Author Biography

Sean Senn

Sean Senn is a fourth-year History major. He wrote his article for Dr. Thomas Trice’s Research and Writing Seminar. The paper reflects his interest in the history of United States imperialist ventures abroad. After Sean graduates from Cal Poly, he hopes to continue his education, and, eventually, write books on United States imperialism both at home and abroad.
Voicing his opinion to the House of Representatives on February 3, 1947, Montana representative Mike Mansfield spoke to the United States’ colonial interests in the Pacific: “I would prefer to have the United States assume complete and undisputed control of the mandates...We have no concealed motives because we want these islands for one purpose only and that is national security.”¹ After the U.S. overcoming Japanese control of the Pacific during World War II, the U.S. wanted to keep the Pacific and its islands as a buffer and staging ground to better prepare for any future advances from East Asia.

The U.S. imperial interests included the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia (FSM), the Republic of the Marshall Islands, and the Republic of Palau. Nevertheless, being a self-proclaimed defender of democracy and popular sovereignty, the U.S. could not just annex the Pacific territories it occupied. Thus, to ensure its national security while avoiding

a tarnish to its reputation, the United States went through the newly established United Nations to devise, approve, and implement a stopgap measure which placed the geographic area known as Micronesia under U.S. jurisdiction as the Trust Territory of the Pacific Islands (TTPI) until a permanent solution could be found.

From 1947 to 1960, the U.S. was very complacent in its policy towards the TTPI. However, developments on the international stage compelled the U.S. to change its relaxed attitude. In the next decades, the U.S. radically increased its “development” of Micronesia and poured funds into centralized institutions that replaced the power and influence of local societies. Using U.S. federal government documents, economic development reports, published interviews, and leaked government papers to explain why and how the U.S. changed its policy, this paper argues that the U.S. presented the Micronesian population with a Faustian bargain whereby the Micronesian population gained the fruits of modernity but had to become increasingly reliant on U.S. funded jobs, welfare programs, and infrastructure. Although the U.S. claimed the development of Micronesia came from a benevolent place, U.S. representatives also used its reliance as leverage to ensure the Micronesian delegation conceded to maintain U.S. control of their land through a Compact of Free Association, or CFA.

The United States’ policy following the United Nation’s 1961 Visiting Mission report was one of massive expenditure and subsidization as it sought to quickly transform the Micronesian economy and society into a shape it could control implicitly. However, prior to this United Nations report, with its interests in the region secure, the U.S. saw no need to do anything more than what previous imperial powers had done in the past. From 1952 to 1960, the U.S. only had a 7.5 million dollar per year appropriation limit for the Trust Territory, and it never spent more than seven.²

Prior to 1960, the United Nations’ missions into Micronesia and the

reports of the United Nations Trusteeship Council were unobjectionable to U.S. policy. However, during decolonization, more third-world countries entered the General Assembly, leading non-imperialist countries to gain more influence in this international body. The “Declaration on the Granting of Independence to Colonial Countries and Peoples” passed in 1960 and the United Nations Visiting Mission to the TTPI in February of 1961 pressed hard for the self-determination of peoples across the globe. The 1961 Mission report was much harsher than previous ones and criticized the U.S. for failing to prepare Micronesia for independence and for the “considerable dissatisfaction and discontent” among its inhabitants. Suddenly faced with international embarrassment and the possibility of losing Micronesia, the U.S. knew it had to act quickly to remedy the situation.³

Declassified documents from September 19, 1961, to February 20, 1963, reveal the Executive Branch was working on a plan of action to remedy the situation. The Departments of State, Defense, and Interior approved one such document sent to President Kennedy’s Executive Secretary, McGeorge Bundy. This memo, written in April of 1962, called for the TTPI to move under the United States’ tutelage in a new, lasting relationship within the United States’ political framework. The memo claimed it was in the interest of the people of the TTPI and in the security interest of the United States for the two to become associated indefinitely. To accomplish this, the memo explained, “the people of the Trust Territory must become an educated people, prepared to exercise an informed choice, which means a choice by people capable of weighing realistic alternatives. There is an urgent need for the initiation of programs leading to the improvement of education, as a first step toward the improvement of other public sectors and the economic development of the Trust Territory.”⁴

One way the TTPI educated the Micronesian people was through

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³ Nevin, 102-104.
the official government magazine, first published as the *Micronesian Monthly* in November 1951 and later renamed the *Micronesian Reporter* in 1956. However, this magazine published a treasure trove of primary sources including transcriptions of interviews with Micronesians, official reports from economic experts, relevant comments from important Micronesian and American politicians, and the stated plans of the TTPI government. The magazine claimed to maintain a simple goal throughout its lifetime, “to reflect the life and developments—the big and little happenings—of Micronesia and the people who live there.”5 The magazine was accessible at an annual subscription rate of $2.50, published every other month of 1962. Notably, the magazine was always published from the same location as the seat of the TTPI government. When the TTPI government headquarters was in Guam, subscriptions were mailed there, when the TTPI headquarters was moved to Saipan, the mailing location of the subscriptions shifted there as well. Due to its proximity to the U.S. central governing apparatus in the Trust Territory and the reality that its funding came from the TTPI budget, the *Micronesian Reporter* certainly suffered from bias. Therefore, what it chose to publish should be observed under a critical lens and what it chose to leave out should be investigated further.

In its May edition of 1962, the Micronesian Reporter released the economic goals of the TTPI to its audience. The first goal was to produce enough food to sustain their population and eventually export surplus produce. Additional goals included improving education, healthcare, the tourist industry, road infrastructure and ensuring island residents could “live comfortably.”6 Later that year on July 4, the U.S. established the provincial capital of the TTPI on the island of Saipan. This provided a place from which Micronesia’s limited self-government could work with the TTPI administration. It was no coincidence that the same day the TTPI got its first official self-governing structure was also

the United States’ independence day. Senator Henry Jackson explained why July 4 was chosen that very day, “The establishment of the provisional capital on the anniversary of the independence of the United States is symbolic of the determination to achieve their fullest possible development.” On July 19, President Kennedy signed bill S. 2775 which increased yearly appropriations to Micronesia from 7.5 million to 17.5 million dollars. During a White House press release the next day, the President voiced his support for the bill, explaining that the bill provided the funds needed to fulfill the United States’ responsibility as stewards and developers of the TTPI. The President stated that the highest priority was education; He specifically mentioned that Micronesian schools would be upgraded to a level comparable to that of American schools and finished by proclaiming, “The people of the Trust Territory, I am sure, will mark this day as the beginning of a new era of progress for the Trust Territory and its inhabitants.”

At the 1963 meeting of the United Nations Trusteeship Council, the members were overwhelmingly positive about the increased development of Micronesia. The only exception was the Soviet Union, whose delegate questioned whether the U.S. was sincere in its stated goal to grant the TTPI independence. He pointed out the irony that only the United States-run Council of Micronesia would decide when an independence referendum would occur and not the Micronesian people themselves, which ran contrary to the United States’ public stance on self-determination. Having control of the date of the plebiscite meant the U.S. could wait until they could guarantee a favorable outcome. As part of achieving that outcome, the U.S. continued to assess the situation in Micronesia and draft a solid plan of action.

In its July 1963 press release, the Micronesian Reporter discussed the six week Solomon Mission undertaken at the behest of the President to produce a

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“study of its problems and potentials; from these findings will be proposals and recommendations for a more rapid development of the Territory’s economic, social, and political resources.” The general recommendation that Anthony Solomon shared with the Reporter was that the Trust Territory government should continue to increase its expenditures so that all the necessary aspects of the Micronesian economy could be improved. Solomon’s list included more educational and public health facilities, improved economic infrastructure including roads, docks, and airstrips, additional communication nodes, and more supply depots. The Micronesian Reporter did not delve any deeper into Solomon’s mission or his resulting report to the President even though the results of the mission were going to help determine the direction of the TTPI. This lack of investigation may be because of the bias Reporter was prone to as noted earlier.

By contrast, the Friends of Micronesia was an anti-imperialist news source not reliant on the TTPI. In 1971, they published the “Solomon Report” which they claimed was a leaked government document that Solomon gave to the U.S. President. Dated October 9, 1963, the document outlined a plan to ensure Micronesia stayed permanently associated with the U.S. and allowed the U.S. to fulfill its security interests in the region. In order to achieve this without suffering excessive international backlash, the plan sought to ensure Micronesians would choose to stay associated with the U.S. by voting for the new relationship through a plebiscite.

The main method through which the U.S. sought to accomplish this was through economic policy. The report explained that the U.S. should be prepared to heavily subsidize Micronesia and recognize it as a “strategic rental.” Ninety-five percent of the TTPI’s budget was funded by the U.S. in 1963 and the report stressed the necessity of maintaining such a significant percentage to maintain leverage. However, it cautioned that the U.S. must also recognize the concerns

11 Ibid.
of the local chiefs and new Micronesian elites about relinquishing sovereignty, becoming economically stagnant, and losing ownership of land. The TTPI administration thus had to relax these concerns while maintaining the “strategic rental” as a new imperialistic policy. Solomon added that education had to be an early priority, echoing Kennedy. Furthermore, he stated that employee salaries should be increased to levels similar to that in the U.S.; the immigration process for Micronesians entering the U.S. should be made easier; and Social Security should be extended to Micronesians. Later on in the report, Solomon emphasized the importance of Micronesians receiving a modern, secondary education as an instrument of demoralization. This “demoralizing” effect was founded on the assumption that young Micronesians would be very resistant to return to their “primitive” lifestyle because they would have to give up the progress they had just tasted in school. The goal behind this tactic was to drive Micronesians to either migrate to the U.S. or continue their education to become qualified for positions in the TTPI. The end result would be a substantial portion of Micronesia’s future generations relying on the U.S. for their livelihoods.\footnote{Solomon Report is Bared, The Young Micronesian, March 1971.} As part of its “strategic rental” plan, the U.S. continued to increase the ceiling for its appropriations to the TTPI and the TTPI continued to increase its spending.\footnote{Nevin, 136.}

The massive increase in spending by the TTPI increased its GDP. However, it only simulated economic growth. This is proved by comparing the GDP increase with the amount of U.S. grant money subsidizing the TTPI. According to a report by economist Elizabeth Udui, “it is estimated that the Trust Territory’s GDP increased from 1970 to 1975 at about 12% a year. But during this time, expenses of the government financed by the U.S. grant increased at almost the same rate (11%).” Therefore, the increase in Micronesia’s economy was only about 1%. The increase in GDP can thus almost be fully accounted for by the
increase in money available to spend by the TTPI and its population.\textsuperscript{14}

There was an indubitable link between the United States’ economic “development” and their growing domination over the Micronesian government and people. It is common sense that a country cannot be politically independent if it is economically dependent. In addition, America’s economic development and centralization came with the degradation of local societal processes which in turn led to the destruction of the Indigenous societies as a whole. For example, status among Micronesians used to be more associated with the one’s caste rather than accomplishment. However, the American education and economic system dismissed hereditary power structures altogether. As more Micronesians became reliant on imports, public jobs, public infrastructure, and public services, support for American systems increased, while support for traditional systems decreased. A former Micronesian delegate to the 1956 South Pacific Conference, Edmund Gilmar, noted, “the cherished virtue of reliance on free services from people and friends in particular is fading out. People are beginning to expect a reward for their services. Even some of the high chiefs no longer can rely upon free services from low caste subjects.”\textsuperscript{15}

A new, Western-educated class of Micronesians was formed and continued to grow throughout the 1960s. The growth was of such scale that some Micronesian government officials were worried about the lack of jobs and housing in the district centers to accommodate all the graduates, and that they would instead turn to crime and drunkenness.\textsuperscript{16} To solve this problem, the TTPI focused on providing government jobs and public services to this growing class of Micronesians. Although the jobs lowered unemployment and government subsidies built new housing, many of these jobs were bureaucratic in nature and thus produced nothing for the economy. The primary method the TTPI used to

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\item \textsuperscript{15} Edmund Gilmar, “Effect on Local Customs,” \textit{Micronesian Reporter}, July 1963.
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try and solve the problem of unemployment, high costs of living, and economic stagnation was to increase the wages of its workers. However, all this did was contribute to an inflationary spiral.\textsuperscript{17} With so much manpower and talent going into the public sector, there were not many Micronesians capable or willing to take up entrepreneurship and form their own businesses. In addition to this obstacle, the U.S. restricted all foreign investment. The TTPI was a strategic trust territory and was the only one created following World War II. One of the main differences between a strategic and non-strategic trust territory was Article 8 of the trusteeship agreement, also known as the “most favored nation” clause, which prevented outside investment into the Trust Territory except by the U.S. government and U.S. private companies. Some politicians from the TTPI complained that the clause inhibited economic growth and sustainment but the High Commissioner of the TTPI (an American) disagreed, and naturally, nothing changed.\textsuperscript{18}

All Micronesian-produced exports declined in value over time since the Japanese were ousted during and after World War II. The only sector that saw an increase in productivity was the tourism industry. Although Micronesia was rich in resources related to food, clothing, and shelter, they still became more and more dependent on foreign imports for these items. From July 1, 1970, to June 30, 1971, the Trust Territory’s imported goods were valued at just over $26.1 million dollars and exported goods were valued at just over $3 million dollars. This was a twenty-five percent increase in imports and a twenty-five percent decrease in exports from the year before. For example, soap, a product that could be easily made in Micronesia with high-quality, local ingredients, was mostly imported. The reasons were that most islanders were never taught how to make it and had little inclination to learn.\textsuperscript{19} Newspapers in the mainland U.S. also recognized the

lack of economic independence in Micronesia. The *Santa Cruz Sentinel* noted, “For every dollar it earns, Micronesia spends five. The difference is made up by U.S. aid.”

In addition to poor American policies, the Micronesians also had many “natural” hardships in creating a modern, self-sufficient economy. The population was spread out over a massive area making transportation expensive, there was little arable land, cultural inhibitions to free enterprise still lingered in the 60s and beyond, and private investment was stifled partially because of laws implemented by the Micronesians themselves due to their enormous resistance to foreigners owning their land.

Micronesia's majority reliance on U.S. capital resulted in their representatives having little choice but to sacrifice some of their sovereignty in exchange for the maintenance of the modern way of life the U.S. built for them. There was another way, but it required great sacrifice. To achieve true independence, the Micronesian economy had to better balance its exports and imports and ensure its government and social programs were not reliant on foreign subsidies. This would raise the cost of living a modern life, many would lose their government jobs, and all would no longer be able to take advantage of the American welfare programs. The Micronesian politicians and their constituents had to choose between impoverished independence or signing a treaty that would give away part of the sovereignty they so highly valued.

In the face of the United States’ control over their territory, Micronesians have attempted to achieve two goals since they voiced their opinions in earnest in the 1960s. They wanted their own sovereign nation and the independence that comes with that, but they also wanted the development necessary to become a modern state and to sustain said state. Although some Micronesians and all

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members of the Congress of Micronesia realized that these two goals were mutually exclusive, many still supported development. Being employed to the U.S., TTPI government provided a good amount of stability to the Micronesians, especially those who were young and educated. Entitlement programs such as sick leave and death benefits were extended to all Micronesians serving the TTPI government in January of 1964.\textsuperscript{23} In addition, a version of Social Security was passed by the Congress of Micronesia in October of 1967 and first implemented in 1968. However, this program was also dependent on American dollars as noted by future FSM Vice President Yosiwo George, “twenty-five percent of the administrative costs of the program for this current year is funded by the Congress of Micronesia and the remaining seventy-five percent is funded by the Trust Territory Retirement Fund. Beginning next fiscal year, the Trust Territory Social Security Board will fund the entire operational cost from the retirement fund as provided by the law.”\textsuperscript{24} The entitlements continued to add to the deficit of the TTPI while giving more comfort and stability to the Micronesian people.

Another driving factor in increased government employment was the cultural shift the new generations underwent. The growing difference in education and culture created a great deal of alienation between the students and their parents as students lost respect for the “old ways” and did not want to return to their family homes and live as their ancestors did.\textsuperscript{25} Kimlock Lamurlik, class of 1962 salutatorian for the Trust Territory School of Dental Nursing, gave a speech at this class’s graduation that praised modernity and the scientific progress it provided and thanked the Trust Territory administration for their help in providing such amazing opportunities.\textsuperscript{26} Another graduate, Elmo Matthew, revealed her enormous excitement for her career and future.

\textsuperscript{26} Kimlock Lamurlik, “Salutatorian Address,” \textit{Micronesian Reporter}, Nov. 1962.
I must confess, and my classmates will no doubt agree, that our understanding of the purposes of the school was unclouded by the positive benefits that we as individuals would receive from it. The program offered a career where we would learn new things, satisfying our curiosity about certain areas of human knowledge. We would become self-supporting members of our communities. We would help to reduce suffering and improve the health of our neighbors. May I also confess we were swayed by the adventure that beckoned U.S., the social aspects that amuse all young girls.27

Due to the benefits of working for the government and the lack of opportunity and prestige elsewhere, the TTPI always employed an enormous percentage of the workforce. According to data from the Social Security Act, 13,642 Micronesians were employed in July of 1972. Of this number, 7,910 were employed by the government, or about 58% of the workforce.28

Entitlement programs were another major method by which the TTPI offered the Micronesians stability. One of the more controversial types of entitlement programs implemented in the TTPI were the “feeding” programs, of which the Needy Family Assistance Program was the primary program. These initiatives began small, by just providing food to islanders suffering from the effects of drought, population migration, tropical storms, and other disasters. However, it gradually expanded throughout the 1970s to include the populations of entire districts. For example, in 1978 the entire Truk District became eligible for United States Department of Agriculture commodities. However, some districts shot down attempts to bring this program into their area because they saw reliance on foreign food as contrary to their goal of self-sufficiency. Even so, the Congress of Micronesia took no action against the feeding programs because of how popular they were among the constituency. The total population of the TTPI in January of 1979 was about 120,000 and 65,400 of them were being fed under the Department of Agriculture’s Needy Family Feeding Program.29

As part of the United States’ plan to integrate Micronesia within its sphere and to improve the legitimacy of their political relationship, it sought to include Micronesians in as many steps of the process as possible. The Fifth South Pacific Conference was held in July of 1962 and was attended by two delegates of the Trust Territory, Thomas Remengesau and William Allen. “The general consensus of the Conference was the extension of an increase in economic and social advancement programs.” The conference also affirmed the plan to develop Micronesia with a heavy emphasis on education early on. Another international organization, the South Pacific Commission, saw the presence of more islanders in its 1962 annual meeting than ever before. The U.S. was particularly proud of Richard Taitano who served as a temporary Director of Territories of the Department of the Interior during this meeting. He and others from the TTPI were examples of the United States’ education policies’ success in progressing the Micronesian people.

However, some prominent Micronesians publicly voiced their concerns over the large American influence in their country. Hirosi Ismael, a Senator of the Congress of Micronesia, outlined his worries about who controlled the financial strings in the TTPI during an interview with the Micronesian Reporter in 1969. He mentioned that even the Senators of the Congress of Micronesia were being paid from the American purse. In addition, he was distressed that his people were far from ready to compete with the rest of the world. He told the reporter, “there won’t be a Micronesia as you see it today. You’ll get a piece of the United States with its international racial complex and dump it into Micronesia to replace this present Micronesia.” This sentiment continued into the negotiations between the U.S. and Micronesia representatives over the end of the TTPI. The delegation

explained that preserving the Micronesian identity people was one of their primary goals.

“Under our present quasi-colonial status, the identity, individuality, and dignity of the people of Micronesia are being suppressed. American power and influence are currently so dominant in Micronesia that Micronesia and its people are being “Americanized” at an ever increasing rate. This is having a tremendous effect upon all aspects of Micronesian life and society, and it will be impossible to control this influence until the people of Micronesia can establish their own government.”

When negotiations on the post-trusteeship status of Micronesia began in 1970, the U.S. immediately offered commonwealth status to the Congress of Micronesia and published the terms of the deal in the Micronesia Reporter. In its offer of annexation, the United States’ terms would have given Micronesians even more access to American government programs, economic investment, and education. However, the Micronesian Congress promptly refused this deal and denied every other attempt by the U.S. to annex them. The Micronesian delegates stressed the vitality of Micronesia to be fully self-governing as a means of preserving their people’s unique identity, their people’s legal right to the land, and that they simply did not want to become Americans.

Unrelenting, the U.S. delegation reaffirmed one of its earliest objectives in Micronesia when it released an official statement stating, “from the United States viewpoint, the security situation in the Pacific region, which was recognized in 1947 in the strategic trust arrangement, remains essentially unchanged.” The U.S. delegation made it clear that anything less than its terms under the proposed CFA would be unacceptable. Franklin Haydn Williams, the chief American negotiator, warned the Micronesians that the U.S. would never give up the trusteeship, “on terms which would in any way threaten stability in the area and which would in the opinion of the United States endanger international

34 Ibid.
35 “A Bridge of Lasting Partnership.”
peace and security.” Although the Micronesia Reporter did not publish an instance where the American negotiators threatened to pull there subsidies to coerce the Micronesians, the language Williams used sheds light on just how serious the U.S. was about getting a favorable deal. Therefore, the U.S. likely used Micronesia’s dependence on its subsidies as a vital bargaining chip to establish a tight, permanent relationship between them, just like was planned in the Solomon Report.

Faced with a strong possibility of massive political and social upheaval at home if they lost the jobs and social programs funded by the U.S. and an American delegation that would not bend on ensuring their country’s strategic interests, the Congress of Micronesia eventually agreed to the terms of the CFA and presented it to the Micronesian people. A popular plebiscite held in July of 1983 resulted in the CFA being approved by the citizens of the new Federated States of Micronesia. The Trusteeship gave the U.S. complete direct authority over the civil administration of Micronesia, while the CFA ensured the U.S. maintained a great deal of influence while it worked behind the scenes. It established connections between U.S. institutions and their Micronesia counterparts, guaranteed the United States’ strategic monopoly over Micronesia’s territory, allowed the U.S. to deny strategic access to any other nation, and gave the U.S. the power to monitor the economic development it was funding in Micronesia.

The Trusteeship and the following Compact of Free Association (CFA) were both versions of colonialism under different names. However, according to the multiple American commissioners of the Trust Territory of the Pacific Islands

36 “A Bridge of Lasting Partnership.”
and many members of Congress, the goals for the strategic trust territory were benevolent and righteous. They publicly called for economic, political, and social development and the independence for the people put under their charge by the United Nations through the strategic trusteeship.39 However, although a good deal of development was achieved, independence never was, and the unique character of Micronesia was diminished. In addition, even the good intentions of the Americans could be questioned since they time and again pushed for their security concerns first whenever debating the political future of Micronesia. Not to mention, multiple declassified, leaked, and publicly available U.S. government documents illustrated the priority for the U.S. was always its security.

Even as the U.S. claimed to be the champion of democracy and self-determination, the sovereignty of the Micronesian people was always on the negotiating table. In the end, the U.S. got the strategic access it wanted from the CFA and the FSM continues to consume U.S. subsidies and programs to this day without any serious backlash on the former. A wise man once said to judge someone by the results of their actions and not by the claims of their intentions. However, although the Americans did work hard and spend hundreds of millions of dollars to tempt the Micronesians, the Micronesian people still had the agency to either sacrifice what the U.S. provided or accept the Faustian bargain the U.S. presented. In the end, enough Micronesian citizens and politicians desired the U.S.-sponsored development and welfare enough and feared the alternative to accept it at the expense of their independence. Today, the FSM continues to have a CFA with the U.S. and is subsidized 110 million dollars a year in exchange for concessions to the United States’ security interests.40 The game of great power politics continues, and Micronesia remains one of the many pawns.

40 U.S. Department of State, “U.S. Relations with the Federated States of Micronesia.”
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