

CHAPTER Ef

Outlying Areas

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OUTLYING AREAS

Sumner J. La Croix

Outlying areas are geographical areas over which the U.S. government exercises jurisdiction, control, or sovereignty and are not U.S. states.¹ They typically have been treated in an anomalous fashion in censuses and other governmental data collection efforts. Despite being geographically peripheral by definition, they are important for understanding various aspects of American history, in particular the American imperialism of the late nineteenth century that was often the reason behind their acquisition and retention. Outlying areas receive separate treatment in *Historical Statistics* because of their unique histories, distinct data sources, and typical exclusion from the other historical data series in the volume. Despite the fragmentary nature of many of the series, a broad-sweeping analysis of major trends reveals dramatic changes in the economic, political, and social life of people in outlying areas since the acquisition of these areas by the United States.

Twelve outlying areas were selected for inclusion. Two of them were U.S. territories for approximately 60 years (Hawai'i) and 90 years (Alaska) before becoming states.² The territories of

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Hawai'i and Alaska are included in the group of outlying areas for two reasons: they were important U.S. territories that were not part of the contiguous landmass of the 48 states, and they were both U.S. territories for a particularly long time before becoming states. That said, historical data from other U.S. territories that went on to become states (for example, the territory of Arizona) are not included.

Five of the twelve areas included in this discussion are currently U.S. territories or commonwealths: American Samoa, Guam, Commonwealth of Northern Mariana Islands, Commonwealth of Puerto Rico, and the U.S. Virgin Islands.³ These areas are included because of the significant size of their populations (Puerto Rico and Guam) and their organized, elected governments (all of the above). We do not have historical data from Midway Island, Johnston Island, Navassa Island, Palmyra Island, Kingman Reef, Howland and Baker Islands, Wake Island, and other islands under U.S. sovereignty without elected governments or indigenous populations (all are currently uninhabited except for a small military base on Johnston Island). These territories may, nonetheless, remain strategically important possessions.

The remaining five outlying areas were formerly under U.S. sovereignty or held in trust by the United States: the Panama Canal Zone, the Philippines, and three sovereign states carved from a portion of the Trust Territory of the Pacific – the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. These outlying areas are included because of the significant size of their populations (the Philippines), their historical significance for the United States as a world power (Canal Zone and Trust Territory of the Pacific) or their unique status as a United Nations trust (Trust Territory of the Pacific). This chapter does not include historical data from countries occupied in the aftermath of war (for example, Germany and Japan after World War II) or U.S. military action (for example, Vera Cruz, Mexico, in 1914; Nicaragua for most of the period 1912–1933; or Panama after the U.S. invasion in 1989). The chapter also excludes military protectorates of the United States, such as Cuba 1898–1934,

¹ The U.S. Census Bureau now refers to these areas as “insular areas.” The federal government oversees them through the Office of Insular Affairs, U.S. Department of Interior. For additional information on the territorial history of the United States, see the essay on natural resources and the environment in Chapter Cf.

² A U.S. territory is a partially self-governing geographical area of the United States that has not been granted statehood. The District of Columbia is a U.S. territory but is not included here.

³ A U.S. commonwealth is a self-governing autonomous political unit in political union with the United States as well as under the sovereignty of the United States.

Panama 1903–1939, Dominican Republic 1905–1941, and Haiti 1915–1936.

The twelve outlying areas considered here are extremely heterogeneous in their geography, economic development, political status, languages, and cultures (see Table Ef-A). They are geographically far flung, from the Marshall Islands in the Northwest Pacific to American Samoa in the South Pacific to the U.S. Virgin Islands in the Caribbean Sea. Their level of economic development varies tremendously, from the high per capita income of Hawai'i residents to the low per capita income of citizens of the Federated States of Micronesia. Most outlying areas are, however, very poor by U.S. standards, with per capita incomes in 1970 typically far less than those observed in the poorest U.S. state. English is or was used as at least a secondary language in all outlying areas, but numerous other languages are also spoken, including Hawaiian, Samoan, Spanish, and Tagalog. Some outlying areas are populated primarily by native peoples (for example, American Samoa), while others are primarily populated by immigrant peoples (for example, Hawai'i). The heterogeneity of the twelve outlying areas establishes a basis for providing separate historical series for each outlying area.

One feature common to many of the outlying areas is that their acquisition was a consequence of U.S. involvement in war (see Table Ef-B). After its defeat in the Spanish-American War, Spain ceded Puerto Rico, Guam, and the Philippines to the United States in 1898. The annexation of Hawai'i by the United States in 1898 was also a byproduct of the Spanish-American War, as Congress had repeatedly rejected measures to annex the Republic of Hawai'i, despite the fact that the U.S. military was involved in the 1893 overthrow of the Hawaiian monarchy, until battles in the Philippines during the spring and summer of 1898 increased the strategic importance of Hawai'i.

The United States purchased the U.S. Virgin Islands from Denmark during World War I to prevent them from falling into the hands of Germany. The United States obtained the Trust Territories of the Pacific – Palau, the Federated States of Micronesia, Northern Mariana Islands, and the Marshall Islands – after Japan's defeat in World War II and the forfeiture of its mandate from the League of Nations over these islands. Only Alaska and the Canal Zone are exceptions to the rule of wartime acquisition. Alaska was purchased from Russia in 1867 and the Canal Zone's perpetual lease was negotiated by treaty in 1903, albeit only after the U.S. military supported the Panamanian Rebellion against Colombia.

Selection of the Historical Series

The selection of historical series for the volume was guided by two main principles: the series should be important indicators of a wide spectrum of demographic, economic, and social characteristics; and they should be available for most outlying areas. Table Aa93–109 presents the basic census population counts for the period 1880–2000. Tables Ef1–45 provide the core demographic data series. More detailed information on the native and immigrant populations of Hawai'i and Alaska is presented because of their ethnic diversity as well as their later transition to statehood. Estimated annual population is reported to facilitate calculation of per capita measures from aggregate data series. The reader is cautioned that the estimated population series are often provisional and sometimes based on simple interpolations between census data. Infant

mortality is an important demographic variable in its own right, and is much more readily available in the outlying areas than another critical demographic variable, life expectancy. The relatively long series on infant mortality assume a heightened importance as an indicator of development for outlying areas, as the historical series on real per capita income are often problematic.⁴

Four other tables provide a more complex portrait of each area's human resources. Tables Ef46–66 cover school enrollment and thus provide at least a rough measure of investment in human capital. Historical series on public and private employment (Table Ef75–84) and unemployment (Table Ef85–92) are somewhat fragmentary for many of the developing areas. In many cases, the only reliable employment and unemployment data come from the U.S. Census of Outlying Areas. Due to the limited availability and reliability of the unemployment series in particular, Table Ef85–92 does not report annual data; instead it reports measures of unemployment only for years in which the Census of Outlying Areas was taken.

Five historical tables provide information on particular sectors of the economy. Series on the value of exports and value of imports are particularly important, because in the absence of reliable national income data they are often the “best available” indicators of trends and cycles in the domestic economy (Tables Ef100–121). Such series should be used for this purpose with a great degree of caution, as their long-run trends and short-run variation may also be driven by changing trade policies, the growth or decline of the tradable good sectors of the economy, changing terms of trade, and changing usage of intermediate products. Two additional historical tables chart the traditional industry of most outlying areas, agriculture, and the newly dominant industry, tourism. Table Ef93–99 presents data on the value of the major crops of selected outlying areas, while Table Ef122–130 presents surprisingly complete data on visitor arrivals. Table Ef131–140 reports data on the number of telephone lines or telephones in use, a measure of the development of public infrastructure as well as another indicator of the degree of economic development.

Aggregate data on gross territorial product (GTP) are provided in Table Ef67–74, and consumer price indexes (CPI) for outlying areas may be found in Table Ef141–148.⁵ With the exceptions of Hawai'i and Puerto Rico, most outlying areas only began to calculate national income and consumer price indexes in the 1970s. These series are, therefore, relatively short, and early values were often produced by outside consultants. The inexperience of most outlying area governments in constructing these measures should alone be adequate warning concerning the reliability of GTP and CPI estimates.

The chapter also contains two tables related to government activity: total government revenues and expenditures (Tables Ef149–172). A table on government employment would nicely complement these series, as it would provide a better measure of government consumption of resources than government expenditures. It was not reported, however, due to fragmentary data in numerous outlying areas.

⁴ Infant mortality was clearly underreported in rural parts of outlying areas, particularly prior to the 1950s when more comprehensive tracking of vital statistics was instituted.

⁵ GTP is also known as gross island product, gross domestic product, and gross commonwealth product.

TABLE Ef-A Vital facts of the outlying areas

Outlying area	Location	Land area (square miles)	Notable geographic characteristics	Capital	Major languages	Political status as outlying area	Political status in 2000	U.S. citizenship rights in 2000	Currency in 2000
Alaska	Northwest extreme of North American continent	570,374	Three major geographic regions; 150 Aleutian islands; Alexander Archipelago	Juneau	English, numerous Native Alaskan languages	Incorporated, organized territory, 1912–1959	49th U.S. state since 1959	Citizens	U.S. dollar
Hawai'i	North Pacific Ocean	6,423	Hawai'i, Kauai, Maui, Oahu, and Molokai are largest islands; active volcanoes; in hurricane path	Honolulu	English and Hawaiian	Incorporated, organized territory, 1900–1959	50th U.S. state since 1959	Citizens	U.S. dollar
American Samoa	South Pacific Ocean	77	Tutuila is largest of seven islands; Pago Pago Harbor; in hurricane path	Pago Pago	Samoan and English	Unincorporated, unorganized territory since 1951	Unincorporated, unorganized territory	Nationals	U.S. dollar
Guam	Northwest Pacific Ocean	210	One major island; Apra Harbor; in hurricane path	Agana	English and Chamorro	Unincorporated, organized territory since 1950	Unincorporated, organized territory	Citizens	U.S. dollar
Commonwealth of Northern Mariana Islands	Northwest Pacific Ocean; 125 miles north of Guam	179	Saipan, Tinian, Rota are the largest of fourteen islands; in hurricane path	Saipan	English, Chamorro, and Carolinian	United Nations trust territory, 1946–1986	U.S. commonwealth since 1986	Citizens	U.S. dollar
Commonwealth of Puerto Rico	West Indies	3,427	One major island; several smaller islands; in hurricane path	San Juan	Spanish and English	U.S. commonwealth since 1952	U.S. commonwealth	Citizens	U.S. dollar
Virgin Islands	Group of islands in the Lesser Antilles chain in the West Indies	134	Three main islands are St. Croix, St. John, and St. Thomas; fifty islets; in hurricane path	Charlotte Amalie	English	Unincorporated, organized territory since 1936	Unincorporated organized territory	Citizens	U.S. dollar
Canal Zone	Panamanian isthmus of Central America	362	Five-mile-wide strip of land on each side of the Panama Canal	Balboa Heights	Spanish and English	Leased land under U.S. control, 1904–1979	Part of sovereign state of Panama since 1999	None	U.S. dollar
Federated States of Micronesia	Northwest Pacific Ocean	271	607 islands and atolls; four FSM states span 1,700 miles	Palikir, Pohnpei	English and eight major Micronesian languages	United Nations trust territory, 1946–1986	Sovereign state in compact of free association with U.S. since 1986	None	U.S. dollar
Republic of Marshall Islands	Northwest Pacific Ocean	70	Thirty-four coral islands; 870 reefs; average elevation above sea level is seven feet	Majuro	English and Marshallese dialects	United Nations trust territory, 1946–1986	Sovereign state in compact of free association with U.S. since 1986	None	U.S. dollar
Republic of Palau	Northwest Pacific Ocean	177	343 islands, with main group encircled by 100-mile reef; Rock Islands	Koror	English, Palauan, Sonsorolese-Tobian	United Nations trust territory, 1946–1994	Sovereign state in compact of free association with U.S. since 1994	None	U.S. dollar
Republic of the Philippines	Western Pacific Ocean, east of Vietnam; part of the Malay Archipelago	115,124 ¹	7,100 islands with eleven major islands; active volcanoes	Manila	Tagalog, English, and ten major regional languages	U.S. commonwealth, 1935–1946	Sovereign state since 1946	None	Philippine peso

¹ Also includes water area.

TABLE EF-B Acquisition and political status of outlying areas**U.S. States**

Alaska. On the initiative of U.S. Secretary of State William H. Seward, the United States paid Russia \$7,200,000 for Alaska on October 18, 1867. The U.S. Congress provided Alaska with a simple civil government in 1884. In 1912, Congress passed the 2nd Alaska Organic Act, providing Alaska with an elected bicameral legislature and an appointed governor. After several failed statehood petitions, the U.S. Congress approved the Alaska Statehood Act on May 26, 1958, and Alaska officially became the forty-ninth state on January 3, 1959.

Hawai'i. U.S. Marines assisted a successful overthrow of Hawai'i's monarchy by the Caucasian minority on January 17, 1893. After several failed annexation measures, President McKinley signed a joint resolution of Congress to annex Hawai'i on July 7, 1898. The United States assumed sovereignty on August 12, 1898, and Hawai'i became a U.S. territory on June 14, 1900. The Organic Act of 1900 established territorial government with an appointed governor and an elected bicameral legislature. After several failed statehood petitions, the Hawai'i Statehood Act was signed into law on March 18, 1959, and Hawai'i officially became the fiftieth state on August 21, 1959.

U.S. Territories and Commonwealths

American Samoa. By the Treaty of Berlin, signed December 2, 1899, and ratified February 16, 1900, the United States acquired rights to the Samoan islands east of longitude 171 degrees. Samoan chiefs then ceded Tutuila and Aunu'u to the United States in 1900 and the Manua group in 1904. The United States annexed Swains Island in 1925 and placed it in the American Samoan territory. On February 20, 1929, Congress formally accepted sovereignty over these Islands. The U.S. Navy administered American Samoa from 1900 to 1951, when jurisdiction was transferred to the Department of the Interior. The Constitution of 1960 established Samoa as a territory with an appointed governor and an elected bicameral legislature. The revised constitution of 1966 has allowed for an elected governor since 1977. American Samoa is an unorganized unincorporated territory of the United States under the jurisdiction of the Department of the Interior.

Guam. The United States acquired Guam from Spain at the end of the Spanish-American War under the Treaty of Paris on December 10, 1898. The island was placed under U.S. Navy rule. The Japanese invaded Guam on December 8, 1941, and held it until July 21, 1944. The Organic Act of August 1, 1950, established a civilian government, with an appointed governor and an elected unicameral legislature. Guam's governor became popularly elected in 1970. Guam's official status is as an organized unincorporated territory of the United States under the jurisdiction of the Department of the Interior.

Northern Mariana Islands. On July 18, 1947, the Northern Marianas were included in the United Nations' Trust Territory of the Pacific. The United States administered the Trust Territory until its dissolution. In 1975, residents of the Northern Marianas approved commonwealth status for the island group, which effectively gave the islands political union with the United States. The U.S. Congress approved commonwealth status in 1976. In 1978, self-government was established, and on November 3, 1986, the commonwealth was fully implemented. The Northern Marianas have an elected governor and an elected bicameral legislature.

Puerto Rico. Spain ceded Puerto Rico to the United States under the Treaty of Paris on December 10, 1898. The United States established a civil territorial government in 1900, with an appointed governor and an elected legislature. The Constitution of 1952 established Puerto Rico as a commonwealth, with an elected governor and a bicameral legislature.

Virgin Islands. The United States acquired the American Virgin Islands from Denmark on March 31, 1917, for \$25 million in gold as a naval base to protect against German attacks on Panama Canal Zone shipping. The U.S. Navy ran the island government from 1917 to 1931. U.S. citizenship was granted to native Virgin Islanders in 1927. The Organic Act of 1931 established a government under the U.S. Department of the Interior, with an appointed governor and elected municipal councils. The Second Organic Act of 1954 mandated an elected senate. The Virgin Islands Elective Governor Act of August 1968 allowed for a governor and lieutenant governor to be elected to four-year terms beginning with the November 1970 election. The Virgin Islands are an organized unincorporated U.S. territory under the jurisdiction of the Department of the Interior.

U.S. Sovereignty Ended

Canal Zone. The Hay-Bunau-Varilla Treaty of 1903 between Panama and the United States was ratified by the United States on November 18, 1903, and by Panama on February 23, 1904. This treaty created the Canal Zone, a strip of land across Panama. The United States was given the right to build and operate the Panama Canal and to control the Canal Zone as if it were U.S. territory. The U.S. Army appointed the governor of the Canal Zone. On September 7, 1977, the U.S. and Panama governments signed a treaty ending U.S. control over the Canal Zone on October 1, 1979. The United States turned over the Canal Zone to Panama on December 31, 1999.

Federated States of Micronesia. On July 18, 1947, the Micronesian islands were included in the United Nations' Trust Territory of the Pacific. The United States administered the Trust Territory until its dissolution. Following a constitutional convention, the people of Truk, Yap, Pohnpei, and Kosrae voted to form a federation on July 12, 1978. The government of the Federated States of Micronesia (FSM) was established on May 10, 1979. In 1983 FSM voters approved the compact of Free Association with the United States. The Compact grants sovereignty to FSM and provides for U.S. aid and defense of the islands. After ratification of the Compact by the U.S. Congress, FSM became an independent state on November 3, 1986.

Republic of the Marshall Islands. On July 18, 1947, the Marshall Islands were included in the United Nations' Trust Territory of the Pacific. The United States administered the Trust Territory until its dissolution. In 1978 the Marshall Islands Constitutional Convention adopted a constitution, and the government of the Republic of the Marshall Islands (RMI) was established in 1979. In 1983 RMI voters approved the compact of free association with the United States. The compact grants sovereignty to RMI and provides for U.S. aid and defense of the islands in exchange for continued U.S. use of the missile testing range at Kwajalein Atoll. After ratification of the compact by the U.S. Congress, RMI became an independent state on October 21, 1986.

Palau. On July 18, 1947, Palau was included in the United Nations' Trust Territory of the Pacific. The United States administered the Trust Territory until its dissolution. In 1980 voters adopted a constitution, effective January 1, 1981. In 1986 the U.S. Congress approved a compact of free association agreed to by U.S. and Palauan negotiators. After rejecting the compact seven times, Palauan voters approved the compact on November 9, 1993, after the Palau Constitution was amended to reduce the majority vote required for approval. On October 1, 1994, Palau became an independent state.

Philippines. The United States acquired the Philippine Islands from Spain at the end of the Spanish-American War under the Treaty of Paris on December 10, 1898. Guerilla warfare between Filipino nationalists and U.S. forces continued into 1902. The Philippine Bill of 1902 established an appointed governor and a bicameral legislature, one house of which was elected. The Jones Act established an elected upper house in 1916 and pledged future independence. The Tydings-McDuffie Bill of 1934 promised independence by 1946 and established an interim commonwealth with a popularly elected Philippine president. The Republic of the Philippines was formally proclaimed on July 4, 1946.

TABLE Ef-B Acquisition and political status of outlying areas *Continued*

Trust Territory of the Pacific. During World War I, Japan captured the Marshall Islands, the Northern Mariana Islands, Palau, the Federated States of Micronesia, and the Caroline Islands from Germany. The League of Nations subsequently granted a mandate to Japan to administer the islands. The United States occupied these islands during the last two years of World War II and was designated in 1947 by the United Nations as the trustee of the Trust Territory of the Pacific Islands (TTPI). The U.S. Navy administered the TTPI until 1951, when the U.S. Department of the Interior became the administrative authority. The President of the United States appointed a High Commissioner of the TTPI, who appointed administrators for four districts within the TTPI. In 1965, the Congress of Micronesia was formed, with representatives from all TTPI islands. During the 1970s the various component parts of the TTPI began the process of deciding the future status of their islands. The United Nations Security Council voted in December 1990 to dissolve the trusteeship with the exception of Palau. The trust territory was dissolved in 1994 after Palau's voters approved a compact of free association with the United States.

Major Data Sources and Their Limitations

Data feasts, famines, and fragments – the usual lot of the quantitative historian – are writ large in the historical data series for outlying areas. Hawai'i provides relatively ample data, for the researcher Robert C. Schmitt has compiled a magisterial volume, *Historical Statistics of Hawaii*, containing thousands of important historical series and virtually every series required for this work. In contrast to Hawai'i, Alaska has few historical series covering even medium-length portions of the 1868–1958 pre-statehood period. The *Annual Reports* from the governor of Alaska to the U.S. Secretary of the Interior contain some relevant data, but reporting of important series is typically sporadic and many series end after just a few years. Before Alaska became a state, the territorial government did not appear to calculate a consumer price index or gross territorial product, or keep statistics on total employment or unemployment.

American Samoa, the Canal Zone, Guam, Puerto Rico, and the Virgin Islands are all rich in unorganized, unanalyzed historical data. The *Annual Reports* of the territorial governors to the Secretary of the Interior or to the Secretary of the Navy often contain important data series (for example, school enrollment), but in most cases only fragments of these series have been assembled. Many of the series presented here represent the first systematic effort to assemble these data into long historical series. Data were combined from the *Annual Reports* with data gathered by the area's statistical abstract or digest and with data supplied by each area's economic development and planning agencies. Some of the annual series pieced together from these multiple data sources are complete, while others remain fragmentary due to the irregular coverage in the underlying sources.

Data for the four main districts of the Trust Territory of the Pacific are very fragmentary for the first five to eight years after the United States assumed the United Nations trust in 1946. *Annual Reports* by the U.S. Secretary of State to the United Nations improve dramatically in the early 1950s, allowing relatively detailed data for each of the four trust districts to be identified from the early 1950s through the mid-1970s. After 1976, the data provided in the *Annual Reports* become less detailed, as the Trust Territory government turned its data collection responsibilities over to newly established regional governments. The four separate governments regularly published some data series previously reported in the *Annual Reports*, but other data series (for example, government revenues and expenditures) were only sporadically reported and are often hard to interpret.

An impressive array of historical series for the Philippines during the U.S. colonial period is reported in the 1940 and 1946 editions of the *Yearbook of Philippine Statistics*. While there are

numerous underutilized series covering internal and international migration, labor stoppages, and agricultural output by province, some aggregate series required for this project (for example, employment, unemployment, consumer price index, and gross commonwealth product) were either never assembled by the commonwealth government or only initiated in the mid-1930s.

Data for the Pacific territories during World War II are typically unavailable, with the significant exception of Hawai'i. Pre-World War II data for many areas are particularly erratic in quality. Consider, for example, infant mortality rates. Pre-World War II infant mortality series are available for the Philippines and Puerto Rico but are of poor quality due to serious underreporting of birthrates. Given the problems with both data series, they have not been reported here.

Major Trends

Several outlying areas share common trends for a number of important series. First, population grew more rapidly in the outlying areas than in the contiguous forty-eight states (Tables Aa93–109 and Ef1–45). Exceptions were Alaska and the Virgin Islands in the 1920s and 1930s, both of which suffered from declines in staple industries; the Canal Zone, with its temporary bulge in population during canal construction and World War II; and Hawai'i, with its huge influx of military personnel during World War II and their ensuing exodus.

Infant mortality rates were at high levels in each outlying area when it was acquired by the United States (Table Ef36–45). In all outlying areas, infant mortality rates decline rapidly after World War II. The rate of decline has been sufficiently large to ensure that all outlying areas have been converging to, albeit not yet reaching, the moving target set by the slowly declining infant mortality rates in the U.S. states.

Enrollment in public schools displayed impressive increases throughout the twentieth century, with the proportion of the population attending primary school increasing substantially and the proportion attending secondary school also increasing but with significant delays (Tables Ef46–66). The raw enrollment numbers are nonetheless difficult to interpret, as the percentage of young people in most outlying areas has also been increasing due to high population growth rates. Yet in most outlying areas, the increase in enrollment has so outstripped population growth that it is obvious that both public primary and secondary enrollment rates among school-age children have increased dramatically.

Nominal merchandise imports have increased rapidly over long time periods in all outlying areas, but the trends with respect to nominal merchandise exports have varied more substantially across

areas (Tables Ef100–121).⁶ Alaska, Puerto Rico, American Samoa, and Hawai'i saw steady increases in both imports and exports, and had overall merchandise trade surpluses for long periods. The Northern Mariana Islands, the Federated States of Micronesia, the Marshall Islands, Palau, and Guam all experienced large increases in imports after 1950 that were not matched by similar increases in exports. The ensuing large trade deficits were indirectly financed in the 1970s and 1980s by grants from the U.S. government and in the 1990s in the Marshall Islands, Palau, and the Federated States of Micronesia by revenues from the compacts of free association with the United States.⁷

Since 1960 many outlying areas have made a rapid transition from an agriculture-based economy to a service-based economy, in which tourism services have become the main output.⁸ The steep decline in the Puerto Rican sugar crop since the 1960s, the end of sugar cultivation in the U.S. Virgin Islands in 1967, and the general decline of agriculture in the territories of the North-west Pacific Ocean have been offset by even more rapid growth in these areas' tourism industries (Tables Ef93–99 and Ef122–130). Hawai'i, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, Guam, and Palau all experienced sustained growth in visitor arrivals after World War II, with the beginning of sustained growth varying within the group. American Samoa, however, has not shared in the tourism boom, and the 1970s booms in visitor arrivals to the Federated States of Micronesia and the Marshall Islands turned out to be short-lived.

The historical series on telephone lines provides a more tangible indicator of delayed development for some outlying areas (Table Ef131–140). A few areas, in particular Puerto Rico and Hawai'i, had relatively large numbers of telephones in use prior to World War II. Other areas, in particular the U.S. Virgin Islands and Guam, experienced rapid advances only after World War II. By contrast, some trust territories had no nonmilitary phone lines in place as late as 1960. However, during the 1970s and 1980s, Palau, the Federated States of Micronesia, the Northern Mariana Islands, and American Samoa all experienced dramatic increases in telephone lines and service availability.

The historical series on gross territorial product (GTP) show rapid increases in the national output of many outlying areas (Table Ef67–74). An immediate warning should be noted, as the figures are not deflated and are not expressed in per capita terms. Thus, growth in nominal GTP could be due to inflation and population growth and may not indicate increases in the real output available to each resident. Rapid increases in GTP have been observed in several outlying areas. Guam saw a doubling of its nominal GTP within a span of three years, from 1985 to 1988. Puerto Rico and the U.S. Virgin Islands have seen steady increases in their nominal GDP since the early 1960s. Nominal GTP doubled in Hawai'i between 1940 and 1950. In the Northern Mariana Islands, nominal GDP increased from \$50 million to over \$250 million in just ten

years. These rapid growth rates have typically meant that nominal per capita GDP has been converging, in fits and starts, with the level observed in the U.S. states. Nominal GDP series from the former trust territories are only available since the late 1970s and early 1980s. Per capita nominal GDP levels remain relatively low in the three independent countries carved from the Trust Territory, and there is little if any indication of a trend in these three areas of convergence with nominal per capita GDP levels in the U.S. states.

Constructing real GTP series is problematic, as only a few outlying areas have maintained reliable GTP deflators. Most outlying areas have focused instead on constructing a consumer price index (CPI) using well-established methodologies of data collection and index construction (Table Ef141–148). Many of these CPI series, however, are relatively short, as efforts to construct and maintain such complex series as consumer price indexes, gross territorial product, and personal income only commenced in some outlying areas during the 1960s or 1970s. In addition, the base weights in most CPI series are derived from consumer expenditure surveys that have been undertaken only sporadically. This is particularly problematic for fast-growing economies with rapidly changing consumer expenditure patterns. In these economies, as the benchmark survey year recedes into the past, the more likely it becomes that the measured consumer price index contains more substantial errors.

Finally, nominal government expenditures and revenues have grown rapidly in most outlying areas since World War II (Tables Ef149–172). Revenue and expenditure series are, however, extremely difficult to compare across outlying areas due to substantial differences in revenue and expenditure definitions.

Conclusion

The historical statistics of outlying areas are clearly still a work in progress. Many series contain rounded data due to government reporting of series in this form. Other series have missing data points, even for relatively recent years. Some series are somewhat vague as to their exact coverage or the methodology by which they were collected. And government bureaucrats maintaining some series have declined to release them even after numerous inquiries.

There is, however, reason to expect that some of these deficiencies can be remedied in the future. Many government agencies maintain records with unrounded data but have been unwilling to make them available. Some "missing" data may be contained in records maintained at government agencies that have not yet been published. Archives in outlying areas are also likely to contain data that could be used to construct relevant series. These sources are more likely to be exploited as the outlying areas become more affluent and interest in their history increases concomitantly. It would not be surprising, following the precedent of Hawai'i, to see historical statistics assembled and published in specialized volumes for the larger outlying areas (Alaska, Guam, and Puerto Rico) or for outlying areas with relatively abundant unorganized data (the Canal Zone, the Marshall Islands, Palau, the Federated States of Micronesia, and the Northern Mariana Islands). Researchers in the Philippines may decide to undertake a similar project as interest in the U.S. colonial era revives.⁹ I hope that the few tables assembled here will provide a solid foundation for those future endeavors.

⁶ Merchandise exports are a poor measure of overall export earnings in economies specializing in selling domestic tourism services to visitors.

⁷ Under the compacts of free association, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia granted exclusive military access to the United States for fifteen years in exchange for monetary assistance with economic and social development.

⁸ Beginning in the 1940s, Puerto Rico accumulated a substantial manufacturing base, and several major oil refineries and alumina processing plants located in the Virgin Islands.

⁹ See the Internet site of the Asian Historical Statistics Project at Hitotsubashi University in Tokyo, Japan.

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