

## YESTERDAY'S MYTHS, TODAY'S REALITIES

Island Micronesia with its bleached sands, gentle Pacific rollers, and smiling people is everything that Somerset Maugham or Louis Becke might have led us to believe. Or so, at least, it appears to the bedazzled visitor who steps off the plane for the first time. But we long-time foreign residents of Microensia know better. Each day we see the detritus of modern life—the smashed vodka bottles, the rusty corrugated tin roofs of village shanties, the wrecked cars abandoned off the roads—to say nothing of the wrecked human lives. Almost every week there is a report of another suicide and a story of violence during a drunken brawl. Then, too, there are the signs of those diseases that accompany modernization everywhere in the world; high blood pressure, diabetes and, of course, galloping consumption. Touched by the apocalyptic scene that we survey from our well-ventilated homes, we foreigners mourn for the passing of an age that exists only in literature and a few remote islands, far from the mainstream of Micronesian life today.

Where have the good old days gone, the days of simple wants and a spare lifestyle? If we have come to such a terrible state of things today, what new horrors can we expect tomorrow?

Our Micronesian friends listen to our gloomy prophecies patiently but unconvinced. After all, today's missionaries, like most Peace Corps volunteers and other expatriates working in the islands, are known to be generally infected with a good dose of Rousseauvian romanticism. Our earnest injunctions to our people not to part with their beautiful heritage and to preserve their identity by preserving their past are put off with a smile. Micronesians know full well that they have bitten into the apple, as a Pacific islander so aptly put it as a recent education conference, and there is no turning back now. Under the impact of a century and a half of Western influence under four foreign flags, they have acquired cultivated tastes for schooling, blue jeans and cheeseburgers, and they will not be denied the opportunity to satisfy these tastes. So it is that Micronesians, like their neighbors elsewhere in Oceania, have chosen to march headlong into the modern world with all its vapid delights and neuroses, despite our well-meaning cautions. The islands' future, in the eyes of its people, is as much tied up with multi-nationals, inflation rates and the current price of gold as with breadfruit-pounding and canoe construction.

The pressing issue today, however, is not whether Micronesians will choose modernization, but on what terms they will have it. Will they be able to develop a sufficiently strong economy to support their ever more expensive tastes, while acquiring that degree of political autonomy that they have long desired? Westernization, after all, leaves a people with much more than a fondness for cold beer and perfumed soap; it usually carries the intense nationalist longings that can only be satisfied by self-government that is that in fact as well as in name. The terrible irony of westernization is that while it lays out the dazzling wares of the developed world to the eyes of the colonized, it hands these indigent people the price tag, saying "Only when you are able to pay for all of these things will you truly be free."

Micronesia, which since World War II has been a UN Trust Territory administered by the United States, took a sharp turn in the direction of rapid modernization in the Kennedy years of the early 1960s. The islands, the stage of some of the bitterest battles of World War II, had enormous strategic value for the Pentagon, and the U.S. was determined to retain its control over them for security reasons. On April 18, 1962, President Kennedy signed a National Security Action Memorandum setting in motion policy changes that would, it was hoped, eventually lead to the Micronesian people's choice of a permanent association with the U.S. at the end of the trusteeship. While such a ploy was recognized as running counter to anti-colonial sentiment in the Free World, there was a seemingly genuing belief that what was in the best interests of the U.S. happily coincided with the greatest good for the Micronesian people.

Development theory of the day, with its emphasis on "investment in man," furnished a convincing rationale for the new policies that were soon to be implemented in Micronesia. Development would best be served, the theory held, not so much by investment in factories and other means of production as in the health and education of the general populace. A strong and informed people, bold enough to "break the crust of custom," would in time create their own sources of wealth. Accordingly, elementary schools and dispensaries were built on just about every one of the hundred or so inhabited islands of the Trust Territory. American contract teachers were hired to upgrade the English programs in the new schools, and within a few years Peace Corps arrived to install its volunteers in the classrooms.

By the early 1970s the focus of attention had shifted from the elementary to the secondary school system in Micronesia. New classrooms were built to expand existing facilities and enrollments doubled or tripled practically overnight. But what would all these young people do after they graduated from high school? Go off to college, of course—on the U.S. Federal assistance grants for the disadvantaged that were first extended to the Trust Territory in 1973. With the advent of the Basic Educational Opportunity Grant, large numbers of young Micronesians poured into U.S. colleges to obtain the degree that they saw as the passkey to later employment and a share in the "Good Life." A college education was no longer the prerogative of the intellectually gifted, as it had been for years; it had become a universal right.

The magnitude of the education explosion that shook Micronesia can be gauged by a detailed look at just one of the island groups. Truk, with a present population of about 38,000, was producing thirteen high school graduates a year in the early 1960s. Five years later it was turning out sixty; by the early 1970s 150; and a few years later 300. Meanwhile, the number of Trukese attending college jumped almost as dramatically—from fifty in 1970, to 240 by 1974, and finally to almost 700 just two years ago.

Last year \$18 million was spent on education—over twice the total annual Trust Territory operating budget in the early 1960s before the massive infusion of U.S. funds into social services. Currently employing a work force of over 2500 Micronesians, education has become far and away the largest industry in the Trust Territory. When health services, which cost \$10 million last year, are counted in, the total "investment in man" amounts to \$28 million a year.

Has the investment paid off? In one respect, at least, it has. U.S. annual appropriations to the Trust Territory, which have skyrocketed to an average \$75 million over the past ten years (apart from the additional U.S. Federal program funds), make it possible for the government to employ almost 9000 Micronesians. Their payroll, totaling about \$35 million a year, is the backbone of the entire Trust Territory economy. Government spending has made possible the proliferation of services industries—the bars, restaurants, movie theaters and supermarkets—that employ another 7500 Micronesians in the private sector. Trust Territory government payroll dollars, funded by the U.S., pay for the appurtenances of

modernization that are to be seen everywhere in Micronesia today. The tape recorders and stereo sets, the cement-block houses, and the new Hondas and Toyotas are all bank-rolled in Washington, as every educated Micronesian knows full well.

Then, too, there are the obvious educational benefits of the "investment in man" policy that has been adopted since 1963. Close to 10,000 Micronesians now have their high school diploma or the equivalent, and this number will very likely double within the next ten years. Along with their education, they have acquired a desire to claim a share in the relative prosperity of today's Micronesia. Leaving behind the life of semi-subsistence fishing and farming, they are knocking on the doors of government offices in unprecedented numbers in their search for the only sure source of employment to be found. Education may well have brought personal enrichment to their lives, just as it certainly brought the craving for jobs, but it has yet to turn around the economy, as we were promised by those early development theorists. The only sense in which they could be said to have "created their own sources of wealth" is by serving as a pressure for the further expansion of the TT government, and the increase in U.S. dollars that support it, so that it might furnish them with employment in the future.

Meanwhile, the productive sector of the economy stumbles sluggishly along—like the weather, everyone talks about it, but no one does anything. The value of exports for the Trust Territory has risen from about \$3 million in 1963 to perhaps \$10 million today, with most of that figure deriving from the U.S.-owned and Okinawan-operated fishery operating in Palau. In the same period of time, however, imports have grown from \$5 million to nearly \$50.

If, as it appears, the purpose of the rapid modernization program in the early 1960s, with its emphasis on providing social services rather than stimulating economic productivity, was to engender Micronesia's dependency on the U.S., then the program was an unqualified success. As the annual budgets have steadily mounted, services that were once thought of as niceties have come to be regarded as indispensable and demands for new programs continue. Those U.S. dollars that support the swelling Trust Territory bureaucracy are more highly regarded with each passing year. When the U.S. Administration in the mid-1970s held the ceiling on its annual appropriations in an effort to prepare the territory for the end of its

trusteeship, a sudden upsurge of supplementary U.S. Federal program funds came to the rescue and insured the growth of government even in these past few years. The Federal program grants, which increased from about \$5 million in 1973 to a high of \$34 million in 1978, provided new government jobs for that crop of recent graduates who were queuing up outside the Personnel Department office and gave the illusion of on-going economic growth in the islands. The net effect of these programs, of course, was to raise the cost of government to an even higher level at precisely that time that it should have been winding down.

The myth of the "investment in man" approach to development has been quietly laid to rest, but the consequences are very much still with us in Micronesia. The Trust Territory bears the ponderous weight of a government structure that now costs almost \$80 million a year to maintain, about ten times the total value of all its exports. Moreover, there are the thousand or so new high school graduates that swell the territory's labor pool each year demanding their rightful share of the "Good Life." All of this comes at a time when the three political entities into which the Trust Territory has broken down face the end of their thirty-five year trusteeship under U.S. administration. Next year these three entities—the Federated States of Micronesia, Palau and the Marshall Islands—are scheduled to become self-governing states in a peculiar political status that is known as Free Association with the U.S. According to the terms of the Compact of Free Association that has been negotiated over the past ten years, the three states will assume complete control over their internal affairs and a major portion of the responsibility for their foreign affairs. The U.S. has agreed to provide for the defense of the islands and furnish gradually tapering financial assistance over the next fifteen years in return for the right to military access to the islands.

U.S. policy towards Micronesia, at least in some departments in Washington, appears to have changed since the Kennedy era. Perhaps this is due to the growing clamor against colonialism in any guise, much of it originating in Washington itself. Perhaps it is owing to the pragmatic realization that a fettered ally, even when the bonds are forged only of greenbacks, is no ally at all. Whatever the reason, President Carter has made known his intention to accede fully to the requests of the Micronesian people on the matter of their political status, even if they should choose complete independence.

Ironically but understandably, it is now Micronesians who seem to hesitate at the opportunity to gain full independence. Even the limited self-government that they will enjoy under Free Association is a frightening prospect for many islanders, who see it as hailing an end to those prosperous years of growing budgets, abundant jobs and well-stocked pantry shelves. After all, there are still the recently acquired addictions to schooling, blue jeans and cheeseburgers to take account of. Must these and all the other conveniences that the recent years of plenty have brought be sacrificed to the nebulous goal of self-reliance? If so, then the price of self-government may well be too high!

Micronesian political leaders, then, find themselves in the quandary of having to find a way to sell self-government to their people in a palatable form before the referendum on the compact that is scheduled for next year. The cries for austerity measures that they regularly made in the past have become muted in recent years as people have grown more comfortable under fatter budgets and better government services. As recently as five years ago these same leaders commissioned a team of UN advisors to draw up a development plan to assist them in preparing for the termination of the trusteeship. Today that plan, which called for a drastic reduction in the cost of government and a diversion of manpower into the private sector, lies on their shelves ignored. To slash government operations would mean closing schools and dispensaries, curtailing youth programs in the towns, and laying off a large number of government employees. In short, it would be political suicide.

Micronesian leaders, in despair at finding a politically expedient way of imposing those cutbacks which they know are necessary for real economic growth in the future, have lately resorted to another approach. With considerable assistance from American advisors, they have fashioned a new plan that offers the hope of painless economic development. "You can have all the benefits of big government and true economic growth as well," the plan promises, despite overwhelming empirical evidence to the contrary. Indeed, there is reason to fear that it is less a plan than a myth.

Growth of productive industries in Micronesia will be grafted on to the existing economy, the plan holds, without any cutback in government services. In fact, U.S. allocations for governmental operations are actually to be increased by

as much as twenty percent over their present level during the first five years of Free Association. There need be no budget cuts, no reductions in force, and no disjuncture from the present modus vivendi, providing two other conditions are fulfilled.

Economic development will occur, the plan goes on to suggest, if infrastructure expansion takes place at a rapid enough pace to insure the completion of new facilities as development opportunities open up. Hence, the first phase of a vast capital improvements program that covers airfields and docks, road paving, and power and water facilities is being rushed to completion now. The cost of this five-year program, borne by the U.S. under a special funding package, is expected to run to about \$200 million. Even as the first phase nears completion, plans are being made for the next phase of the program which will bring water, power and roads to outlying areas. The unavoidable problem, of course, is that the new facilities that are being built will require additional funds and personnel for their maintenance. Current forecasts put the operational and repair costs for these new facilities at about \$35 million a year, a staggering increase in the burden that the new governments of Micronesia will eventually have to bear.

When the infrastructure is in place, the plan continues, an adequate amount of seed money for development projects will insure the formation of new industries and the generation of new sources of income. Under the terms of Free Association, moreover, generous amounts of money are reserved for capitalizing development projects. Yet, experience in Micronesia over the past two decades has shown that it is not lack of adequate capital that has accounted for the negligible productive activity in the islands. Nor is it lack of entrepreneurial skills. The most resourceful and talented Micronesians in past years have either gone into government service or, if they have ventured into business at all, have gone into the relatively safe businesses such as retailing. Virtually no one has launched into commercial fishing or other productive industries. But why should they embark on such hazardous ventures when there are much surer and easier ways to make a dollar? All of this strongly suggests that economic development is born from real need, not just from ready capital.

But if all else fails and their development plans come to nothing, the island states of Micronesia have a final trump card to play. They can at very least

continue to barter rights—the right to the military use of their land and the right to fish within their 200-mile economic zone—in exchange for a sufficient sum of money to allow them to maintain a reasonably adequate level of government. To do this, however, might be to sacrifice the goal of ultimate political independence.

On the whole, this development plan can provide for the continuation of the fairly comfortable government-fueled economy that obtains today, but it cannot possibly turn it around into a productive economy that will eventually be able to support its own government. If any industry is generated in the years ahead, it will very likely be dwarfed by the expanding costs of an ever-growing government, one that shall have to continue to look to the U.S. or some other foreign government to pay its bills. This, in effect, is to condemn the future governments of Micronesia to the status of permanent dependencies, however much internal self-government they might assume.

Shall Micronesian leaders tear down the extravagances that have been installed in these declining years of the trusteeship or shall they put their trust in the myth that they have been forced to create as a last desperate hope? Caught between the aspirations of their people and the political realities of today's world, they are in an unenviable position which, if anything, becomes worse with the passing months.

Even at the present time, officials from Washington are touring the Trust Territory to search for ways in which new U.S. Federal programs might be extended to the islands. Meanwhile, the chairman of the House Subcommittee on Territorial and Insular Affairs, Representative Philip Burton from California, is supporting a policy of open Federal grants to Micronesia and other island dependencies. The net effect of such well-intentioned but misguided efforts can only be to make these dependencies even more dependent than formerly. With each Federal program dollar, even if given in the name of humanity for the aging or the handicapped, the future island states of Micronesia move ever further away from the stated goal of self-reliance and political autonomy. In this age of concern for human rights, one would hope that struggling nations-to-be would be granted the right to find their own constructive solutions to social problems that they may have. For well-meaning U.S. legislators and bureaucrats to dangle an attractive array of costly social programs before the Micronesian people is to seduce them from a more



austere, but sounder path of economic growth that is to their best interests in the long run.

In the face of all this, the foreign missionary in Micronesia finds himself in a dilemma every bit as real as that of the local leaders. Shall he utter his caveats, often bread cast upon the waters, at the risk of seeming to presume to speak on behalf of his people even when he speaks to them? Shall he reprove his people for choices that they are making after years spent in encouraging them to make their own decisions and speak with a voice of their own? When all else fails, shall he, in what he still believes to be the best interests of his people, take his case to the American public?

Not long ago I spoke at a seminar on the imperative need of the new states of Micronesia to forego some of the trappings of modernization if they were ever to achieve self-reliance. It was an old theme and one of my former students, after hearing his fill of my criticism of present policies, made a telling retort. He asked why I would deny him and his children the advantages that I myself enjoyed. "You have refrigerators and automobiles and a good education," he said. "why shouldn't we have these things too?" He went on to assure us that if the U.S. is foolish enough to pile one gift upon another, Micronesians can take advantage of its silly liberality without "getting hooked."

I tried to explain to him that, far from denying him the benefits that modernization brings, I wanted to insure that these benefits would be lasting, not fleeting ones. The only sound basis for modernization without surrendering legitimate political aspirations, it seemed to me, was to adopt a gradualist approach. The pickups, air-conditioning units and advanced degrees would come in time, I tried to assure him, but rapid gains in wealth would be chimerical if they were not founded on a solid economy that could support the material desires of its population. If, as a wag once suggested, Micronesia is a society that has champagne tastes with a beer drinker's budget, can't we settle for brew, at least for the time being?

Afterwards in a moment of reflection, I asked myself what I would do if I were in the position of that young man. Probably, I had to admit, push for big budgets, more Federal programs and the other immediate gains that gave the illusion of progress. If I had grown up using a makeshift over-the-water toilet and

had later been exposed to the convenience of indoor plumbing, I don't suppose that I would readily embrace a return to the past in the name of some rather distant and nebulous economic goals. There's something more immediate and compelling about blue jeans and cheeseburgers than full political autonomy—that's exactly the problem in Micronesia these days.

On the other hand, if I were in a legislative office on Capitol Hill, I know that I wouldn't be pushing legislation to pay for that indoor plumbing.