



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 7 - 1968

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Dear Mr. Johnston:

Enclosed is a check in the amount of \$1,020,000 as an ex gratia payment to the people of Ujelang. We recommend that the check be deposited immediately into an account in the Bank of America pending the establishment of a trust fund for the Ujelangese.

Seldom do the donors of substantial sums wish to remain anonymous, but that is the case here. Although the funds are being made available by the Department of Defense, that Department must not be identified as the source of the funds. Any public announcement and any discussions of the fund should refer to the money as an ex gratia payment by the United States Government, not a payment by any single department or agency.

It is essential that the 1956 agreement with the Ujelangese not be reopened and there must be no implication that the payment is based upon any inadequacy or defect in the terms of that agreement. It should be portrayed as a recognition of the hardships of the Ujelangese during the past few years; of the fact that they have been removed from their home atoll (not just their island); of the fact that they cannot expect to return to Eniwetok in the foreseeable future; and the decline in the productivity of Ujelang.

There are a number of land settlements throughout the Trust Territory which were made in the 1950's on the basis of a single lump-sum payment for indefinite use of the lands concerned. They are similar, to that extent, to the Eniwetok agreement. There has undoubtedly also been an increase in the value of the lands so acquired since the dates of the settlements. Reopening the Eniwetok settlement, or renegotiating it for a higher price per acre, poses the prospect of reopening all of these land settlements. On the other hand, except for the Bikinians, there are no other people in the Trust Territory who have been removed from their home atoll. The Bikinians are being returned and the "ex gratia" rehabilitation of the atoll can be construed as the sort of additional payment which is now being accorded the Ujelangese. The Mid-Corridor people of Kwajalein are not in the same category since they remain in their atoll and, furthermore, the agreement for their subsistence and compensation while the Mid-Corridor islands are in use by the missile range does provide for periodic adjustment to take account of changing needs.

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In short, there are differences between the situation of the former Eniwetok people and the situation of others who have made land settlements which justify our proposed ex gratia payment. The Ujelang payment should not be labelled in any way a renegotiation of the 1956 agreement nor should it be tied to acreage taken or described as a per capita payment. It is simply an ex gratia payment by the United States in recognition of the hardships suffered by the Ujelang people, their long-standing removal from their home atoll and the fact that there is a continuing requirement for their home atoll which precludes for the foreseeable future their ultimate return. Above all, the Defense Department must not be associated with the payment in any way.

In securing agreement with the Ujelangese with respect to the disposition of the funds, it would be helpful if some written agreement could be obtained which would have the effect of terminating the demands which they have advanced in recent months. It is recognized, however, that this may be impossible within the guidelines which we have just given you and we do not press you to seek such an agreement terminating their demands. At the minimum, however, you will need to get a written agreement which spells out the basis for which the funds are being provided and the uses to which the funds may be put.

All of the funds may be put into a trust fund for the Ujelangese with the income being paid to them. On the other hand, they may want some of the funds in cash immediately to purchase goods or material which they need on Ujelang. This is acceptable although we would urge that any cash payments be held to reasonable levels. If any part is to be paid in cash, this should also be part of the written agreement. Payment, however, must be made to the Ujelang leadership for distribution to those with Ujelang/Eniwetok rights to preclude others from later coming to the Government with claims that they should have participated in the payment. The native leadership should acknowledge that any such claims should be against them and not the Trust Territory Government nor the United States Government.

With respect to the establishment and management of a trust fund, Mr. Kaiser has some ideas on the subject and you should discuss it with him.

One last comment with respect to the Ujelangese and their desire to return to Eniwetok. We are still working with the Defense Department concerning employment of qualified male Ujelangese on Eniwetok. We have nothing definite on this point but we are still trying.

Please keep us advised of your progress with the Ujelangese. Let us know, as well, of any public reaction to the payment including press comment, but more particularly comment in the Congress of Micronesia or the Marshalls Legislature. Of course, we will also need copies of any agreements reached and summaries of discussions with the Ujelangese.

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Enclosed is a draft public announcement which you may consider using. Please let me know promptly if any of these instructions seem impossible or undesirable from your standpoint.

Sincerely yours,

Sgt Harrison Loesch

~~Assistant~~ Secretary of the Interior

Hon. Edward E. Johnston
High Commissioner
Trust Territory of the
Pacific Islands
Saipan, Mariana Islands 96950

Enclosure

cc: Cdr Kuhn ✓
Mr. Stockton
Mr. Mack

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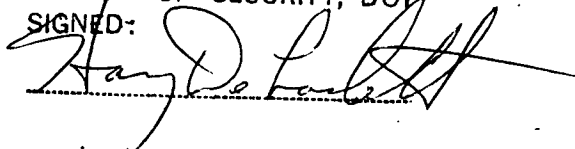
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The United States Government, in recognition of the hardships faced by the former people of Eniwetok, their long-standing removal from their home atoll, and the fact that their ultimate return is not possible in the foreseeable future, has made available to the Government of the Trust Territory \$1,020,000 to be used as a compassionate payment to assist them on Ujelang Atoll.

The funds, with the agreement of the Ujelangese, will be established as a trust fund with the income being paid to them for whatever use they see fit. There are no restrictions on the investment of the funds, and an effort will be made to develop investments which will produce a high rate of income for the Ujelangese. In the event the Ujelangese can return to Eniwetok, the trust fund will remain available to them.

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