would the Palauan delegation "subscribe to the unity of Micronesia." This was a not-too-subtle way of indicating that it wouldn't take much for the Palauans to check out of the White Sands Hotel and, subsequently, out of Micronesia.

The Palauan demands were about what you would expect from a small, potentially rich district contemplating political union with larger, less well-endowed districts. The Palauans demanded that all outside aid coming to Micronesia be equally distributed among all districts, unless the donor had specified that his money should be otherwise spent. The Palauans wanted all districts to contribute the same amount of money to the central, national government: i.e., Palau would pay no more to headquarters than Yap or Kusaie. The Palauans also wanted a unicameral legislature in which all districts would be equally represented, regardless of population. They wanted the right to secede — although "withdrawal" was the term they preferred and they were willing to limit the

* For an account of the first half of the Constitutional Convention, see Third Quarter, 1975, *Micronesian Reporter*.

exercise of withdrawal to a period of five years — later reduced to one — beginning eight years after the Constitution went into effect. Finally, they demanded that the capital of the new nation be situated in Palau; later, they said land would be provided for free by some patriots of Micronesia.

The game of where-do-we-put-our-capital was a diverting passtime during the first half of the Convention, so naturally it was this part of the Palauan proposal which attracted the most comment. Otherwise, delegates handled the Palauan ultimatum in a most deliciously Micronesian way: they ignored it. Again and again, the Palauans pressed for discussion, for reaction, for opposition, for anything! It didn't happen. It was like striking a match on a bar of soap.

Still, down deep, there was concern. If you believe, as some folks do, that the future of Micronesia is in Palau, the Palauan position made perfect sense. If you believe that the future of Micronesia is in Micronesia, or have some convictions about Micronesian unity *per se*, the Palauan position was a source of large worries.

If delegates were reluctant to talk about the Palauans' move, staffers studied every facial expression. The Palauans' most casual utterance received the sort of riveting scrutiny that would have flattered the Oracle of Delphi.

As delegates returned to their districts on August 23, the Palauan position stuck like a fish-bone in the throat of the Convention. It couldn't be digested. It couldn't be regurgitated. It just stuck there.

Not a pleasant feeling.

Returning to Saipan on September 15, delegates began their work pretty much as they left it: slowly. Marianas delegates held a loud rhubarb on whether or not they belonged in the Convention. Some back-home Palauans made an unsuccessful effort to oust Lazarus Salii, a harsh critic of Convention proceedings to date. But, for the first time, there were some signs of forward motion. Once the Convention's traditional chiefs were assured that the Bill of Rights was not a knife held against the throat of Micronesian custom, civil liberties started falling into position. So did a host of other peripheral issues — things like citizenship requirements, territorial boundaries, and even a new name: the Federated States of Micronesia.

Progress was being made, but whether it was enough progress to bring the Convention within range of its goal of a Constitution in ninety-days remained questionable. For every forward motion, there was still a tendency to put off the issues. You can call it consensus politics, or island compromise, or dialogue-without-confrontation, or the "Micronesian

way of solving problems" — but by any name, the process leaves its very outcome in doubt until the last possible moment. Writing press releases after small, daily orgies of deferral wasn't easy. You ran out of synonyms: postpone, delay, put off, defer.

The eminent domain issue, though never really settled to anybody's satisfaction, indicated that the Convention was coming to grips with issues. Everybody had an opinion on whether or not the government should be able to force the sale of private land that was needed for public purposes. Eminent domain forced delegates to take stands. First they defeated a minority report which would have granted the national government eminent domain powers to individual district governments. Or they thought they passed it. But the measure eventually fell victim to a quirk in the Convention's highly complicated rules of procedure.

The rules provided that any individual measure would be voted on three times. The first reading was practically automatic. The debate — if any — was to come the second time around, when the Convention dissolved into an informal "Committee of the Whole." The problem, here, was that a mere majority of delegates could pass a measure. Therefore, dissenting minorities wised up. They learned not to slug it out in the Committee of the Whole — not when they could lay back and wait for what was called "second and final reading." This time — on what was actually a third reading — a "yes" vote was required from three-quarters of the delegates. And, as more than one delegate learned, three-quarters votes did not come easily.

Twice, on consecutive days, advocates of district-level eminent domain powers tried to pass their proposal on "second and final" reading. Twice they failed, falling just a few votes short. They were defeated by an unlikely alliance of delegates who either insisted on **national** government eminent domain powers or — at the other extreme — believed that the Constitution ought to steer clear of the whole thing. Much later, delegates who believed that eminent domain should be "reserved to the people" took their shot, only to fall short themselves. That's the way it went with eminent domain. Nobody won.

As the Convention proceeded to an uncertain finale, you never knew how many of its earlier majority decisions would hold up on the 3/4ths votes, and you never knew whether a drastic amendment would gut the entire meaning of a measure that had earlier coasted through two readings without a whisper of opposition.

Towards late October, however, the first major breaches developed in the Palau position. From the beginning, there were those who said that if the Palauans had meant that their proposals, all of them, were non-negotiable, they would have left the scene. But the Palauans stayed, and so did the hope that sooner or later they would deal. And so they did.

Instead of holding to their previous demand that all districts, large and small, rich or poor, pay equal amounts to the central government, the Palauans settled for a fifty-percent revenue sharing arrangement between district and central governments. The fifty percent revenue sharing precedent had already been established in Micronesia as the result of a long battle by the Marshalls district.

The Palauans still clung to their position that foreign aid should be divided "equally" among all districts. Other delegations thought that such aid should be divided "equitably." As more than one Convention press release was forced to explain, equal has a precise mathematical meaning. Equitable does not. The amount of equitably distributed aid could vary from district to district, depending on population, power, or need.

This particular deadlock was not so much settled as explained away. Delegates pointed out that almost all aid coming in to Micronesia would be earmarked for a specific purpose. Therefore, it wouldn't be subject to the "equal" distribution mandate. When delegates realized that they were arguing about nickels and dimes, what was left of the dispute was settled in nominal favor of the Palauans. Nickels and dimes would be divided equally.

Through the normal process of committee meetings, reports, discussions, compromise, delegates decided how to handle the money in the new government. The question of power was not to be so easily managed. How should the national legislature be selected? How should the new nation be ruled? By one man or six? Should a district be permitted to secede — whoops, pardon me — withdraw? These were the hard questions and none of them had been settled by the end of October. Days passed. Obstacles loomed larger and larger and there was less time to hurdle them. Every daily calendar was loaded with a murderer's row of controversial issues. The Convention hall echoed to the sound of butting heads, as delegates repeated old arguments in loud voices. Time was running out. The formal, westernized process of parliamentary debate, rules and readings had gone about as far as it could go, which was not quite far enough. The easy questions

and some of the hard ones had been settled. But the very hardest questions remained in front of tired, temperamental delegates.

The Convention needed a miracle, early in November.

And that is what it received.

"Behind closed doors" . . . a very popular song around Micronesia. Also, an accurate description of the Convention's final and successful settlement of problems that threatened to destroy it.

Convention President Tosiwo Nakayama led an elite "special negotiating committee" behind the glass doors of a conference room just off the main hall. The Committee — one elected delegate and one traditional leader from each district — spent hours confined in what will someday be the "tea room" of the White Sands Hotel. A lip reader or an electronic bugging specialist could have had a profitable week.

Away from curious observers, counselings lawyers, and away, also, from a large group of left-out delegates, the special negotiating committee attacked some murderously deadlocked issues.

It worked.

When they went into the tea room, they had wrapping paper. When they came out, they had a Constitution.

What follows is one man's review of certain key issues as they appear — or fail to appear — in the Constitution that was signed November 8 at the White Sands Hotel.

THE EXECUTIVE BRANCH: Possibly the shrewdest compromise in the whole document. There were delegates who believed that all of Micronesia should elect one President, but this raised the risk of bankrupting national campaigns and executive-branch monopoly by the more populated districts. Other delegates favored a "plural executive" — six men, one from each district. But this could be a cumbersome, costly, and highly political arrangement, resulting in vigorous local lobbying rather than true national leadership. The final decision was to have the president and vice president chosen by the Congress from the Congress.

THE CONGRESS: Another compromise. The new Congress will be a unicameral group, with some two-year members and some four-year members. The number of two-year representatives a district sends to the Congress

will depend on its population: Truk will send five, Yap and Kusaie will have one each. There will also be four-year representatives, one from each district. (The president and vice-president will be chosen from among the four-year Congressmen). The new Congress' voting procedures are another compromise, though no one knows how they'll work out in practice. All representatives will vote the first time a proposal is considered; thus population will be a factor on first reading. The second and final decision will be a different matter: each district gets one vote. That should make for some interesting intra-district caucusing.

THE ROLE OF TRADITIONAL LEADERS —

There was some early sentiment in favor of having a "Chamber of Chiefs" at the national level of the new government. The Chamber was to have advisory powers, ceremonial duties and a potentially devastating veto over all laws affecting traditional matters. But eventually delegates decided to leave the question open. National and state (district) governments may set up a formal governmental role for chiefs. But they don't have to do so Elsewhere in the Constitution, there is language designed to protect traditional laws, customs, roles.

EMINENT DOMAIN — Everybody had a try at this one, but nobody could quite muster a 3/4ths affirmative vote. The result is Constitutional silence — plus some lively speculation about how future Micronesian courts will handle this topic.

SECESSION (WITHDRAWAL) — An idea whose time had clearly not come. Instead of providing a secession formula, the Constitution contains a clause urging the government to promote unity.

THE CAPITAL — The Constitutional Convention left this issue up to the future Congress of the Federated States of Micronesia. As a minor, last-minute concession to the Palauans, delegates passed a non-binding resolution saying Palau's offer should get "first consideration."

THE DOUBTFUL DISTRICTS — Some Marianas and Marshalls delegates actively participated in the full Convention and signed the final document. Others came and went. Still others never showed up at all. The ultimate

decision will be left to the people. For the Constitution to take effect in any one district, a majority of that district's voters have to ratify it.

THE PALAUAN POSITION — None of the major Palauan demands were transferred intact to the Constitution, although some sections show a Palauan influence. Some observers feel that the Palauans dominated the Convention and the Constitution. Others insist that their whole ultimatum was negotiated away. Everybody has their own scoreboard. I give the Palauans between one and two points out of a possible five. That's terrific for baseball. Less good, perhaps, for non-negotiable, if-and-only-if demands.

FUTURE STATUS — Not a big issue at the Convention. The delegates passed a measure declaring the Constitution the supreme law of Micronesia. They definitely wanted the Constitution to be an expression of sovereignty. But they did not join in the running debate on independence, free association and so forth.

I have not mentioned many delegates by name so far, and this has been a deliberate omission. The Constitutional Convention was a tense, touchy conjunction of a cross section of Micronesian personalities: politicians, non-politicians, ex-politicians, would-be politicians; bureaucrats, chiefs, businessmen. My description of personal performances ought to await the passage of time. It needs a proper forum. (My bar or yours?) The Constitution itself is the most important item facing Micronesia.

Still, it is not too soon to confess that, toward the end of the Convention, I took an informal, mean-spirited little poll. I arranged a number of categories and asked people to list three or four delegates under each category. Some categories were . . . uh . . . on the negative side: i.e., "Biggest Disappointment," "Most Politically Ambitious." I'll save those.

Among the hardest-working-delegates, Petrus Tun was often listed, probably for his steady defense and patient explanation of controversial measures on the Convention floor; Hiroshi Ismael showed up in the same category, probably for much the same reason. Sam Falanruw's thoughtful pre-recess speech spelled out some hard, necessary truths about the work of the Convention. Among the "pleasantest surprises" were Truk's Soiter Mwety and Chief Bossy — both steady workers who took a consistent stand, day in day out. Despite their lack of English, they didn't lose track of issues and they didn't get smooth-talked out of their

convictions. Maketo Robert was another delegate whose defense of some unpopular positions won him respect. Also, one could not ignore Luke Tman's nearly surgical application to the rules of procedure, although his precise rulings were sometimes muffled by the wad of betelnut he kept in the corner of his mouth.

There was widespread consent that Yap's contribution to the Convention was out of all proportion to its rank as the smallest of the six districts.

One man did not show up in any of the categories in my poll. And yet, when it was all over, many felt the Convention belonged to him.

Tosiwo Nakayama, the unwilling president.

Quiet, poker-faced, self-effacing to the point of passivity, Nakayama became the strength of the Convention. He kept people from packing their bags. He kept people hoping, when there was slight basis for hope. And when the chips were down, he led the Convention to success behind closed doors.

In his opening speech, a million years ago, Nakayama had asked delegates to solve their problems in a Micronesian way. It was easy to forget that advice — to think that everyone had forgotten it — when you saw delegates dividing into committees, going numb with reports, getting tangled in rules of procedure, amendments to amendments to amend. All of it was about as Micronesian as the slot machines they played at night, or the hot, heavy hotel buffets that made them sleepy after lunch.

But, in the end, the Micronesian way saved the Convention.

That last day of the Convention, it was hard not to be moved when Nakayama delivered the most emotional speech of the Convention, and of his life: "Thank you for coming here. Thank you for staying. Thank you for working. Thank you for enriching my life."

Tosiwo Nakayama was happy.



So it's over. It produced a document. The event was a success. Was it a decisive success? The sort of success that makes a difference, that changes things? I don't know. The Convention held Micronesia together, but did it lead it anywhere?

Forgive me for putting my answer in a round-about and personal fashion. In 1969, after two years in Micronesia, I loved the place and — as a writer — was convinced of its importance. I decided to write a book. History, color, personality, landscape: I had enough of these for a dozen books. All my book about Micronesia needed, all Micronesia needed, was an ending. A simple matter of saying: here is a new nation, or here is a hopeless territory, or here is a new part of the United States. Among these, I had my preferences, but any ending was better than none at all. Well, the status negotiations were supposed to supply that ending. In 1970, again in 1972, I came back. But found no endings. In 1975, I came back for the Constitutional Convention. I am still looking for an ending. And so is Micronesia. It's taken so long, I sometimes think maybe I — or we — missed that ending, that we passed it without seeing it, like when you drive too fast along a road, and miss a turn, and continue in circles indefinitely.

Well, it seems to me that there are men who can lead Micronesia towards that ending. There are also men who can hold Micronesia together. Not the same men. The Micronesian Constitutional Convention was a victory for the holders-together, not the leaders. Until the two work together there will be no ending in Micronesia.



Delegates receiving testimonies in a committee hearing.

Dr. Norman Meller (center), Consultant to the Convention, advising a committee of the Convention. Dr. Meller is Director of the Pacific Islands Studies Program at the University of Hawaii.

Financial Management System: A Chronology

1969

- Jan. Letter to Office of Territories transmitting solicitation for proposals for review by Survey & Review, Department of Interior.
- Feb. Reply received and suggested changes incorporated.
- May Second letter from Survey and Review received with additional changes which were incorporated.
- Oct. Solicitation for proposal mailed to eight consulting firms. Proposals received from three firms.

1970

- Feb. TTPI Finance Officer, Mr. George Hoover, traveled to Washington and after discussions with representatives of the Office of Territories, it was agreed negotiations would commence with the firm of Peat Marwick Mitchell & Co. (PMM).
- Mar. Contract was signed.
- Jul. Mr. Hammock of Survey and Review visited the Trust Territory.
- Aug. Letter was sent by Mr. Hammock to PMM expressing concern over Automated Data Processing (ADP) application.
- Oct. Details discussed with Mr. Caron of PMM in Washington.

1971

- Apr. Financial Management System Manual completed by PMM and copies forwarded to Office of Territories.
- Oct. Asst. Secretary Bodman, High Commissioner Johnston, Mr. Peterson and Mr. Caron met in Washington to discuss implementation of Financial Management System (FMS).
- Nov. PMM proposal for implementation of FMS received at estimated fee of \$755,000.

1972

- Jan. Recommendation made to Mr. Carpenter (DOTA) that TTPI not contract with PMM but rather implement in-house.
- Jan. TTPI revised FY73 budget to include \$120,000 for implementation of FMS.
- May Deputy Asst. Secretary Emley, Dept. of Interior, approved a modified (including PMM contract) in-house approach and designated Office of Management Consulting to coordinate implementation of FMS.

Jun. Deputy Asst. Secretary Emley, Mr. Peterson (TTPI Finance Officer) et al met to further discuss implementation of FMS.

Jul. PMM made proposal to refine and amplify FMS Manual — estimated fee of \$172,000.

Sep. TTPI requested reprogramming of \$220,000 to cover PMM contract for implementation of FMS. Request never approved.

1973

Jun. TTPI suggested that they commence in-house implementation of portions of FMS without aid of PMM or other contractor.

Oct. Mr. Carpenter (DOTA) approved suggestion of June 1973.

1974

Sep. Mr. Hulbert (Office of Management Consulting) visited TTPI to obtain information regarding implementation of FMS.

Nov. Mr. Carpenter (DOTA) made OMC staff available for implementation.

1975

Mar. Mr. Linderman, data processing specialist, and Mr. Garrett, accountant, arrived in TTPI on a two year loan from interior dept. to implement program.

Jul. New allotment system introduced reducing number of accounts from 103 to 19 with a specific person in charge of each one.

Jul. Accounting systems program introduced at district level.

Aug. New system of allotting funds to District Administrators for management functions introduced.

Sep. New fund status report system introduced.

Nov. Mr. Hestir, program analyst, arrived from Office of Management Consulting to help implement program.

Dec. Ten Peace Corps Volunteers trained in Financial Management arrived to implement district training program.



Several copies of the Constitution for the Federated States of Micronesia were presented to Trust Territory High Commissioner Edward E. Johnston (second from right) by Convention President Tosiwo Nakayama. Witnessing the presentation were Ponape District Administrator and one of the Convention's six vice presidents, Leo A. Falcam (left), and Convention Secretary Victorio Uherbelau of Palau (right). A description of the work of the Convention begins on page 38.