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Washington, D.C. 20520

June 6, 1967

Dear Mr. Schultze:

I refer to Assistant Secretary of the Interior Anderson's letter of May 10, 1967 transmitting to you a proposed Joint Resolution "Regarding the Status of the Trust Territory of the Pacific Islands." As Mr. Anderson's letter indicates, the proposed resolution is based on a draft originally prepared by the Department of State and modified as a result of discussions between representatives of the Departments of Interior, Defense and State.

The Department of State joins the Department of the Interior in approving this proposed Joint Resolution. The resolution reflects an agreement which I reached in a meeting on April 10, 1967, with Under Secretary of the Interior Luce and representatives of Defense and the White House. All participants agreed on the necessity of moving rapidly to terminate the Trusteeship Agreement and bring the Trust Territory into a new and lasting association with the United States. | Such action would / be consistent with NSAM 145 of April 18, 1962, NSAM 268 of October 25, 1963 and the findings of the Joint Chiefs of Staff that it is essential for strategic reasons that the Trust Territory continue to be associated with the United States.

At the meeting on April 10, I stressed the Department's considered judgment that some form of selfgoverning status for the Trust Territory was necessary if the United States was to fulfill its legal obligation under Article 6 of the Trusteeship Agreement, whereby the

Group 3

The Honorable Charles L. Schultze, Director, Bureau of the Budget

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W. Gleysteen

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United States undertook "to promote the development of the inhabitants of the Trust Territory toward self-government or independence." I further explained that contemporary political realities reinforced legal considerations in necessitating an offer of self-governing status as the alternative to independence. There was general agreement among the participants at this meeting that the concept of commonwealth status was sufficiently elastic to encompass a status for the Trust Territory which would allow us to terminate our obligations under the Trusteeship Agreement, while satisfying the special concerns of Congress, such as control of funds which might be appropriated by it.

The Department of State is confident that, if we move promptly, we can harmonize our strategic, legal and political requirements and take advantage of the generally favorable political climate which exists in the Trust Territory today. We believe that the proposed Presidential Commission can, in the space of eight months, formulate a comprehensive program of development so that the Micronesian people can decide their political future in a plebiscite to be held not later than June 30, 1972.

The Department of State considers it important that we have the President's authority in order to stress the national security considerations underlying these moves and convey an adequate sense of importance to Congressional leaders. Consequently we would propose that, after reviewing and approving this course of action, the President would authorize high-level consultations with key Congressional leaders seeking Congressional sponsorship for a proposed Joint Resolution along the lines of that transmitted by the Department of the Interior. Once Congressional support was assured, the President would make public his proposal to establish the Commission.

Sincerely,

Under Secretary

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