DEPARTMENT OF STATE

Washington, D.C. 20520

TOP UNCLASSIFIED
SECRET ATTACHMENT

April 24, 1969

UNDER SECRETARIES COMMITTEE

NSC-U/SM 12

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 the Interior

SUBJECT: Study on Future Status of the Trust Territory of the Pacific Islands (TTPI)

The attached study has been prepared as a basis for our discussion in the Under Secretaries Committee. As you know from our telephone alert, we have now scheduled a meeting of the USC on this paper for Saturday, April 26 at 11:30 a.m.

Arthur A. Hartman
Staff Director

Attachment:

As stated.

1. 4/24/69

FUTURE OF THE TTPI

(1A)

UNCLASSIFIED

A. Background

The Trust Territory of the Pacific Islands (TTPI) is administered by the United States under a Trusteeship Agreement with the United Nations Security Council, approved by the President on July 18, 1947, pursuant to authority granted by a joint resolution of the Congress. The terms of this unique "strategic trust" give the United States full authority over the Territory, including the right to establish military bases. The terms require the United States to "promote the development of the inhabitants of the Trust Territory toward self-government or independence as may be appropriate to the particular circumstances of the Trust Territory and its peoples and the freely expressed wishes of the peoples concerned...."

During the early years of U.S. administration we were satisfied with a continuing trusteeship arrangement. Administration was geared to change the lives of the people as little as possible. In 1961, the President decided that, because of our strategic interests in the Pacific and because of the marked change in the attitude of dependent peoples and the international community toward colonialism we should accelerate our effort to move the Territory toward self-determination as prescribed by the trusteeship agreement. Since permanent association with the United States seemed to be in the interests of the Micronesians and was a long term objective of the U.S., the President in NSAM 145 of April 18, 1962 directed the interested Departments to undertake an urgent program aimed at achieving this objective.

UNCLASSIFIED SECRET 432727

Declassify ON: OADR

Immediate programs were begun to enhance the social, political and economic development of the Micronesian peoples. These programs included increased appropriations for Micronesia, establishment of the Congress of Micronesia, and an improved educational system. All of these have been positive steps, but much remains to be done in all areas, not only to improve the living of the people and the opportunities available to them, but also to prepare them for whatever degree of self-government is agreed upon.

At the same time, attention was focused on the process of terminating the Trusteeship Agreement. There was considerable and protracted discussion within the Executive Branch on the nature of the status to be accorded Micronesia, the type of plebiscite to be offered to the people, and its timing. In 1967 the conclusions were reached that the choices would have to include independence and that substantial self-government would have to be offered.

The discussion revealed the need for the direct involvement of The Congress in determining the political status to be offered to the Micronesian people by the U.S. administration. The Congress has the constitutional responsibility for U.S. territories. After a plebiscite, it would implement by legislative action any permanent association with the United States. The President, therefore, in 1967 submitted to the Congress a proposal for establishment of a Status Commission including members of both the executive and legislative branches of government. The Status Commission would have responsibility for preparing recommendations for the eventual political status of Micronesia. As proposed, a plebiscite would have been held no later than 1972.

The President's proposal passed the Senate in 1968 with the plebiscite date amended to read "as soon as possible." The House failed to act on the legislation. The same bill has been reintroduced in the Senate this session. Even if the legislation could now be enacted, it no longer is sufficiently geared to the urgency of the situation to meet our requirements.

B. The Present Situation :

In the past we tended to assume that, once we made up our minds about the direction in which we wished to move in Micronesia -- the leaders of the Territory, recognizing that their interests were fundamentally interlocked with ours, would cooperate with the United States in bringing about the desired result. Largely because of protracted delays in deciding upon and implementing our policy and improving condition in the TTPI, this assumption may be in serious doubt, and we may have to campaign vigorously with the Micronesians on behalf of the program which we select.

In any circumstances, however, the need for Micronesian cooperation is still pertinent. In fact the growing political awareness of the Micronesian political leadership makes their acceptance and active support of any program we might decide upon indispensable if it is to be sold by the leaders to the average islander.

There are points in our favor in seeking Micronesian support for a close association with the U.S. In the first place, much of their current doubt stems from our failure to respond to earlier requests of the Micronesians for guidance. Although some of the damage caused by these delays

on our part probably cannot be overcome, there is reason to believe that if we make a serious and explicit offer permitting a meaningful dialogue with the Micronesians on the future of the Territory, the Micronesians will respond affirmatively. Second, the Micronesians, as the result of their experience in their own Status Commission, are now more keenly aware of the possibilities and more interested in what the future holds for them.

But we can only obtain such support if we make an active contribution in response to Micronesian concern regarding the future of the Territory and do so on an urgent basis. The first urgent element is the completion in the immediate future of the study of the Micronesian Status Commissic and the drafting of their final report. We know that the Commission has been concentrating its attention on states which have achieved independer or very loose association with their former rulers; that they have substituted a trip to such states for one they had planned to Puerto Rico and Washington; and that they have apparently decided in favor of some form of free association, with independence as a second choice. But they have also asked for our views and have extended the deadline for our contribution until early May. Although they appear to have reached certain conclusions, and an official response from the United States may not completely reverse their thinking, it could serve as a moderating force. In view of the opinion molding power of the Commission and of the leaders such a step could be very important.

Another reason for immediate action is the meeting of the UN Trusteeship Council which takes place at the end of May. It has on its agenda

number of extremely disturbing petitions and communications recording, in some cases quite vehemently, the political discontent in the Territory. While many of these petitions are intemperate, exaggerated and unreasonable, they reflect growing frustration in the Territory, both with the shortcomings of U.S. administration and the limited role now played by the Micronesians. In the absence of some authoritative statement of U.S. plans and objectives, we may face a most unhelpful international airing of our difficulties - - an airing which could serve to stimulate and encourage the Micronesians in the use of the leverage which their trusteeship status provides them.

C. Requirements for Status

Any proposed status which is to be offered to the Micronesians in order to bring about the transition of the Territory from trusteeship to permanent association with the United States must meet certain requirements.

1. U.S. Strategic Needs

The strategic value of the Territory has two sides which pose entirely different requirements. On the one hand, considering its expanse and location, it is imperative that we continue to deny the islands to potential enemies. The TTPI, in the hands of unfriendly powers could present a formidable threat to the security of the United States. In particular, the vulnerability of Guam, surrounded by the TTPI in other hands, would be significantly increased. Any manner of extending U.S. sovereignty to the area ~~other than~~ or etc. continuation of the status quo would serve to deny the area to others.

On the other hand, we have a continuing positive strategic need for the Territory. It is essential, upon cessation of hostilities in South Viet-Nam, that redeployment of U.S. forces should not result in a loss of our forward base structure such as to impair our capability to monitor and control areas of the Western Pacific most exposed to any Asian communist aggression. For this reason, the option of military bases and associated facilities in the TTPI will assume increased importance for post-hostilities posture of U.S. forces.

If, despite our best efforts, the intensifying political pressures cause future denial or curtailment in the use of certain of our forward bases, the TTPI provides the only territory, with the exception of Guam, on which the required capability to project U.S. power into the Western Pacific could be securely based [redacted]

Current control of the TTPI, favorable balance of payments considerations, and the prospect of acquiring U.S. sovereignty in a friendly atmosphere offer the possibilities of long-term stability required for planning and development of a lasting base structure. This is increasingly important with the impending withdrawal of U.K. forces east of Suez. Kwajalein will remain strategically significant in view of facilities associated with DOD research and development programs.

To insure the continuing availability of the TTPI to meet our strategic requirements, U.S. control of the Islands, as an optimum, would not be subject to challenge either by the residents of the TTPI,

other countries, or the United Nations. U.S. sovereignty over the TTPI clearly affords the only real assurance of maintaining such control in the future, and any arrangement giving the TTPI residents the right to terminate their association with the U.S. clearly would not do so. Sovereignty would provide the U.S. with assurance of retaining the following powers necessary for the national defense:

a. The right to take land for military purposes on the same basis that it may do so within the States and territories of the United States, subject to the requirement of the Fifth Amendment to the U.S. Constitution, providing for just compensation when such lands are taken for public use.

b. The application of internal security and immigration laws.

c. Control of all relations with and access by foreign powers.

Annex A is a further discussion of tentative views of military plans and requirements.

2. Legal and Political Realities - Alternate A Interior, Defense, J.C.S. Views.

Under Article 76(b) of the UN Charter one of the basic objectives of the trusteeship system is political advancement of the inhabitants of the trust territories "towards self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned. . . ." The identical language is repeated in Article 6(1) of the TTPI Trusteeship Agreement.

There appears to be a legal question as to whether or not the above-quoted language requires that a plebiscite, if one is to be held, must include independence from the United States in addition to other choices such as association with the United States.

Of the eleven original United Nations trusteeships, only two (New Guinea and the TTPI) are still in being. Of the nine that have been terminated, six (French Togoland, French Cameroons, Somaliland, Tanganyika, Ruanda-Urundi, and Nauru) were ended by the people of the territory achieving independence without a plebiscite.

In one plebiscite case, Western Samoa chose independence as the only alternative offered. Had independence been rejected, trusteeship status would have continued. In the other two plebiscite cases (British Togoland and British Cameroon), the peoples of the territory were offered union with neighboring states. British Togoland chose between joining Ghana and continuing trusteeship status. Independence as a separate state was not offered. British Cameroon was divided into two parts. The northern part chose "to achieve independence by joining the independent Federation of

Nigeria" rather than "to achieve independence by joining the independent Republic of Cameroon." The southern part chose "to achieve independence by joining the independent Republic of Cameroon" rather than "to achieve independence by joining the independent Federation of Nigeria." Neither part nor the territory as a whole was offered independence as a separate state.

The so-called Colonialism Declaration, Resolution 1514 (XIV), stresses the granting of independence to colonial countries and peoples and states that "immediate steps shall be taken, in trust and non-self-governing territories or all other territories which have not yet attained independence to transfer all powers to the peoples of those territories ... in order to enable them to enjoy complete independence and freedom."

Partly because of our concern with the exclusive focus of this resolution on independence, the United States, at the same General Assembly, was a co-sponsor of Resolution 1541 (XV) which includes as Principle VI the following:

"A non-self-governing territory can be said to have reached a full measure of self-government by:

(a) Emergence of a sovereign independent state;

(b) Free association with an independent state; or

(c) Integration with an independent state."

In all ensuing consideration of the problem of non-self-governing and trust territories the United States has stood on this definition.

Based upon this definition, the point has been made that the status of a non-self-governing territory is sufficient to fulfill our legal

obligations if a majority of Micronesians favor such status. It is argued that we can afford the political dissension such a decision might create in the territory, the UN and elsewhere.

In the narrow sense of our two-fold interest in ending international supervision of our administration of the Territory and extending our sovereignty to it, if we fail to meet the minimum legal obligations imposed upon us in the Charter and the Agreement, we jeopardize objectives. Even our closest allies (and they make up the majority of the Trusteeship Council) would probably not support such a move. They themselves have accepted and carried out these requirements.

In the broader sense, we could do ourselves great damage by taking a position both contrary to international law, to the broad acceptance of which we attach great importance, and to our traditional position on colonial questions and the right of self-determination.

This record, the U.S. heritage of anti-colonialism and its defense of the principle of self-determination, poses a problem in framing a plebiscite without an option of independence. We could invite a major controversy in New York -- a controversy which could quickly be reflected in political opinion in the Territory.

Termination Procedures

Under general principles of international law, agreements can be terminated only with the consent of both parties unless some other procedure is specifically provided. Neither the U.N. Charter nor the Trusteeship Agreement specify the method of termination. Article 83 of the Charter, however, provides that for strategic trusts the Security Council shall

approve "the terms of the trusteeship agreements and ..... their alteration or amendment."

Article 15 of the Trusteeship Agreement makes clear that there can be no termination without U.S. consent and implies that consent of the Security Council is also required since the U.S. is not given the right of unilateral termination. The negotiating history of the Trusteeship Agreement, especially statements of the U.S. representative in the Security Council, makes clear that at the time the Trusteeship Agreement was concluded the United States understood that termination would require consent of both the United States and the Security Council.

At such time as we consider it desirable to terminate the Trusteeship Agreement, we should expect to consult other Security Council members to see whether a termination resolution could be adopted.

[redacted]

2. Legal and Political Realities - Alternate 3 - State Views

a. Legal Obligations

The legal obligations of the United States regarding the Trust Territory, and in particular those governing the manner in which the Agreement may be terminated, are set forth in the Trusteeship Agreement and the United Nations Charter and are clarified by the UN precedents involved.

Article 76(b) of the Charter provides that one of the basic objectives of the trusteeship system is:

> "To promote the political....advancement of the inhabitants of the trust territories, and their progressive development towards self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned, and as may be provided by the terms of each trusteeship agreement;"

Article 6(1) of the Trusteeship Agreement sets forth the responsibility of the United States in discharging its obligations under Article 76(b of the Charter in virtually identical terms.

Independence Option

This language imposes an obligation on the United States as administering authority to promote the political advancement and progressive development of the inhabitants of the Trust Territory to a point when they may freely express their wishes as to future status. The United States must take into account "the freely expressed wishes of the peoples" of the TTPI.

A fair reading of Article 76(b) requires that a plebiscite to determine the TTPI's future must include independence from the United States in addition to any other choice which might be offered such as self-government in association with the United States or continuation of trusteeship status. This conclusion is based not only on the language of Article 76(b) but also on the practice that has been followed in the United Nations in terminating other trusteeships. In every other case involving termination of other trusteeships, the peoples of the trust territories were offered as a minimum either independence from the administering authority alone or in association with an adjacent independent state.

Those cases where independence from the administering authority was achieved only through union with an independent state - - British Togoland and British Cameroons - - are somewhat deceiving. Actually the case of British Togoland is very similar to the likely evolution of New Guinea. It had been administered in complete union with the British colony of the Gold Coast; it chose to continue this union after the Gold Coast became independent; they both became independent the same day and together they formed the new state of Ghana. The British Cameroons was a more complex case, but essentially parallel. The Northern portion, which had been administered for many years as an integral part of the state of Northern Nigeria within the British colony known as the Federation of Nigeria, voted less than five months after Nigeria itself became independent to continue this union in an independent status. The Southern portion, which had been administered as a separate state within the Federation of Nigeria, chose instead to join the former Trust Territory of the French Cameroons which had become independent only thirteen months before and with

which it had been unified under German administration prior to World War II. Thus, in both cases the evolution was that of one or more Trust Territories or national colonies moving forward together toward independence. It should also be noted that the United Nations established the questions in the plebiscites conducted and supervised the termination process.

Self-Government Option

It has been suggested that the United States might fulfill its obligations as administering authority under the Charter and the Trusteeship Agreement by offering the inhabitants a plebiscite in which the only choices would be (a) non-self-governing status under U.S. sovereignty and (b) continued trusteeship. Were the Micronesians to choose (a), it is argued, such status would be a step in the direction of self-government and the United States could then terminate the Trusteeship Agreement on the theory that the United States had fulfilled its obligation to promote the "development of the inhabitants towards self-government."

Such an interpretation is not compatible with either the letter or the spirit of the Charter and the Trusteeship Agreement. The phrase "towards self-government or independence" clearly describes the basic obligation of the administering authority during trusteeship, not the terminal objective. The language quoted above, the legislative history of the Charter and UN practice make clear beyond doubt that the ultimate objective of the trusteeship system is the termination of non-self-governing status in the trust territories. Accordingly, termination of trusteeship status is legally possible only when the peoples of the Trust Territory have freely chosen either self-government or independence.

b. Termination Procedures

Under general principles of international law, agreements can be terminated only with the consent of both parties unless some other procedure is provided. Neither the UN Charter nor the Trusteeship Agreement specifies the method of termination. Article 83 of the Charter, however, provides that for strategic trusts the Security Council shall approve "the terms of the trusteeship agreements and ....their alteration or amendment."

Article 15 of the Trusteeship Agreement makes clear that there can be no termination without U.S. consent and implies that consent of the Security Council is also required since the United States is not given the right of unilateral termination. The negotiating history of the Trusteeship Agreement and especially statements of the U.S. representative in the Security Council make clear that at the time the Trusteeship Agreement was concluded the United States understood that the termination would require consent of both parties.

At such time as we consider it desirable to terminate the Trusteeship Agreement, we would expect to consult other Security Council members to see whether a termination resolution could be adopted. [redacted]

[redacted]

c. Political Realities

The point has been made that we can make the political decision not to fulfill our legal obligations; that we can argue that some lesser course of action has fulfilled these requirements; and that we can tolerate the political dissension which such action might create in the Territory, in the United Nations and elsewhere.

In the narrow sense of our two-fold interest in ending international supervision of our administration of the Territory and extending our sovereignty to it, if we fail to meet the minimum legal obligations imposed upon us in the Charter and the Agreement, we jeopardize objectives. Even our closest allies (and they make up the majority of the Trusteeship Council) would probably not support such a move. They have accepted and carried out these requirements in their own territories.

In the broader sense, the United States could do itself great damage by taking a position both contrary to international law, to the broad acceptance of which it attaches great importance, and to our traditional position on colonial questions and the right of self-determination.

As for the U.S. position on colonialism, the so-called Colonialism Declaration, General Assembly Resolution 1514 (XV), stresses the granting of independence to colonial countries and peoples and states that "immediate steps shall be taken, in trust and non-self-governing territories or all other territories which have not yet attained independence to transfer all powers to

the peoples of those territories..... in order to enable them to enjoy complete independence and freedom." Partly because of our concern with the exclusive focus of this resolution on independence, the United States, at the same General Assembly, was a cosponsor of Resolution 1541 (XV) which includes as Principle VI the following:

> "A non-self-governing territory can be said to have reached a full measure of self-government by:
>
> a. Emergence of a sovereign independent state;
> b. Free association with an independent state; or
> c. Integration with an independent state."

The resolution went on to define free association and integration as follows:

> "Principle VII -
>
> "(a) Free association should be the result of a free and voluntary choice by the peoples of the territory concerned expressed through informed and democratic processes. It should be one which respects the individuality and cultural characteristics of the territory and its peoples, 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 democratic means and through constitutional processes.
>
> "(b) The associated territory should have the right to determine its internal constitution 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.
>
> "Principle VIII -
>
> "Integration with an independent State should be on the basis of complete equality between the peoples of the erstwhile Non-Self-Governing Territory and those of the independent country with which it is integrated. The peoples of both territories should have equal status and rights of citizenship and equal guarantees of fundamental rights and freedoms without any distinction or discrimination; both should have equal rights and opportunities for representation and effective participation at all levels in the executive, legislative, and judicial organs of government."

If the United States, with this record, its heritage of anti-colonialism and its defense of the right of self-determination, were to ignore all the above considerations, we would invite a major controversy in New York and elsewhere. The consequences for the international standing of the United States, both in the developing world and in the West, while unpredictable, could be serious and long lasting.

3. Micronesian Thinking

The nature of Micronesian thinking -- their views and desires -- is already a critical factor and one which any proposed status must take fully into account.

The problem of assessing Micronesian views is compounded by the fact that Micronesian opinion must be approached on two levels -- on the one hand the leaders, and on the other, the great majority of the islanders.

[redacted]

Another important factor in their thinking is the lack of any real nationalism in the Territory as a whole. The Territory is a fragmented area where the separations of distance are compounded by different cultures, ethnic backgrounds and so on. The TTPI is thus an artificial creation, and to the extent that the average islander has loyalties beyond his own island, they are probably to his district or often even to some smaller group of islands within that district. The political leaders are developing a broader perspective, bu even for them nationalism is a very new force. To the extent a national consciousness does exist, it is still perhaps largely motivated more by local sel interest -- by knowledge of the weakness of the fragments alone -- than by any real feeling for "Micronesia" per se.

Both the leaders and the average Micronesian, albeit from different angles, are unimpressed by US administration. Many islanders have such limite contact with the Administration, except perhaps in the form of a Peace Corps

volunteer, that they probably do not have a strong view one way or the other. Others, such as those displaced from Bikini or Eniwetok; or those with unsettled land problems or war damage claims, have specific, if local, grievances. The leadership has a broader range of complaints, from the local ones to such things as the quality of personnel assigned to the Territory, the role which Micronesians are given in running their own affairs, the quality of the schools, the level of medical care, etc. In any case there appear to be few Micronesian political leaders who express satisfaction with the current administration in the territory. These are problems which need to be corrected, whether or not there is a change in political status.

There is a clear distinction between the thinking of the Micronesian leadership and the remainder of the population. Micronesian leaders are not apathetic about the future of the Territory. They have become increasingly sensitive to the problems involved and the options open to them, largely because we have stimulated their training and exposure at home through the Congress of Micronesia and the District legislatures:

We have opened the Territory to the outside world and its influences through the easing of entry requirements and the advent of jet air travel to the area;

We have pushed the Micronesian into the outside world through scholarship programs at Universities in Hawaii and on the mainland, through leader grants, and through the participation of Micronesian special advisors at Trusteeship Council sessions, US Congressional budget hearings, and the South Pacific Commission, etc.

The Micronesians are now keenly aware of their political bargainin power, and they are prepared to use it. They appear to see independence as one option. A succession of UN Visiting Missions has confirmed this point to them. (The State Department believes that some Micronesians believe that independence would be one option in a plebiscite. Even if most have no interest in this option, the act of precluding it could stimulate internal dissension, and possibly jeopardize the achievement of our objective of bringing about a decisive Micronesian vote in favor of association with the United States.)

The Micronesian leaders are aware of our military and strategic interest in the islands. They recognize the relationship between our fut position in Okinawa and the possible substitute installations in the Territory. They appreciate the leverage which they can draw from our strategic interests and needs -- either in terms of improvements in any future status involving association with the United States, or in assuring economic solvency through charges for base rights which they might be able to levy if they chose independence.

Finally, they are well aware of the continuing Japanese economic interest in the islands -- both as a natural and traditional tourist area and as a longtime center for highly successful commercial fishing. Ignor or perhaps forgetting the less attractive aspects of Japan's pre World War II colonizing administration, they compare the major investment whic Japan made in the territory at that time with the relatively little that have done since. As a result, probably as a bargaining tactic, they mention the possibility of closer ties with, and support from, Japan.

There is throughout an element of bargaining involved in the Micronesian attitudes -- a knowledge that by hinting at extremes they can improve their position in discussing the terms of a status which involves association with the U.S.

There also seems to be a growing feeling -- particularly in view of our failure so far to offer a status with the United States -- that their future actually may lie in these areas. Such a view casts the U.S. in the role of the traditional colonial power and turns to traditiona anti-colonial answers -- opposing military exploitation by the metropolita power, seeing other powers as potentially true and unselfish friends (despite obvious self-interests involved), and calling on the UN in its role as protector of those yet to be granted independence to intercede in their behalf with the U.S. Such views still are in the minority, but the transition to such an extreme doctrinaire position could come quickly and easily.

Our most immediate interest is in the Micronesian views on possible future status and the degree of flexibility in them. The Micronesian Futu Political Status Commission is the obvious source of this information. T chairman of the Status Commission has said that, after studying various alternatives, the Commission has concluded that free association with the U.S. is the preferred option. Independence ranks second. A news release reporting his statement is attached as Annex B.

Of equal importance is the degree of commitment of the individual members of the Commission to particular facets of any given status and th reactions of other political leaders. The degree to which we can influen the attitudes of the Micronesian leadership to particular concepts in our favor depends on our ability to accelerate our programs and offer a statu

with the United States.

Even if we are able to act promptly, we may see a fairly wide range of views among the Micronesian leadership. They may want more than we can give. Nevertheless, it should still be possible to find a compromise solution. This bargaining process will be difficult, and on certain points we may have to settle for proposals with which we are not altogether satisfied. We are going to be faced by a number of very thorny problems from the standpoint of Micronesian views. Among the most difficult will be the following:

a. Termination of the Agreement -- the Micronesians are going to seek some form of control over the future evolution of the status which is worked out. The U.S. problem will be to develop a status which will preclude a unilateral right of disassociation.

b. Form of Government -- the Micronesians are going to be interested in almost complete local autonomy and may also propose institutions which they feel would reflect their culture but which we might find unacceptable, either in terms of American practice or sound administration.

c. Budgetary Control -- the Micronesians will seek extensive control over the budget, including the right to disburse U.S. Congressional appropriations which will continue to make up the greatest portion of their finances.

d. Control of Military Activity and Land Acquisition - - the Micronesians are going to demand more control over any military activity which we might contemplate in the Territory than we can permit.

4. Congressional thinking.

If the Trust Territory joins in some permanent association with the United States, the legislative enactment to implement that association will be the responsibility of the Committees on Interior and Insular Affair

The thinking of the key members of both Committees will be crucial in developing a plan of action. In the Senate, the Territories Subcommitte Chairman, Senator Burdick, visited the Trust Territory (accompanied by Senators Moss and Metcalf) about a year ago. Following that trip they sponsored several items of legislation intended to be helpful to the Trust Territory. The Senate Committee also recommended enactment of the Status Commission proposal of the last Congress and Senators Burdick, Fong, Hatfield, Inouye, Jackson and Mansfield have introduced a similar measure in the 91st Congress. This Committee has in the past recognized the strategic interests of the United States in the Trust Territory. It is likely to recognize and implement a reasonable form of permanent association with the United States.

The House Interior Committee has similarly been concerned about the development of the Territory and recognizes the strategic interest. However, the ranking members have not recently visited Micronesia. During executive hearings in the last Congress, ranking members consistently expressed the view that the Territory should remain associated with the United States, but the extensive discussions revealed no consensus as to what that status might be. The House Committee did not act on the status commission proposal.

The Interior Committees have had the controlling voice in the affairs of the Territory for over twenty years. Having dealt with the evolution of US territories through various stages through statehood, they are conscious of the uniqueness of the Trust Territory and its relationship to the U.S. Members of the Committees have serious and legitimate concerns about the problems of precedent as it relates to Guam, the Virgin Islands and American Samoa. Having just taken the major step of passing Elective Governor bills for the first two of these territories after many years of delay, they consider that any status offered to the TTPI which would provide it with equal or more advantageous terms in one jump could cause serious repercussions in these territories.

Perhaps the more fundamental question is how to obtain approval of the Congress as a whole. The TTPI is not a US Territory, and it involves major national security and foreign policy considerations which would be of interest to the committees dealing with these areas. This means that the program which the President would present to the Congress should be developed in light of his judgment of a variety of factors, the prospect for Congressional approval, the effect of the initiative on support for other programs in which the Executive Branch is interested, and an assessment of the possible international consequences.

Within the Congress as a whole there is a wide range of views concerning the proper handling of the Territory's future. Knowledge of the problems involved also varies considerably. A substantial number of Senators and Congressmen understand the military significance of the

Territory and the requirements for its future use. Appreciation of the international realities and the foreign policy issues varies. Some believe that the Executive Branch is unduly concerned about international reaction to our policies in the Territory and ignores the need for extending our sovereignty to the area and ending international surveillance.

Evaluation of the views of the Congress as a whole is very difficult, however, because they have never been tested. The Senate did pass the Status Commission Resolution, but this was only a first step to establish machinery and deliberately avoided the specifics as to our intentions. The House has never had even this limited opportunity to express its views on the issue. The prospect of obtaining Congressional support would depend on our program and the persuasiveness of the Administration's arguments in its behalf.

The status of an "incorporated territory" constitutes a promise of ultimate statehood. The ranking membership of the Interior Committees are veterans of the long Alaska and Hawaii statehood efforts; they are unlikely to be agreeable to conferring that status on the Trust Territory, especially if it has not been conferred on Guam, the Virgin Islands, or American Samoa

The "commonwealth" concept seems to be equally disfavored. Whether the lack of favor is the result of features of the commonwealth status or because of other reasons, a duplication of the commonwealth solution for Puerto Rico is not likely to be successful.

The ranking members of both Committees appear to be firm believers in some version of territorial status, and would probably opt for the "less advanced" status at first.

4/24/69

Program of Action

(13)

A. Political future

Offer the Micronesians the chosen status during the Secretary of the Interior's forthcoming visit to the Trust Territory (May 2, 1969). This action would be contingent upon successful completion of preliminary consultation with key members of Congress.

B. Proposed programs

1. Obtain a construction battalion from the Army or Navy in Southeast Asia to undertake immediately a series of projects desired by the people of Micronesia. If from Vietnam, this could be billed as a "plowshare" type of operation and would be a specific demonstration of the kind of constructive peacetime military assistance available from the United States. The battalio should arrive in the Trust Territory before September 1, 1969.

a. Water and sanitation projects are needed in virtually every community in Micronesia.

b. Roads outside of District centers are virtually non-existent and the former Japanese roads have fallen into dis-repair. There is a need to reopen the old roads; to extend new ones and to upgrade and pave existing roads.

c. Airfields require improvement and heavy maintenance. Air travel is essential to both administration of this far-flung area and to its economi development.

d. Small dock, channel, and seawall work. The outer islands are dependent upon small vessel operation. In many cases, docks, seawalls, or channel work through the reefs are necessary to improve sea transportation. These projects are relatively small but important to the local people.

2. Invite the Congress of Micronesia to form a budget committee to work with the administration in developing budgets within the ceiling authorization established by the United States Congress. The Congress of Micronesia would vote the budget as a recommendation to the High Commissioner. The existing Secretarial Order already gives the Congress of Micronesia this authority. It remains to be fully implemented. Actively participating in budget development and voting on recommendations as to the final submission to the Secretary of the Interior will give the Congress of Micronesia a sense of participation and develop their skills as legislators and budget experts. This invitation should be extended during the Secretary's trip.

3. As soon as possible bring more Micronesians into high ranking and responsible positions in the government. No Micronesian now serves as Distric Administrator. Some are assistant district administrators. Others are in the second or third eschelon in various departments. A positive talent searc will be initiated immediately to recruit, train and place Micronesians in responsible government jobs where they will be brought into the planning and decision processes as full and equal participants with American personnel. A program to train more Micronesians for more responsible positions will be started before August 1, 1969.

4. The dual wage system which presently exists in the territory is objectionable and is inconsistent with American concepts of equality and justi A formula must be developed before the end of calendar 1969 that will remove inequities in the pay schedules and provide equal pay for equal qualification and equal work.

5. Develop by June 30, 1970, a modern land tenure and acquisition syste which will provide procedures for government land takings fully protecting Micronesian land claimants. Prompt and adequate compensation to the land-

owner will be a central feature of the system. The land tenure system in the territory varies from district to district. There is a need for accelerated surveying and land registration programs and improvements in the existing Trust Territory eminent domain statute. Military land requirements, particularly future land requirements, need definition. Prompt payment should be made for any lands taken in the future, preferably by negotiation with condemnation a last resort. In the interim, before conveying to private parties public lands which are designated by Defense as priority areas, consultation should be held with appropriate Department of Defense authorities.

6. All authorized and funded projects will be accelerated. This will account for an estimated expenditure of $39,000,000 in fiscal year 1969, the current year. Stimulate the existing construction program by awarding contracts on schedule on all authorized projects and by following through on contract supervision.

7. Recommend legislation in the First Session of the 91st Congress to remove the tariff barrier against Micronesian products. Removal of the barrier will stimulate the Micronesian economy. Products of American territories can enter the United States duty-free. Products of the Trust Territory today are foreign and subject to the same duties as similar products from any other foreign area. The proposed legislation will give Micronesian products the same preferential tariff treatment afforded products of American Territories.

8. Recommend legislation in this session of Congress to grant United States travel access to Micronesians comparable to that of any American citizen or national residing in any American territory. Micronesians today are aliens and subject to American entry and immigration restrictions applicable to aliens. Removing these restrictions will facilitate travel to the United States for education, employment, and permanent residence.

9. Establish incentives for industries which need strong developmental encouragement. Tourism, marine resources, and, in some islands, agriculture represent the major areas of economic potential. Micronesian participation in economic planning will be invited. Consideration needs to be given to territorial tax incentives on an expedited basis.

While American investment is now encouraged, government needs to provide the basic infrastructure which will support economic enterprises.

Resolution of the political future question will remove an uncertain for prospective investors.

Financing for entrepreneurs is needed because local sources are not available in adequate supply. Legislation now pending before the United Stat Congress would provide a $5,000,000 economic development loan fund.

10. Propose legislation at this session of Congress for increasing revenues available to the Micronesians by extension of the U.S. income tax as a local tax.

C. Announcing the Program

The U.S. intent to launch the above programs would be announced by the Secretary of the Interior during his visit to the TTPI during the first week in May. Programs that do not require Congressional action would be announced as firm. Programs requiring Congressional action would be announced as prog which we will attempt to develop.

4/24/69 UNCLASSIFIED

OPTIONS AND CRITERIA

(1C)

There are two major political status options to be considered with respect to the Trust Territory of the Pacific Islands. These options, and their suboptions, must be considered in the light of the four basic requirements already discussed.

The options are:

I. Maintenance of the Trusteeship Agreement. This perpetuates the status quo. The Trusteeship Agreement does not include an automatic or specific termination date. Within this option many programs of increased internal self-government, economic, social and administrative improvements could be undertaken by the United States to help meet the aspirations of the Micronesians. In addition, Article 9 of the Trusteeship Agreement authorizes the United States to constitute the Trust Territory into a customs, fiscal, or administrative union or federation with other territories of the United States. It authorizes the establishment of common services between the Trust Territory and such American territory where such measures would not be inconsistent with the objectives of the Trusteeship Agreement.

II. Termination of the Trusteeship Agreement.

Suboption . A plebiscite which would offer the Micronesians the choice between some form of self-government in association with the United States on the one hand and independence on the other. The self-government choice would have to be clearly defined and would include such things as provision for local election of the chief executive, some increase in budgetary control and perhaps some form of representation in the US C...

It would not allow for unilateral opting out by the Micronesians. Congress would maintain significant budgetary control. There would be provisions for military land acquisition and base rights which would meet at least the minimum defense needs. The independence choice would also have to involve some commitment of on-going support, but it would be by no means equal to the commitments under self-government.

Suboption b. A referendum with the basic choice of remaining in Trust Territory Status and associating with the United States as an unincorporated territory. The unincorporated territory choice would provide Micronesia with an immediate status comparable to that granted to Guam in 1950. This would include United States citizenship, an organic act, an elective legislature with full authority to enact local laws, and inclusion within the United States judicial system. It would also include a commitment within specific periods of time to provide such things as election of the chief executive, an increasing degree of budgetary control and, perhaps, eventually some form of representation in the United States Congress.

Suboption c. A referendum with the basic choice on the one hand of remaining in Trust Territory status and on the other of associating with the United States as a self-governing territory. The basic ingredients of self-governing status are essentially as set out in suboption a above.

4/24/69

UNCLASSIFIED

ANALYSIS OF OPTIONS

(1D)

I. Maintenance of the Trusteeship Agreement

1. Strategic requirements - From the standpoint of the authority to provide for national defense, maintenance of the Trusteeship Agreement would appear to be only temporarily sufficient. The Agreement does not meet the long-range security needs of the United States, because increasing pressures for termination will continue. Closer association of Guam and the Marianas under Article 9 would help meet defense needs in that the bulk of defense facilities might be located in the Marianas.

2. Micronesian views - It is evident that the Micronesians themselves regard the Trusteeship Agreement as a temporary arrangement which will be replaced by some future permanent political status.

3. Views of the U.S. Congress - The U.S. Congress also regards the Trusteeship Agreement as an essentially temporary arrangement and key committee leaders desire to see it favorably ended.

4. International legal and foreign policy consideration - The U.N. regards trusteeship arrangements as temporary. Perpetuation of the trusteeship arrangement will lead to increasing difficulties for the United States in the U.N.

II. Termination of the Trusteeship Agreement

Subsection a -- Termination through plebiscite with choice between independence and self-government options.

1. Strategic requirements - Including independence as a choice in a plebiscite would present grave risks (even though they could be reduced in advance through progressive programs) that the Micronesians would opt for

independence. This involves such far reaching consequences for United States security as to make even the status quo preferable.

2. Micronesian views - The Micronesian Status Commission has examined independence and has concluded that as an ultimate status it ranks second to free association with the United States. It does have some appeal which, apparently, is growing. Some Micronesians believe that an independent Micronesia could obtain sufficient compensation from the rental of military bases to support an independent status.

On the other hand, Micronesians generally recognize the problems posed by the geographical dispersion of the islands, the tremendous transportation problems and attendant expenses, and the relative paucity of resources to support independence. Consequently, there is reason to believe that the Micronesians would favor self-governing status in association with the United States, which would give them increased control over their own affairs.

3. Views of U.S. Congress - This option would be considered by the Congress as a full "win or lose" commitment by the United States with no recourse after the vote is taken other than to accept the decision. The Members of Congress, recognizing the strategic importance of Micronesia to the United States, would probably regard the risks of opting for independence too great to acquiesce in this course of action.

4. International legal and foreign policy considerations - On the basis of United Nations and foreign policy considerations, independence should be included as a choice. Inclusion of independence on the ballot would, if rejected, have the advantage of providing a public demonstration that Micronesians

have freely chosen self-government in association with the United States. Furthermore, since self-government is the other choice mentioned in the Agreement, this result would be easier to defend in the U.N. If they chose independence, foreign policy considerations would require us to consider what ties we should seek to maintain with Micronesia.

Suboption b - - A referendum with the basic choice between remaining as a trust territory and association with the United States as an unincorporated territory.

1. Defense requirements - Creation of an unincorporated territory and termination of the Trusteeship Agreement would extend United States sovereignt and meet defense requirements.

2. Micronesian views - The recommendations of the Micronesian Status Commission go beyond the immediate status of an unincorporated territory like Guam in 1950. At the same time, it wants long-term partnership with the United States. Therefore, the offer of unincorporated territorial status coupled to a definite commitment to a specific program leading to self-government would probably meet their criteria and receive their support. If the referendum should fail the U.S. might confront a difficult situation in the territory and would have to consider other options, although its authority would remain intact.

3. Views of U.S. Congress - Both the House and Senate Interior Committees strongly prefer an unincorporated territorial status. It is considered that Congress will accept the commitment to future self-government for the territory as formulated in this option.

4. International legal and foreign policy considerations. In light of UN practice territories and with Trust Charter provisions the United States would have a difficult task in justifying before world opinion unincorporated territory status. Even though this would be presented as a step toward self-government and a long-term partnership with the United States. We could expect sharp criticism, probably including adoption of resolutions condemning our action. Persistence of such criticism would depend upon developments in the territory.

Suboption c - a referendum with the basic choice between remaining a trust territory and association with the U.S. as a self-governing territory.

1. Strategic requirements. This meets strategic requirements.

2. Micronesian views. The chairman of the Micronesian Status Commission has recently announced that the preferred status is that of "... a free associated state: that is, a state that would be internally self-governing with Micronesian control over all the branches of government, including the executive. Further, this Micronesian state would maintain association with the United States of America providing human, material and financial support and representation and protection in international affairs. This recommended status for Micronesia is similar to the self-government which exists today in Puerto Rico . . . ." The chairman spoke of the "22 year-old partnership" with the United States and the commission has called for continued American assistance and presence.

3. Views of U.S. Congress. An immediate grant of "self-government"

is not likely to be acceptable to the leadership of either Interior Committee, although a specific time-phased program to reach self-government may be.

4. International legal and foreign policy considerations. Self-government is a U.N. accepted status terminating U.N. "surveillance" over non-self-governing territories. Leaving aside those U.N. members who have a doctrinaire definition of self-government as nothing less than national independence, the United States would be able to present a plausible case that the new status is in accord with the wishes of a majority of the Micronesians.