MICRONESIA

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WILLIAM H. GLEYSTEEN, JR. Deputy Director, UN Political Affairs Washington, DC (1966-1969)

Ambassador Gleysteen was born in China of Missionary parents. Educated at Yale and Harvard Universities, he entered the Foreign Service in 1951. After service in the State Department's Executive Secretariat, Mr. Gleysteen studied Chinese and was subsequently posted to Taipei, Hong Kong, and to Seoul, Korea, where he served as Ambassador from 1978 to 1981. He also served in Washington with the National Security Council and in the State Department as Deputy Assistant Secretary for East Asian Affairs. The Ambassador was interviewed by Thomas Stern in 1997.

GLEYSTEEN: Congress was not generous to Micronesia. They tended to neglect it in a way that reminded me of our treatment of Native Americans. To its credit, the Executive Branch thought a little generosity in advance would go a long way in heading off radical solutions in the future. Congress was only half convinced by this argument. Congressional oversight was exercised mostly by the House Insular Affairs Committee, which was very jealous of its portfolio and always wanting high level officials to appear before it rather than fellows like me. Among several contenders for the title, Congressman Ed Koch was the most obnoxious. For a very brief period, I was one of the two experts in the Department on Micronesia. There wasn't much interest on the subject in the Department. Getting seventh floor attention was extremely difficult.

There were some less prominent factors that ultimately proved to be the key ones. Among those I would list the divisions within Micronesia - the differing attitudes of people living on different islands; relations or to some extent rivalry with other territories such as Guam and other Pacific islands; the attitudes of Australia and New Zealand which were essentially Micronesia's neighbors and had relatively good track records on island administration; and the Japanese with their trade, aid, and tourists. So we had a complex situation which was frustrating at times, but always challenging.

I must say that during my watch, there was very little advance on the question of Micronesia's future status. We went back and forth on the options, but nothing was ever decided definitively. As a general proposition, the U.S. government worried about Micronesian independence, although there were individuals here and there who supported the idea. Some of our staff in New York seemed overly devoted to the principle of self-determination. McHenry may have leaned the same way; he had been dealing with de-colonization in Africa and that undoubtedly had an impact on his views of Micronesia. The Department of State's main concern was that the U.S. government not violate the UN charter. Rather cynically, we envisaged a carefully organized act of self-determination, lubricated by substantial assistance to ensure the right result. To put it bluntly, we were prepared to be accused of using a fig leaf. In those days EA had practically no interest in the subject, leaving IO to take the lead.

WILLIAM BODDE, JR. East Asia Bureau, Micronesia Agreements Washington, DC (1977-1980)

William Bodde was born in Brooklyn and raised in Long Island. He served in the US Army in Korea and attended Hofstra College. He entered the Foreign Service in 1962 and served in Austria, Sweden, and German. He was also ambassador to Fiji, Tuvalu, Tonga and the Marshall Islands and served as EE/MP to Kiribati. Ambassador Bodde was interviewed by Charles Stuart Kennedy in 1998.

Q: *What were the issues at your time?*

BODDE: Micronesia consists of over 10,000 islands spread over an area about the size of the continental United States. It runs from the Marianas in the west through the Caroline Islands to the Marshall Islands in the east. They had been a Japanese mandate under the League of Nations. After Japan pulled out of the League the Japanese militarized the islands and used them as the breadbasket to feed the Japanese army during the Pacific campaign in WWII. We fought some important battles in Micronesia during the war, such as Kwajalein and Palau. After the war, the future of Micronesia was a political and strategic issue for the U.S. and in some quarters it was a very emotional issue. We had liberated the islands at great costs in blood and treasure. At the end

of the war we occupied Micronesia and repatriated thousands of Japanese settlers back to Japan. At that time there was a big argument within the U.S. Government about what to do with Micronesia. The conservatives argued we should incorporate it as an American territory, and the State Department and others argued that it should be put under UN control. The ultimate compromise was that it was made a United Nations strategic trust with the U.S. the trustee. As a strategic trust it came under the authority of the Trusteeship Council where we had a veto and not the General Assembly where we did not. The issue was important enough that when Roosevelt died, Truman was briefed about it on his first day in office. In 1948 it was declared a United Nations Trust Territory (TTPI) and the U.S. was designated the trustee.

By the way, the flights that carried the atomic bombs dropped on Japan left from Tinian Island in the Northern Marianas. As trustee we, by and large, left most of the islands alone. For a long time it was administered by the U.S. Navy and was off limits to visitors. The CIA used parts of it to train Taiwanese guerrillas and other spooky stuff. We tested nuclear weapons for over a decade in the Marshall Islands But in the rest of Micronesia the Micronesians for the most part were untouched by the administration. In 1950s the Interior Department took over the administration of the TTPI from the U.S. Navy, but Interior also did very little in the islands. This changed in the 1960s when there was growing pressure in the UN and in the islands for greater self -rule and eventual independence.

Every year couple of years the UN Trusteeship Council would send a team out to report on conditions in the Trust Territory. Early in the '60's the UN report was very critical about conditions under the U.S. administration. President Kennedy sent out an economist, Tony Solomon, who later was Assistant Secretary for Economic Affairs in the State Department, to assess the situation and make recommendations. The Solomon Report confirmed that things were really bad and recommended that the U.S. do something more for the Micronesians in order to protect the U.S. strategic interest in Micronesia. He also made the point that as a matter of conscience we had a moral obligation to help the Micronesians. Kennedy was assassinated shortly after the report reached his desk, so it became the Johnson Administration's task to respond to the report. The Johnson Administration did so with a vengeance. The U.S. immediately expanded education and health programs. Then in line with the philosophy of the Great Society that the way to solve problems was to throw money at them, the U.S. Government began to pour money and programs into the place. For example, Congress passed a Great Society bill to grant federal subsidies to build hospitals in poor areas. The bill, like many such bills, applied to the 50 states plus the U.S. territories and the Trust Territories of the Pacific islands. Consequently, we would build a hospital in the islands without an infrastructure to support it, such as adequate electrical power. The programs were often inappropriate and always expensive. We weaned the Micronesians off their traditional and healthy traditional food to Spam and junk food.

Well, over time, with pressure for decolonization around the world, the people of Micronesia - at least the political leadership - started to lobby for more autonomy and eventually for full sovereignty. Full independence was not in the cards so they were prepared to settle for some sort of arrangement that was as close to independence as possible. Now probably the average Micronesian didn't want independence at all; he was happy to be tied to the United States. But the leadership wanted the maximum degree of autonomy, and they pushed for it. Negotiations

broke off for a while. At the same time Micronesia was breaking up into mini-states. We settled with one group of islands called the Northern Marianas. That was before my time. We signed a commonwealth agreement with the Northern Marianas, which in effect made them a U.S. territory with special unique powers. Even today, some of these unique powers are causing problems.

The negotiations I was involved with concerned the rest of Micronesia. The negotiations had been broken off for a while because of charges that the U.S. was using the CIA to spy on the Micronesian negotiators. I haven't seen this story proven, but everybody in Micronesia accepts it as conventional wisdom. The story is - it's a wonderful story, and it sounds possible to me, knowing the islands - that the CIA put a bug in a lamp in the room where the Micronesian delegation met. Then in good island fashion, one of the guys saw this lamp and thought, well, this would be nice to have at home. So he borrowed it. "Borrowed it" is often an euphemism for "taking" in the islands. People are always borrowing things from you. So he took it and put it in his bedroom. Reportedly, when the Agency recovered the bug they got some very titillating erotic noises, and no clues to the Micronesians' negotiating strategy. If true it was stupid because we could have found out what they wanted by developing an atmosphere of trust in the negotiations.

Q: Well, actually, most of the negotiating was done, really, wasn't it, by American lawyers?

BODDE: Well, at first the Peace Corps volunteers or U.S. Legal Services advised the Micronesians. We had one of the biggest Peace Corps programs in the world in Micronesia. Early on, some of them organized a legal assistance program to teach the Micronesians their rights concerning the U.S. Government. This was during the Vietnam War period, so a lot of the kids in the Peace Corps were critics of the government. Many volunteers were there because they didn't want to go to Vietnam, and so sticking it to the FBI (Federal Bureau of Investigation) and Washington was right up their alley. In a more productive vein the volunteers advised the Micronesians on drawing up their constitutions and so on. Some of the young Peace Corps lawyers were very skilled.

It didn't take the Micronesian leaders long to figure out how Washington works. They concluded that high-powered Washington lawyers were most likely to get them the best deal. In fact, the Micronesians tried to get the U.S. Government to directly pay for their lawyers but we refused. However, in reality ninety percent of the Micronesian government's income came from USG grants. So in reality we were paying the lawyers. They hired such top Washington law firms as Covington and Burling and Clifford and Warnke. The United States, in fact, was negotiating against itself. The lawyers turned it into a very confrontational negotiation, and they created an adversarial relationship. I felt it would have been better to have a negotiation where you sit down and ask, "What do you want? What do I want? What do we have to do to give us both what we need?" That wasn't what we did. It was a lawyer-driven negotiation. The focus was on contingencies. If you do this in the future, we'll do that; if you don't do this, we'll do this. I once said in frustration, "I thought we came here to arrange a marriage, and it sounds like we're drawing up a divorce agreement." Well, now prenuptial agreements are more common. The Micronesian negotiations were more like a prenuptial agreement. The thrust was, "Boy, if you do that, we're going to sock it to you!"

The State Department, and I blame myself as much as anyone else, was probably too hung up on the legal questions of political status. We worried too much about what their precise legal international status would be. Why free association with the U.S. rather than independence? Well, when anyone new joined the delegation and saw how complex the free association relationship was going to be they would ask, "Why don't we just let them become independent and do a treaty for base rights or strategic denial. The answer they got was that independence was not an option because we would never be able to sell independence to Congress. Congress and the Defense Department allegedly were concerned that independence would put strategic denial and our missile target range in the Marshall Islands at risk. The maximum they would agree to would be free association. Originally we maintained that free association would essentially be an arrangement where the U.S. would be in charge of Micronesia's foreign policy, and Micronesians would be fully in charge of their internal affairs. Well, they kept pushing the envelope until we agreed that under free association the Micronesians were responsible for both foreign policy and domestic policy, but we had veto power if they did something in foreign relations that affected our responsibilities for their security. In those days that meant permitting the Soviets or the Chinese to do something in Micronesia that negatively impacted upon our security interests.

Anyhow, Micronesia broke up into three nations. We settled first with The Federated States of Micronesia and The Republic of the Marshall Islands and later with Palau on a 15-year contract, essentially. Collectively they are called The Freely Associated States. Some parts of the compacts are automatically extended after 15 years, and the money continues at the old rate. Some parts are renegotiable after 15 years, and that process began in 1999. The Freely Associated States are second only to Israel and Egypt in per capita financial assistance from the United States.

I never thought at the time that one day I was going to live with the consequences of our negotiations as U.S. Ambassador to the Marshall Islands. What I found out after I became ambassador was that the U.S. didn't enforce its oversight responsibilities. The U.S. simply did not audit the money. We basically gave them the money and walked away. Over the 15 years they managed to squander most of the money and perhaps even made the place worse off than it was before the compacts. I testified in Congress, after I'd left the Service, that we did more harm to the Marshall Islands with the money than we did with the bombs that we tested there. Of course we did harm with the bombs, but the harm was limited to a few islands and a small percentage of the inhabitants who were forced to relocate to other islands. The health effects of the radiation are still the subject of debate and negotiations.

However, the negative effects of this huge sum of the money are clear. It created a fraudulent economic base for these countries and set back real economic development. It engendered tremendous corruption and further fed the culture of dependency. Now we didn't create the dependency mentality among the islanders, which goes way back. Throughout their colonial history the islanders waited for outside powers to bail them out when they suffered natural disasters. But we've made it much worse. And we changed the assistance from providing rice or other basic foodstuffs or to help them rebuild after a hurricane to welfare payments. We provided money in big amounts - I mean there are now millionaires in Micronesia. Of course, only a tiny proportion of the landowners are millionaires and most people have very little. Micronesia faces

terrible health and social conditions. They have diabetes and sexually transmitted diseases at epidemic levels as well as widespread malnutrition among the children. Given the amount of money we have given them it should look like Beverly Hills; instead, much of Micronesia looks like an economically depressed area.

Well, anyhow, I had been doing the Micronesian negotiations for a year, and the powers that be in the front office of the East Asia and Pacific Bureau and the Department counselor were happy. Then Dick Holbrooke made a trip to the South Pacific over the holidays. I guess this would have been the '77 holidays - you know, Christmas, New Years. Anyhow, he went out to Samoa. I think he also went to Papua New Guinea. When he came back he was all excited about these islands. He decided - I think very wisely - that in an office containing Australia and New Zealand together with the mini island nations, the islands were going to get little attention and consideration. He decided to split the office in two, and instead of two desk officers, a deputy and a director, to have one desk officer and a director in each office. I thought that was a good move. The problem was that when he did this he thought that I should be the desk officer and not the Director. He had promised the job to somebody else. Ten or twelve years earlier I'd been the Sweden and Finland desk officer and I wasn't about to become a desk officer for even smaller places. So I went to see him and I told him that while I thought his idea for the new office was fine, I did not want to be a desk officer again and I would look for a job in another bureau. Not surprisingly, Holbrooke was furious and told the Director General that I was being petty. Of course, Holbrooke himself would never stand still for being demoted. Fortunately for me, the deputy assistant secretaries, Bob Oakley and Bill Gleysteen, were more sympathetic and wanted me to stay.

RICHARD W. TEARE Acting Director, Micronesian Negotiations Washington, DC (1980-1983)

Richard W. Teare was born in Ohio in 1937. He received his bachelor's degree from Harvard University in 1948. His career includes positions in Barbados, Philippines, Vietnam, Laos, New Zealand, and Australia. Mr. Teare was interviewed by Charles Stuart Kennedy in July 1998.

Q: What was your impression of Dick Holbrooke as Assistant Secretary?

TEARE: Brilliant and undisciplined. He had good ideas. He was certainly alert and vigorous in pursuing them. He drove his staff pretty hard but he was always late for meetings. He was, I guess, difficult to manage. His secretary used to have to corner him and send him off for a haircut, even. He sort of operated at high intensity all the time and I think he was looking ahead. Among other things it was on his watch that they established the Pacific Island Affairs Office as a separate one, which a lot of people thought was an important step. Recently rescinded, by the way.

Q: What kind of Affairs?

TEARE: Pacific Island Affairs. It was split off as a separate office from Australia-New Zealand. That was seen as symbolically important to the Island countries at least.

Beyond that I find it hard to say. I was there, as I said, for two years and I would go to his meetings. At least when I was acting country director. I worked directly with him on a couple of things, particularly Philippine Bases. Although again he was constantly moving from one topic to another so I don't suppose he thought about Philippine Bases for more than half an hour at a time during those several months when we were putting the negotiations to bed. But you were always conscious that he was there.

Q: Then in 1980 you were...?

TEARE: In 1980 I was ready to go overseas. I had bid on a number of jobs but nothing came through and so I talked to people about it, including Evelyn Colbert, whom I mentioned in a previous interview. She was the Deputy Director of the East-Asia Office in INR when I was there earlier. She by this time had come to the East Asia and Pacific Affairs Bureau as Deputy Assistant Secretary for Australia, New Zealand and the Islands. Or maybe she had moved on by that point to be national intelligence officer for East Asia. I've forgotten the timing precisely. But anyway I think she talked to Holbrooke about it and they decided that I would be a logical person to go to the Micronesian Status Negotiations.

The job over there had been vacant for about a year. It was the senior career position in the office, beneath the Political Appointee who was the head of it. So I agreed to do that when I couldn't find anything that looked good overseas. That was to be another two-year assignment, which would have given me six years in Washington. But it was only during this time that the five-year rule was instituted.

I am hazy on the timing because about the time I went there or even earlier there was a new Deputy Assistant Secretary for Australia-New Zealand and the Islands and that was Ginger Liu. She had been hired by Holbrooke after an advertising campaign. They wanted a woman to follow Evelyn and they wanted an Asian American, if they could find one. So they got Ginger Liu who was 32 years old and had been a regional counsel for the Department of Energy on the West Coast. She was Chinese-American, born and educated in California. Ginger turned out to be a breath of fresh air, a very unconventional type. She got interested in the Micronesian Negotiations and I wound up doing quite a lot of work with her.

She was notable among other things for her interest in weight training and exercise and so forth. She used to go to the Pentagon Gym and she said that was one of the best places for her to do business with Rich Armitage who was then, I guess, Deputy Assistant Secretary for International Security Affairs-East Asia at the Pentagon. So they used to meet and talk business in the Pentagon Gym!

Ginger was unconventional. She was a good lawyer, I believe, and she gave quite good support to negotiations. Negotiations had been going on since the late 1960s or very beginning of the '70s, at a time when we began to see that the UN Trusteeship for the Trust Territory of the

Pacific Islands could not go on forever. That we would have to do something about it, something to bring the Trusteeship to an end and to get them launched in some fashion. We had encouraged the formation of something called the Congress of Micronesia. That was 1969 as I recall. The Congress in turn had appointed some negotiators and they had been meeting with people from Washington ever since, by this time fully 10 years.

The Nixon Administration had appointed a negotiator named Franklin Hayden Williams who was, or soon after became, concurrently President of the Asia Foundation based in San Francisco. So Williams had the two jobs and obviously couldn't give full time to either one of them. A staff was put together for him in Washington, part State, part Defense, but quartered at Interior. I think this was largely because Interior was still administering the Islands, having taken them over from the Navy sometime back in the '60s I guess. So the relevant office of the Interior which was called Territorial and International Affairs was on one floor and we had the little part of one wing of Interior on the floor below.

Perhaps an interesting footnote is that one of the earliest, maybe the earliest, senior career people there was a Navy Captain named Bill Crowe who went on to be CINCPAC and Ambassador to the UK, Chairman of the Joint Chiefs in between and then Ambassador to the UK. And then at some later point the senior job had shifted to civilians so I was technically a lineal descendant of Bill Crowe in this position.

The Carter Administration had appointed its own chief negotiator, full time, and that was Peter Rosenblatt, a Washington lawyer and a member of the Scoop Jackson wing of the Democratic Party. So I joined that staff in June or July of 1980, just before another presidential election. Just after I got that job I read an article somewhere, I think in the *New Republic*, about the upcoming Democratic convention which was going to re-nominate Carter, of course. The article said that the Jackson wing of the Party was rather disaffected because Carter had given very few jobs to its members.

The punch line of that story is that another Jackson Democrat was quoted as saying, "Yup, they wouldn't give us Polynesia, they wouldn't give us the Marshalls. All they would give us was Micronesia."

But, anyway, Peter Rosenblatt was and is quite an intense character who was fully capable of having a 10 minute conversation with one of the Micronesian leaders and then spending twenty minutes giving a read-out on that conversation to those of us on his staff. And Peter desperately hoped to wrap up the negotiations. Indeed they were pretty close to resolution with both the Marshall Islands and the Federated States of Micronesia by the time I joined the process and it was perhaps hoped that they would be concluded. If Carter had been re-elected they might have been concluded quite early in his new term. But, in the event of course, he was not.

So right after the elections I was dispatched to Guam to meet with leaders from the Micronesia amities, the third one was Palau. I was to assure them the best I could up to that point that despite the change in political party back in the United States we of the negotiating staff were going to make every effort to keep the offer as it stood. That there would no doubt have to be a hiatus while the new Administration reviewed policy on the subject but that they should be patient and

steadfast and we would be back to them as soon as we could. So I did that. I did that entire trip out to Guam and back in 96 hours. It was grueling.

I typed the letter to them on a borrowed typewriter at the Guam Hilton on the basis of the draft I had taken out and improvements I suggested back and further changes that were telephoned to me form Washington. That was the way we operated.

Rosenblatt could have resigned to Carter, the outgoing President and the one who had appointed him. But he chose to resign instead to the incoming President, Ronald Reagan. He rather had hopes of being continued in the job through the conclusion of negotiations and then of moving on to something else, I'm quite sure, something bigger in the Administration. Even though he was a Democrat some of his philosophical allies, Democrats such as Jeane Kirkpatrick and Eugene Rostow, were being appointed to posts in the Reagan Administration. But that didn't happen. Rosenblatt had made some enemies on the Hill and on St. Patrick's Day, 1979, he got a telephone call about 4 o'clock in the afternoon saying, "Is this Ambassador Rosenblatt?" He said yes and the caller said this is so and so in the White House Personnel Office. "You remember that resignation that you submitted to President Reagan a couple of months ago?" He said yes, of course. The caller said he just wanted to let him know his resignation was accepted and they would like him out of the office by close of business that day. So there went Rosenblatt's hopes.

At that point I became the Acting Director of the office and we conducted a policy review which took months and wound up essentially affirming the policy of the Carter Administration, adopting it for the Reagan people. This was no surprise. It was entirely predictable. The whole direction of policy had been pretty well ordained.

Our interest at that time mainly was making sure that what had happened before and during World War II never happened again. That is that no hostile power could ever get into those Islands and use them against us.

Q: What is the term? Something denial....

TEARE: Strategic denial. That was perhaps our biggest single objective and also into the evolving compact of free association. We had negotiated it up to that point. We had worked in the defense veto which says in essence that if the United States objects to a proposed action by one of the freely associated States on the ground that it compromises our ability to defend said State, then said State must cease and desist. It cannot take that action. So it was a veto over their defense and foreign policy behavior if you will. And a third principle of ours was that free association was something less than full sovereignty.

In our view, for example, the freely associated States resulting from the compact would not be able to join the United Nations because they would not be fully sovereign. There was an entailment of their sovereignty in that we were responsible for providing their defense and we had this veto over their acts in the defense and national security realm.

But that didn't last very long, that last of the three and all of them are now members of the United Nations, even Palau which took a much longer time to negotiate.

As a little more history, originally there was one single Trust Territory divided into six Districts. One of those Districts, the Northern Marianas opted for a different form and they became a Commonwealth of the United States by an agreement, the Commonwealth Covenant, negotiated in the '70s and enacted into law. The other five Districts, one of which later subdivided which is how we got six, all wanted something different which became known as Free Association. And so those Districts reading from East to West were the Marshall Islands, Kosrae (Kusaie), Ponape, Truk or Turk as its called now, Yap and Palau.

One of the principles of the negotiations because we had to report to the UN Trusteeship Council and through it to the Security Council on the conduct of our administration of these Territories, was that any negotiations with them had to be at arms length, clean as a whistle. So although we ultimately paid the legal bills they were free to shop for the best legal counsel in town. And when they did their original shopping in the early '60s they went to see Clifford and Warnke. They met with Paul Warnke who had served in the Pacific in World War II and at least knew where the Islands were, which is more than a lot of other people did. So they engaged Clifford and Warnke as Counsel for the Congress of Micronesia and its negotiating team.

Later when the Districts started going their separate ways, two of them, they got their own legal counsel. So when the Marshall Islands, the Eastern most District split off on its own, they engaged Covington and Burling.

Q: All top grade firms.

TEARE: Then when Palau split off it took yet another firm, this one not so well known and so old line, Van Ness, Feldman and Sutcliff. The distinguishing thing about those guys, the three named partners, was that they had all worked on the Hill. Two of them, I think, had been staffers of the Senate Energy Committee, formerly insular and natural resources, that had jurisdiction. So Feldman and Sutcliff at least knew the Congressional lay of the land which was very important in negotiations. That was always a factor.

So by 1980, when I joined it, we were negotiating with the three law firms. There were other people floating around the periphery. People of Bikini, people of Rongelap and Enewetak, people affected by the nuclear tests in the Marshall Islands in the 1940s and '50s. They had their own litigation against the United States.

One of the purposes of the Compact was to subsume all of their claims, have their claims assumed by the Government of the Marshall Islands. The Marshall Islands in turn would receive a large sum from the United States, part of it in trust, as compensation for the losses that some of its peoples had experienced as a result of the testing. So all of this was going on. The Compact kept getting bigger and bigger with more subsidiary agreements hung upon it. The most important of those in monetary and political terms was the settlement with those islanders affected by the nuclear and thermonuclear testing program.

Anyway, the arrangement was also that the Office of Micronesian Status Negotiations was theoretically a dependency of the National Security Council. Now obviously the National Security Advisors were not terribly interested in hearing about Micronesia very often so things were funneled to them through the Counselor of the Department of State. When I first started that was Roz Ridgway. I remember one or two meetings that she chaired. It was under the Carter Administration.

Then when the Reagan Administration came in that duty passed to Jim Buckley who was Counselor of the Department. Bill Buckley's brother. A true gentleman and very easy to work with. The only problem was that he once referred, lightheartedly, to the script that he was following or was not following that we had prepared for him. We scripted him for every meeting because the meetings were relatively infrequent but they were often necessary to get an agreed policy recommendation, often involving more money, and to get up the line to the NSC. And along the way we had to fight off Interior, which kept trying in our view to turn the clock back and even to turn the Islanders against the concept of Free Association.

By this time Interior had upgraded its territorial and the insular operation to an Assistant Secretary. They brought one on board, Pedro San Juan, who was a character in his own right. He was a Chief of Protocol at State, I guess in the Nixon Administration. He was one of the strangest characters that I have encountered anywhere, any time. But we managed to use the inter-agency process to override even Pedro and we had things humming along pretty well.

Meanwhile the Reagan Administration had come forward with a candidate to replace Rosenblatt finally and this was a man named Fred Zeider, who had been a big fundraiser for George Bush in Texas.

Q: Was this the Bush Administration?

TEARE: No, Bush was Vice President.

Q: This was a sort of Bush wing?

TEARE: Yes and Zeider was a Bush protégé and Zeider was put forward for this job. He had worked in Interior briefly in the Ford Administration. In fact he had what essentially was San Juan's job earlier on. So he knew a little bit about the Islands. Zeider had been in the automobile industry. I think his father had invented the air brake or an air brake or something. There was even a proposal at one time right after the War to manufacture a car called the Zeider but it didn't work, they were absorbed by Chrysler or something. So Zeider had sold out, had a lot of money, lived in Texas for awhile and then came to Washington. He kept an apartment in a building across Virginia Avenue from the Watergate. But he had sat out the Carter years in Hawaii, where he also had a place on Diamond Head Road, I think.

Anyway Zeider came back to Washington with his friend George Bush and played golf with Bush frequently. He was sort of almost a court jester to Bush, sort of like George Allen to Eisenhower, I think, in an earlier era. And Zeider allowed himself to be persuaded that he wanted this job as head of the Micronesian negotiations. He later claimed that he had been told it would take eighteen months at the most and he wound up spending five years at it. Q: That brings up a question. This thing started in the late '60s?

TEARE: Correct.

Q: It sounds like, if nothing else, a hell of a lot of lawyer time was logged on this.

TEARE: Well it was.

Q: It's not that complicated.

TEARE: I think what was going on was first of all a lot of guilt on the part of the United States. We had kept the Islands in a state of nature from the end of World War II through the early Kennedy Administration. They were pretty backward. They weren't going very far very fast in terms of education or public health or anything else.

Then in the early '60s there was a new look at the situation and a determination that we had to do something for these Islands fast. And so they got massive federal programs. Virtually everything instituted for the Great Society applied to them out there. And we were throwing money at the place without any strong administrative structure through which to channel it.

This in turn raised the Micronesians expectations and also they themselves became very insistent on having the best of everything you might say with as little cost to themselves as they could possibly arrange. So the Postal Service and the Federal Aviation Administration and food stamps and aids to navigation and everything that we had ever provided we were supposed to provide in perpetuity or explain why not. So we would have long, dragged out discussions with the lawyers and often with the Micronesians themselves over each and every one of these provisions. We would have to get the blessing of every federal agency involved. So we would have big inter-agency meetings with 30, 40, 50 people there overflowing our offices. Sometimes we would borrow rooms elsewhere.

Everybody seemed to want to have a say. This was perhaps understandable because almost everybody was going to have to do something for the Islands for at least fifteen years thereafter. They wanted to know what and how much. They wanted to estimate the costs. That sort of thing. I'm not saying it couldn't have moved a lot faster but it did drag on and on and on over all these details. And then there were the slowdowns I suppose when the Republicans went out in the end of '76. Certainly the period I was there the policy to do with the Democrats went out and the Reagan Administration came in. So it just seemed to be endless.

I was on it for three years. I wound up extending for a third year. Again because I couldn't get a good job overseas. It just seemed to go on. Indeed it went on for a couple of years more after I left before they finally signed.

Q: Wasn't there a Congressman on the House Interior Committee who really didn't want this thing to move away because for one thing it cut out an annual trip for them?

TEARE: Yes, although the Islands themselves are not such great destinations. Their greatest protector was Congressman Phil Burton, Democrat of San Francisco, who had died shortly before I got there. But his tradition was carried on by his brother who was also a Congressman, by his widow who took his seat and by a number of others who were interested in the fate of the Islanders and would do almost everything for them. Whether it was for the trips per se or out of some larger sense that these are our wards and that we need to take care of them I don't know.

Q: *I* have to say *I* spent a week on Ponape. It is the sort of place where first prize is one day on Ponape, third prize is a week on Ponape.

TEARE: I don't know I think it probably was that they liked having a bit of empire. And we were spending tens of millions of dollars a year on the Islands. The Congressmen who got interested in it stayed interested and both the House Interior Committee and the Senate Energy Committee kept a tight grasp on the issue. The House Foreign Affairs Committee particularly, and in the days of Steve Solarz as the Sub Committee Chairman for East Asia and Pacific wanted to get into the act. Occasionally House Interior would have to relent to the extent of holding a joint hearing. But they jealously guarded this turf, both the House people and the Senate people.

I don't know. It was a proprietary thing so far as I could tell.

Q: How much did you feel from your perspective that the citizens of these Islands called the shots and how much was the lawyers sort of just doing their thing?

TEARE: I think the governments of the Islands were setting the general outlines. That is they wanted a lot because they thought they were owed a lot. And I expect that any instructions to their American lawyers were probably pretty general. But the lawyers being bloodhounds themselves and I don't mean that in a pejorative sense particularly. You just go out and get what you can for the client. That is the way you do it whether it is a merger or a divorce case or whatever. They applied the same principles. Although we were dealing in the tens of millions of dollars they knew that this was not large in relation to the overall U.S. budget and they always thought there was more that could be squeezed out. And I must say also some of the agencies were pretty recalcitrant.

We did sometimes get very annoyed at them ourselves and if I had been a lawyer on the other side of the table I would have gone after them and exploited inter-agency differences. We even had problems or differences of opinion between the CAB and the FAA, for example, because they were separate at that time. The Navy wouldn't necessarily agree with the civilians from Defense and so forth. So we were, I always thought, rather vulnerable whereas although sometimes the different Island entities disagreed with one another they usually stood together when it came to getting more. And also their lawyers were pretty good and ours were not always the best. So I think they were pretty effective.

Anyway the process went on and on and on. Meanwhile we had to report on it annually at least to the UN Trusteeship Council so I went to four consecutive Trusteeship Council regular meetings '80 through '83. It was held in May in New York for about a week. And then I went to special meetings of the Council on two or three occasions. I made a trip to London and Paris

with Buckley in 1982, I think it was. We were trying to persuade the British and the French that it would be okay to terminate the Trusteeship in part, that is spin the Marshall Islands and the Federate States off leaving only Palau. Palau which was stuck way behind in terms of negotiations mainly because it had established a so-called Anti Nuclear Constitution that contradicted the defense provisions of the Contract. They kept putting that up to referendums of their population, six or seven of them. So the train was moving however slowly but Palau was not on the train.

The British and the French had both said to please deal with the termination of the Trusteeship just once for everybody. That had originally been the position of the United States too. That was the logical way to deal with it. But by the time we began to think that we were within striking distance on the Marshalls and FSM, we wanted to get that launched without waiting for Palau. So we had to try to persuade the British and the French to go along with us and ultimately they did. But they weren't happy about it.

The Trusteeship Council has rules for....

Q: It was the UN?

TEARE: Yes, it is the UN body. It had complicated rules of membership. I think all of the permanent members of the Security Council were automatically members of the Trusteeship Council. Plus there had to be other countries as well so that the number of administering authorities was balanced by an equal number of other countries. Of course, Australia had been an administering authority for New Guinea and New Zealand for Samoa and Britain itself I think for some African territories and so forth. But by the time we are talking about in the beginning of the 1980s this was the only Trusteeship left in all the world of the original eleven and it was the only strategic Trusteeship that ever had been. The other ten Trusteeships were the responsibility ultimately of the General Assembly and the Trusteeship Council reported to the General Assembly on those.

But on the Trust Territory of the Pacific Islands uniquely the Trusteeship Council reported to the Security Council. We had arranged that ourselves because in the Security Council we would have a veto. We had already back in '47 begun using part of the Trust Territory for nuclear testing and we wanted to keep it that way and to preserve strategic denial and keep for ourselves the possibility, never exercised, of establishing military bases in the Trust Territory. Again we were sort of looking backwards to World War II and its conduct.

So by this time there was no need for other members of the Trusteeship Council because we were the only administering authority. We were balanced by Britain, France and the Soviet Union. China, although in the UN by then, declined on principle to take any part in the workings of the Trusteeship Council. So it was just the four countries. The Presidency alternated between Britain and France because we couldn't as an administering authority be President and nobody wanted the Soviets to be President of the Council. So that all worked very smoothly except for one year when the Soviet voted for the British representative when he was supposed to vote for the French or vice versa. He got his signals confused. So it was three to one, with the Soviet voting the wrong way.

The whole thing was pretty ritualized by the time I got there. We would make our report as the administering authority then the governments of the elements of the Trust Territory would make reports and then individual petitioners would come forward with specific complaints, requests for redress, and so forth. And then the British and the French would get together and write a short report that would be sent on to the Security Council. The Russians would object to some portions of it and we would vote for it and it would all be wrapped up again for another year.

Q: I would have thought that within the General Assembly or something this would be one of those places where not necessarily the Soviets but the neutral block would beat up on the United States. They would do it on Puerto Rico all the time.

TEARE: You are quite right. But there was another mechanism for that. They had been frozen out of the Trusteeship Council, Security Council channel by our foresighted arrangements back in the '40s. But what had been developed was something called the Committee of 24, a body of the General Assembly, which took upon itself to evaluate all non self governing territories, including places like St. Helena, Ascension Island and the Falklands and American Samoa, Puerto Rico, Guam and so forth. We have always taken the position, and take that position down to the present day, that they have no right to talk about Puerto Rico or Guam because those places have freely chosen their status with the United States and it is all settled. We have refused to recognize the jurisdiction of the Committee of 24 in this matter. But certain people on the Committee of 24 have kept after us nevertheless over the years. That has always been another circus and a half!

But in the Trusteeship Council, Security Council chain on the Pacific Islands, we were essentially invulnerable. Oh, we could be embarrassed and sometimes the British and French joint report would say something mildly critical...educational standards in Ponape have not advanced in a degree commensurate with others...but it was all very gentle and civilized.

We did have occasional special meetings of the Council, too, when we were trying to get something done.

So anyway I had labored on that for three years. It was always interesting. I never had the sense that I was spinning my wheels precisely but at the same time I cannot point to a lot of progress during that period.

Q: What was your feeling when you left in 1983 about the future? You know you could almost see pretty much where the negotiations were going to end up and that we'd be paying out a certain amount of money for a certain period of time. You had been out to see these places hadn't you?

TEARE: Yes I had made two or three extensive trips there.

Q: So what did you see whither these countries?

TEARE: Well very murky futures because the Islands have very little in the way of natural resources and indeed some of the indigenous skills they had such as fishing have pretty well atrophied in the last couple of generations as they have been able to get imported food. It is a lot easier to open a can and get mackerel out even if it was caught in your waters and then up to Japan for processing and it comes back to you than it is to go out and catch one yourself. Or tuna.

Furthermore I had real questions and I think my worst fears have been borne out about the ability of the Islands to manage the money they would be getting. Would they invest it productively or would they spend it all as soon as it reached them? Would they train their people? Would they send people offshore to acquire skills, would they get them back? Would they come up with a better crop of administrators and teachers than they had in the early '80s? All those things. Would they develop tourism, for example? Would they work hard enough? The story is that the Palauans wouldn't work even for the Japanese so the Japanese sort of shunted them aside and brought in conscript labor from Korea and Taiwan to run the sugar plantations which existed on Palau in the 1930s.

The work ethic is not high there and so you had to fear for their future and I did. Some very bad investments and shady practices also compounded it. The Palauans about the time I was leaving got into a contract for a power plant with a British company which people said they didn't need, couldn't afford, and so forth. They somehow managed to borrow money to enter the power plant deal on the strength of the payments they were later to receive in future years from the United States! So they were mortgaging the compact money in advance. That did not augur well. And indeed Palau had a lot of political troubles internally, apart from this question of the anti nuclear Constitution which tied everything up for a long time.

The first President, Haruo Remeliik was murdered two or three years into his term of office. And the next President, Lazarus Salii killed himself. So this is not a very stable political life for a brand new country of 60,000 people...ridiculously small, too. Can any place of that size be viable? In the Marshall Islands the highest point of land, I think, is six feet above sea level. They are subject to storms and tsunami. Ponape you've seen for yourself. It has got a bit of scenery. It is a volcanic island with...

Q: No real beaches.

TEARE: No. True. There is said to be great diving however in the wrecks of World War II warships in Truk Lagoon. But there is not much there. To the extent that there are hotels, or at least there were as of 1980, it was the result of one man, Bob Six of Continental Airlines who had developed a subsidiary that became known as Continental Air Micronesia. It established resorts in I think Ponape and Palau and tried to get a little tourist industry going but I don't think it has really prospered since.

The one exception perhaps is tourists from Japan who were already going to Guam in considerable numbers to get married or on their honeymoon. Palau managed to get quite a few Japanese tourists at least for awhile and they still have them coming in.

But other than that there didn't seem to be much in the way of an industrial base. Agriculture was not even subsistence...a lot of taro but not too much else grown.

Furthermore the health of the population was a worrisome factor because a lot of the Islanders I think are predisposed to obesity. Here they were drinking soft drinks and beer from the United States and eating pretzels and potato chips and not fishing or getting any other physical exercise. There was a lot of obesity, diabetes, and early death from heart attack and stroke. That sort of thing.

It was a grim picture and I don't know that it is significantly better today.

SAMUEL B. THOMSEN Micronesian Status Negotiations Washington, DC (1983-1987)

Ambassador Samuel B. Thomsen was born in Minnesota in 1931. After serving in the US Army from 1952-1954 he received his bachelor's degree at University of California Los Angeles in 1956. During his career he had positions in Vietnam, Laos, Washington D.C., Botswana, Nigeria, and an ambassadorship to the Marshall Islands. Ambassador Thomsen was interviewed by Charles Stuart Kennedy in August 1996.

THOMSEN: Well, when I arrived, we were thinking for U.S. congressional approval. Congressional approval for the compact of free association was both the approval of a treaty, an international agreement, and an appropriation's act because within the compact of free association there was language which called upon the United States to provide funding for the island governments over a 15 year period with "full faith and credit." Full faith and credit means that the appropriation was for 15 years. As I indicated, Congress did make a number of changes which then required it to go back to the island governments, and it did, and they approved it. And then the next step would be for the United States, and the island governments, to announce a date certain for the implementation of the compact. Now a complicating factor here is, that although the Federated States of Micronesia, and the Republic of the Marshall Islands, had completed all of their process. The Republic of Palau had in its constitution a requirement that to allow the presence of nuclear weapons in its territories required a vote of 75% of the population--approval of 75% of the population. The compact of free association among its other strategic elements, which I've discussed, allowed us to transport through, or to store in, their territorial waters weapons without distinguishing between nuclear and non-nuclear. That provision of the compact was interpreted by a U.S. judge in the Trust Territory to mean that that element of the compact required a 75% approval in Palau. Now Palau had approved the compact by about 67% already once. But that judge's interpretation--by the way he, Bob Hufner, was a fraternity brother of mine from UCLA, a fascinating coincidence--his interpretation meant that that 67% approval was not an approval. So what we had thought would be a simultaneous transition among the three island states to free association, was not to be. We're talking now about the '85 period. Palau went through a series of agonizing re-votes and renegotiations with us until finally about 1990 they

passed a compact that met the judicial standards. But by that time, in 1986, for the reason I described earlier, the Kwajalein labor dispute, and the pressures from the two island governments that had already gone through their process, we terminated the Trusteeship for the Commonwealth of North Marianas, which had been in abeyance for several years. They had approved commonwealth I think in the late '70s. And then for the Marshall Islands and for the Federated States we terminated the compact in October of 1986 but the Trust Territory hadn't come to an end because Palau was still a Trust Territory because they hadn't approved the compact.

The critical aspect of this gets into a very arcane issue with the United Nations. And that is whether we could terminate the compact in part, or did it have to be terminated as a whole. There we had a fight within the United States government which included our legal advisor at the United Nations. They did not want us to try to terminate partially, and that finally had to go to the President of the United States for a presidential determination that we indeed would, against the best judgment of our legal advisors in New York, terminate partially. The reason for the problem was some governments would not accept that we had terminated partially. That you could not terminate a Trusteeship partially. You had to terminate it all at once. But we did terminate it, and we simply informed the United Nations that we had done this, and then we prevented the counter effort by the Soviet Union and others to try to say we couldn't do it. We simply did it.

Q: Why didn't they want you to do it?

THOMSEN: Well, the Soviet Union particularly, but China kind of passively and quietly did like the idea of free association. They wanted to force us, and they didn't spend a lot of effort on this but they wanted those countries to be independent. They didn't like free association.

Q: By the time you came on board, had it already been determined by plebiscite or however, that there would be Saipan, the Marshalls, the Federated States of Micronesia, Palau, that these would be separate? Had we made any efforts earlier on to get them all together?

THOMSEN: We had intended they would be together, and the compact of free association was called in the singular the "Compact of Free Association" right up until the end. Even though by the end there were three different compacts already being negotiated. But our intention was from the beginning that there would be a Federated States of Micronesia which would include the Marshall Islands, Palau, and the Northern Marianas. The Northern Marianas possibly because of being so close to Guam, and seeing the advantages of citizenship, fairly early on said they did not want to be a part of the Federated States of Micronesia, but they wanted to be a part of the United States. So they opted out kind of unilaterally, and although we put up a fuss, maybe pro forma, maybe more than that. Ultimately we acquiesced to their plebiscite, and they had a plebiscite. The relationship with the Northern Marianas is in a document called the covenant, which gave them U.S. citizenship, and established them as a commonwealth of the United States, with some advantages which you'll be interested in. One is that they have control over their own immigration process. That is to say, they can let anybody in they want without regard to the United States immigration laws. You may know that today there are more mainland Chinese on Saipan than there are Saipanese.

Q: *I* think also we had a lot of problems, didn't we, because all of a sudden wealthy Iranians were coming in and getting visas that would allow them to get to the United States.

THOMSEN: It got very, very complicated. I should mention with regard to the freely associated states, a part of the compact says that citizens of the freely associated states can enter and reside in the United States without a visa or residing documents. Of course, they can obviously provide citizenship to anybody they want to. But anyone who obtains citizenship of any of the freely associated states with the purpose in mind of gaining access to the United States under the special relationship privileges shall not be admitted to the United States. And it's up to the consular officer's judgment as to whether or not that holds. Particularly with the Marshall Islands, I spent a lot of my time trying to convince them not to sell passports to Chinese in Taiwan, or in Hong Kong because they were not going to go any further than the Marshall Islands, no one in my embassy was going to issue anybody a visa for access to the United States to anyone who by any means had gotten a Marshall Islands passport, and hadn't spent at least seven years there. They never gave up. I think to this day this is an issue. They are selling passports and hoping that somehow they'll finally be able to get them through United States immigration.

Q: During this time, we're still talking about the '83 to '87 period, what about dealing with the various groups. I assume that as you worked with Congress you had to keep going back and forth. One, who was representing them here in Washington, and how did this cooperation or negotiations work out?

THOMSEN: That's a good question. The Marshall Islands, just after I arrived when we began the congressional push, sent over their Chief Secretary, which is the equivalent of a prime minister, and their Attorney General, who was actually an American. They resided in Washington. Later on they also sent a full time representative although he did not have diplomatic status to be in Washington with them. The Chief Secretary and the Attorney General operated out of our offices, and we became a team. The Federated States of Micronesia was more arm's length. They had quite an effective counsel in Washington. They also had a very effective legal counsel, an American, Jim Stovall. That team also worked closely with us.

Q: Because the basic issues had all been resolved.

THOMSEN: We were now working together to try to get this through congress. Palau was more arm's length even yet. But for most of the negotiations a man named Lazarus Salii, a brilliant man, was their president, and we were on the phone with him almost daily working out the elements of the relationship. Although Palau ultimately got on a totally different track, so we were talking about different things entirely with Palau than we were with the other two. For that reason it wasn't as urgent for Palau to be physically present.

Q: During the negotiations, this is I think before your time as I recall, there was somewhat of a scandal about bugging the negotiations. Could you talk a little about that?

THOMSEN: I can tell you what I know, and that is it's quite likely, or I suppose virtually unquestionable now. I mentioned President Salii. Prior to that he was their chief negotiator, in

fact he was one of the principal architects of free association. When they were negotiating on Saipan...Saipan was the headquarters for the Trust Territory, and there was an American bureaucracy on Saipan. They were not employees of the United States government. They were employees of the Trust Territory administration. They had quite a complex. It had been a Navy headquarters after the war, and often the negotiations would occur there. Well, one night apparently Laz Salii knocked over a table lamp and under the table lamp was a microphone. It was quite a scandal at the time. It set us back, but sadly enough it simply confirmed what a lot of them suspected, that we were using other means besides simple across the table negotiations. The fact is, as far as I know, that there was nothing ever said in the proximity of that microphone of any value. But one of our intelligence agencies was resident on the island doing mainly operations regarding Taiwan, and apparently they got bored. I can't imagine how they got authorized to do that, or what value they thought it would be. But yes, that did occur. And it still pops up from time to time.

MICHAEL G. WYGANT Chief of Mission Micronesia (1987-1990)

Michael G. Wygant was born in Newburgh, New York in 1936 and was raised in Montclair, New Jersey. He received a bachelor's degree from Dartmouth college, where he passed the Foreign Service exam during his junior year. He served briefly in the U.S. Army before entering the Foreign Service in 1959. Mr. Wygant's career included positions in Zimbabwe, Togo, Vietnam, and Gambia. He was interviewed by Charles Stuart Kennedy on August 14, 1990.

Q: Who's out there now?

WYGANT: Aurelia Brazeal will be sworn in, as a matter of fact tomorrow, to be the first ambassador with the title of ambassador to the Federated States of Micronesia. She's my successor.

Q: What's her background?

WYGANT: She has quite an extensive background in economic affairs, and specifically with Japan. Most recently, she was minister-counselor for economic affairs in Tokyo.

Q: But she's a career officer?

WYGANT: She is a career Foreign Service officer, yes, and she will be going out very shortly to head the embassy.

Q: Shall we move from Saipan now to Pohnpei?

WYGANT: Sure.

Q: Were there any major problems that you had to deal with in this '87 to '90 period?

WYGANT: Our major job was to establish an embassy; to get ourselves into a building, which had been built for other purposes but which we adapted as a chancellery; to build a couple of residences for myself and for my deputy; and, to recruit and train a local staff. May I add we now have a very good local staff of four Pohnpeians. We also have an American "Part-time, Intermittent, Temporary" employee, who is neither part-time, intermittent, nor temporary--she's the admin. assistant who works a full forty-hour week plus. She is an American citizen who speaks Pohnpeian and has lived in Pohnpei for many years, and is a very valuable member of the team.

That, I suppose, was the basis of our work, where we started really from scratch in a country that is poorly served by outside communications. Everything has to be shipped in or air-freighted in. Shortages often develop. There aren't too many people with mechanical servicing capabilities, so when machines break down, sometimes you have to ship the machines thousands of miles to get them fixed. The utilities are problematical, especially electricity, so we had a lot of problems with getting our electrical equipment up to snuff and then keeping it that way.

Steve Mann, who was the FSO I introduced to Pohnpei in August 1986, worked out of a hotel room for a while and then had a small office in the Peace Corps headquarters. We came a long way over a four-year period to where we have a functioning chancellery and a couple of residences which work quite well, and our presence on the island. As I say, we now have four foreign embassies there, but for most of the time we were the only embassy in town.

On the substantive side, the most important responsibility we had was to secure greater international recognition of what had actually happened, to convince major countries such as Japan, Australia, New Zealand, and China that free association was a reality, that the trusteeship was finished, and that what we had here were countries that were able to handle their own foreign affairs as well as internal affairs.

The only link that we have which might call into question the full independence of the FSM is the security link.

Essentially there was a tradeoff, whereby we would continue over a fifteen-year period to provide substantial amounts of economic assistance to the country, because the country still needed a good deal of economic and development assistance to survive.

We in turn would get the security assurances that we wanted. First of all, that the FSM would never invite a third- nation military force in without discussing it with us and basically getting our permission. We refer to it as a policy of strategic denial. We have no plans to put any kind of military forces into the FSM or to build any bases, but we wouldn't want any other country to do it either. Secondly, the U.S. assumes responsibility for the FSM's defense, in that the Micronesians have no military, naval, or air forces.

I think you have to look back a bit into the history and realize that the Japanese had heavily fortified this area and used Micronesia to attack us: Pearl Harbor, to begin with, and then later on, into Guam and into Southeast Asia.

So that was the tradeoff.

Q: How did you deal with and what was your impression of the government cadre there?

WYGANT: I think, at the top, they have some very good people. The president, who was there when I first arrived, Tosiwo Nakayama, was a wise and well-revered statesman who had led his country for a number of years toward this ultimate goal of free association. Rather ironically, the way the FSM constitution works, a president may only succeed himself once after an initial four-year term, so you can get two four-year terms maximum, and then must retire. Nakayama was coming to the end of his eighth year when the compact finally came into effect, so he actually was only president for a few months into the new period.

He was succeeded by a much younger man, a Yapese senator, John Haglelgam, who had had a distinguished career in the Congress for about ten years. Haglelgam was quite different in his approach, but has been successful as president. The FSM has displayed a good deal of political maturity, in that an administration could be changed without any tremendous change in government.

So my dealings, if you will, started at that level and then extended through the Cabinet and the governors of the four states.

Q: *What was your impression? I mean, was this a matter of our trying to let go? It's always difficult. I mean, these places don't sound like they're very economically sound.*

WYGANT: The economic development of the area is still at a rudimentary level. The FSM has a population of about 100,000. There is hardly any manufacturing in the islands. The country has enormous potential in fish resources, and what we're trying to do is to get American fishing companies to be more involved and interested in the FSM, with some degree of success. Local fishing for export, however, remains at a rudimentary level.

The island of Pohnpei has agricultural potential, because it does have 125 square miles of highly fertile tropical land. The Japanese grew a lot of vegetables, sugar, rice and other crops during the time they ruled on Pohnpei.

But agriculture is not much of a prospect for other islands. A certain amount of copra is grown on the outer islands and around the fringes of the main islands, but copra is not a product that has done very well on the international market over the last several years.

The main industries, if you will, are government and the provision of services. The private sector, in some areas, might be roughly equal in size, in payroll size let's say, to the government, but in other cases the government actually has the edge. It is difficult to conceive of ways that

economic development will work in a country that has so little land and such vast sea areas and problems with communication.

But slowly, I think some progress can be made. The goal of the first fifteen years of the compact is to try and develop a greater self-sufficiency through substantial economic assistance from the United States, so that at the end of the fifteen-year period (which ends in 2001), the FSM may have a higher degree of self-sufficiency than at present. Up until recent times Micronesia has probably been about ninety percent dependent on the economic assistance it gets from the United States. If that could be reduced to seventy or eighty percent, this would be a substantial achievement.

Q: I would think that there would be some concern on the part of the American representative, you yourself and others, and maybe on the part of the island people, about the return of the Japanese who by economic penetration might bring them into its orbit.

WYGANT: This has already happened to a large degree in the Northern Marianas. Now around half a million Japanese visitors come into the Northern Marianas in a given year. There has been an explosion of hotels, tourist services, etc. This is not yet happening in the Federated States of Micronesia, largely I think because the islanders don't really want to see their culture changed that much by a massive influx of tourists. Controlled increases in tourism and some development of hotels, I think, will take place in the FSM over the next ten years, but I don't think you'll see the tremendous emphasis on tourism that you find in the Northern Marianas, or for that matter on Guam.

Q: What about economic investment?

WYGANT: There is some going on, but I'm not aware of any major Japanese economic investment going on in the FSM at the present time.

Q: Are there any strictures against this, either legally or...?

WYGANT: Well, theoretically, no. In principle the four states of the FSM and the national government are very anxious to see joint ventures and more foreign private investment. But when it comes right down to the nitty gritty of getting the permits, of trying to secure use of land, and developing local cooperation, progress is slow. Land can only be owned by local people; no non-Micronesians can own land anywhere in the FSM, or in the Northern Marianas for that matter.

It becomes a question of working out leases. In most cases there are disputed titles over land, and therefore a lease is a difficult thing because you're dealing not just with one landlord, but typically with a group of people who may or may not be related, or who may or may not even be speaking to each other.

Foreign investment also requires certain changes in island ways and the traditional culture to which Micronesians are still very tied. And so it just takes a long time to work out any kind of venture that will be sellable in Micronesia and also economically viable.

A few people have done it. There is one American couple who have built a very successful hotel in Pohnpei, and they also run several other small industries that are associated with the hotel, including a travel agency. They had a lot of patience and put in a lot of hard work and grit. Out there almost twenty years now they are making a go of it. But what is required is tremendous commitment, dedication, and patience.

Q: Much of what you've said has gone around the various constitutions of these groups. Were these sort of homegrown constitutions, or copies of the United States's one? How did they come about?

WYGANT: Well, the constitutions are a mixture. Back in the early days of the Trust Territory, from the mid-Forties until the early Sixties, and the Kennedy administration, one might say the Trust Territory was in a state of benign neglect. The Navy, which administered the area until 1952 had a firm policy of expelling all outsiders from the Trust Territory. So all the Japanese, Koreans, Okinawans, and others who had come in droves during Japanese administration were sent back to their home countries. Beyond that, the administration was very light. Few resources were put in. Nor was much required of the islanders; they could just sort of do their own thing and be themselves.

This continued until about 1960 when the United Nations sent one of its regular visiting mission to the territory. Members were quite critical of the fact that the U.S. hadn't done much to develop infrastructure, hadn't done much to develop economic or social change in the area, and also was not doing enough in education, was not doing enough right across the board.

This being the Kennedy administration, there was a great deal of concern with the report of the UN mission, and the U.S. administration decided that by gosh, you know, we will start doing these kinds of things. So the money going out to the Trust Territory increased enormously in the early Sixties.

By the mid-Sixties a new equation was added when the Peace Corps began to arrive. At one time we had 700 Peace Corps volunteers in a country whose population then was 70,000, so you had about one Peace Corps volunteer per hundred people. The Peace Corps made a tremendous change in terms of attitudes, in terms of awareness of political rights and related opinions.

So that by the end of the Sixties the Micronesians were saying, look, this trusteeship arrangement is antiquated and we've got to modernize and update our relationship. I don't think there was ever a particularly serious desire to be completely independent from the United States, but there certainly was a desire to be far less dependent and more in control of their own affairs.

That awareness developed into the beginning of the negotiating phase. The negotiations went through several permutations before we finally got the agreement signed in 1983. In fact the negotiations extended over a period of about fourteen years.

Q: You mentioned Ambassador Zeder. What was his background?

WYGANT: He is a businessman, and has been a banker. In the mid-Seventies during the Nixon and Ford period, he was the director of territorial affairs in the Department of the Interior. So he has a mixed background of government and private sector experience. He was selected to head the negotiations because of his knowledge of the area based on the time he had been in the Department of the Interior. He is now, by the way, president of the Overseas Private Investment Corporation.

Q: Well, Mike, we're at the end of this now. But you have probably had more experience than most in this Pacific area, which is almost an unknown area for most people, even those concerned with foreign affairs. Where do you see things going there?

WYGANT: I think the next major step is to resolve this U.N. question, on the political side, where we can finally get U.N. agreement that the trusteeship has been terminated for the FSM, the Marshalls, and the Northern Marianas. It is important that the Marshalls and the FSM continue to broaden their relationships with other countries, most specifically with the European countries, who seem to have the biggest problem. And I think that's doable, even absent any particular change in the Palau situation.

I guess the other major issue, and one that will be with us as far into the future as you can see, is to try and stimulate greater economic development and growth of the economies at the grassroots level in Micronesia. This can be done through joint venturing. This can be done through greater efforts on their part. The Micronesians are going to have to develop their infrastructure, and they have the wherewithal through the compact funding to do this. And they are making some progress.

Remember that things move very slowly in the islands. There is a pace of life in Micronesia which is different than that of any other place I've been. Certainly different from Africa; also different than the Soviet Union or really any other place I've been. It just takes a long time to get things done.

The FSM is particularly complex, because it is a federation of four states. Each state has a tremendous amount of local autonomy. You could almost conceive of the FSM as being more like the United States under the Articles of Confederation than under the U.S. Constitution.

The governors have their own ideas about things, and they also have legislatures with which they have to work. The legislatures are developed on a checks and balances system. The constitutions are really very much modeled on the U.S. Constitution, so there is a good amount of wrangling between governors and legislatures, and, at the national level, between the president and the national Congress.

Q: Because of the small population and the number of legislatures, it sounds very much like a New England town meeting type of government, which is interesting but doesn't necessarily get an awful lot done.

WYGANT: Yes, that is the situation. And quite often decision making is paralyzed because of disagreements either within the Congress or the legislature, or between the Congress or

legislature and the president or the governor. They move on the basis of consensus, and sometimes it takes a long, long time to put that consensus together. Once they have decided and there is a consensus, then things can move. But it takes a long time.

JOHN "JAY" TAYLOR Micronesian Status Negotiations Washington, DC (1992)

John J. Taylor was born in Arkansas and attended Vanderbilt University before joining the US Marine Corps and eventually the Foreign Service. Overseas Taylor served in Ghana, Taiwan, Malaysia, China, South Africa and Cuba. He also served in INR, the NSC, as the deputy assistant secretary for intelligence coordination and as the chief of mission in Cuba. Taylor was interviewed by Charles Stuart Kennedy in 2000.

TAYLOR: Well, that was my Korean experience. Then I was assigned to the Micronesian Status Negotiations Team. The team was commissioned to negotiate with the various Micronesian entities - The Marshall Islands, the Carolines, and the Marianas - on their future political status. The chief negotiator was senior FSO Phil Manhard, who had been in prison in Vietnam for five years. He had been the US Consul in Hue when taken prisoner by the Viet Cong. My assignment as Phil's deputy was also an interesting experience. We convened a big conference in Honolulu with the Micronesians and their lawyers and advisors. The meeting went on for about a week and produced what became the final agreements on the status of the Micronesians.

Phil was a very talkative person. When he first called me on the phone to offer me the job as his deputy, I listened to him for almost an hour. I soon found out he also talked at great length also in the office. I assumed that this trait was a reaction to his having been in prison for so long, mostly in solitude - five years in the Hanoi Hilton! At the Honolulu conference, Manhard delivered the opening remarks. He talked on and on and on. After an hour, I began to wonder whether there would be any end. He talked until lunchtime. It turned out that Phil's style was making the Micronesians feel right at home; that was their way of negotiations - the elders sit around and talk and talk until they are worn down and finally they all agree on something. Consequently, it turned out to be a successful negotiation.

MARY ANNETTE "ANN" WRIGHT Chief of Mission Palikir, Micronesia (1998-2000)

Ms. Wright was born in Durant, Oklahoma in 1946 and graduated from the University of Arkansas in Fayetteville. She has served in numerous posts including Managua, St. George's, Tashkent, Bishkek, Freetown, Palikir, Kabul and Ulaanbataar. She was interviewed by Charles Stuart Kennedy in 2003. WRIGHT: Then I went on to another assignment as the deputy chief of mission in Micronesia, the Federated States of Micronesia. I was the chargé there for a little over a year until we finally got a political appointee ambassador. The interesting part of that assignment was tracking down all the U.S. federal programs that we have there through a compact of association that the U.S. government signed with Micronesia in 1987. In 1987 the FSM left behind fifty years as a UN trust territory with the U.S. as the trustee and became an independent country. The U.S. wanted defense rights for the huge area of the Pacific Ocean that Micronesia has and we were willing to pay, over a fifteen-year period, \$1.5 billion for those rights. Per capita it is the fourth largest aid program that the United States government has. But it's not called an aid program; it's a compact payment program. The Compact provided Micronesians with access to over 100 U.S. federal programs in health, education and housing. You name it and they were eligible for it. Unfortunately nobody had really been watching what was going on with the programs and there was a huge amount of graft and corruption in them. So for two years I helped sort out the graft and corruption, to the extent that I was almost declared persona non grata from a country that has the strongest voting record with the United States that there is; but because of the dirt that we uncovered on some of the key leaders of that country, I almost got thrown out of the country.

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