

**THE MICRONESIAN DILEMMA:
HOW TO SUPPORT EXPENSIVE HABITS AND STILL RUN THE HOUSEHOLD**

The 120,000 citizens of the Trust Territory of the Pacific are sprinkled throughout several island chains that range for 3,000 miles from east to west. They speak nine distinct languages besides the smattering of Spanish, German, and Japanese that some picked up under earlier colonial administrations. The strong regionalism in the Trust Territory that is the product of geographical and cultural forces has not yet been neutralized by the daily jet service that links the major islands in the six administrative districts nor by the Territory-wide Congress of Micronesia that has met yearly since 1965.

Recent years, in fact, have seen this regionalism grow into strong political separatist movements in at least half of the six districts. In a referendum held in June 1975, 78 percent of the people of the Marianas—the district in which the present capital of the Trust Territory is located—voted to enter into a commonwealth relationship with the U.S. that will give them American citizenship and their own constitution, while severing their political ties with the rest of the Trust Territory. It is no secret that the over-riding motive for this decision was the promise of affluence that the U.S.'s attractive \$150 million economic package held out to the district's 12,000 residents.

One cannot avoid the impression that the remaining five districts are bound together by slender political threads, even though delegates from these districts did work out a new constitution in a convention that ended just last November. Palau and the Marshalls have both taken the stance that "our own local needs come first" and that any attempt to forge a political unity that does not recognize the primacy of these needs should count them out. Local leadership in the Marshalls executed a partially successful boycott of the election for convention delegates when their request for equal revenue-sharing between the districts and the central government went unheeded by the Congress of Micronesia. The Marshalls, with its 5,000 taxable Americans employed on the missile range of Kwajalein, has the most lucrative tax-base in the Trust Territory and the Marshallese were determined to keep a good slice of this revenue for local development. They will almost certainly want to maintain a permanent affiliation of some sort with the U.S. to guarantee

continued military operations on Kwajalein, their largest single source of income by far.

Palau, a district that is already counting the dollars that will flow into its coffers when the proposed U.S. Marine base is established there, delivered an ultimatum to the other districts at the constitutional convention. Either they were to accept the major features of a constitution that had been worked out in advance by the Palauan people or else it would go its own way, leaving the less well-off districts to their own political fate. The final draft of the constitution showed some compromises, but in the most important issues Palau seems to have gotten what it wanted. The future government of Micronesia will probably take the form of a loose federation in which the powers of the central government are severely limited. Districts will acquire eminent domain over their land, control most of the tax money, and the right to abandon the whole federation if they can get a better deal elsewhere.

These recent political developments in the Trust Territory have only served to highlight a long-standing problem that goes far deeper than regional loyalties. Micronesia has not, in all its years under colonial administration, built up a viable economic base to support itself as a self-governing nation. With a total land mass of only 600 square miles and little in the way of natural resources, perhaps it is far-fetched to think that it might have ever done so. Some people feel, however, that it might have succeeded if too much money had not been given too soon by an indulgent Uncle Sam. Whether or not Micronesia has been spoiled, it is clear that some of the districts are looking to close political ties with the U.S. as the means of supporting themselves in the future. Permanent dependence on the U.S. seems to be a common presumption in much of Micronesia even if people are reluctant to admit, even to themselves, that they will forever remain wards of a super-power.

If development is gauged by the number of automobiles on the road, the amount of canned goods sold, or the cash in people's pocket, then Micronesia has surely made enormous strides towards development in the past fifteen years. In 1960 one would see an occasional Honda scooter on an island; now the roads are crowded with Datsuns, and lately Fords. Ebeye, an island of barely one-tenth of a square mile, boasts about 150 automobiles today. Air-conditioned supermarkets have blossomed everywhere and the rest of the life-style is changing to match. The

average salary of the government employee was over \$3,000 last year, well above the average of any other island group in the Pacific except for Hawaii and Guam (both American possessions). But there is a good deal of truth in the remark made by a Jesuit priest not so long ago: "The real poverty in Micronesia is its wealth."

This new-found affluence can be traced back to the early 1960's when the U.S. Administration adopted a new policy towards Micronesia. The period of "benign neglect" that had characterized its relationship with these islands since the end of World War II was halted. The flow of dollars began as the U.S. stepped up its yearly subsidy from \$7 million in 1962 to \$70 million last year. The lion's share of the budget went into educational and health services, construction of public buildings and airfields, and recently into water, power and sewerage facilities for the major islands. One of the most notable effects of expansion of the infrastructure was the multiplication of government jobs within a burgeoning bureaucracy. From 2.5 million in 1961 the total wages paid to government-employed Micronesians has swelled to about \$25 million today. Meanwhile, little was done to stimulate local productivity. The result is that the Trust Territory's total export value last year was \$2.5 million—about the same as it had been in 1961—while the value of imports jumped from \$4.5 million to \$30 million in the same period of time. In less than fifteen years Micronesia has moved from a subsistence economy to a parasitic one that draws on a large U.S. subsidy to sustain its. The beer that flows freely on weekends and the frozen chicken sold in those supermarkets are the tell-tale signs of an artificial prosperity that is supported by an expensive government bureaucracy.

Wages in the government sector are hopelessly out of line with earnings in the private sector. While an elementary school principal draws a monthly paycheck for \$500, the copra-cutter may sell three or four bags of copra at \$5 per bag and the small fisherman might net \$60 a month from his catch. A few years ago the average government salary was a full eight times as much as the average earnings of a copra producer. Under these circumstances, it is extremely difficult to interest capable persons in commercial fishing, agriculture, and other productive activities that would most benefit the economic development of Micronesia. Government employment with its high wages is infinitely more attractive than

small-scale fishing or farming with its high risks and low returns. Foreign industries have balked more than once at the high cost of labor in the Trust Territory in comparison with most other Asian countries. Even the Trust Territory government has lately had to contract foreign labor from Korea, Okinawa and the Philippines to cut down on its own construction costs. In the meantime, the islands are preparing for the tourism boom that holds the last real hope for a viable economy.

Even if the monetary rewards in commercial fishing and agriculture were larger, there is another reason why most young men show contempt for these means of livelihood—their education. An occupational preference study of high school students in the Trust Territory three years ago reveals that any job associated with village subsistence life—such as farming, fishing, handicraft work, etc.—ranked close to the bottom of the list. White collar jobs are regarded as universally more desirable by high school graduates, even those who have had considerable vocational training; and most feel that "overalls occupations" are beneath their dignity. This hints at another serious concern in Micronesia now—the uprooting effect that schools have on young people in the village. It is likely that relatively few of the 1,500 boys and girls who will graduate from high school this year will return to their village to live and work. They will be where the jobs are; and if they can't find employment, the boys will drive taxis around the main towns. After all, it is the towns where young people find a "slice of the action," even if there are no jobs available. Jobs are in short supply now in most districts, and still the number of high school graduates increases each year. Where will the additional jobs come from, if not from U.S. federally funded programs for the unemployed?

Despite everything, one still hears loud rumblings about political independence for the Trust Territory, "if not immediately, then in the years ahead". The fact that the life-style of an ever greater number of Micronesians seems to be out of joint with the economic realities here is usually ignored by decision-makers. Yet one thoughtful Micronesian put the matter very succinctly when he said, "We are indulging a champagne taste on a beer-drinker's budget." The tragedy is that the political aspirations for full self-government are often genuine, however much districts are busily elbowing one another for a place at the mouth of the pipe that spews dollars from Washington. "If we can only have more money over the next several years," the argument goes, "we can develop an infra-structure to support a viable economy in the future."

In the meantime, however, the standard of living continues to escalate upward, putting self-reliance ever further beyond the reach of Micronesia's future government. Spiralling wages and the costly building program that is going on now strengthens the Territory's dependence on the flow of dollars from the U.S. Micronesians now face a difficult choice: money or independence. Frequently a villager, when asked for his opinion on the political status question, will express a strong preference for continued affiliation with the U.S. because he looks to America to support the schools, hospitals, and ship service between islands. Young Micronesians who have recently returned from college often are militantly pro-independence, but their protests tend to become muted as they settle down to enjoy the comforts that a good government salary can provide. The sympathetic outsider might wish that Micronesia could be spared this dilemma it faces—that it could retain its present standard of living and also enjoy the dignity and pride that come from full independence. But deep inside he knows that these are not the terms on which world powers bargain with lesser countries. And even if they were, would such apparently favorable conditions reduce Micronesia to the status of a "beggar nation" and nullify the sense of national pride that is to be gained from independence?

In view of the lopsided development that has taken place in the Trust Territory, one wonders whether the islands might better be called a colony in the making rather than a developing country.