Paragraph 2 outlines some of the considerations for changing the status of the territory. We agree with these considerations. However, regardless of the J.N.'s attitude and the fact that this would be one of the three remaining trust territories, we should also be considering the advancement of the people of the territory as a goal in itself.

Paragraph 3 implies that any choice the Micronesians would make should be meaningful to them and that the choice should be one favorable to our interests. Even the members of the last Visiting Mission agree with this.

This inevitably means increased economic development and as a consequence larger appropriations.

We believe it is very likely that Interior's primary concern in this problem is raising their appropriation ceiling which is now pegged at 7.5 million dollars. They have requested 12 million for the forthcoming year. But if they are to accomplish our objectives and especially the ones outlined further on in the paper, we should have to look forward to budgets in the neighborhood of 20 to 30 million dollars for a limited period of time. A radical departure of this kind would have to be given strong support by the entire Executive Branch, as it implies a definite change in our policy toward the territory.

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consider submitting it for U.N. approval.

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The steps outlined in paragraph 4 of Mr. Udall's letter are consonant with the recommendations of the last U.N. Visiting Mission and of the Trusteeship Council over a period of years. We should fully expect a favorable response in the U.N. in general to this sort of program, and we believe it is very much in the interests of the United States to undertake it. We agree with the remarks in paragraph 5.

Paragraph 6 makes more explicit the desire of the Interior Department to get further backing from the Department of State should this policy be adopted. It appears clear that if the Executive Branch reaches substantial agreement on the course of action outlined in the letter, Interior would like you to testify to their Committees in both the Senate and the House on the policy implications of such a change. We believe this would serve a useful purpose.

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