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MEMORANDUM FOR THE PRESIDENT

ERNEST K. LINDLEY

SUBJECT: First Progress Report of the Task Force for the Trust Territory of the Pacific Islands (N.S.A.M. No. 145)

National Security Action Memorandum No. 145 of April 18, 1962, sets forth your decision that the people of the Trust Territory of the Pacific Islands "... be given a real option at the appropriate time to move into a new and lasting relationship to the United States within our political framework." To promote this objective you requested the Secretaries of the Interior, State, Defense, and Health, Education and Welfare to designate representatives at the Assistant Secretary level for a Task Force, under the chairmanship of the representative of the Department of the Interior.

The Task Force has held a total of eight meetings during the past seven months. Members of the White House staff and representatives of the Bureau of the Budget also participated. From time to time other government agencies have also made valuable contributions. As the Task Force nears the end of the first year of its operations, a balance sheet in the form of its first progress report is hereby submitted.

The objectives of N.S.A.M. No. 145 will have to be sought in the full glare of public examination by the United Nations. In the free world the number of dependent areas is steadily decreasing. The pressure in the United Nations for the "liquidation of the colonial system" is steadily increasing. There remain in the United Nations trusteeship system only three Trust Territories including our own. The effect of this process as it relates to our Trust Territory is, and will be, to focus international interest in and outside of the United Nations with greater and greater intensity on the way we are administering the Islands and to encourage among the Islanders rising expectations as to what their political and economic future ought to be.

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The State Department estimates that if the objectives set forth in N.S.A.M. No. 145 are to be achieved with the approbation of the United Nations we have at best five years to reach our goal. By the time the Trusteeship Council's Visiting Mission arrives in the Islands in the middle of 1964 we will, the State Department feels, have to be able to demonstrate dramatic progress in education and considerably more than routine progress in political, economic and social fields.

The Task Force is able to report that substantial progress has been made in the past eleven months in bringing about recognition of the necessity for an accelerated program among members of Congress and the various agencies of the Executive Branch. However, while a good foundation has been laid, much remains to be done before the United Nations and the people of the Territory see significant tangible benefits from the policy set forth in N.S.A.M. No. 145. We cannot expect either the Islanders or the UN to be satisfied with anything less than tangible advances in the years ahead.

In the past and to a certain extent today, the implementation of our national policy has been hampered because neither in the executive nor the legislative branches of the Government has the Territory been clearly identifiable 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 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 and public lands. As the result of intensive efforts on the part of the Interior Department and other members of the Task Force, the

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Congressional Committees now appear to be in general agreement with the overall policy contained in the Memorandum and recognize the need for its vigorous and rapid implementation.

To correct the above-mentioned paradox, the Task Force is now working on plans for mobilizing the full range of resources of the Executive Branch. Although the magnitude of individual contributions might be relatively small, their short term impact and qualitative value may well be crucial for the success of the entire program. The Task Force proposes to seek amendments to the so-called omnibus bill, H. R. 3198, (attached) that would authorize the head of any agency of the Executive Branch of the Government to extend to the Trust Territory any assistance that will have the effect of promoting the objectives contained in N.S.A.M. No. 145.

An outline of the progress achieved to date together with some of the major problems is give below. The Task Force anticipates the need in the coming critical months to call upon you and members of the White House staff for assistance in a number of phases of its program.

APPROPRIATIONS

The Task Force's major achievement to date was the passage of Public Law 87-541 of July 19, 1962, which raised the appropriation ceiling from \$7,000,000 to \$15,000,000 for FY 1963 and set \$17,500,000 as the ceiling for subsequent years. Unfortunately, a supplemental request for \$7,290,000 permitted by Public Law 87-541, half of which was earmarked to launch the badly needed school construction program, narrowly missed enactment before the 87th Congress adjourned.

The above request has been re-submitted to Congress in the First Supplemental Bill and a major effort will be made to convince the Committees concerned that the money requested can be efficiently utilized prior to June 30.

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Fortunately, once the money is appropriated, it can be quickly used to dismantle, move and reassemble surplus Defense Department buildings already in the Territory for use as classrooms and teachers' quarters.

EDUCATION

N.S.A.M. No. 145 correctly emphasized the necessity for a greatly expanded educational program. At present, only approximately 50% of the children of school age attend the substandard schools now in existence. It is estimated that only 25% of the population understand English.

The passage of the supplemental request described above would enable the Trust Territory Government to make dramatic progress toward meeting the almost total lack of modern physical facilities.

The 1961 UN Visiting Mission recommended that English be made the common language of the Territory. The Task Force believes that the Peace Corps could make an important contribution in this field, particularly in the initial area of adult education. Interior obtained a tentative commitment of 60 volunteers from the Peace Corps. When certain members of Congress heard of the project, they opposed it and it was abandoned. The Task Force is now looking into alternatives including the possibility of obtaining the services of volunteers in the Domestic Peace Corps.

INFORMATION

Initial deficiencies exist in this field also. There are no regular English language newspapers in the Territory (there are a few Japanese-language publications). There are only two Trust Territory radio transmitters. U.S. programs cannot be received by a majority of the 1,500 radio sets owned by Micronesians - Radio Moscow broadcasts in Japanese can be heard very well.

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With the passage of the modified omnibus bill, the Task Force plans to request USIA to undertake a major information program designed to supplant both the Japanese and Communist influence now prevalent in this field. If this is not done quickly, the consequences could be serious.

POLITICAL

During the past year the Territorial Capital was moved from Guam to Saipan, which is within the Trust Territory. A territory-wide advisory council, the Council of Micronesia was created which adopted a resolution calling for the creation of a territory-wide legislature and appointed a drafting committee. A proposed amendment to the Code of the Trust Territory has been drafted to authorize the establishment of a legislature.

At the present time, it is too early to speak of a genuine sense of unity among the three island groups (the Marianas, the Marshalls, and the Carolines) or of a general desire for permanent association with the United States.

ECONOMIC

Subsistence agriculture and fishing form the basis of the Territory's economy with copra as the principal source of cash income. Widely scattered over an area the size of the United States and almost devoid of natural resources, it is clear that the Trust Territory must be a social charge on the United States Government for the purpose of N.S.A.M. No. 145.

The omnibus bill makes provision for products of the Trust Territory to enter the United States duty free and recent changes in the security regulations make it easier for American citizens to enter the Territory. The High Commissioner is hopeful that some U.S. firms will set up fish freezing plants. The total impact of the above actions will not, unfortunately, significantly raise the Territory's standard of living within the foreseeable future.

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The Task Force will study the advisability and possibility of requesting the establishment of a Development Loan Fund for the Trust Territory. Unfortunately the quickest and cheapest path to economic advancement - the return of the Japanese - is not advisable for political reasons.

The Task Force will consider the advisability of having a private study made of the economic potential of the area as was done in Puerto Rico prior to "Operation Bootstrap." However, the Trust Territory's resources are so few and its distance from the mainland so great, that there must be considered a longer range program.

HEALTH

The Task Force plans to dispatch a three-man team of experts to make a survey of the Territory's health needs. The High Commissioner plans to spend \$6,700,000 for capital expenditures in health as soon as funds are available.

ACCESS

The omnibus bill provides for unrestricted entry of Trust Territory citizens into the United States. While very few Micronesians are expected to take advantage of this privilege in the near future, it should prove to be an important psychological benefit.

CLAIM BILLS

Two bills, the Rongelap Claims bill establishing a \$950,000 trust fund for the inhabitants of Rongelap Atoll who were injured as the result of our nuclear tests, and the Kwajalein Claims bill to enable natives who have refused to accept the terms offered them for land taken for defense installations to sue in the United States Court of Claims, have been re-introduced in Congress. Prompt action on these measures would have a salutary effect

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in the Territory and would eliminate a cause for criticism in the Trusteeship Council.

JAPANESE CLAIMS

We continue to press the Japanese Government to make an ex gratia payment to the people of the Trust Territory who suffered loss or injury during World War II. So far, the Japanese Government has insisted on linking this question to claims of Japanese citizens for property they owned in the Islands during the period of Japanese Administration. Unless Japan adopts a more forthcoming attitude, we might consider permitting a group from the United Nations Trusteeship Council to assess the amount of the claims against Japan.

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