E DEPARTMENT OF STATE A/CDC/MR BI, AS This document consists of /5 pages; REVIEWED BY 12, A. 15/E РS No. 10 of 25 copies, series A (LASSIFIED CONFIDENTIAL 3 RDS or XDS EXT. DATE TS AUTH TAX REASON(S) E.O. 1235C ENDORSE EXISTING MARKINGS SECTOR DECLASSIFIED RELEASABLES FN/ART RELEASE DENIED BLAS: B5 PLANNING FOR THE FUTURE OF PA OF FOI EXEMPTIONS THE TRUST TERRITORY OF THE PACIFIC ISLANDS AND UNITED STATES TERRITORIES*

BACKGROUND

The United States administers the TTPI as a strategic trust under a July 1947 agreement with the United Nations Security Council. The agreement anticipates that the trusteeship will be terminated with the development of "self-government or independence" for the territory. Under NSAM 145 of April 18, 1962, President Kennedy established as a policy goal the offering to the inhabitants of the TTPI " a real option at the appropriate time to move into a new and lasting relationship to the United States within our political framework" and the White House mémorandum accompanying NSAM 268 of October 28, 1963, envisaged the setting of a date for a plebiscite to realize the policy objectives of NSAM 145. No date has been set.

The TTPI is among the last of the original eleven Trust Territories placed under UN jurisdiction following World War II.

*This paper does not deal with the status of Puerto Rico, a question now under discussion in the U.S.-Puerto Rico Commission on the Status of Puerto Rico. The Findings and recommendations of that group have direct bearing on the future status of the territories discussed here.

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The TTPI has now become the subject of discussion in various United Nations bodies concerned with colonialism and the prospact is for even closer scrutiny as the Afro-Asian majority is successful or even frustrated in efforts to end colonial rule.

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Thus at a time when U.S. strategic interests require cony tinued retention of the TTPI under American control our international political obligations require changes in the legal basis of U.S. control if we are to avoid an increasingly large cost to the international political image of the U.S. as the defender and even the architect of self-determination and justice for all men.

The present status of the U.S. territories of Guam, the Virgin Islands and American Samoa is such that termination of the Trusteeship Agreement with complete self-government in accord with our Charter obligation would result in according greater autonomy to the TTPI than that now enjoyed by U.S. citizens in Guam and the Virgin Islands and U.S. nationals in American Samoa. This situation, added to the desirability of

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ending the U.S. obligation to report to the United Nations so long as the three U.S. territories are not self-governing points to the concurrent need to alter the status of the three U.S. territories in a similar fashion. Further, considerable sentiment has developed in Guam and the Virgin Islands particularly for greater self-government than they now possess.

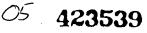
Appendices I, II, and III to this paper discuss in detail the character of the three major problem areas that lie abead. These are:

1. The increased importance of the territories, and insular areas in general, for present and potential military use and the consequent need to insure their continued availability for such use at minimum political cost to the United States.

2. The growing desire of the inhabitants of the U.S.-administered territories for self-government.

3. Increased international interest, manifested both by Afro-Asian decolonization efforts and by Communist initiatives, in directing attention to U.S. territories and the TTPI.

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COURSES OF ACTION

The range for possible action by the United States is relatively small. It can continue along present lines and ignore any international censure and the political pressures of within the American territories for full self-government. Or, it can begin now to draw up a coordinated plan to make) terminating the territories self-governing within our political framework/ the international obligations of the United States relative to their administration. This would call for an immediate, coordinated approach which takes into full account pertinent international obligations and political and military realities. We conclude in the light of our existing international treaty obligations and the political factors described elsewhere in this paper that the United States should prepare and move now to implement a coordinated program which effectively ends legitimate international scrutiny by making the territories self-governing withint our political framework.

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Our treaty obligations under the United Nations Charter and the Trusteeship Agreement are such that the effective

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removal of the Trust Territory and the U.S. territories from international scrutiny will require our attempting to obtain some form of United Nations approval of or acquiescence in that removal. Such approval or acquiescence can be obtained only if the U.S. territories and the TTPI freely select their own future status from at least two of the three categories mentioned in GA Res 1541: independence, and either integration with the United States or some form of association. As a minimum free association provides for (a) full internal self-governand ment / (b) arrangements for the future modification of the relationship. It is defined in General Assembly Resolution 1541 as follows:

PRINCIPLE VII

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(a) Free association should be the result of a free and voluntary choice by the people of the territory concerned expressed through informed and democractic processes. It should be one which respects the individuality and the cultural characteristics of the territory and its proples, and retains for the peoples of the territory which is associated with an independent State the freedom to modify the status of that territory through the expression of their will by democractic means and through constitutional processes.

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(b) The associated territory should have the right to determine its internal constitutional without outside interference, in accordance with due constitutional processes and the freely expressed wishes of the people. This does not preclude consultations as appropriate or necessary under the terms of the free association agreed upon.

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Although the U.S. continues to hold that the administering authority determines when non-self-governing territories such as the three U.S. territories have reached the point of self-government permitting the cessation of reporting to the United Natioans under Article 73 of the Charter, a 1948 General Assembly resolution, which recommends that the United Nations be informed of such constitutional change, means that international criteria cannot be ignored.

It is far too early to outline our tactics to secure that tacit agreement. We must, however, proceed in such manner as to take advantage of currently favorable conditions and to confine the opposition to only the more radical anti-colonialists and

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and the Soviet Union.

In the past, the United States in response to what it judged to be public opinion and political requirements, both in the United States and in the area involved, moved territories into each of the three categories mentioned in General Assembly Resolution 1541: Integration (Alaska and Hawaii), independence (the Philippines), and free association (Puerto Rico). There is nothing to indicate that, given the right of free choice, the American territories would select independence. Rather, aware of the political and economic costs of independence and of the beneifts they have enjoyed as United States territories, they would probably choose integration (statehood or becoming a county of an existing state) if it were offered or, more likely, some form of association which gave them full internal self-government but left defense and foreign affairs to the United States.

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Although in the long run statehood may be the most desirable arrangement, at the present time it does not appear practical. Current proposals for integration by means other than statehood (e.g., making Guam and the TTPI a county of Hawaii or the Virgin

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Islands a county of some eastern state) present difficulties for both sides. Although some new form of integration which, like statehood, would preserve a degree of separate political identity (e.g., the District of Columbia) might be developed, an amendment to the U.S. Constitution would be necessary, and more time would be needed than political realities allow.

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This leaves for practical consideration some form of free association, a relationship for which there is precedent in American practice and which would remove the territories from present legitimate international consideration as trust and non-self-governing areas. Free association is not generally understood as a terminal status and therefore would not foreclose, for all time, future examination of various alternatives, such as independence or integration. Since it must provide for some arrangement whereby the people of the associated territory may "modify the status . . . through the expression of their will be democratic means and through constitutional provesses," free association would not absolutely guarantee permanent association with the United States.

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Bill' Some U.N. Members have interpreted the modification provision of free association as retaining for both parties to the spreament the right to "opt out" of the association after certain prescribed constitutional requirements have been fulfilled. The Cook Islands arrangement with New Zealand provides for a change in status if two third of the electorate approve a measure proposed by two third of the legislature. It should be posaible, however, to satisfy this modification requirement of the free association formula by providing for change by "mutual consent" or by means of a suitable declaration by the Congress that it would consider favorably future requests of the associated people for alteration of their relationship with the Onited States.

A successful plan to end international scrutiny and make the territories self-governing within the United States political framework must at the outset fully recognize the special considerations involved in its ultimate implementation. Of particular invorance are the following:

(4) <u>Political Development</u> - Sufficient political develop ment must take place in the terricories to make them self gove ing. As a minimum this status would include the following conversities ly elected didsf Snegative, a popularly elected 05 423545 legislature with full legislative powers in internal matters including taxation and disposition of public funds, and renunciation, by moral committment if not by legal act, of Congress' right to unilaterally change the territory's constitution.

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In practice, Guam and the Virgin Islands have degrees of autonomy approaching that outlined above.

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However, in each instance they fall considerably short: Governors are appointed in Washington; the powers of the legislatures are limited, with the right to veto legislation retained by an appointed Governor; or ultimately by Washington. Congress can at any time pass legislation applicable to the territories or change the powers of the legislature themselves; the judiciary is appointed from Washington. The Trust Territory and American Samoa fall even further short of a self-governing status. Legislatures are considerably more restricted particularly in their power to enact laws and appropriate funds, and the acts under which they are established can be changed by executive order of the Secretary of the Interior.

(b) <u>Economic Development</u> - The Virgin Islands, Guam and American Samos have made considerable strides toward economic development. In the case of Guam, economic diversification is needed; however, the presence of a large military establishment provides economic stability for the foreseeable future. It is probable therefore that

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no additional development need take place in these territories to make an exercise in self-determination credible. However, in the Trust Territory where economic development has just begun the Trusteeship Council cannot be expected to consider a plebiscite which offers a choice between independence and association with the U.S. as a free choice unless independence carries with it a promise of continued assistance. Absent such a pledge Trust Territory inhabitants can be said to be chowsing between developmental stagnation and association with the United States.

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developments. However, the plebiscites should be held no-144 later than the end of 1968. SECRET I THE MENTA 05 423548

(c) Intensified United Nations efforts directed toward achievement of independence in all dependent areas must be anticipated and effectively met.

(d) Inhabitants of the territories (U.S. (citizens) in the case of Guam and the Virgin Islands and U.S. "nationals" in the case of American Samoa) tend to resent UN discussion of their status. However basic questions concerning their political status increasingly are being raised in Guam and the Virgin Islands,

(e) Some opinion in the United States, while conceding international obligations in relation to the Trust Territory, views the non-self-governing territories as strictly internal matters.

(f) In the Trust Territory and American Samoa particularly there may be need to continue nome form of financial aid after self-government is attained.

All side considerations present formidable but not insurmountable obstacles. The pressures for political advancement in our territories are mounting, but they have not reached the

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point where the United States has lost flexibility or where its ability to act is restricted by forces beyond its control. This favorable situation will not continue to exist indefinitely.

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In moving shead now, the following steps will help assure y

1) All aspects of the program should be handled in secrecy.

2) Early action should be taken in order to capitalize upon the present favorable Congress.

3) Since Congressional approval is ultimately necessary, key Congressional leaders must be consulted at every stage. In order to emphasize the domestic, defense, and foreign relations aspects of the situation, the problem should be simultaneously brought to the attention of Senate and House Committees on Interior and Insular Affairs, Foreign Relations, Foreign Affairs, and Armed Services.

4) There should be early consultation with territorial sepresentatives to insure that the views of the inhabitants are taken into account and that their rights are protected.

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5) Because Australia, New Zealand, and the United Kingdom share our strategic interest in the Pacific area and because our actions concerning the TTPI may affect the Australian position on Nauru and New Guinea, close liaison with these allies, particularly Australia, should be maintained. They should be in informed of our plans at about the point at which Gongressional Anaders are consulted.

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6) United Nations action would not be sought until all that remains is to obtain international acquiescence in the new status for the territories, probably by providing some form of international observation of the plebiscites.

RECORDENDATIONS:

1. That the United States begin immediately to plan for the entry exercise of the right of self-determination through separate plebiscites in the U.S. territories and the Trust Territory

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designed to provide a terminal status for United States territories and the Trust Territory of the Pacific Islands which ensures their continuing association with the United States and fulfills the obligations of the United States under the United Nations Charter and the Trusteeship Agreement;

2. That such political and economic developments within the territories as may be necessary to realize this objective be initiated so that plebiscites may be held no later then the end of 1968.

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