

March 16, 1962

Letter to his White & P.

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*Probably want to discuss
Comm - action on files off file*

Dear Mr. Aspinall:

The President has expressed serious concern with respect to the bad reputation our administration of the Trust Territory of the Pacific Islands has gotten in important areas of the world. The U. S. Government has been charged in the United Nations by impartial observers with seriously neglecting the economy of the Trust Territory and with otherwise slighting its people. We must improve this situation not only because it is badly needed but also to remove an opportunity for our enemies to attack us as being hypocritical and indifferent to the welfare of peoples who have been placed in our care.

The President is mindful that the Executive Branch in cooperation with the Congress must initiate adequate reforms and programs and that money alone will not cure the ills of the Trust Territories.

At the present time discussions are taking place among the Departments of State, Defense, and Interior to review our objectives with respect to the Trust Territory of the Pacific Islands and to decide what should be done regarding the future of the Territory and our obligations to its inhabitants. One of the generally recognized needs of the Territory is an improvement in educational opportunities. An adequate program to fill this need will require substantial additional funds. This matter is now under intensive study and we expect to be able to discuss our conclusions and program.

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recommendations with your Committee in six weeks at the outside. At that time we also hope we may have recommendations to present with respect to other programs now under discussion that would effect the size of our expenditures in the Territory. Nevertheless, it is of the utmost importance that the present Enabling Act for that Territory which now limits annual appropriations to \$7,500,000 be amended to remove this limitation or to at least increase the amount to permit the Government to do the necessary.

The Department of the Interior, in response to a request of the House Subcommittee on Territorial and Insular Affairs, is now preparing their best estimates now available of annual funding requirements which would be necessary if this government decides that it should put more money into programs in the health, education, welfare and economic fields along the lines tentatively under consideration by the Departments and Agencies involved.

The Department of Interior submitted a fiscal year 1963 budget request of \$10,000,000 exclusive of Saipan. The Department will need a minimum ceiling of \$12,000,000 to cover programs, including Saipan, which administratively will become a part of the Trust Territory during the fiscal year 1963. The Senate has recently approved an increase in the present \$7,500,000 limitation to \$15,000,000. However, this Senate action

would permit the Trust Territory to carry out little more than present programs in the 1963 fiscal year. It does not provide for the kind of U.S. efforts which the President believes we should undertake as soon as we can.

It is earnestly hoped that your Committee will act favorably to delete or substantially ^{amend} the existing limitation on annual appropriations.

Committee's
Your continuing interest and sympathetic understanding and appreciation of the problems of administering the Trust Territory are well known and greatly appreciated. The Committee's continued cooperation is essential to the successful administration of this Territory.

Sincerely,

Lawrence F. O'Brien
Special Assistant to
the President

Honorable Wayne N. Aspinall
Chairman, Committee on Interior
and Insular Affairs
House of Representatives
Washington 25, D. C.

*1/5 late PM - Craft has gone to see [unclear]
& then will go to [unclear]*