

**THE OPEN DOOR IN PARADISE?  
UNITED STATES STRATEGIC SECURITY AND  
ECONOMIC POLICY IN THE PACIFIC ISLANDS, 1945-1947**

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**Between 1945 and 1947, the United States set out on an imperial course to guarantee its future security in the Pacific Basin vis-à-vis potential aggressor nations in East Asia. Ensuring U.S. strategic control of the area meant wielding physical control over the economic resources of the Pacific islands conquered from Japan, especially the Mariana, Marshall, and Caroline groups composing Micronesia. By coupling these indigenous economies to that of the United States, American officials, particularly military officers, hoped to develop a local economy that could subsidize an American administration. Some even suggested creating a market economy in the islands that could buttress long-term U.S. control of the area by “Americanizing” the Pacific Islanders through the introduction of mainstream American consumer goods and social services. Historians have much to learn from this neglected episode of early Cold War history, since the economic administration of the Pacific islands conquered from Japan provided an exception to U.S. postwar protestations of “open doorism.” Scholars of international relations will note the broad manner in which U.S. officials defined “strategic” security for the Pacific Basin. Finally, students of American “exceptionalism” will find interest in American officials’ narrow, even legalistic, definitions of “imperialism,” used to deflect international criticism that the United States was retreating from its wartime support for the decolonization of empires.**

**BETWEEN 1945 AND 1947,** the United States sought to guarantee its security in the postwar Pacific by taking direct control over several island groups conquered from Japan. American policymakers, planners, and strategic

thinkers were convinced by the perceived failure of the Washington Treaty System, the Japanese attack on Pearl Harbor, the costly island-hopping campaign in the central and western Pacific, and rising tensions with the Soviet Union that future American security in East Asia could only be ensured by consolidating control over the Pacific Islands and turning the Pacific Basin into an "American lake." U.S. consolidation included a significant economic dimension, since economic control over the region was seen as one strand of a broad, multidimensional policy to ensure American national security in the region. Three aspects of this economic dimension to American Pacific policy are important for historians who are attempting to decipher U.S. actions in this part of the world during the early Cold War.

First, American economic policy in the postwar Pacific Islands was an exception to postwar American protestations of free trade and "open doorism." The Pacific Basin represented one area of the world in which the United States did not attempt even a rhetorical free-trade approach to postwar reconstruction. While some State Department personnel argued for open areas of trade in Micronesia and the Philippines, most American policymakers and planners had no intention of leaving the Pacific Islands "open" to foreign merchants of any nationality because of the perception that foreign economic penetration could be a forerunner to the subversion of an American administration.

Second, the economic dimension of U.S. policy illustrates that Americans defined strategic security in the Pacific Basin in a broad sense. To policymakers and planners, physical military control over these strategic islands meant the economic penetration of the region and control over its resources, harbors, and airfields, as well as tactical military control. Even military officers, strategic thinkers, and members of Congress who believed the islands held potential for exploitation recognized that policymakers sought to penetrate the regional economy primarily for reasons of physical control and security, not for economic gain.

Third, American efforts at physical economic control over the islands reveals an intriguing phenomenon of self-denial by U.S. officials about American imperialism. Policymakers and planners defined the word "imperialism" along very narrow lines to repel charges by other nations that the United States was indulging in "territorial aggrandizement." These individuals hoped to deflect international charges of great power imperialism by claiming that the United States wanted control of the islands in order to guarantee international stability and security in the Pacific region, not to close the area to other nations because of national insecurity resulting from the Japanese attack on Pearl Harbor.

### **American Exceptionalism and the Postwar Pacific**

The American assumption of complete economic control over Micronesia in 1944-1945 and the repatriation of all East Asians by the end of 1947 was taken as a logical step toward ensuring U.S. strategic security in the region. Given the degree of control that the Japanese had exercised over the Micronesian economy,<sup>1</sup> economic control and repatriation were seen as necessary measures to eradicate Japanese influence from the islands. Commander Dorothy Richard cites the repatriation order of the Joint Chiefs of Staff as evidence that security, not exploitation, was paramount in American priorities. By removing all Japanese, Taiwanese, Ryukuans, and Koreans from the islands, the United States Navy effectively removed the professional and skilled classes of interwar Japanese Micronesia,<sup>2</sup> making it impossible to re-create the “artificial, capitalistic type of prewar economy” after 1946.<sup>3</sup>

The idea that American motivation was based on military security and not on economic exploitation, in fact, became the main argument of American policymakers and planners who asserted that the U.S. sphere in the postwar Pacific was inherently different from the European and Japanese imperialism of the late nineteenth and early twentieth century or the Soviet imperialism of the mid-twentieth century. However, U.S. acquisition of the islands made charges of “territorial aggrandizement” by other nations likely. This possibility prompted officials to seek to justify American control. Their justifications reveal distinct attitudes toward the definition of imperialism, the role of economic exploitation in that phenomenon, and the recurring idea of American exceptionalism in international relations. There was a widespread attitude among American officials that since the islands had a small population, were sparse in resources, and were commercially “primitive,” U.S. control did not constitute “imperialism” in the traditional European sense of the term, because the economic exploitation of a significant indigenous population was not taking place. This mindset was enunciated by officials at many levels of the policymaking bureaucracy.

For example, as early as June 1944 Admiral Harry Yarnell, head of the Chief of Naval Operations, Special Planning Office for Postwar Demobilization, argued that the American acquisition of the Japanese Mandated Islands should not be considered a violation of the August 1941 Atlantic Charter and should not set a precedent for unilateral territorial annexations by other nations, since the islands “have little commercial value and their maintenance would be a continuous source of expense.”<sup>4</sup> The idea that the United States was not indulging in traditional imperialism because of a lack of apparent economic motive in Micronesia was asserted more clearly by Secre-

tary of War Henry Stimson in January 1945. Stimson added to Yarnell's argument by claiming that U.S. actions were not self-serving but were meant to provide stability and security for all nations in the Pacific Basin. Arguing to Secretary of State Edward Stettinius, Stimson stated that the islands should not be regarded as colonies but rather as "defense posts" necessary to the nation responsible for security in the area. Stimson then suggested that the United States was merely keeping the islands "in trust" for the world and not for any national advantage.<sup>5</sup>

Stimson and Secretary of the Navy James Forrestal again used this narrow notion of imperialism to argue to President Harry Truman in April 1945 that U.S. actions in Micronesia would not constitute imperialism by any standard of measurement. Like Yarnell, both men stated that the islands held no commercial value and would be a burden on the United States treasury. Both men also used this argument to conclude that there was a "fundamental difference" between the American strategic trusteeship in Micronesia and the trusteeships being established in other nations' colonies throughout the world. The secretaries subsequently suggested to Truman that this difference should be emphasized to the United Nations as a way to lobby for comprehensive American control over the region.<sup>6</sup> Later, during the House hearings on Navy appropriations for fiscal year 1946, Forrestal expounded on the idea that imperialism required economic motives and that American control over Micronesia did not constitute that type of situation. He claimed that the islands were nothing but "sandspits in the Pacific," that they represented no great economic asset, and that they were therefore "quite different from the acquisition of territory in the old imperial sense."

In August 1946, Forrestal even convinced Truman to keep the United States Commercial Company (USCC) under Reconstruction Finance Corporation (RFC) auspices, rather than Navy control, in order to repel charges of economic aggrandizement. Charles Henderson, chairman of the board of the RFC, had wanted the United States Commercial Company transferred back to the Navy Department. Henderson's reasoning was that the United States Commercial Company, the postwar heir to the Foreign Economic Administration and the agency with primary responsibility for the postwar economic welfare and rehabilitation of the islands, had originally been created, supplied, and administered by the Navy. Henderson therefore argued that RFC personnel and administration created an additional layer of bureaucracy at a time of fiscal retrenchment and that the Navy had the means to carry on the economic administration of the islands itself. Forrestal countered that keeping Micronesian economic administration in the hands of a federal civilian agency would prevent the economic administration of Micronesia from appearing to the world to be military or eco-

conomic exploitation for the benefit of the United States. Truman concurred and, though reluctant to turn the political administration of the islands over to civilians in the Interior Department in 1946, kept the United States Commercial Company in charge of Micronesia's economic administration until 1947.<sup>8</sup>

The Joint Chiefs of Staff and its subordinate Joint Strategic Survey Committee continued the line of thought that the acquisition of territory without apparent economic motive dispelled the notion of imperialism. Writing in January 1946, the two bodies stated that the United States had historically been an "anti-imperialistic" nation and that the acquisition of territory with no commercial value "is not believed a substantial departure from this position."<sup>9</sup> The Joint Chiefs even used the sparse population of Micronesia and its "low state of political and economic development" to justify arguing for annexation of the islands because of concern about the efficacy of U.N. trusteeship arrangements.<sup>10</sup> In addition, it tried to use the same arguments about population, resources, and an "underdeveloped" central government to deflect Soviet proposals to have "independence," rather than "self government," established as the eventual political goal of the Micronesian trusteeship.

Individual members of the Joint Chiefs of Staff also separately subscribed to the view that branding a nation as imperialistic required some degree of economic motive or exploitative intent. Fleet Admiral Chester Nimitz, chief of naval operations, reiterated before Congress the lack of economic advantage for the United States in Micronesia and stated that the United States sought security, not "riches," in the Pacific. Nimitz then used this justification to argue that trusteeship should not be applied to the American administration over Micronesia, because the islands did not represent a "colonial problem."<sup>12</sup> Similarly, General of the Army Dwight Eisenhower, Army chief of staff, denied any economic motive on the part of the United States during July 1947 hearings before the Senate Foreign Relations Committee and placed American motives strictly in terms of military security.<sup>13</sup>

Cabinet officers, the Joint Chiefs of Staff, and high-level planners did perceive an economic dimension to American national security policy for the postwar Pacific, but they consistently denied that this dimension entailed traditional imperialism. Seeing economic penetration strictly in terms of physical military control, officials linked inter-war and wartime events to the concept of American exceptionalism and asserted that territorial control for strictly military purposes was not imperialism as long as the economic exploitation of a large indigenous population was not taking place. Officials who were opposed to the idea of strategic trusteeship even linked this narrow interpretation of great power imperialism to the concept of American excep-

tionalism in order to assert that the United States was justified in annexing the Pacific Islands, since its motives were allegedly so pure.<sup>14</sup>

Critics might argue that these officials were too knowledgeable about world affairs to believe this interpretation of imperialism and were merely demonstrating their cynicism about the entire matter. Obviously, some sort of explanation had to be produced to justify to the American public and to the world the wide gulf existing between wartime rhetoric about dispensing with territorial gain and the postwar reality of control over the Pacific Islands. Yet as numerous historians of U.S. international relations have demonstrated, American exceptionalism has been a widespread and sincerely believed concept in American history, however hypocritical it may have appeared to contemporary foreign nationals or later generations of historians.<sup>15</sup> The tone of the reports and diary entries and the repeated concerns of these officials have convinced me that the officials believed they were administering the Pacific "in trust" for other nations and the Pacific Islanders. The officials cited genuinely believed that postwar international security and stability were dependent on sacrifices by the United States, whose modus operandi as a great power was characterized by American exceptionalism rather than the rapacious exploitation of traditional imperialism.

### **Economic Security and the Postwar Pacific**

Regardless of their denials of U.S. economic aggrandizement, military officials were apprehensive about foreign economic activity in the islands. To these individuals, any economic activity by a foreign national could potentially support espionage activities by foreign governments, something the United States had been concerned about during the inter-war period.<sup>16</sup> This concern manifested itself in a disagreement between the State and Navy Departments over the transit and trade rights that foreign nationals were to have in postwar Micronesia. The disagreement was part and parcel of a rift between the two departments over the efficacy of unilateral annexation versus strategic trusteeship as the best form of American administration in the postwar Pacific. More important, however, the conflict suggests the degree to which the American planners from both departments perceived economic control as merely another form of physical security.

In September 1946, as the United States was negotiating in the United Nations the establishment and conditions of international trusteeships in former colonial areas, the Navy and State Departments found themselves in disagreement about the inclusion of a "most-favored-nation" clause in the United States' proposed Draft Trusteeship Agreement. Apparently, the State Department believed most-favored-nation status should apply to all nationals

of all U.N. member nations. State Department officials argued that any limitations on economic status would bring about an “unfavorable” reaction against American citizens in other nations’ trusteeships if those nations’ citizens were not allowed full economic rights in Micronesia. To State Department officials, “full economic rights” for foreign nationals meant the same freedom of transit rights by land, air, and sea that American citizens in Micronesia were to enjoy.<sup>17</sup>

The Navy Department’s attitudes toward comprehensive security in the islands came out quite clearly in their response to the State Department’s position. Navy officials argued that the sparseness of the population and resources made provisions for “free-for-all” social, economic, and commercial exploitation unnecessary and that allegedly “subversive” activities could be undertaken under the guise of commercial development, inter-island traffic, and “welfare” activities. Accordingly, the Navy wanted a special status for American citizens in the islands that would clearly set them apart from nationals of other U.N. member nations. This security-conscious attitude on the part of the Navy was made clear to John Foster Dulles as he negotiated the U.N. trusteeship agreements in 1946-1947. In late October 1946, Dulles informed the U.S. delegation to the United Nations that the Navy wanted a trade monopoly over Micronesia to prevent any foreign nationals from photographing the islands or the American bases being constructed there.<sup>18</sup> Apparently the Navy got its way, since the U.S. Draft Trusteeship Agreement, submitted to the United Nations the next month, included special economic and transit rights for American citizens in the trust territory.<sup>19</sup>

The Navy-State rift over Micronesia was similar to disagreements between the State and Interior Departments over the economic future of the Philippines. The State Department wanted that newly independent nation to have an economy that was integrated into a global free-trade system, while Interior Department officials wanted a political economy that was essentially an American adjunct so that the United States could prevent the archipelago from “collapsing” in a turbulent postwar world. Like the Navy in Micronesia, the Interior Department won the dispute over the Philippines, as evidenced by the Philippine Trade Act of 1946, which gave American citizens special economic status in the new republic, provided the U.S. president with veto power over Philippine monetary policy, and established a preferential trading system for the United States in the islands. Still, State Department resistance to Navy unilateralism needs to be put into context. While the State Department put up a fight in 1945 and 1946 over adherence to a free-trade doctrine in the Philippines and Micronesia, department officers never seriously questioned the policy of treating at least the northern Pacific

Basin as a strategic area under comprehensive U.S. control. In 1945, department officers had even assisted the Interior Department in creating the strategic trusteeship concept as a way to provide the United States with a secure buffer zone in the Pacific Basin while maintaining the U.S. facade in the United Nations as an anticolonial power.<sup>20</sup> In short, while the State Department may have opposed certain unilateralist tactics between 1945 and 1947, it never seriously questioned the goal of creating an "American lake" in the postwar Pacific or denied that economic security was a significant part of that process.

In addition to its role in postwar U.S. physical security in the region, the economic administration of Micronesia was linked at various times with other strategic goals. For example, in October 1946 General of the Army Douglas MacArthur, commander in chief of U.S. Army Forces, Pacific, ordered Lieutenant General John Hull, commanding general of U.S. Army Forces, Middle Pacific, to provide assistance to fisheries experts from the Department of the Interior's Fish and Wildlife Service who were carrying out an economic survey of Micronesia requested by the Navy in 1946.<sup>21</sup> The report by the Interior Department supposedly emphasized Micronesian marine production for "Asiatic" markets; and MacArthur was interested in having his subordinate commander assist the United States Commercial Company in the survey, since he believed it was possible that the Caroline Islands could export dried bones and shells for sale in Japan and Korea. MacArthur apparently believed this kind of economic interaction would assist in the "ultimate economic rehabilitation" of both Japan and Micronesia.<sup>22</sup>

Navy Secretary Forrestal succinctly placed the economic control of the Pacific in an even more general strategic context, however, in February 1947, when he argued in support of the U.S. Draft Trusteeship Agreement. In a speech supposedly delivered to foster support for the concept of trusteeship itself, he instead concentrated on the provisions of the agreement that were designed to guarantee unilateral American strategic control over the region. By concentrating on these provisions, he also enunciated Navy Department fears over foreign penetration of the region.<sup>23</sup> Fearing foreign economic activity of any kind, Forrestal conceded that the Draft Agreement provided for significant participation of the islands in the international economy, but he spelled out that this participation had to be fully consistent with the "requirements of security." To Forrestal, these requirements meant fairly wide-ranging "restrictions on the commercial and other activities of foreigners," since the United States "could not allow a national of a potential aggressor to set up even a peanut stand in the shadow of an American base."<sup>24</sup>

Forrestal's attitude was entirely consistent with immediate postwar knowledge of pre-1941 Japanese expansionism. It was common knowledge by 1945



that Japanese economic penetration of Micronesia had begun long before Japan took military control of the islands from Germany in 1914. Moreover, it was known by this time that Japan had had a significant economic stake in East Asia before attempting to gain physical control over that region.<sup>25</sup> Thus, Forrestal's concern about foreign economic ventures in Micronesia was consistent with fears that American control over the Pacific Basin might be less than complete in later years and that incomplete control might "pave the way" for foreign penetration, subversion, control of the islands by another nation, and international aggression similar to the events of 1941-1942.<sup>26</sup> The best solution to Forrestal as well as to most high-level policymakers was to ensure that other nationals did not gain any kind of political, economic, or cultural inroad to island life.<sup>27</sup>

### **An Open Door in the Postwar Pacific?**

At the same time, some important officials in Washington and the Pacific hinted at a more substantial economic role for the Pacific Islands, especially Micronesia, than just as a postwar buttress of U.S. physical control. In addition, there were people in semiofficial and unofficial capacities who seemed to have an "economic vision" for Micronesia and, to some extent, the entire Pacific Basin. These people were mostly, though not exclusively, members of the House Naval Affairs Committee or professional naval officers. Although the accuracy of their ideas about the economic potential of the region is questionable, these individuals saw American economic development of the Pacific Islands as a way not only to eradicate foreign influence from the area, but also to subsidize American administrative costs in the region. Some naval officers and members of Congress even suggested that Micronesia and other areas of the Pacific could be made into a profitable source of raw materials and a market for American capital and manufactures in the 1940s.

William Roger Louis and Elliot Converse have both shown that President Franklin Roosevelt at times believed that military and commercial air routes could be combined at various locations throughout the Pacific Basin to support American economic links to the fabled markets of Asia. Roosevelt felt so strongly about using the Pacific Islands as monopolized commercial transit points to East Asia for U.S. civil airlines and shipping companies that he sent Rear Admiral Richard Byrd and a team of area specialists on a tour of the South Pacific in the fall of 1943 to stake out postwar sites.<sup>28</sup> Byrd waxed enthusiastic about the potential development of joint military and commercial aviation assets in the postwar Pacific. Although Byrd's report is suspect because of his apparent desire to score points with Roosevelt, it is

apparent that Roosevelt saw a strategic interdependence between base development in the postwar Pacific, commercial transit routes to East Asia, the American exploitation of that potential market, and a healthy postwar American political economy.<sup>29</sup>

The goal of achieving administrative and fiscal self-sufficiency in order to subsidize costs was the major focus of at least one congressional report. An August 1945 report by the House Committee on Naval Affairs, Subcommittee on Pacific Bases, titled *Study of Pacific Bases*, offers some insights into American economic ambitions in the Pacific Islands. The subcommittee's ideas revolved around the notion of reducing costs first and then creating profitable opportunities wherever those opportunities presented themselves.<sup>30</sup> The subcommittee was primarily concerned with developing the islands' economies toward "maximum self-sufficiency." It called for research and development of island resources, especially in the area of vegetables, fish, minerals, "native" handicraft, and the development of commercial air and shipping centers.<sup>31</sup> In fact, the subcommittee took the time and trouble to offer fairly detailed analyses of each major island group in Micronesia, focusing on what it believed was each atoll's specific economic potential.

The members were particularly impressed by what they believed was Japan's "proven" ability to make the Marianas self-sufficient in food production and even to create a "two to one" ratio of economic output to administrative costs. The subcommittee felt that because of this economic past, the indigenous population should be able to maintain self-sufficiency in the future, raise their own standard of living, and avoid being forced onto the "dole" by the United States.<sup>32</sup> Additionally, the subcommittee suggested that there was room for productive ventures in the Marianas when it discussed rudimentary industries such as copra production, indigenous crafts, fishing, and even merchant vessel production, the last with a significant amount of assistance from the U.S. government and private American capital. Members envisioned Saipan, for example, being developed into some sort of vegetable, tropical fruit, and dairy production center.<sup>33</sup> Even when the subcommittee estimated areas such as the Marshall and Palau (now Belau) Islands to be of minimal economic potential, it nevertheless explored possibilities for development, such as agriculture, fishing, handicraft industries, and commercial shipping, so that these areas could also become self-sufficient and subsidize American administration to the extent possible.<sup>34</sup>

Self-sufficiency as an economic objective was also suggested by Admiral Raymond Spruance in early 1945. As U.S. Fifth Fleet commander during the war, Spruance had become familiar with the islands. As early as February 1945, he stated that the larger islands of Micronesia, such as Ponape and Kusaie (now Pohnpei and Kosrae), would need to develop some sort of

commercial activity, “if only to take care of the population.”% In December 1945, as commander in chief, U.S. Pacific Fleet, and commander in chief/military governor of the Pacific Ocean Areas (CINCPOA), Spruance ordered the islands closed to all private enterprise, American and foreign, as part of a policy to promote “native” ownership, industry, and economic self-sufficiency. Spruance believed it was the responsibility of the United States to ensure that the Micronesians attained the “the highest possible level of economic independence” as soon as possible, but he wanted to avoid “indiscriminate exploitation” of the islands’ natural resources and of the islanders themselves as cheap labor for American or foreign investment ventures.<sup>36</sup> If providing an economic windfall to American commercial interests had been official policy, Spruance’s order to close the islands to private enterprise was the wrong way to go about operations. Most likely, closing the islands to all private enterprise was a military security measure and promoting “native” self-sufficiency was an attempt at reducing administrative costs.<sup>37</sup>

In 1946 the idea of neatly blending postwar American military and economic goals in the Pacific was again enunciated, this time by Army Air Force Lieutenant General Ennis Whitehead. As commanding general of the Pacific Air Command, United States Army, and General MacArthur’s senior air commander in the postwar Pacific Basin, Whitehead offered means by which the United States could employ private American firms to assist in carrying out strategic goals in the Korean Peninsula, while at the same time assisting the Truman Administration in its military demobilization and inculcating the southern Koreans with notions of American “know-how.” Specifically, Whitehead suggested to MacArthur that the United States award an American commercial airline a contract to provide internal civil air transportation in occupied southern Korea. Whitehead also asserted that the Army could supply the airline with surplus military aircraft to make the contract more attractive and could accommodate the airline with routes that used existing military airdromes.<sup>38</sup>

Whitehead argued that the southern Koreans did not have an adequate infrastructure of trained crews, maintenance personnel, management skills, or radio communications to service the Korean market. Citing precedents in Latin American where the United States had used private individuals or firms to carry out public functions in support of American foreign-policy goals, Whitehead thought it perfectly reasonable for the United States to employ this practice in East Asia. Whitehead, in other words, wanted the United States to employ what Emily Rosenberg calls “chosen instruments,” private citizens and corporations, to help implement official U.S. policy in a timely and, presumably, cheaper fashion.<sup>39</sup>

In spite of Roosevelt’s, Byrd’s, and Whitehead’s enthusiasm for the Pacific

as a commercial gateway to East Asia, self-sufficiency and the reduction of administrative costs, rather than outright commercial exploitation, was the foremost objective for the majority of concerned officials once physical control over the region was assured. Between 1945 and 1947, the Navy's budgetary appropriations dropped from over \$31 billion in fiscal year 1945 to \$24 billion in fiscal year 1946 and then again to \$5 billion in fiscal year 1947. Of that last amount, Captain William Jennings, assistant chief of naval operations for island governments, told the Senate Appropriations Committee that the Navy spent \$5 million on civil and public administration in the Pacific Islands in 1947, not including the cost of constructing or maintaining base facilities in Micronesia.<sup>40</sup> Given Jennings's figures, island administration was about one percent of the Navy's budget. Though this may not seem to have been a significant amount, any costs that could have been subsidized by Pacific Basin economic activity probably would have been welcomed by the Navy Department.<sup>41</sup> After all, the more the Navy trimmed from its island governments budget, the more funds it would be able to divert to the construction and improvement of Pacific base facilities and the maintenance of the U.S. Pacific Fleet.

Secretary Forrestal reiterated the need for self-sufficiency in a letter to President Truman in August 1946. Forrestal, arguing for retention of the United States Commercial Company under the Reconstruction Finance Corporation, also outlined the USCC's plans to set up agricultural training stations on major islands such as Saipan, Guam, Tinian, Truk (now Chuuk), and Ponape (Pohnpei). With strong support from the Navy, the USCC stations could teach the Micronesians to be "modern" agriculturalists using "sound" (i.e., American) methods of agriculture, animal husbandry, marketing, and product exportation. To Forrestal, the "average native" lacked "the initiative, self-confidence and business acumen to carry on an enterprise wholly on his own" and therefore needed the guidance of the Navy and the United States Commercial Company to avoid exploitation by continental American and foreign enterprises. Forrestal's ultimate goal, however, was to develop the Micronesian economy to the point that the Micronesians could "contribute an ever increasing share toward the costs of their own government."<sup>42</sup>

Articles published in professional and scholarly journals also described the economic potential in Micronesia, but their authors went one step farther than the officers on the spot and the officials in Washington in their suggestions that a profit could be turned in the islands. In a February 1945 article in the United States Naval Institute's Proceedings, the Navy's semi-official forum for debate, Marine Corps Reserve Major Guy Richards argued that the Micronesians would be easily attracted to American suzer-

ainty because of the allegedly superior technological and economic prowess of the United States, which had been demonstrated during the war.<sup>43</sup> Richards supported adding an economic element to the American strategic role in Micronesia, suggesting that a preponderance of U.S. consumer goods would not only socialize the Micronesians to American control but also provide a market for American manufactures. Although Richards perceived Micronesia as an outlet for the American economy, he saw economic exploitation as a means, not an end, to ensuring U.S. strategic control over the area.<sup>44</sup>

Rear Admiral Gilbert Rowcliff was more immediately concerned with the economic problems that the continental United States would experience after the war. Rowcliff summarized these economic problems as diminished natural resources, unemployment, high tariffs, a search for markets, and large public debts. To Rowcliff, the postwar United States would need "trade and commerce" to alleviate these problems, and he proceeded to explain how American trade with the "lucrative western Pacific" would help the conversion to a postwar U.S. economy as American manufactured goods were exchanged for raw materials such as copra, vegetables, rubber, oil, and silk.<sup>45</sup> Rowcliff believed that economic development in the western Pacific would illustrate to the world that the United States "can do something else besides wage war." He believed that markets could be built in the western Pacific, because they had been "well primed with American equipment, public works, and development" and "subsidized with American dollars and fertilized by American flesh and blood." His ideas were reflective of a prevailing attitude that the United States had the right to enjoy any benefits that accrued from administering the region because it had paid for the islands in "blood and treasure."<sup>46</sup>

Navy Captain K. C. McIntosh went one step farther by suggesting the construction of some sort of economic satrapy in Micronesia. Convinced that the islands were needed for national security, he advised the United States to advance loans to the islands as well as to construct public works and develop markets for salable goods in order to establish self-supporting economies. McIntosh thought salable goods were represented by products like copra, sugar, coffee, and peppers, products that he claimed could be easily cultivated in Micronesia. He also argued that it would be more cost-effective for the United States to provide funds to the Micronesians for the development of self-supporting market economies than to continue to subsidize the islanders with annual appropriations.<sup>47</sup>

McIntosh's ideas are interesting from another perspective. Using Japan's economic exploitation of Taiwan as an example of how the United States should not treat Micronesia, McIntosh urged that the U.S. island govern-

ments should not be exploitative but must develop the island economies in a "benign" way toward self-sufficiency and an American form of capitalism. Not surprisingly, McIntosh did not perceive imposing an American form of capitalism on the Micronesians as imperialism or exploitation. Instead, he saw it merely as assisting the islanders in taking on their "proper" role in the American sphere. Emily Rosenberg asserts that Americans simply assumed in the late nineteenth and early twentieth centuries that their particular brand of capitalism and their general lifestyle were valued by people all around the globe. McIntosh's view reinforces that thesis.<sup>48</sup>

The assumption that all foreigners desired a replication of American society in their own countries was also enunciated by Yale Professor of Government Rupert Emerson. Emerson, writing about American policy toward its Pacific "dependencies," saw one American goal as securing a more "adequate" standard of living for the indigenous population. However, he also perceived economic advantages for the United States. Emerson believed that the islands could be made into productive centers of cheap raw materials for the United States as well as markets to absorb partially a postwar American domestic surplus.<sup>49</sup> For these reasons, he favored a closed and centrally managed economy in the islands to prevent other nations from partaking in these alleged benefits.<sup>50</sup> Similar to Rosenberg's discoveries about American cultural and economic expansion in the first half of the twentieth century, Emerson's ideas reflected an attitude held by many Americans that U.S. expansion into other areas of the world could solve domestic problems, "uplift" foreigners, and be benign all at the same time.<sup>51</sup>

Finally, a fascinating insight into attitudes about the economic exploitation of the Pacific Basin is available in an unofficial document titled "The American Plan for Veterans," authored by Michael J. Brennan of New York City. Brennan's past is unclear from the correspondence, but he submitted his work to Truman's office in June 1946. There is no evidence that his ideas ever became policy, but they are nevertheless a concrete example of Americans assuming that their national interests harmonized with larger global interests.

Virulently anti-British, Brennan's tract reads like an American newspaper editorial during one of the many nineteenth-century Anglo-American diplomatic crises. Brennan began by arguing that "civilization," which was supposedly European and Christian, had been moving inevitably westward for some time, epitomized by the U.S. westward expansion in North America.<sup>52</sup> Brennan went on to discuss the fountain of America's newfound global power, which he saw emanating from its republican principles and domestic political institutions, as well as from its wartime military and economic power. Comparing the exceptional American nation to the "empires" of

Europe and Asia, Brennan then began to explain how providing for America's veterans was central to the nation's honor and postwar economic health.<sup>53</sup>

Brennan asserted that the national debt and the "onerous" wartime taxes levied by the government might continue after the war, since the United States needed to maintain a global military base system and forces in readiness to deter future aggression and to "bounce" the European imperialists out of their colonial territories. Given the growing unemployment problem in the United States resulting from demobilization, Brennan feared large numbers of Americans, especially veterans, might become destitute and the nation might sink back into a depressed state similar to the condition it had experienced between 1929 and 1941.<sup>54</sup>

Fully subscribing to American exceptionalism in American foreign policy, Brennan explained America's "colonial experiment" in the Pacific in terms of "justice," asserting that the United States should work out a regional security arrangement with Pacific nations such as Indonesia and set up a board of trustees headed by General MacArthur to administer the regional agreement. Though this board would contain Indonesians, other peoples from the Pacific territories, and representatives of the Allied Powers, Brennan would have had Americans dominate the body as the nation that had the "highest" number of forces engaged and losses incurred against the Japanese in the Pacific War.<sup>55</sup>

Finding that the interests of unemployed American veterans and newly liberated Pacific peoples were somehow interwoven, Brennan then argued that the newly developing nations would need supervisory and technical advisers to develop their "virgin" territories. American veterans would supposedly make the perfect advisers because of their wartime technical skills. Moreover, their overseas employment would ease the competition for jobs in the United States, get veterans off the "dole," ease domestic taxation by decreasing government expenditures, and "certainly" benefit the Pacific Islanders, who would be the object of American benevolence and guidance. In addition, both the United States and the Pacific nations would supposedly benefit from the inevitable exchange of raw materials and manufactured goods that would follow the injection of American advisers into the territories and the development of the Pacific Basin as part of a postwar American economic sphere.<sup>56</sup>

It is difficult to arrive at a conclusion about the efficacy of these arguments for economic development. Clearly, the individuals cited could have been discussing Pacific Basin economic development in grandiose and profitable terms as a clever marketing tactic to sway doubtful members of the Truman Administration, Congress, or the public about the advantages of annexing or integrating the islands into American domestic life. It is impos-

sible to know their exact motivations for the arguments. Nor is analysis made easier by the fact that historians of the region differ about the area's economic potential.

Mark Peattie, for instance, has demonstrated that, although Japanese economic development of the islands did pay for administrative costs in Micronesia and even created a financial surplus by the late 1930s, total production never surpassed one-half of one percent of production throughout the entire prewar Japanese Empire. Whatever the economic stakes in Micronesia might have been, they were not very substantial in Peattie's view.<sup>57</sup> Still, Dirk Ballendorf argues that the Japanese period illustrated to American policymakers and planners that Micronesia could be self-sufficient in agriculture and could export raw materials such as phosphate, cash crops such as copra, and consumer goods such as shells on a profitable basis. Certainly, the scale of such activities could not have been large, but to officials trying to trim budgets in the middle to late 1940s, any development would have been welcomed, encouraged, and possibly exaggerated.<sup>58</sup>

Nor were ideas about economic development in the postwar Pacific limited to Micronesia. Nick Cullather has shown that Interior Department officials; charged with planning for the Philippines' postwar independence, sought to create an American-oriented economy in the archipelago that would develop from American capital, supply raw materials to the United States, and provide markets for American industry.<sup>59</sup> Although the Philippines was of a completely different character from Micronesia in terms of population, land area, and economic development, ideas and plans for both areas appear with hindsight to be overly ambitious. Neither the majority of Filipinos nor the majority of Micronesians had the financial wherewithal to represent any significant return on American investment for some time to come, if ever. While Department of the Interior plans to substitute annual appropriations to the Philippines with private capital investment were as unsound as the Department of the Navy suggestions for Micronesia, both appeared to originate in a strong but unrealistic faith in the reconstructive and rejuvenating powers of private American capital and business expertise.<sup>60</sup> I find little evidence that officials' beliefs in the almost magical quality of mixing private American capital with good intentions were anything but sincere.

Historians such as Rosenberg and Robert Pollard have thoroughly demonstrated that American subscriptions to the international problem-solving potential of free trade, open doorism, and American-style liberal capitalism were widely believed myths in American society during the 1940s. Although



the protected economy proposed for the Pacific Islands was not liberal capitalism or free trade, there was little that was inconsistent about the beliefs enunciated in the articles concerning Micronesia or the plans concerning the Philippines. Both sets of works were intellectually grounded in assumptions of superior American economic performance and the same postulations on which postwar free-trade doctrine was based, even though the proposed economic administration of the Pacific was far from free trade.<sup>61</sup>

There is some evidence that the Navy sought economic advantages in Micronesia, which suggests thoughts of exploitation beyond self-sufficiency and the subsidization of administrative costs. The trade monopoly that Dulles discussed in the fall of 1946 was definitely an aspect of American security in the Pacific. Yet the references to excluding foreign nationals and the provisions for privileged status for American citizens that were incorporated into the Draft Trusteeship Agreement denotes something beyond basic security measures.<sup>62</sup>

Although the United States Commercial Company was primarily a subsistence welfare agency that was not meant to create a profit in the islands, it was meant, as Forrestal's letter to Truman indicates, to engender an "enterprising" ethos in the Micronesians. It was followed in 1947 by the establishment of the Island Trading Company, which took control of the export-import trade in Micronesia following the establishment of the U.N. trusteeship in July 1947 and was even more specifically geared toward instilling a capitalistic, profit-oriented ethos in the Micronesians. In addition, the final trusteeship agreement with the United Nations, which was largely derived from the Draft Trusteeship Agreement of November 1946, granted the United States special trade privileges such as most-favored-nation status and the right to integrate the islands into a customs zone with the United States.<sup>63</sup> Significantly, the United States was the only administering authority of a trusteeship to receive such sweeping powers.<sup>64</sup> The granting of this authority could have simply been testimony to American influence in the United Nations, strong convictions and lobbying on the part of American policymakers for comprehensive strategic control of the islands, and a willingness to maintain that control by any means necessary. Yet the possibility of economic exploitation cannot be completely ruled out.

In May 1947, for instance, Admiral Louis Denfield, commander in chief, U.S. Pacific Command, and commander in chief, U.S. Pacific Fleet, suggested to Rear Admiral Charles Pownall, commander, Naval Forces, Marianas, and naval governor of Guam, that the United States retain for its own benefit any economic advantages resulting from commerce and industry in Micronesia. While Denfield failed to elaborate in detail what those

advantages might be, he specifically recommended prohibiting the importation to Micronesia of any commodity mined, manufactured, or produced in "foreign areas" that the Micronesians could acquire from the United States.<sup>65</sup>

The idea that Micronesia might be able to yield something in economic terms was even hinted at by Admiral Nimitz as he testified before the July 1947 Senate Foreign Relations Committee's hearings on the U.N. trusteeship agreement. Though Secretary Forrestal continued to assert that economic benefits from the agreement would be "nil" and that there was nothing to exploit in the islands, Nimitz seemed to contradict him when he told the committee that there was potential for the islands as transit points for American commercial aviation routes to East Asia. Nimitz, however, could very well have been telling the senators what he believed they wanted to hear, since in October 1946 he had told the same committee that American interest in the islands was strictly military.<sup>66</sup>

In the end, however, American ideas for the economic development of Micronesia seem to be disingenuous. The ideas enunciated by civilian officials, military officers, and members of the House Subcommittee on Pacific Bases about turning the islands into sources of raw materials and production centers of light industrial goods are flawed, particularly when the June 1947 "Report by the Joint Marianas Board on the Military Development of the Marianas" is taken into account. The idea that the islands could be agriculturally or industrially developed seems ridiculous in light of the report, since its accompanying maps indicate that the U.S. military was planning to take control of huge tracts of land on Guam, Saipan, and Tinian.<sup>67</sup>

For example, so many American military units and personnel were stationed on Guam that anti-aircraft practice firing had to be conducted seaward to avoid interfering with aircraft approaches. Moreover, while board members made repeated references to the need to accommodate the Micronesians on the best arable land and to minimize the economic damage done to them by the U.S. strategic presence, and while they were also sensitive to charges by Congress and the press of "land grabbing," the board was still determined to acquire over seventy thousand acres of land on Guam alone, and it was not willing to subordinate military interests to economic development of the island.<sup>68</sup> Given the quantity of land the military wanted on the major islands of the Marianas, the only significant economic development of the islands that might have benefited the future development of the continental American political economy would have entailed transforming the Micronesian economy into a service-based economy in support of the huge American military establishment, a pattern that was seen in the Ryukyus after 1945.<sup>69</sup>

### **Conclusion**

To defend American control over Micronesia against charges of imperialism from foreign nations, policymakers enunciated fascinating ideas about the allegedly exceptional character of U.S. actions. These views directly support assertions made by historian Emily Rosenberg that Americans did not see themselves as imperialistic in the 1940s and that US. economic expansion was assumed to be a positive phenomenon for anyone experiencing it.

In spite of this consistent denial of imperialism, suggestions for an economic development policy toward the Pacific Islands depended upon to whom one was talking at any given time. The opinions of cabinet officers, the Joint Chiefs of Staff, officers on the spot, members of Congress, and individual strategic thinkers ranged widely from denying any economic plan for the islands to arguing that the economic development of Micronesia could be a great boon for the United States. None of the evidence cited, however, dispels the fact that American policy toward the islands represented an anomaly to global U.S. free-trade policy in the late 1940s, since none of the individuals or organizations cited, with the exception of some State Department officials in the fall of 1946, argued for anything but an economic zone that was entirely closed to foreign trade.

Cabinet officials, the Joint Chiefs of Staff, and their subordinate planning bodies were the strongest subscribers to the theory that economic penetration was an element of strategic control, not economic exploitation or commercial gain. Although members of these organs did at times hint at the economic exploitation of the islands, the tone of their reports and statements suggests they were tailoring their arguments to garner support from the president, Congress, and the American public rather than to express sincerely held beliefs about economic development.

Officers on the spot, such as MacArthur and Denfield, some members of Congress, and unofficial writers were more willing to discuss the economic development of the islands than policymakers and planners in Washington. While it can easily be argued that these politicians and officers were also creating arguments to garner political support from various constituencies, the continued American belief in the efficacy of the China Market and the open door in the 1940s leads to the conclusion that their arguments were profoundly held, but flawed and unrealistic.

Still, while opinions differed widely over the tactics of self-sufficiency versus aggressive economic development, all of these individuals were writing in the context of a closed system created to support American strategic goals of postwar reconstruction in the Pacific and East Asia. Even the most ardent advocate of economic exploitation in the islands does not seem to

have lost sight of the fact that the economic administration of the Pacific Islands was ultimately not for making money or creating a global showcase for American-style free trade. The economic administration of the Pacific Islands was intended to ensure postwar American strategic security in the Pacific Basin.

### NOTES

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1. For an excellent discussion of this phenomenon, see Mark Peattie, *Nan'yo: The Rise and Fall of the Japanese in Micronesia, 1885-1945* (Honolulu: University of Hawai'i Press, 1988), 118-152.

2. See Dorothy Richard, *United States Naval Administration of the Trust Territory of the Pacific Islands*, 3 vols. (Washington, D.C.: Office of the Chief of Naval Operations, 1957-1963), 2:406; see also Dirk Ballendorf, "The Japanese and the Americans: Contrasting Historical Periods of Economic and Social Development in Palau," *Journal of the Pacific Society*, October 1988: 11; and idem, "An Historical Perspective on Economic Development in Micronesia, 1783 to 1945," *Asian Culture (Asian-Pacific Culture) Quarterly* 19 (Summer 1991): 54.

3. See Richard, *United States Naval Administration*, 2:406.

4. See Admiral Harry E. Yarnell, "Memorandum on Post-War Far Eastern Situation," 16 June 1944, file "Intelligence, A8," box 195, Strategic Plans Division Records, Navy Operational Archives, Naval Historical Center, Washington Navy Yard, Washington, D.C.

5. See Richard, *United States Naval Administration*, 2:62; and "Trusteeships," 30 March 1945, in *The Forrestal Diaries*, ed. Walter Millis and Eugene Duffield (New York: Viking Press, 1951).

6. See "Memorandum for the President," 13 April 1945, in *The Forrestal Diaries, 1944-1948* (Washington, D.C.: NPPSO, Naval District Washington, Microfilm Section, 1973-1979). Truman may have been convinced by these arguments, since he stated in July 1945 that the United States was not fighting for territory or anything of a "monetary nature." While he refused to countenance the idea of annexing Micronesia in the end, he nevertheless supported the idea of retaining the islands on a "sovereign" basis until the United Nations was "fully established." In addition, he completely supported the idea of strategic trusteeship, which was virtually annexation in all but name. See Tom Ireland, "Will We Claim Pacific Islands?" file 48-1-24, box 90, Record Group 80, Records of the Office of

the Secretary of the Navy, General Records of the Department of the Navy, National Archives, Washington, D.C. (hereafter cited as RG 80, NA); "The President-Bases," 30 September 1945, in *The Forrestal Diaries, 1944-1949* (microfilm); and Lester Foltos, "The New Pacific Barrier: America's Search for Security in the Pacific, 1945-1947," *Diplomatic History* 13 (Summer 1989): 317-342.

7. See U.S. Congress, House Committee on Appropriations, *Navy Department Appropriation Bill for 1946: Hearings before the Subcommittee on Appropriations*, 79th Cong., 1st sess., 1945, 25.

8. See Henderson to Truman, 18 August 1946, file OF 210-B, "United States Commercial Company," box 798, White House Official Files, Harry S Truman Library (HSTL), Independence, MO. See also Forrestal to Truman, 28 August 1946, *ibid.*

9. See "Report by the Joint Strategic Survey Committee," part of "Trusteeships for Japanese Mandated Islands," Joint Chiefs of Staff (JCS) 570/48, 17 January 1946, file 12-9-42 sec. 13, JCS Central Decimal File, 1946-1947, Combined and Joint Chiefs of Staff (CCS) 360, Records of the Combined and Joint Chiefs of Staff, Record Group 218, National Archives, Washington, D.C. (hereafter cited as RG 218, NA).

10. See Annex to Appendix "A," part of "Strategic Areas and Trusteeships in the Pacific," JCS 1619/1, 24 May 1946, State-War-Navy Coordinating Committee 59, Papers of the State-War-Navy Coordinating Committee, Records of the Interdepartmental and Intra-departmental Committees, Record Group 353, National Archives, Washington, D.C.

11. See "United States Position on Soviet Proposals for Amendment of Draft Trusteeship Agreement," JCS 1619/20, 3 March 1947, file 12-9-42 sec. 29, CCS 360, RG 218, NA.

12. See "Trusteeships," 22 October 1946, in *The Forrestal Diaries, 1944-1949* (microfilm); and Nimitz, "The Future Employment of Naval Forces," in Richard, *United States Naval Administration*, 3: 170.

13. See U.S. Congress, Senate Foreign Relations Committee, *Trusteeship Agreement for the Territory of the Pacific Islands: Hearings before the Committee on Foreign Relations*, 80th Cong., 1st sess., 1947, 18.

14. See Perry Smith, *The Air Force Plans for Peace, 1943-1945* (Baltimore: Johns Hopkins University Press, 1970), 75-83; and Elliot Converse, "United States Plans for a Postwar Overseas Military Base System, 1942-1948" (Ph.D. diss., Princeton University, 1984), 261.

15. See, for example, Michael Hunt, *Ideology and U.S. Foreign Policy* (New Haven: Yale University Press, 1986), *passim*; Thomas Hietala, *Manifest Design: Anxious Aggrandizement in Late Jacksonian America* (Ithaca, N.Y.: Cornell University Press, 1985), 173-214; and Emily Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890-1945* (New York: Hill and Wang, 1982), 229-234.

16. See Dirk Ballendorf, "Secrets without Substance: U.S. Intelligence in the Japanese Mandates, 1915-1945," *Journal of Pacific History* 19 (April 1984): 83-99.

17. See "Memorandum by the Ad Hoc Committee to SWNCC," part of "Draft Trusteeship Agreement," 10 September 1946, SWNCC 59/4, SWNCC Papers, file 12-9-42 sec. 27, CCS 360, RG 218, NA.
18. See Dulles to the United States Delegation for United Nations Trusteeship Negotiations, Tenth Meeting, 25 October 1946, United States Department of State, *Foreign Relations of the United States*, vol. 1: *General: The United Nations* (Washington, D.C.: Government Printing Office, 1972), 661 (hereafter cited as *FRUS* 1946, 1:661).
19. See Press Release 142, 25 February 1947, file 2-1-7, box 14, RG 80, NA.
20. For State Department efforts in the creation of the strategic trusteeship concept, see William Roger Louis, *Imperialism at Bay: The United States and the Decolonization of the British Empire, 1941-1945* (Oxford: At the Clarendon Press, 1977), 475-496; for U.S. Philippine policy, see Nick Cullather, "The Limits of Multilateralism: Making Policy for the Philippines, 1945-1950," *International History Review* 13 (February 1991): 70-95.
21. See MacArthur to Hull, 5 October 1946, AFMIDPAC series, Record Group 9: Collections of Messages (Radiograms), 1945-1951, Bureau of Archives, MacArthur Memorial, Norfolk, Va.
22. Ibid.
23. See proposed speech by Forrestal, "The United States' Role in the Trusteeship System," 22 February 1947, file 86-5-45, box 134, RG 80, NA; see also attached memo for Forrestal from Vice Admiral Forrest Sherman, Deputy Chief of Naval Operations for Operations, 25 February 1947, *ibid.*
24. Ibid.
25. For prewar Japanese strategic penetration of East Asia and the western Pacific, see Michael A. Barnhart, *Japan Prepares for Total War: The Search for Economic Security, 1919-1941* (Ithaca, N.Y.: Cornell University Press, 1987); Peattie, *Nan'yo*, 1-61; Ramon Myers and Mark Peattie, eds., *The Japanese Colonial Empire, 1895-1945* (Princeton: Princeton University Press, 1984); and Peter Duus, Ramon Myers, and Mark Peattie, eds., *The Japanese Informal Empire in China, 1895-1937* (Princeton: Princeton University Press, 1989).
26. See Forrestal, "United States' Role in the Trusteeship System."
27. Ibid.
28. See Louis, *Imperialism at Bay*, 269-271; and Converse, "Postwar Overseas Military Base System," 24-25, 50, 101-102.
29. See Louis, *Imperialism at Bay*, 269-271.
30. See U.S. Congress, House, Committee on Naval Affairs, *Study of Pacific Bases*, 79th Cong., 1st sess. (Washington, D.C.: U.S. Government Printing Office, 1945), *passim*.

31. Ibid., 1012.
32. Ibid., 1020, 1022.
33. Ibid., 1022-1023.
34. Ibid., 1107, 1110-1111, 1115, 1116, 1118, 1123.
35. Spruance to the Office of the Chief of Naval Operations (OPNAV), 14 February 1945, as found in Richard, *United States Naval Administration*, 2:78.
36. For Spruance's order, see CINCPOA letter, 15 December 1945, as found in Richard, *ibid.*, 408. For the official economic policy of the United States Naval Military government in Micronesia, see "Pacific Charter," 12 December 1945, part of CINCPOA letter 52855, as found in *ibid.*, 406. See also Ballendorf, "The Japanese and the Americans," 8; and *idem*, "An Historical Perspective," 37.
37. See CINCPOA letter, 15 December 1945, as found in Richard, *United States Naval Administration*, 2:408.
38. See Whitehead to MacArthur, subj: Korean Airlines, 12 June 1946, Records of the Pacific Air Command, United States Army, 720.963-2, Alfred F. Simpson Historical Research Agency (AFSHRC), Montgomery, Ala.
39. Ibid. For the idea of "chosen instruments," see Rosenberg, *Spreading the American Dream*, 59-62.
40. See Jennings to the Senate Appropriations Committee, U.S. Senate, *Navy Department Appropriation Bill for 1948: Hearings before the Subcommittee on Appropriations*, 80th Cong., 1st sess., 1947, 119-120.
41. Ibid.
42. See Forrestal to Truman, 28 August 1946, file OF 210-B, "United States Commercial Company," box 798, White House Official Files, HSTL.
43. See Major Guy Richards, U.S.M.C.R., "Pacific Briefing," *United States Naval Institute Proceedings* (hereafter cited as *USNIP*) 71 (February 1945): 170.
44. Ibid.
45. See Rear Admiral Gilbert Rowcliff, U.S.N., "Guam," *USNIP* 71 (July 1945): 793. See also Cullather, "Limits of Multilateralism," 78, 84.
46. Rowcliff, "Guam," *passim*.
47. See Captain K. C. McIntosh, "The Road Ahead," *USNIP* 71 (November 1945): 1285. See also Cullather, "Limits of Multilateralism," 82, 84.

48. See McIntosh, "The Road Ahead," 1285. See also Rosenberg, *Spreading the American Dream*, 229-234. For a view of American attempts to impose a form of U.S. political economy on postwar western Europe, see Michael Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Europe, 1947-1952* (Cambridge: Cambridge University Press, 1987), 1-26, 427-445.
49. See Rupert Emerson, "American Policy toward Pacific Dependencies," *Pacific Affairs* 20 (September 1947): 270; and Cullather, "Limits of Multilateralism," 70-89.
50. See Emerson, "American Policy," 270.
51. *Ibid.*, passim; and Rosenberg, *Spreading the American Dream*.
52. See Brennan, "The American Plan for Veterans," 1-10, file OF 18-V box 125, White House Central File, HSTL. For an analysis of the argument that "civilization" followed the setting sun, see Reginald Horsman, *Race and Manifest Destiny: The Origins of American Racial Anglo-Saxonism* (Cambridge, Mass.: Harvard University Press, 1981), 25-42.
53. See Brennan, "The American Plan for Veterans," 11-23.
54. *Ibid.*, 24-38.
55. *Ibid.*, 39-43.
56. *Ibid.*, 45-48.
57. See Peattie, *Nan'yo*, 150, 152.
58. See Ballendorf, "The Japanese and the Americans," 7-13.
59. See Cullather, "Limits of Multilateralism," 70-89.
60. *Ibid.*, 77-78, 84.
61. See Rosenberg, *Spreading the American Dream*, 3-13, 229-234; see also Robert Polard, *Economic Security and the Origins of the Cold War, 1945-1950* (New York: Columbia University Press, 1985), 1-9, 243-253.
62. See Dulles, "Minutes of the Tenth Meeting of the United States Delegation to the United Nations," 25 October 1946, *FRUS* 1946, 1:661.
63. See Roger Gale, *The Americanization of Micronesia: A Story of the Consolidation of U.S. Rule in the Pacific* (Washington, D.C.: University Press of America, 1979), 63-64. See also Ballendorf, "The Japanese and the Americans," 12; and *idem*, "An Historical Perspective," 54.
64. See Gale, *Americanization of Micronesia*, 63-64.
65. See Denfield, 8 May 1947, serial 3209 to Pownall, 15 May 1947, serial 12172, as found in Richard, *United States Naval Administration*, 2:414.



66. See Nimitz to the Senate Foreign Relations Committee, *Trusteeship Agreement for the Territory of the Pacific Islands*, 20. See also Nimitz to Forrestal, "Trusteeship," 22 October 1946, in *The Forrestal Diaries, 1944-1949* (microfilm).

67. See "The Report of the Joint Marianas Board on the Military Development of the Marianas," 1 June 1947, 178.2917-1, AFSHRC. The maps can be found in Tabs A-4, B-1, B-2, C-1, C-2, C-3, F-4, I-1, I-2, O-1, O-2, O-3, P-2, P-4, Q-1, Q-2, and Q-3 of the cited report.

68. *Ibid.*, 10, 22-23, 32, 34, 75, 76.

69. See Arnold Fisch, *Military Government in the Ryukyu Islands, 1945-1950* (Washington, D.C.: United States Army Center for Military History, 1988), 122-152.