

81 D. 309
Box 12588



UNCLASSIFIED
DEPARTMENT OF STATE
Washington, D.C. 20520

7232
refer
to
NSC

SECRET

March 20, 1969

NSC UNDER SECRETARIES COMMITTEE

NSC-U/SM 8

TO : The Deputy Secretary of Defense
The Assistant to the President for
National Security Affairs
The Director of Central Intelligence
The Chairman of the Joint Chiefs of Staff
The Under Secretary of Interior

SUBJECT: Future of the Trust Territory of the
Pacific Islands

The Under Secretary of Interior has asked for distribution of the enclosed briefing paper, prepared by Interior, on the future of the Trust Territory, as an aid to discussion at the meeting now scheduled for Monday, March 24.

Claus W. Ruser

Claus W. Ruser
Acting Staff Director

Enclosure:

As Stated

UNCLASSIFIED
SECRET
UNCLASSIFIED

~~SECRET~~
~~UNCLASSIFIED~~
Briefing Paper

Political Future of the Trust Territory

History and current legal status of the Trust Territory

The islands which constitute the Trust Territory of the Pacific Islands, sometimes referred to as "Micronesia", were held by Spain, and to a limited extent colonized by Spain, until the late 19th Century. Following the Spanish-American War, Spain ceded Guam to the United States and sold the remaining islands of Micronesia to Germany. (Guam is geographically part of Micronesia, but is not politically a part of the Trust Territory. It is a territory of the United States, over which U. S. sovereignty extends.)

Following World War I, the islands were placed under a League of Nations Mandate to Japan, which continued to administer and occupy them, and to fortify them in violation of the Mandate, following Japan's withdrawal from the League in 1933. During the Pacific battles of World War II, the islands were captured, seriatim, by United States forces, which occupied them during the concluding months of the war and for about two years thereafter.

In 1947, pursuant to a concurrent resolution of the Congress, the President signed a Trusteeship Agreement with the Security Council of the United Nations, in which the United States was named as the Administering Authority of the Trust Territory. The Trusteeship Agreement (set forth beginning on page 7 of the attached House Document No. 159, 90th Congress), has not since been modified and remains the source of United States authority in the area.

The Trusteeship Agreement imposes upon the United States the responsibility to encourage the economic, social, political, and educational development of the area. It reposes in the United States "full powers of administration, legislation, and jurisdiction", and permits the United States to extend to the Trust Territory such of its laws as the United States deems appropriate. The Agreement does not, because the area has trusteeship status, confer sovereignty upon the United States.

Unlike the other 10 trusteeship agreements entered into by the United Nations with other nations as Administering Authorities, the Agreement for Micronesia is termed "strategic". The other contracting party is thus the Security Council, not the General Assembly; the United States is explicitly authorized to station forces in the islands and to erect fortifications there (Article 5); the Agreement may not be modified without the consent of the U. S. (Article 15); portions of the area may be "closed" for security reasons (Article 13), as Eniwetok now is; and

11-429214

~~UNCLASSIFIED~~
~~SECRET~~

the United States may prohibit entry into the Trust Territory, and commerce in the Trust Territory, by any person who is not a Micronesian or a United States citizen (Article 8).

For almost all purposes, the Trust Territory is a foreign area as to the United States. (The territories of Guam, Samoa, and the Virgin Islands are generally treated as domestic areas.) Accordingly, the people of the Trust Territory are aliens as to the United States, and may enter the United States only by meeting the requirements of the immigration laws; the products of the Trust Territory are subject to the same duties under the tariff laws as apply to products of foreign countries generally; and Federal statutes, with very few exceptions, do not apply to the Trust Territory.

Facts concerning the area and its people

The Trust Territory comprises about 2000 islands, of which about 100 are inhabited. The current population numbers about 94,000. The land area totals only 700 square miles -- about half the size of Rhode Island -- but is scattered over 3 million square miles of ocean -- approximately the size of the 48 contiguous States. The principal island groups are the Marianas (excluding Guam), the Eastern and Western Carolines, and the Marshalls.

The Territory is divided into 6 Administrative Districts (the Marianas, Yap, Palau, Truk, Ponape, and the Marshalls), each of which is headed by a District Administrator, who reports to the High Commissioner. Each District in turn has a District Center with a relatively heavy population, and some few have sub-districts in addition (i.e., Ulithi, in the Yap District; Kusaie in the Ponape District; and Ebeye in the Marshalls). About 80% of the Micronesian population lives in or near district centers or sub-districts.

The Trust Territory is in almost all ways underdeveloped, but the degree differs substantially among the districts. The people of the Marianas are perhaps the most sophisticated, and they are unquestionably the most advanced economically. Yap is at the other end of the stick, for most of the Yapese apparently prefer at least the status quo, and perhaps a turning-back of the clock. The Palauans are the most aggressive, and in many ways the most troublesome. The Trukese may be the most dissatisfied, and their living conditions suggest that this is not unreasonable. The Ponapeans have presented fewer problems than their brethren, and seem generally rather passive. The Marshallese, with their acute concern for their land, their feudalistic land tenure system, and their recent history of activities by the military, are especially exercised about any further military activity in their area, and about any activity of any sort that might deprive them of a part of their acreage.

- 2 -

SECRET

11-429215

~~SECRET~~

Nine languages, mutually unintelligible, are spoken. Perhaps 25% of the population speaks English, but most do not do so with noticeable facility.

The political future question

Trusteeship status is by definition transitory. All parties interested in the Trust Territory (i.e., the people of Micronesia, the Departments of State, Defense, and the Interior, the United States Congress, and the United Nations) are each anxious, for different reasons, to cause the Trust Territory to assume a different and more elevated status.

In general, it is probably accurate to say that

-- Most members of the United Nations believe that full self-government, preferably in the form of sovereign independence, should be conferred upon the Trust Territory.

-- The most recent, official (but classified and not public) position of the Executive Branch has been that we must create a lasting political association between the Trust Territory and the United States.

-- The Department of Defense believes that such association is essential in light of our security interests.

-- The Department of State hopes that the status conferred will embrace significant elements of self-government, so as to meet our needs at the UN.

-- Interior has, to date, felt that such elements of self-government as State finds necessary probably exceed the willingness of the U. S. Congress to grant, and may exceed the capacity of the Micronesians to assume.

-- The Congress of the U. S., while apparently anxious to move forward on the subject, is probably unwilling to grant very much self-government to the people of the Trust Territory.

And in the meantime, lacking guidance from the United States as to what it is prepared to offer, the Micronesians are apparently deciding, in increasing numbers, that independence, with possibly some loose tie to the United States, is the preferred solution.

It may still be possible to reverse this trend if the United States, very promptly, indicates that it greatly hopes the Micronesians will want to associate with us, and if we further take definitive action toward that end.

~~SECRET~~

11-429216

UNCLASSIFIED

The problem is to devise a political arrangement or status which will be attractive to the Micronesians; one which will be acceptable to the United States Congress; one which will meet the Defense Department's requirement for unchallenged deployment of resources; and one which will be plausible, if not convincing, to much of the United Nations and world opinion as a status willingly accepted by the Micronesians.

Why time is of the essence

On July 14, 1969, the Congress of Micronesia (the Trust Territory's bicameral legislative body, created by orders of the Secretary of the Interior) will next convene in regular session. At that time, the Congress of Micronesia's own status commission will report its recommendations, and absent further significant developments between now and then, it seems likely that it will report by

-- Requesting an early plebiscite.

-- Urging that one of the options in the plebiscite be sovereign independence, and defining such option as viable, on the ground that Micronesia could survive economically by charging high fees for military use of Micronesian land.

-- Possibly also recommending a "free association" option, perhaps similar to the relationship of the Commonwealth of Puerto Rico to the Federal Government, but also making explicit the right of Micronesia to withdraw from the relationship, at any time, at its own option.

Such options would be anathema to the United States military, which has genuinely regarded the islands of the Trust Territory as crucial to the security interests of the United States. The islands grow increasingly crucial, as bases elsewhere in the area become more vulnerable.

The United States goal of a permanent political association between the Trust Territory and the United States is premised upon national defense requirements. Kwajalein and Eniwetok in the Marshalls comprise important elements in the missile testing program, and other islands, particularly the Northern Marianas and Palau, represent potential fall-back positions in the event American bases are no longer available in Asia. Additionally, the islands surround the American territory of Guam and lie athwart communications routes to the Orient. The Defense Department has stated urgently and unqualifiedly that the United States must retain the islands of the Trust Territory.

Recent efforts to meet the problem

For at least five years, discussions have been conducted on this subject between the interested agencies of the Executive Branch, sometimes at

UNCLASSIFIED
SECRET

//- 429217

~~SECRET~~
~~UNCLASSIFIED~~

the Secretarial level. All have agreed that action is required and that a plebiscite must be held. The differing positions of the interested agencies, adverted to above, prevented effective forward motion for much of that period. More specifically,

The Interior position has been that the nature of the political status must not only be acceptable to the Micronesians, and consistent with their level of development, but it must also be acceptable to the United States Congress which, under the U.S. Constitution, alone can implement the status.

The State Department position, although recognizing the Congressional involvement, urges as a consequence of its United Nations concern, a level of self-governing status which Interior believed would be unworkable in the Trust Territory in the immediate future and would be unacceptable to the United States Congress. The State Department has said that an elective chief executive, plus some Micronesian control over Federal appropriations for the Trust Territory, would be essential to meet its U.N. requirements.

Defense has advocated no specific status, provided action is taken promptly and security requirements are met.

In the summer of 1966, the Congress of Micronesia petitioned the President of the United States to establish a status commission to study the problem of Micronesia's future. (The resolution appears on page 7 of the attached House Document No. 159.) The Interior Department soon thereafter drafted legislation looking toward the creation, by the United States Congress, of a study commission having members from both the Executive and Legislative Branches. The clearance process, and the resolution of inter-agency differences, consumed several months, but in August 1967 the President sent forward a bill with the Secretary of the Interior's recommendations for enactment. (Both appear in House Document No. 159). The Senate passed the bill. The House did not, nor did the House Interior Committee act favorably upon it. There is some indication that it failed to act because it did not believe that the three Departments have a wholly unified, agreed-upon position.

Other Trust Territory problems relevant to the political question

A great number of other problems exist in the Trust Territory which, if resolved, would be helpful in bringing about a more favorable political climate than now exists.

-- War damage claims. An agreement was finally negotiated with the Japanese in January 1969 looking toward the payment to the Micronesians of claims for suffering during World War II. The agreement is complicated,

~~SECRET~~
~~UNCLASSIFIED~~

11- 429218

~~SECRET~~
UNCLASSIFIED

and it imposes considerable financial and administrative burdens upon the United States. By agreement with the Interior Committees, it is not to be formally approved until further discussions with such Committees occur. The Micronesians are understandably anxious to be compensated.

-- Post secure claims. Many Micronesians have claims for land takings and property damage which date from the time the military declared the islands "secure" during World War II. Most such claims relate to military activity. These claims are still being assessed by the Government of the Trust Territory, but they will probably total about \$8 to \$10 million. Special legislation and special adjudicatory arrangements will be required.

-- Education. The quantity and quality of education have been greatly expanded, but additional classrooms and qualified teachers are still required. Secondary schools cannot accommodate all potential enrollees and an aggressive program of vocational education needs to be pursued.

-- Health. The islands are basically a healthful environment and their population is essentially a healthy one. Still, the infant death rate is much too high; gastro-intestinal, upper respiratory, and other communicable diseases are too frequent. Replacement of inadequate medical facilities needs a high priority.

-- Economic development. A climate encouraging American capital investment needs to be created. (Because of security restrictions and a "most-favored-nation" clause in the trusteeship agreement, non-Micronesian and non-United States investment is currently prohibited.) This will require accelerating the construction of basic utilities to support commercial or industrial enterprise, utilities which will also serve the Micronesian people and, in the case of water and sewerage systems, help materially to reduce the incidence of many diseases.

-- Management. If Americans are to serve as an example in Micronesia, high standards of performance must be established and adhered to. Despite improvements in administrative competence in the past two years, the Trust Territory government still is not an efficient or effective operation. Policies are not clearly communicated to government personnel and the public, nor are they consistently implemented.

-- Funding. Appropriations for the Trust Territory have increased substantially, but they still fall short of meeting needs, particularly in terms of the relatively limited time available before a political decision has to be made. The territory has an appropriation authorization of \$50,000,000 for each of fiscal years 1970 and 1971. The 1970 budget request sent to the Congress on January 15 amounts to \$41,612,000. Without passing on the merits of the individual items in that budget, nor on its total, it is evident that a sustained high level of appropriation will be required in the future.

~~SECRET~~
UNCLASSIFIED

11- 429219

UNCLASSIFIED
SECRET

Questions concerning the political future which require early answers

1. Does time permit the creation of a Federal status commission, along the lines of that proposed to the 90th Congress, to explore the political future question and to devise a solution?
2. Regardless of the answer to question 1., would it be helpful to have an early statement by the President, expressing the hope that Micronesians will want to associate politically with the United States?
3. Is sentiment in favor of sovereign independence now so great as to indicate that a plebiscite should not be scheduled until the trend is reversed?
4. What actions are necessary to reverse the trend?
5. Could the United States continue to use the Trust Territory for defense purposes if the current trusteeship status were perpetuated?
6. If not, and if independence sentiment is now dangerously high, could the United States objective of political association be achieved by holding a plebiscite in which the only choices are (a) the status quo, and (b) permanent political association with the U. S.?

- 7 -
SECRET

11-429220