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Dear John:

This is the State Department's initial contribution to the status report called for in H.S.A.M. No. 229 to inform the President as to the progress that has been made during the past year by the Task Force for the Pacific Trust Territory toward the objectives set forth in H.S.A.M. No. 145. The State Department has requested contributions from AID and the Peace Corps which will be forwarded for your and the Task Force's consideration as soon as they are received together with any additional contribution we may wish to submit.

In the year that has elapsed since H.S.A.M. No. 145 was issued, the international political pressures for rapid progress toward self-government in the remaining dependent areas of the world, pressures that are recognized in paragraph one of H.S.A.M. No. 145, have accelerated both inside and outside of the United Nations. Consequently, there is a growing international interest in our administration of the Trust Territory of the Pacific Islands.

The International Trusteeship System has dwindled from eleven to three territories, which means that our stewardship will receive ever-increasing scrutiny in the Trusteeship Council of the United Nations. While the USSR is the only unfriendly member of the eight-nation Trusteeship Council and we do not face the prospect of highly critical resolutions in that forum, the USSR can, by dramatizing the present rate of progress in the territory, seek to discredit or at least seriously embarrass us in the United Nations. Our voting position is just the reverse in the Committee of 24 on the implementation of the Colonialism Declaration. There, the USSR could introduce or stimulate resolutions critical of the United States that the Afro-Asian majority might find difficult not to support. While we can expect the Committee of 24 to concentrate on African territories for the remainder of this year, we must anticipate that the Committee will be subjected to pressures to take up the Trust Territory in 1964 unless demonstrable progress is being made toward the objectives of H.S.A.M. No. 145. Since we are much more vulnerable in the Committee of 24 due to its unfavorable composition, we should endeavor to demonstrate rapid progress to the Trusteeship Council in order that pressures for Committee of 24 consideration can be effectively countered.

The Trust

The Honorable
John A. Carver, Jr.,
Assistant Secretary,
Department of Interior.

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The Trust Territory is scheduled in any event to receive a Visiting Mission of the Trusteeship Council during the first half of 1964. Moreover, as the result of certain preliminary steps taken pursuant to E.S.A.M. No. 145, the expectations of the people have been aroused, but the inhabitants have yet to see tangible results from our new policy of supporting "a greatly accelerated program of political, economic and social development."

Therefore, unless immediate, vigorous and imaginative steps are taken to achieve in material terms the objectives of E.S.A.M. No. 145, we face mounting criticism in the Trusteeship Council and other UN forums, as well as criticism from the citizens of the Trust Territory. These developments could interact to our discredit and complicate the achievement of our policy objectives in the Pacific. In our view, this accelerating urgency demands that the exercise of self-determination required by the Trusteeship Agreement and the UN Charter take place no later than 1963. Accordingly, a realistic target date should be set on a priority basis and our implementing measures adjusted to it as the focal point of a coordinated crash program of economic, social and political development, a program with real urgency behind it. It is also essential, in our view, to avoid an unfavorable report by the 1964 Visiting Mission. This can be done only if a vigorous and impressive program is achieving concrete results by the time the group reaches the Territory.

An additional reason for a stepped-up program for the Trust Territory lies in the prospect that existing international pressures will very likely soon be fed by the sensational reports expected from American journalists admitted to the Trust Territory under the recently and necessarily liberalized access regulations. These journalists can be expected to report along the following lines: the Trust Territory, after enjoying an economic boom in the 1930's by being integrated into the Japanese war economy, lost its infrastructure through military operations or atrophy and was allowed to relapse into a copra subsistence economy; an undetermined number of the islanders consequently hanker for the boom times of Japanese administration; instead of an all-pervasive U.S. presence the inhabitants are more exposed to radio Moscow broadcasts in Japanese than they are to U.S. public media; after twenty years of U.S. administration only some fifty percent of the children of school age attend the rudimentary and inadequate schools that exist. The effects of such reports will be all the harder to counter because they will be written and published by American citizens.

Rapid implementation of E.S.A.M. No. 145 is also imperative in terms of the international posture of the United States and the preservation of the strategic position of the free world in the

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South and Central Pacific. The Pacific territories, consisting in the main of widely scattered islands many of which are uninhabited or sparsely populated while others are overcrowded, are strategically vital to the defense of the free world. These "bits and pieces" of colonialism must remain under or be closely associated with their respective metropolitan powers. To this end they should be moved urgently toward some form of self-government and the end of their present dependent status. In order to assure that appropriate steps are taken in a timely fashion by Australia, New Zealand, and the United Kingdom in their territories, we must show the way by taking dramatic steps in our own Pacific territories. When the proper economic, social and political conditions have been created, it is anticipated that the inhabitants of the Pacific dependencies will choose a permanent relationship with their present metropolitan powers and that this exercise of free choice, or self-determination, will withstand the strongest glare of United Nations scrutiny.

In order to meet our policy goal of free association with the United States within the 1966 deadline, the Department of State believes that a crash economic, social and political development program must be undertaken at the earliest possible date. Other long-range programs are desirable and even essential; however, unless we concentrate first on the type of political impact development outlined below, we will find our otherwise good record in the development field tarnished.

Education. As recognized in R.S.A.M. No. 145, a primary need is education. In our opinion, while a basic elementary and secondary school system is badly needed, it should take second place to a Peace Corps - AIF program designed to teach English to a maximum number of islanders in the shortest possible time. This type of program does not require, in our opinion, elaborate physical facilities or highly trained professional teachers. A pilot project of 100 Peace Corps Volunteers and 100 adult educators should be instituted at once. The latest available statistics indicate that approximately twice as many adult Micronesians speak Japanese compared with those who speak English.

Information. USIA and a greatly expanded public information staff of the Trust Territory Government should be given the task of supplanting or drowning out non-U.S. media, especially Communist and Japanese emissions. An adequate number of radio stations with sufficient power and range should be built in the Trust Territory and receiving sets should be gotten into the hands of the islanders. More newspapers and magazines should be published and greater use made of motion pictures.

Economic. The Trust Territory is too scattered and too poor in natural resources to support a modern economy; therefore, for

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the purposes of M.S.A.N. No. 145, the Territory must be a social charge on the United States. A crash community development program should be initiated whereby American technicians would train Micronesians and provide the material and leadership necessary to build suitable schools, medical centers, community centers, and modern housing. What is needed is something similar to the Aided Self Help program used in Puerto Rico in connection with Operation Bootstrap. Such a program would have an immediate favorable impact and would help the inhabitants of the territory develop skills that are indispensable in a modern society.

Of equal importance but of secondary priority is a program to build an infrastructure in order that the High Commissioner can foster the growth of a Territory-wide consciousness. Skills developed in the community development program could be utilized in the building of an infrastructure. Inexpensive and frequent public transportation among the three island groups is essential as well as increased travel by Micronesians to Guam, Saipan, Hawaii and the Continental U.S. Harbors, roads and airstrips are all needed to bind the area into a political unit.

Political Development. Concurrently with the above projects, the High Commissioner should initiate a greatly expanded program of political development. As we approach a plebiscite, reliable, current, area-wide political reporting is necessary. In addition to political reporting, we should expand the role of the Council of Micronesia and consider having it meet at various places outside of the Capital in order to stimulate the growth of political consciousness and activity.

The State Department believes that a good start could be made on all of the above impact projects within the supplemental \$7,290,000 request to the FY 1962 budget. The authorized ceiling of the FY 1963 budget for the Trust Territory of \$17,500,000 will almost certainly prove to be inadequate. We cannot estimate the total cost of the above-mentioned program until a Development Team has made an on-the-spot survey.

If the United States is to implement the policy set forth in M.S.A.N. No. 145 within the time span permitted by the international situation, the full range of resources of the Executive Branch must be available for the task. In the past and to a certain extent today, the implementation of our national policy toward the Trust Territory has been hampered because neither in the Executive nor the Legislative branches of the Government has the Territory been clearly identifiable

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as either foreign or domestic. This has led to a paradox whereby although we have spent billions to assist foreign countries since World War II, the only foreign territory that has been entrusted to our care by the international community has not benefited from any of our numerous programs in the foreign aid field. From the time the islands were captured from the Japanese, the Territory has been administered first by the Navy and then by Interior as if it were a U.S. possession. In Congress the Trust Territory has had to compete for funds and attention in the Interior and Insular Affairs Committees whose primary concern has understandably been for U.S. territories, public lands and other matters with adequate political constituencies here at home. This situation has handicapped the Task Force and the present rate of progress is much too slow. Accordingly, we recommend that the Chairman of the Task Force seek the necessary legislative authorization to enable AID, the Peace Corps, and any other Executive Agencies that are capable of making a contribution to the objectives of H.R.A.M. No. 145 to operate in the Territory upon the request of the Task Force and the High Commissioner.

The Department of State recommends that the present draft omnibus bill either be amended along the following lines or that a separate bill be introduced without delay which will dispel any doubts concerning the legality and propriety of Executive Agency operations in the Territory in the minds of certain Executive Branch officials and Congressmen.

(Amendment to or substitute for Section 1 of H.R. 3198 introduced by Mr. O'Brien on January 31, 1963.)

" Section 1 of the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681), is hereby amended by inserting at the end thereof the following new subsection (b) and by designating the existing section as subsection (a):

" '(b) The head of any department, corporation or other agency of the executive branch of the Government shall, at the direction of the President, extend to the Trust Territory of the Pacific Islands, with or without reimbursement, economic, scientific, technical, and other assistance and programs of educational and cultural exchange under any program administered by such agency that will promote the welfare of the Trust Territory notwithstanding any provision of law under which the Trust Territory of the Pacific Islands may otherwise be excluded from such program."

The amount of human and financial resources needed to do the job outlined above are miniscule when compared with our domestic and foreign

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development operations. What we must resolve is almost purely an organizational, managerial problem. It occurs to us that adequate Executive Branch concentration of resources may best be achieved by focusing full responsibility and authority in one individual who will devote full time to this operation. Such a person would need full Presidential backing to enable him to draw on the full range of Executive Branch resources, including the services of experts detailed from various agencies. There is the related problem of funding and Congressional Committee jurisdiction. Clearly a major educational campaign with Congress is required if our resources are to be brought to bear effectively within the time available to us.

Because this report by the Department of State is directed toward the international relations aspects of the Trust Territory situation, it is unevenly responsive to the seven listed points of H.S.i.M. No. 229. A brief point by point commentary follows:

1. Our administration will come under increasing criticism in the United Nations Trusteeship Council and the need for urgent action is substantially greater than a year ago; we hope to avoid Committee of 24 consideration of the Territory but this depends in part on our ability to demonstrate progress in the Trusteeship Council;
2. Although opening the Territories to some degree was necessary to development, it has presented the likelihood of unfavorable international publicity;
3. Present educational programs for the Territories will remain a source of vulnerability in the immediate future, especially under the scrutiny of the Visiting Mission of 1964;
4. The current rate of economic development is equally vulnerable before international opinion;
5. Unless the outstanding claims bills are resolved by the end of May, unfavorable criticism in the Trusteeship Council may be anticipated;
6. Present efforts to enlist the full range of executive branch resources must be pursued to a quick and successful conclusion; and
7. Effective organization and adequate funding arrangements, as suggested above, are pre-requisite to a crash program with a deadline to create the conditions for a successful plebiscite.

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I have purposely attempted to keep this contribution of the Department of State as succinct as possible. Your Department of course, is most familiar with the details of the Task Force's problems and will be able to provide details on conditions in the Trust Territory itself. Should you desire us to amplify our submission in any way, please let us know.

Warmest regards,

Sincerely,

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Harlan Cleveland

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