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Mr. Taitano replied that the current draft was more general than the original proposal and that the serious questions remaining were whether the legislature would be bicameral or unicameral in composition, and the form of the instrument establishing the legislative body. He stated that in any event the controlling desire was that of encouraging the people of the Trust Territory to accept the maximum amount of responsibility possible under the existing circumstances.

Mr. Corner expressed disappointment that the early draft did not give the legislature control over the budget. He questioned whether this was also true in the later draft; he questioned whether the appropriations system encouraged political responsibility.

Mr. Taitano replied that the later draft contained the same provision, adding that the legislative proposal had to be considered within the U.S. political framework. The people would have absolute control over that portion of revenue they raised but distribution of revenue contributed by the U.S. was subject to Congressional review and any change would require a change in the organic charter. When Mr. Corner asked whether any consideration was being given to such a change, Mr. Carver replied that the question would be discussed in the Department of State's discussion of the future of the Territory.

Mr. Corner then asked if the new proposals encouraged as much responsibility as was wished. Mr. Carver replied that they encouraged the maximum amount but "within the realities of Interior's relations with Congress."

Mr. Corner then went into the appropriations system being used in the Cook Islands whereby the legislature was given a sum of money to dispose of as it saw fit. Presumably the only control was in the original appropriation not in the subsequent legislative disposition. Such a system, he said, gave the people "complete" fiscal responsibility. Mr. Corner later stated that the legislature's funds would be cut if it acted irresponsibly.

Mr. Corner and Mr. Kiang then asked for views on the questions of a unicameral vs. a bicameral legislature and the effect of each on the Administering Authority's desire to develop a Micronesian personality. Mr. Corner commented that the latter system tended to work against unity and put a premium on old rivalries, whereas the former system tended toward unity--worked toward a wholeness.

Mr. Carver and Mr. Taitano emphasized the desire of the Administering Authority to develop a Micronesian personality. Mr. Carver added that during his last trips to the Trust Territory he had been impressed with the inhabitants' preference for a bicameral legislature. Mr. Taitano added that the problem was one of accommodating the more traditional government of the people to modern methods of government.

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Mr. Corner noted that the Trusteeship Council and the Visiting Mission had been told of a number of missions to the TTPI. In particular the Solomon Mission had been called to the Trusteeship Council's attention. He wondered whether (1) the Mission could be provided with copies of the Solomon Report, (2) whether the Mission could talk with Mr. Solomon, and (3) whether the report and itinerary of the recent Congressional visiting party could be provided.

Mr. Carver replied that the Congressional group's itinerary could be provided but that since the group had just returned no report had been prepared. As to a discussion with Mr. Solomon, Mr. Sisco explained that Mr. Solomon's availability would be ascertained. The report itself, however, was an internal working document, not yet evaluated. The United States planned to report to the Trusteeship Council in summary terms on the Solomon Mission and other survey missions to the Trust Territory. He explained that the several missions were a part of the expanded program to accelerate the development of the TTPI.

Economic Developments

Mr. Corner asked about the existence of an over-all development plan and whether the Administering Authority was giving any consideration to developments which the Territory itself could support, or, had thinking gone beyond self-sufficiency?

Mr. Carver replied that studies had been undertaken and recommendations made but that the process of internal evaluation had not been completed. Mr. Taitano added that the Administering Authority was not waiting for economic viability; it was going ahead with schools, transportation, etc.

Mr. Corner asked about the possibility of Micronesian postage stamps, currency and banks. These might help develop the Micronesian personality. Mr. Carver and Mr. Taitano replied that whereas they had given some thought to a series of stamps no thought had been given to currency. As to banks, the people had pride in branches of American banks and there was little doubt that the people would eventually develop their own banks.

When Mr. Carver added that based on experience it would be difficult to ask Congress for a separate currency for the TTPI, Mr. Corner replied that a rather fundamental philosophical principle was involved: The Administering Authority was finding it difficult to take the practical steps required by its philosophical beliefs.

Asked about customs, Mr. Carver said that revenue went into the local treasury but that the Administering Authority was considering revamping the customs system and would be interested in the comments of the Visiting Mission.

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As to articles coming into the United States, all articles, including handicrafts but excepting copra, were subject to the same duty as that coming from any other foreign country. Mr. Corner suggested that better trade conditions for handicraft might be a way of increasing revenue for the Trust Territory.

Mr. Kiang returned to the question of economic self-sufficiency. Mr. Taitano repeated his earlier views that waiting for economic self-sufficiency tended to slow things down. The Administering Authority was going ahead with education facilities, etc. It did not wish to retard the development of the inhabitants by linking it to a low level of economic self-sufficiency.

When asked about the possibility of a single civil service pay scale Mr. Mangan replied that such a system was not feasible: (1) The Administering Authority has to pay top wages to get Americans to go to the Trust Territory; (2) the impact on the local economy would be adverse; (3) there is a real difference in level of performance and training.

Mr. Corner then asked about the possibility of a single scale supplemented by allowances to whatever level necessary. Mr. Carver replied that the Civil Service Commission would not allow this reasonable procedure (he did not know why), and efforts to change this restriction had been unsuccessful.

Mr. Kiang then cited an imbalance between location of personnel and strong economy vis-a-vis Micronesia as a whole and asked whether any thought had been given to moving inhabitants to correct the situation. Mr. Carver replied that the problem had been recognized and efforts were being made to strengthen district levels. As to moving persons the problems were large though not insurmountable.

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Later in the afternoon Mr. Corner cautioned that efforts to reproduce in the Trust Territory a political structure similar to that of the U.S. might involve "an enormous amount of effort" with little end product.

Miss Brooks, returning to the original recommendations for a legislature, questioned the residual authority which was retained by the High Commissioner and asked what kind of legislation was involved. When told only "urgent" legislation she remarked that there was need for specifying precisely what was subject to the authority of the High Commissioner.

Mr. Kiang, speaking for the Council, stated that there was a desire to see the Council of Micronesia in action, to see the caliber of its thinking. In reply, Mr. Carver explained that the Council had just adjourned and that reconvening it would result in considerable cost and inconvenience. However, he said, in view of the Council's request, the matter would be considered most urgently. He stated that the possibility of calling the Council into session would be improved if the draft for the proposed legislature was approved in time for calling the session.

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**PARTICIPANTS:** Members of the United Nations Visiting Mission (VM)  
Ambassador F. H. Corner, Permanent Representative  
of New Zealand to the United Nations, Chairman  
of Visiting Mission  
The Honorable Chiping H. C. Kiang, Representative  
of China on the Trusteeship Council  
The Honorable Angie Brooks, Assistant Secretary of  
State and Representative of Liberia on the Visiting  
Mission  
The Honorable Cecil E. King, C.M.G., United Kingdom  
Minister for Trusteeship Affairs

**Department of the Interior**

The Honorable John Carver, Assistant Secretary  
Jose A. Benitez, Deputy High Commissioner, TTPI  
Richard F. Taitano, Director, Office of Territories

**Department of State**

Joseph J. Sisco, Deputy Assistant Secretary, Bureau  
of International Organization Affairs  
Elizabeth Brown, Deputy Director, Office of United  
Nations Political Affairs

**United States Mission to the United Nations**

Ambassador Sidney R. Yates, U.S. Representative on  
the Trusteeship Council  
John M. Cates, Jr., Adviser

**Department of Defense**

Arthur Way, International Security Affairs

Other representatives of State, Defense, and Interior

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