

TERMINATING TRUSTEESHIP FOR THE FEDERATED STATES
OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL
ISLANDS: INDEPENDENCE AND SELF-SUFFICIENCY IN THE
POST-COLD WAR PACIFIC

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Big-poker disagreements delayed United Nations Security Council approval of trusteeship termination for the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) through the 1980s but when Russian (then Soviet) policies changed with the end of the cold war, the United States was able to engineer a favorable council vote in 1990. U.N. membership followed for both countries in 1991, effectively resolving any latent questions of their political status on the world stage. The end of the cold war also diminished the U.S. strategic military interests that had driven American policies and justified financial largess toward the islands. Under U.S. tutelage, the economies of both the Federated States and the Marshalls had become heavily dependent on U.S. assistance. The outlook remains bleak in light of the general failure of development programs, a situation that will be exacerbated by decreases in U.S. aid. Sustaining even the current relatively low standard of living will depend more on the evolution of a fundamentally different relationship between the United States and the two countries than on continued efforts along traditional development lines.

**Introduction: The Trusteeship Is Dead,
Long Live . . .**

[In Pohnpei] as in the Marshalls, arguments about what the place is now shade into disputes about what it will become--an inde-

pendent nation with close, friendly ties to the United States or a pathetic American client state, dependent and adrift.¹

SO OBSERVED American writer P. F. Kluge on returning to Micronesia in 1989. Twenty-five years earlier, then with the Peace Corps, he had helped the islanders draft the "Declaration of Intent" to state their aspirations as negotiations with the United States got under way to decide their future. Today, in the Federated States of Micronesia (FSM or Federated States) and the Republic of the Marshall Islands (RMI or the Marshalls) doubts continue with the approach of 2001, the year that marks the end of the initial term of the bilateral arrangements with the United States.

Where are these two island states politically and economically? Politically, they have arrived on the world stage--the end of the cold war permitted resolution of legal and political status questions. The first two sections of this article examine the process that led first to formal trusteeship termination in the U.N. Security Council,² and then to U.N. membership. The third section briefly analyzes the concomitant change in the strategic military picture and its implications for the islands.

Economically, progress toward self-sufficiency has faltered badly, with heavy dependency arguably inculcated by U.S. material assistance. The following section looks at this dismaying picture and the prospects. In the final section, we draw conclusions about the islands' current status and suggest directions for the future.

Trusteeship Termination--Hostage to Big-Power Politics

By late 1986, self-determination for the FSM and the Marshalls had been accomplished in all essential respects, but big-power politics had intervened in the arenas where the five permanent members of the U.N. Security Council hold sway.³

A basic Compact of Free Association with separate subsidiary agreements for each entity had been negotiated to final signature. Plebiscites had been held in both territories in 1983, duly observed and validated by visiting missions of the U.N. Trusteeship Council. The U.S. Congress had passed all necessary enabling legislation. The stage was set for ending what had become the United Nations' last remaining trusteeship.⁴

The Legal Issue

The essence of the legal question as of late 1986 was whether the Micronesians had exercised their right to self-determination so that the trusteeship

could be terminated accordingly. Article 83 of the U.N. Charter assigns to the Security Council responsibility for determining the answer: "1. All functions of the United Nations relating to strategic areas, including the approval of the terms of the trusteeship agreements and of their alteration or amendment, shall be exercised by the Security Council."⁵

Until 1990, however, the Soviet Union gave an emphatic *nyet* to trusteeship termination. After the plebiscites, the British and French were satisfied that self-determination requirements had been met, but they still wanted Security Council action. Their concerns were legal and political: insistence on "proper" legal application of the U.N. Charter and fear of precedent potentially affecting their own territories.

This halfway position taken by the British and French allowed the United States to bring matters to a head in the Trusteeship Council under its rules of majority voting without a veto. On 28 May 1986 the council, by a vote of three (United States, United Kingdom, France) to one (the Soviet Union),⁶ passed Resolution 2183 (53), which was unambiguous on the specific questions of self-determination and trusteeship termination. The council, it read, *inter alia*, "1. Notes that the people [of the FSM and the Marshalls] . . . have freely exercised their right to self-determination. . . . 3. Considers that the Government of the United States, as the Administering Authority, has satisfactorily discharged its obligations under the terms of the Trusteeship Agreement and that it is appropriate for that Agreement to be terminated."

U.S. Unilateral Action

Facing a certain Soviet veto in the Security Council, the United States acted unilaterally to implement the Compacts of Free Association, arguing that a Security Council vote was not required by the U.N. Charter, notwithstanding the language of article 83. On 3 November 1986, U.S. President Ronald Reagan issued a proclamation declaring the trusteeship agreement no longer in effect as of 21 October 1986, with respect to the Republic of the Marshall Islands, and as of 3 November 1986, with respect to the Federated States of Micronesia, with the Compacts of Free Association in "full force and effect" on the same dates.⁸

The U.S. president's action was dictated by the perceived need to implement the process of self-determination that had proceeded so laboriously over the previous fifteen years. The dominant U.S. view in both the administration and Congress was that the compacts represented a fair deal for both sides and that the majority of islanders clearly wanted to move ahead on that basis.

The U.S. unilateral move did not find broad acceptance. Despite their

votes in the Trusteeship Council, the British and French, along with a number of other nations, withheld diplomatic recognition of the island states pending Security Council action. The FSM and the Marshalls were left in a kind of international limbo.

A desultory campaign by the United States, the Federated States, and the Marshalls ensued to pressure other countries to recognize the two states. The effort met with relatively little success, although the key South Pacific nations of Fiji and Papua New Guinea shifted in late 1988 to support their fellow island states with establishment of full diplomatic relations.⁹

Resolution of the Impasse

The stalemate continued into 1990. By that year, the collapse of the Soviet Union was well under way and “new think” had become the order of the day in most aspects of Soviet foreign policy. In the changed circumstances, the U.S. Mission to the United Nations in New York recognized that the former ideological and strategic security concerns of the Soviet Union no longer applied. Washington agreed, and approaches were made by the U.S. State Department to the Soviet Union to sound out its willingness to forgo a Security Council veto.

In the course of the 1986 Trusteeship Council vote, the Soviet representative had repeated long-standing Soviet objections that the islands were too dependent to be able to express free choice; the United States had “illegally” fragmented the Trust Territory of the Pacific Islands; and the main goal of the United States was to turn the territories into a “military-strategic springboard” in the western Pacific.¹⁰ By 1990, much of this argumentation was ringing hollow against the background of Baltic nation appeals to the United Nations for release from Moscow’s grip. Nevertheless, the Soviet hard line persisted in initial exchanges with the United States.

However, given the Russian military pull-back to a defensive posture and the virtual end of nuclear confrontation, in any serious analysis of its interests by then, Moscow surely had to recognize that competition in the mid-Pacific for strategic advantage was no longer in its interest. Improved relations with the West and potential Western financial assistance now loomed much larger than military rivalry or gains from continuing the propagandistic, anticolonial lines of the past.

Thus, when U.S. diplomats raised the issue at high levels on the margin of talks on other subjects in late 1990, it was speedily resolved. The Soviet Union acquiesced to Security Council action; in return, the United States granted the Soviet Union a fig leaf--restatement of declared policy that the American government had no intention to establish new military bases in the areas concerned.

With the Soviet veto threat out of the way, the only other potentially serious sticking point to Security Council action was the circulation of a letter from the governor of the Commonwealth of the Northern Mariana Islands (CNMI), who objected to trusteeship termination for the CNMI and urged continued U.N. "protection" against unilateral U.S. actions.¹¹ Since anticolonialism had remained a kind of last bastion of United States-bashing in the United Nations, the governor's letter caused a certain discomfort with Security Council members such as Cuba, Ethiopia, and China.

Key Pacific island nations, however, openly welcomed trusteeship termination and largely ignored the CNMI appeal. The permanent representatives from Vanuatu and Papua New Guinea sent official letters to the Security Council conveying South Pacific Forum support for an affirmative council vote. Moreover, the history of the CNMI's own vociferous choice in 1975, when it was the first to split off from the rest of the Trust Territory, was a matter of clear record. In the end, the CNMI objections fell by the wayside.

Matters proceeded to a conclusion on 22 December 1990. Of fifteen council members, all but the Cubans voted yes. The Cuban representative's explanation of his vote was couched in ideological terms, citing procedural problems, the letter of the governor of CNMI, and a U.S. television program critical of U.S. policy in the Marshalls.¹² Ironically, in the name of anti-colonialism Cuba alone voted in favor of continuing a colonial relationship!

The Security Council vote resolved the legal question of the charter requirement for trusteeship termination. The result did not, however, automatically assure progress to the next step--U.N. membership for the islands --or answer all doubts about their sovereignty and independence.

U.N. Membership: The Final Hurdle to International Recognition

Eligibility for membership in the United Nations hinged on the ability of the Federated States of Micronesia and the Republic of the Marshall Islands, like any aspirants, to meet the requirements of article 4 of the U.N. Charter: "1. Membership in the United Nations is open to all other peace-loving states which accept the obligations contained in the present Charter and, in the judgment of the Organization, are able and willing to carry out these obligations."¹³

Behind the scenes, some (mostly Western) diplomats and legal advisers questioned whether FSM and RMI delegations to the United Nations could vote freely or pursue their own national interests faithfully, given constraints built into the Compacts of Free Association. Of specific concern were compact provisions requiring the FSM and RMI governments to "consult, in the conduct of their foreign affairs, with the United States." The most restrictive

formulation is in section 313(a) of the basic compact text, which states, "The Governments of the Marshall Islands and the Federated States of Micronesia shall refrain from actions which **the Government of the United States determines**, after appropriate consultations with those Governments, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Marshall Islands and the Federated States of Micronesia" (emphasis added).¹⁴

Beyond this problem specific to the basic compact lurked the broader issue of microstates and their membership in the United Nations. How small is too small? At what point are a state's own resources so insignificant as to make that state virtually weightless in the U.N. context, with reference not only to voting but also to contributing to U.N. activities and coffers?

For the United States, at least, the lawyers' concerns were more than offset by a strong realpolitik view in Washington that, as long as "rogue" countries such as Cuba, Libya, Iraq, and Iran enjoyed full membership, the United States should aggressively support the Federated States and the Marshalls for their voting power, if nothing else. Moreover, the argument against microstate memberships was largely swept aside by the admission in 1990 of well-heeled, European, Liechtenstein, despite its small size (population under thirty thousand) and its assignment of some sovereign responsibilities to Switzerland.

In any case, the Federated States and the Marshalls enjoyed broad support from fellow Pacific islanders as well as from the numerous former colonies in the United Nations. Most developed countries feared opposition on their part would raise the specter of colonialism. Thus, an overwhelmingly favorable vote on membership was assured.

On 17 September 1991, the General Assembly voted to accept both countries. With U.N. membership, legal questions about the sovereignty and independence of the two countries were essentially overcome. Politics resolved the issue for practical purposes.¹⁵

Declining Strategic Value

The military strategic value of the islands was undeniably the dominant consideration in U.S. policy for nearly forty years from the inception of the trusteeship in 1947.¹⁶ For America, the experience of fighting to drive the Japanese off the islands in World War II bred a "never again" attitude, especially in the U.S. Congress.

In this context, the U.S. military's operational concerns were to assure, should war come, both complete freedom of action and denial of the area to potential adversaries. These factors underlay the compact provisions that grant the United States rights to use American nuclear forces, to have access

to land and naval bases in the islands, and to control the presence of any other military force. The U.S. Pentagon viewed these terms as essential to guarantee the defense of the islands (as well, obviously, as of the United States) in contingencies up to and including nuclear war. The United States was not willing to establish two separate defense regimes, one for the islands and one for the United States itself. Overall, American officials believed the military aspects to be fair and balanced, given risks to U.S. forces for defense of the islands in worst-case scenarios contemplated through the 1970s.

However, some commentators deemed the compacts to be instruments of U.S. imperialism. As late as 1991, for example, one article called the U.S. approach “something akin to imperial control” and asserted that “not only is autonomy severely affected by economic dependency, but national sovereignty is denied by the absence of international recognition and **by American military control**” (emphasis added).¹⁷

Whatever the design of the military aspects of bilateral agreements, by the late 1980s the strategic value of the islands had greatly declined and the American military had begun retrenching. For the foreseeable future, U.S. forces will almost certainly further contract, relying on existing basing arrangements in Guam, CNMI (Tinian), and the Kwajalein missile range facility in the Marshalls. Although there are many possible scenarios (e.g., with a nuclear China or a resurgent Russia), as a practical matter the U.S. military has neither the inclination nor the funding to expand or exercise any sort of control beyond continued operations at the above-mentioned existing facilities.

This decline in U.S. military strategic interest may have profound and economically adverse consequences for the islands. An immediate specific problem would arise for the Marshalls if Kwajalein closed or contracted, since the Marshalls draw substantial income from its presence and would have no prospects for many years of making up the difference. More important, the strategic value of all the old Trust Territory islands has been the major justification for the large sums of money provided by the U.S. Congress for economic and social program assistance.¹⁸

Although the fact of change in the strategic picture is well recognized both in Washington and in the islands, more study and open discussion is needed for a better understanding of the consequences for the islands' future relationship with the United States.

Coming to Grips with Economic Dependence

“Self-sufficiency” was the original goal of economic development policy for the Trust Territory of the Pacific Islands. The United States invited high

expectations when it signed the 1947 Trusteeship Agreement committing America "to promote the economic advancement **and self-sufficiency** of the inhabitants" (emphasis added).¹⁹ By inserting the words "and self-sufficiency," U.S. drafters of the agreement went beyond the U.N. Charter, which in article 76 charged trustees only to promote the "economic advancement" of the inhabitants.

Although little was done for years after World War II, once development efforts got under way, planning consistently identified tourism, fishing, agriculture (primarily copra), and handicrafts as promising economic activities for the Federated States and the Marshalls (as well as other Pacific islands). All have been pursued with varying degrees of success. More recently, there have also been efforts to exploit economic niches with particular activities such as philately, the selling of passports (in the Marshalls), and textile production to take advantage of access to the U.S. market. Some have dreamed of the kind of offshore banking or financial operations that give Bermuda and the Caymans substantial incomes, but so far little has developed along these lines.

Doubts had been expressed periodically about the prospects for self-sufficiency. As early as 1972, Virginia McClam put the pessimistic view succinctly: "In my opinion, however, both the United Nations and the [private U.S. firm] Nathan Associates nurtured false hopes in the minds of the Micronesians. . . . Though economic development is a worthy aim, Micronesian self-sufficiency is, in my view, an illusion and a dream."²⁰

Dependence Writ Large

Development programs in any case continued on traditional lines with little real progress--today, the extent of dependence is evident and dismaying. For fiscal year 1992, the contribution (cost) of U.S. government programs was estimated at roughly \$100 million for the Marshalls and \$130 million for the Federated States. This compares to their 1989 estimated GDP of \$63 million and \$150 million, respectively.²¹

One 1987 survey pointedly titled "The Economics of Dependency in the Marshall Islands," found that 92 percent of food is imported, the economy is "almost totally dependent on external subsidies," health services are inequitable, the standard of education is low, and "only 35 percent of the available workforce is employed and [of these] over half are in the public sector."²² Another researcher observed in 1992 that "some Pacific islands, notably the FSM and RMI, have become dependent on imported food to the extent that there are negative implications for their trading balances and future economic development."²³ As concerns problems in education, another com-

mentator noted with evident understatement that “most important to an appropriate literary curriculum in Micronesia is the recognition that achieved literacy is not widespread either in the home language or in English in most parts of the region.”²⁴

To better understand these kinds of problems, which are by no means unique to the FSM and the Marshalls, a number of analysts have newly examined the dynamics of island microstate development. I. G. Bertram and R. F. Watters propounded the emergence of “MIRAB” economies, MIRAB being an acronym for **m**igration, **r**emittances, **a**id financing, and **b**ureaucracy. The “MIRAB process,” they found, inter alia, “involved closer integration of the islands’ economies with that of the mainland . . . turned the islands from resource-based into rent-based economies . . . skewed the occupational structure toward bureaucracy and non-agricultural activities” and evolved “multinational kin networks” of mobile islanders moving to the mainland to earn money, portions of which were remitted home.²⁵

While not all would agree that the MIRAB paradigm applies comprehensively to the Federated States and the Marshalls, the economic fault lines are comparable. Migration does appear to be of growing importance. In the FSM, particularly, emigration to Guam and CNMI became a major factor with the implementation of the compact in 1986 and has steadily increased. Studies document that FSM citizen arrivals in Guam rose from fewer than one hundred in 1985 to about nine hundred in 1989. It was predicted that by the year 2000, there will be twenty thousand people from the FSM on Guam and by about 2015, as many as forty thousand. Although most of the Micronesians work in low-skill jobs and many are homeless or below poverty level, their collective 1992 earnings in Guam approximated \$25 to \$30 million. There has also been substantial emigration from the FSM to the Northern Marianas.²⁶

From the Marshalls, however, emigration to date appears relatively low, although three or four expatriate communities have become well established in the United States.²⁷ Compared to the Federated States, the Marshalls have traditionally sent fewer students abroad and enjoyed higher income at home owing to the major U.S. military facility on Kwajalein. Moreover, remittances from the Marshallese in the United States are probably negative, that is, more money comes from the Marshalls to the United States, at least currently.

Self-Sufficiency to Self-Reliance to Sustainable Development to . . .

Despite the grim picture of deepening dependency, the FSM, RMI, and U.S. governments have persisted with traditional development policies and

euphemistic policy phrases such as “enhancing” or “promoting” self-sufficiency.²⁸

The FSM National Development Plan projects three five-year phases from 1985 through 1999, with the third phase titled “Achievement of Economic Self-Reliance.”²⁹ The plan proposes to achieve this objective essentially by following the past development model of attracting foreign investment, sustaining substantial foreign assistance, and promoting fishing and tourism--the approach initiated in the late 1960s and 1970s which more recently has been only marginally bolstered by additional goals of promoting subsistence agriculture and entrepreneurship. The lasting siren song of self-sufficiency was reflected in a 1993 report, noting that in the plan, “and seconded by President Olter in conversations, the road to economic self-sufficiency must pass through marine resources.”³⁰

The second five-year plan of the Republic of the Marshall Islands, approved by the cabinet in June 1992, emphasizes similar programs, calls for a “self-sustaining” growth process, elimination of “lopsided” dependence on foreign assistance, and development of new sources of foreign aid. In October 1992, the RMI finance minister returned from International Monetary Fund/World Bank meetings in Washington and spoke of RMI economic restructuring to move from aid dependence to self-reliance.³¹

For its part, the U.S. government undertook a major interagency review of the situation in 1993 and concluded there was need for economic restructuring to promote “sustainable development.” A four-part action plan was devised, emphasizing establishment of FSM and RMI policy guidelines addressing these goals, annual bilateral consultations with the United States, a multilateral consultative group convened by the Asian Development Bank, and stronger expert advice. Meetings in Manila with the Asian Development Bank and talks with RMI and FSM representatives put this approach in train in early 1994.³²

The Emperor's Clothes?

Can development succeed under the best of circumstances? It must be recognized that compact aid and the development efforts of the local governments have brought considerable benefit to the citizens. Per capita incomes and social service levels in the FSM and the Marshalls are well above the average for similar small Pacific island countries (except the French territories, where there are comparable and equally dependent economies).

Although the traditional model of island economic development (foreign investment, tourism, fishing, and agriculture) cannot be ignored totally by any means, its application to the Federated States and the Marshalls is ques-

tionable at best. In Guam and CNMI, where such an approach was followed under conditions of much closer association with the United States, per-capita income had grown by 1990 to \$11,500 (Guam) and \$7,598 (CNMI).³³ Rut, the people of the FSM and RMI cannot replicate the history of Guam or CNMI; nor do they seem inclined to compete seriously with them for foreign investment and its accompanying problems.

There is no existing plan or reasonable economic projection that suggests significant growth for the Federated States or the Marshalls in the foreseeable future. Some improvement may be possible, but the evident concern as of 1994 is whether the islands can maintain current levels of economic activity in the face of anticipated declines in U.S. assistance. The proverbial economic "bottom line" seems to be marginal expansion at best. A 1992 report found that for the period 1983 to 1988, "per capita real GNP appears to have fallen because of the very high rate of population growth."³⁴ To borrow a phrase from one analyst, successful development remains a "mirage" that continues to mesmerize governments involved.³⁵ It is time to recognize openly that following the development lines of the past three decades will not break the cycle of dependence.

Conclusion: Toward a New Trust with America

As of late 1994, the state of affairs in the two island states seems clear: (1) they are sovereign and politically independent, albeit with lingering fears that this independence may mean little unless economic dependence can be decreased; but (2) there is no good plan to assure economic development in the face of declining U.S. assistance, assuming the people of the Federated States and the Marshall Islands do not wish to accept major reductions in their standard of living. What is to be done? As a first step, old assumptions must be reevaluated with an eye to the future. Three underlying patterns emerge from the last decade:

- 1 / The strategic underpinnings of the relationship with the United States have changed dramatically.
- 2/ The islanders' national political identity and place on the world stage have become realities.
- 3/ The traditional development approach has essentially failed.

Strategic Ties

Strategic value has declined, but not to zero. American strategists must still consider the possibility that some power could in years to come develop hostile intent and threaten U.S. interests in the region. In any case, important

Sea Lines of Communication (SLOCs) still traverse FSM and RMI waters. And, as U.S. President Bill Clinton emphasized in a seminal security-policy speech before the South Korean National Assembly on 10 July 1993, the United States will maintain a military forward presence extending well beyond the islands.

The Compacts of Free Association have been overtaken by events, and the islanders need to know where they stand. The United States must rearticulate how the islands fit into American defense strategy for the future.

Islander Identity

The world continues to change, and to (badly) paraphrase John Donne, no island is an island. The Federated States and the Marshall Islands are being changed for better or for worse by such phenomena as cable television, nascent newspapers, foreign ambassadors, ambitious entrepreneurs, population pressures, and escalating emigration. The islands moved under U.S. administration from relative isolation to a long period of Americanization and aggressive paternalistic development, which not only "created a legacy of dependency,"³⁶ but also partially propelled the islanders into twentieth-century Westernized ways of living.

At the same time, the peoples of the Marshalls and the Federated States are part of a larger Pacific community, which is seeking to express a post-colonial "Pacific Way" of life. There is increasing interaction with other peoples and governments, especially of the Pacific Rim.

Special and difficult burdens rest with island leadership. There is a crucial need for islanders to forge consensus on what kind of societies they want to have. They will have to answer from their own perspective questions of how small is still beautiful, how many foreign laborers/entrepreneurs are too many, or how much they want their islands to look like Guam or Saipan.

The many Americans who want to help need to tap more into an islander vision and rely less on their own. The recent history of the two island groups has been driven by outsiders, principally Americans. The islanders generally had to accept the American vision and play by the American rules. Now, Washington's insistence is fast waning and new constructs for the future must be put in place.

Radically New Development Strategy

Continuation of current development policies will not provide a standard of living acceptable to the vast majority of islanders without unending infusions

of foreign aid. On the present course little, if any, real increase in per-capita GNP is likely. To achieve substantial growth, there almost surely has to be a qualitative change, indeed a revolution, of current development strategy. America must remain at the center (because, when all is said and done, there is no real alternative), and the focus has to be much more on ways that resource transfers from the United States to the islands can be both augmented and shifted from the public to the private sector.

To the authors, this suggests stepping back and starting over with a new vision based on partnership well into the next millennium. Such partnership has to flow in the first instance from what the islanders themselves want, and hence the importance of clearer articulation of their goals. There is much in the relationship between America and the islands to build on, over and above the asset of militarily strategic location. Many thousands of Americans know the islanders and have great sympathy for them--potential support that can be better mobilized if concrete objectives are put forth. Many islanders have established themselves in the United States; they too should be encouraged to tell the islands' story and to seek a broader-based understanding in America.

If the islanders seek substantial increases in income without further sacrifice of environment or life-style, a redefinition of the relationship might, for example, allow much greater exploitation of access to the U.S. labor market as granted by the compacts. Economically, this is a potentially enormous national asset. With focused government policies on both ends, could not FSM and RMI workers be channeled to productive jobs, remittances maximized, and stable flows of people encouraged, whether in one or both directions? An example of the kind of idea that might be explored is establishment in the islands of "remittance banks," which could give higher interest rates as inducements for the return of capital and the generation of funds for development projects rather than consumption.³⁷ The point is not to charge off with this or that new program, but rather to begin to articulate a vision of the future and conceive a qualitatively new United States-island relationship that fits and supports the vision. Otherwise, the future is likely at best to be no better than the present, at worst to be an irresistible downward spiral.

Many in the Federated States of Micronesia and the Republic of the Marshall Islands already have a sense of new times and the urgent need to adjust to them. Their problem is to translate perceptions into concrete actions. Former FSM President John Haglelgam undoubtedly mirrored the thoughts of many islanders on this point when he wrote in early 1993: "While we want to preserve the best and most genuine elements of our culture, customs and traditions, we do not want the world to pass us by. We do

not want to fail to be participants in our new fast-moving, interdependent world. If we fail to participate and even to compete, we may find that the rich potentials of our people and our islands lie dormant, and that the complexity of the twenty-first century world will impoverish us."³⁸

NOTES

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1. P. F. Kluge, *The Edge of Paradise: America in Micronesia* (New York: Random House, 1991), 68.
2. The authors were both directly involved as members of the U.S. Mission to the United Nations.
3. China, France, Russia (formerly the Soviet Union), the United Kingdom, and the United States constitute the, so-called Perm Five, designated in the U.N. Charter as permanent members of both the U.N. Security Council, where they have veto power, and the Trusteeship Council, where the veto power does not apply.
4. For an excellent overview, see Robert C. Kiste, "Termination of the U.S. Trusteeship in Micronesia," *Journal of Pacific History* 21 (July 1986): 127-138. In Palau, a parallel compact had also been approved by negotiators, but a constitutional requirement for ratification by 75 percent of voters was not met in the 1983 plebiscite. Palauan issues subsequently followed their own track separate from the Marshalls and the Federated States,
5. United Nations, Office of Public Information, *Charter of the United Nations and Statute of the International Court of Justice*, DPI/511-40303 (New York, 1987); hereafter U.N. Charter.
6. The only other member of the council at the time, China, had chosen not to participate in council deliberations. By 1991, when the final stages of the trusteeship story were being played out, China had reasserted an active role in council activities.
7. U.S. Department of State, *Annual Report FY 1986--Trust Territory of the Pacific Islands* (Washington, D.C., 1987), 325-326. Such U.N. documents are also available in various U.N. publications; this particular State Department report has a handy compendium of the several related U.N. and U.S. government documents.
8. *Ibid.*, 273-275.

9. For a thorough review of diplomatic recognition actions, see Michael Zdanovich, "From Dependency to Sovereignty," *East-West Center Current Affairs Notes* 25 (1991).
10. Excerpted from the *U.N. Chronicle* in Daphne Doran Lincoff, ed., *Annual Review of UN Affairs 1986* (Dobbs Ferry, N.Y.: Oceana Publications, 1988), 225-231.
11. Many observers felt the governor was using the U.N. stage to air standing grievances principally as a way to pressure the U.S. government for more forthcoming responses in bilateral talks.
12. U.N. document S/PV.2972 (New York, 1990).
13. U.N. Charter.
14. President's Personal Representative for Micronesian Status Negotiations, *Compilation of Agreements between the Governments of the United States and the Republic of the Marshall Islands* (Washington, D.C., 1987). A parallel volume was published for the Federated States of Micronesia.
15. Lawyers and diplomats continue to debate the legal aspects of sovereignty and independence in the RMI and FSM cases. U.S. State Department officer Edward Michal has suggested use of the term "protected states" to describe the two countries as ones that are fully independent but have made arrangements with a larger power to provide for their security. See Edward J. Michal, "Protected States: The Political Status of FSM and RMI," *Contemporary Pacific* 5, no. 2 (1993): 303-332.
16. Donald McHenry, in his seminal book, focused squarely on the U.S. dilemma: "how to reconcile traditional American views in favor of self-government and self-determination with the belief that American control of Micronesia was required" (*Micronesia, Trust Betrayed* [New York: Carnegie Endowment for International Peace, 1975], 2).
17. Roy H. Smith and Michael C. Pugh, "Micronesian Trust Territories--Imperialism Continues?" *Pacific Review* 4, no. 1 (1991): 36-44.
18. One reflection of the changing times was the serious suggestion made at policy levels in Washington in 1993 that to save U.S. budget dollars Palauans, whose political status was still pending resolution at the time, be encouraged to opt for compact abrogation. Palau was judged to have little remaining strategic value despite persistent--and simply wrong--rumors that the U.S. military was about to move its Philippine arsenals there. (This recounting is based on personal recollection of one of the authors.)
19. Department of State, *Annual Report FY 1986*, 267-270.
20. Virginia McClam, "The Micronesian Islands: Economic Self-sufficiency versus Political Self-determination," in *Micronesian Realities: Political and Economic*, ed. Frances McReynolds Smith, 188-189 (Santa Cruz: University of California at Santa Cruz, 1972).
21. U.S. government program cost estimates from U.S. government sources, 1993; GDP estimates from *CIA World Factbook* (Washington, D.C., 1992 edition). All dollar figures are in U.S. dollars.

22. Pamela Thomas, "The Economics of Dependency in the Marshall Islands," *Pacific Economic Bulletin* 2, no. 2 (1987): 25-30.
23. Penelope Schoeffel, "Food, Health, and Development in the Pacific Islands: Implications for Micronesia," *ISLA: A Journal of Micronesian Studies* 1, no. 2 (1992): 289-321.
24. Mary L. Spencer, "Literacy in Micronesia," *ISLA: A Journal of Micronesian Studies* 1, no. 2 (1992): 223-245.
25. G. Bertram and R. F. Watters, "The MIRAB Economy in South Pacific Microstates," *Pacific Viewpoint* 26, no. 3 (1985): 497-519. See also Bertram and Watters, "The MIRAB Process: Earlier Analyses in Context," *Pacific Viewpoint* 27, no. 1 (1986): 47-59; and Geoffrey Bertram, "'Sustainable Development' in Pacific Micro-economies," *World Development* 14, no. 7 (1986): 809-822.
26. This discussion is based in large part on Donald H. Rubenstein and Michael J. Levin, "Micronesian Migration to Guam: Social and Economic Characteristics," *Asia and Pacific Migration Journal* 1, no. 2 (1992): 350-385; supplemented by Francis X. Hezel and Thomas B. McGrath, "The Great Flight Northward: FSM Migration to Guam," *Pacific Studies* 13, no. 1 (1989): 47-64.
27. Jim Hess, "Migration, Networks, Resources, and Households: The Formation of a Marshallese Community in Orange County" (unpublished monograph, 1992).
28. One of the better (or worse) examples is *The Challenge of Enhancing Micronesian Self-Sufficiency* (Washington, D.C.: Government Accounting Office, ID-83-1, 25 January 1983); the cover page includes the observation that "enhancing their institutional capabilities and their self-sufficiency will require substantial technical assistance."
29. Federated States of Micronesia, Office of Planning and Statistics, *First National Development Plan 1985-1989* (Kolonia, Pohnpei, 1984).
30. Gene Ashby, "100th Issue Special Report--Federated States of Micronesia," *Pacific Magazine*, July/August 1993: 44.
31. Cited in unpublished U.S. Embassy reports.
32. U.S. government sources in conversations with the authors, February 1994.
33. United States Department of Interior, *A Report on the State of the Islands* (Washington, D.C., 1992).
34. Bank of Hawaii, *Pacific Islands Economic Trends*, report to the Pacific Business Opportunities Conference, Honolulu, January 1992.
35. John Connell, "Island Microstates: The Mirage of Development," *The Contemporary Pacific* 3, no. 2 (1991): 251-287. The author asserts that for many island microstates "development is a wholly relative concept," largely irrelevant to current economic planning. Although not specifically addressing the FSM or RMI, much of his argument is on target there as well.

36. Kiste, "Termination of the U.S. Trusteeship," 129.

37. In his study of five smaller Pacific island microeconomies linked to Australia and New Zealand, Bertram proposed radical reorientation of development policies and called attention in particular to the importance of rents and migrant remittances. See Bertram, " 'Sustainable Development.' "

38. John Haglelam, *Continental Airlines Pacifica Magazine*, Summer 1993.