

Draft
Milner
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Dear Mr. President:

President Kennedy, on October 25, 1963, directed the Secretary of the Interior and the Secretary of State to submit a report on the actions taken or contemplated with respect to the recommendations contained in the report of the United States Survey Mission to the Trust Territory of the Pacific Islands.

This report is an outline of the actions taken to date and our reactions to some of the report's major philosophies rather than an evaluation of each of the recommendations. Also attached is a copy of comments by the Department of State. At the very outset it can be said that we concur with the general spirit of the report and endorse the broad objectives of the recommendations therein. There will be continuing consultations between the Department of the Interior and the Department of State on the major political premise behind the recommendations for political development in the Trust Territory; and the very detailed economic and social development recommendations will have to be painstakingly worked into a master plan for the Territory, with considered modifications where empiricism and trial indicate the necessity.

Recognizing the urgency of this matter, I immediately dispatched a three-man team, headed by Assistant Secretary John A. Carver, Jr., to the Trust Territory headquarters in Saipan to initiate with the High Commissioner the development of a plan of action leading toward the National Security Action Memorandum No. 268. The burden of that Memorandum was to determine the "necessary plans

and progress to carry out the recommendations in the report that are feasible and acceptable for implementation."

Mr. Carver arrived in Saipan on November 5 and remained there through November 12. His plan of action and method of operation with respect to his visit were as follows:

(a) Immediately upon arrival in Saipan, the Assistant Secretary had every component of the Trust Territory command furnished with the part or parts of the Mission report applicable to its operations. The objective was to furnish information to me, as Secretary of the Interior so that I can make judgments on the feasibility and acceptability of the Mission's recommendations.

(b) The various staff members of the Trust Territory headquarters were asked to furnish written comments to the Assistant Secretary and to the High Commission:

(c) Several exploratory conferences were held with the High Commissioner and his principal staff advisors on identified policy issues presented by the survey mission report. In the political area, these related to the process involving the Micronesian leaders with U. S. policy for the area; relationships with the U. S. Congress; and the procedure to establish a Micronesia-wide legislative body. In the program area this mainly dealt with use of contracting procedures for the accomplishment of identified objectives. In the field of administration this concerned a reorganization of the headquarters, the delineation of responsibilities as between District and headquarters levels, the relative role of Political Affairs Officers and District Affairs Administrators, and related questions.

(d) The High Commissioner was directed to formulate a fact sheet for the staff personnel of the Trust Territory headquarters and for the members of the Council of Micronesia, which would within security and policy limitations set forth the nature and broad outline of the contents of the survey mission report. This was done to allay rumors, and to begin the process of more close involvement of Micronesian leaders with United States policy for the area. The Assistant Secretary was also interviewed on tape for rebroadcast to each district in the Territory.

(e) The highest priority was assigned to comments from the High Commissioner on the proposed Secretarial Order delineating the responsibilities of the High Commissioner. The High Commissioner came to Washington in connection with the services for the late President and we do not as yet have these requested comments. He has been notified, however, that a Secretarial Order cannot be delayed.

(f) The High Commissioner was also directed to discuss with the Council of Micronesia, which Secretary Carver opened on November 12, steps to be taken for the early establishment of a Micronesia-wide legislative body.

(g) Recognizing the need for increased appropriations if an optimum development program is to be implemented, steps have been taken to present to this session of the Congress legislation to increase the existing appropriation ceiling of the Trust Territory.

(h) The two staff members of the Office of Territories who accompanied the Assistant Secretary each remained for a least a period of four weeks to assist the High Commissioner and his staff with respect to this subject. Responsibility however, remains with the High Commissioner for implementation of the burgeoning

new program.

The Assistant Secretary, while in the Trust Territory, opened the Council of Micronesia on November 12. A copy of his statement together with a copy of the statement of the High Commissioner on the closing of the Council are appended. Also attached are the resolutions adopted by the Council.

The Assistant Secretary on his return from the Trust Territory had conferences with Governor Burns of the State of Hawaii regarding the cooperation of that State for the recruitment of elementary and secondary teachers for the Trust Territory.

While in Washington recently the High Commissioner participated in conferences concerning the Survey Mission's recommendations. The most important of these conferences was one with Assistant Secretary of the Department of Health, Education and Welfare, Mr. James Quigley and his staff, in connection with the public health and medical responsibilities of the High Commissioner.

In summary, an intensive re-examination of the personnel, policies, procedures, and organization of the Trust Territory is now under way. Significant progress has been made in assuring that the people of Micronesia and the staff of the Trust Territory Government become more closely attuned to basic United States policy for the area.

Reservations about Some Major Substantive Proposals:

A. Contracting for Program Planning

1. This should be Hicom's primary responsibility.
2. New program anticipates line command of caliber.
3. Hicom and line staff are accountable to Department and the Congress-responsibility cannot be divided on this plane.

B. District Political Affairs Officers

1. Proposed to function independently of Distads.
2. Function cannot be separated from economic and social development.
3. Must be support function for District program - if Distad cannot integrate political development in program, get new Distads; in this sense, a parallel to lack of merit of Mission's program planning proposal.

C. Contracting Policy

1. Mission's recommendations often couched too rigidly--i.e. in construction, force account to \$75,000, contract all projects over \$75,000.
2. Policy should be flexible -- contract when to advantage of government and/or is in furtherance of total program.

D. Some contradictions in Economic Development Proposals

1. Mission calls for maximum Micronesian operation of commerce; yet call for direct ventures by WF without Micronesian involvement in order to expedite advances in living standards.

2. Call for encouragement of outside capital investment; yet propose "infant industry" protectionism for Micronesians at every turn -- not conducive to attracting capital.
3. Recommend exposing Micronesia to the world; yet extent of protection recommendations, regressive taxes will make their venture non-competitive.
4. Commercial farms; yet endorse current land fractionations through homesteading.

All these indicate necessity for reassessing the economic development recommendations in the course of drafting a comprehensive program plan in the next few months -- flexibility.

Summary of Major Actions in Progress:

The Department of the Interior has put in motion, or has accelerated, programs or projects designed to reach our objectives in the Trust Territory. Critical among these programs are the following:

(A) Proposals for a legislative body were discussed with the Advisory Council of Micronesia at its November 1963 session. Following this session a proposal to create a legislative body has been prepared and we expect to promulgate the order before the end of February. The order will grant to the new body legislative authority subject to veto by the High Commissioner and provide for participation in the budgetary process.

(B) A major impediment to effective carrying out of new programs is an inadequate administrative organization of Headquarters. Following extensive study of the existing organization in terms of the task before us, a tentative reorganization plan has been prepared and is undergoing final review. The proposed reorganization will group functional assignments and fix responsibilities for effectively carrying out development programs. The reorganization will give the High Commissioner management resources now lacking.

(C) An order of the Secretary of the Interior delineating more specifically the authorities of the High Commissioner in relation to the Department of the Interior and other Executive agencies has been drafted and reviewed. The new order is intended to overcome the anomalies and inconsistencies in the delegation of authority.

(D) A committee to review and revise the Code of the Trust Territory has been established and has begun its work. An Advisory Committee composed of members of the Federal Judiciary and representatives of certain Law Schools is also being formed to review the work of the Code Committee. The Code is in need not only of revision but of substantive additions to cover areas where the law is now silent.

(E) An accelerated health program has been started providing for the first time since 1951 for qualified medical officers in each District and an effective preventive medicine program. A general immunization program has been authorized for the current fiscal year and a polio immunization program for the total population of the area has been completed.

(F) With the increased funds available during the past year an accelerated elementary program was started with the construction of new and, for the first time, adequately equipped elementary schools in each district. Approximately 70 American teachers were recruited for the system for the current school year and an additional increment will be recruited for the school year beginning in September 1964. High school classrooms are being provided for the first time for all districts; formerly public high school students were sent to the Pacific Islands Central School on Ponape.

Political Proposals:

The major political premise underlying the Survey Mission Report is the need to associate Micronesia with the United States in a lasting political relationship free from the continuing international scrutiny that flows from the trusteeship arrangement. The Departments of Interior, Defense and State are in complete agreement with this ultimate objective.

International attention is being focussed in and through the United Nations on the "colonial question," including the future of trust territories. The Trust Territory of the Pacific Islands is one of the last three remaining trust territories and each year Trusteeship Council review of administration of the area becomes more critical. Moreover, the newly formed Committee of 24, created to hasten the demise of "colonialism," has placed the Trust Territory on its agenda and will probably seek to inject itself more and more into overseeing the administration of the area as well as "solving" its political future.

The Trust Territory of the Pacific Islands, however, is a strategic trust and the trusteeship agreement is between the United States and the Security Council. The strength of this arrangement is also its weakness. While the United States can veto any alteration of the agreement which is to its disadvantage, any other permanent member of the Security Council can veto, if it chooses, an alteration advantageous to the United States.

No previous trust territory has opted to associate itself as a part of its former administering authority; all others have chosen some form of national independence. Our goal, however, is association with the United States.

In view of precedent and current attitudes in the United Nations, such association can be approved there only if a substantially large majority of Micronesians choose the United States. The Micronesian act of "self-determination" will probably have to take the form of a plebiscite in which at least one of the options will have to be political independence.

In terms of international political pressures being brought to bear, we concur generally in the conclusion of the Survey Report that a plebiscite, if one has to be held, probably should be held within the next five to ten years. We believe, however, our timing should be kept flexible and that the United States should make every effort to insure that we are able to choose the time for any such plebiscite.

The direction of political development must be given by the United States. There is no indigenous group in Micronesia to give it and, in fact, Micronesians look to us for such direction. It is in the area of political development that the United States has gained the greatest amount of credit in Micronesia. Under previous regimes, the Micronesian participated only at the lowest level, if at all, in the administration of his islands; under the American administration Micronesian participation has been high and will be increased. A first and immediate step toward this goal will be the establishment of a territorial legislative body, a step promised both to the Micronesians and the Trusteeship Council. The proposal has been discussed with the advisory Council of Micronesia on three occasions during the last year and the views of the Council have been obtained. We intend to have the legislative body functioning by 1965.

The ultimate resolution of the political status of the Trust Territory, however, is dependent upon action by the United States Congress. If Micronesians vote to join the United States, will such a "request" be accepted and, if so,

what status within the American polity will be granted them? This question has yet to be laid fully and candidly before the Congress.

The Department of State has suggested that, if the Trust Territory is annexed to the United States, its political status should be something other than a "non-self-governing territory," the category in which the Virgin Islands, Guam, and American Samoa now fall. As an ideal solution, we find this unobjectionable but from the standpoint of political possibilities, we doubt that the Congress will deal more generously with Micronesia than it has with the Virgin Islands, Guam and American Samoa.

For example, legislation to provide for locally elected Governors for Guam and the Virgin Islands has been introduced, but not passed, in several Congresses. Similarly with legislation to provide some form of Congressional representation for these territories. Both items are critical in obtaining a United Nations decision that the area concerned has become "self-governing."

The political development problem is, thus, one of achieving a credible act of self-determination by the Micronesians coupled with the development of political institutions adaptable and suitable to accommodation within the American political system. Both objectives are most likely to be achieved by establishing soundly conceived social, economic and political development programs and by honestly and openly administering them in the best interests of the Micronesians and the United States. We discount the effectiveness of short-run schemes or institutional gadgetry intended solely to win votes. The Micronesians, having experienced a succession of "Administering Authorities," are well able to distinguish between their own interests and those of others.