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The Director of the Office of Territories, March 1, 1962

Resources and Civil Works Division - D.C. Lindholm

Definition of U.S. objectives with respect to the Trust Territory of the Pacific Islands.

The memorandum to the President on the 1963 Preview pointed out the need to define the objectives of U.S. policy with respect to the Trust Territory of the Pacific Islands. This problem was also discussed at two of your meetings with the Secretary of the Interior. On these occasions, the Secretary agreed that the Department of the Interior had the responsibility for developing definitions of these objectives and consulting thereon with the Department of State.

After an unsuccessful attempt by Office of Territories staff to head up an interdepartmental committee (Interior, State, and Defense) which was to present staff recommendations on the objectives of the U.S. in the Trust Territory, there is now an indication of Secretarial level activity on this problem. We understand that the Secretary is planning to hold an exploratory discussion of this matter later this week. State, Defense, and the National Security Council are to be represented.

Informal indications from the Department are that the following assumptions and policies which underlie our present objectives for the Trust Territory will be examined:

1. The Trust Territories can and must be economically self-sufficient.

A more realistic study of the situation will probably indicate that the Territory will not even remotely approach such a status in the foreseeable future. In none of the other U.S. territories or possessions have we or are we likely to be faced with a similar situation. To officially admit that the Trust Territories will remain an economically dependent area will have some far-reaching implications.

2. The primitive economic and social structure of the islands was to be preserved.

With the determination to make the islands self-sufficient this became an essential corollary because the islands do not possess the resource base to support a modern industrial-type economy.

3. Neither the U.S. nor the Micronesians would be making any decisions on their future political status within the foreseeable future (15 to 20 years).

There are only a few U.N. trust territories left today. Soon there will be just us and maybe one or two other nations. This situation along with the growing impatience of many U.N. members with any form of "colonialism" may force a decision on the U.S. and the Micronesians much sooner, perhaps in 4 to 8 years.

Reversal of the above policies and assumptions and the adoption of a positive developmental approach for the people of the Trust Territory, which we would strongly support, would have a significant effect on the future-year budget projections for the Trust Territory. To begin an effort to bring educational and health standards close to those enjoyed in the continental U.S. and to provide a basis for the limited economic development that is feasible, may, as a rough guess, require a doubling of the 1963 budget amount (\$10 million) in 1964.

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