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EG 54-2

file

25 June, 1946.

MEMORANDUM

From: 63
To: 1

Subject: Economic and Military Policy for TINIAN.

1. Although the routing slip on the appended correspondence shows Action Military Government, I believe it is a matter for the Plans Division's cognizance.

2. The present status of Military Government on Tinian is as follows: All Okinawans have been repatriated. The Military Government Unit has been deactivated; IsCom Tinian continues duty as Chief Military Government Officer; if the Island Command is dis-established, the senior line officer will assume the title and duties of Chief Military Government Officer. In event all naval officers withdrawn, civil administration will be included in the Military Government of Saipan.

3. In regard to economic policy, the present general policy for all P.O.A. is as follows:

" Indiscriminate exploitation of the meagre natural resources of the area is to be avoided. Trade and industry should be encouraged along lines which directly benefit the native inhabitants by providing for their physical needs and material well-being and which are of a nature and on a scale such that ultimate ownership and management can be transferred to native hands. The establishment for the profit of aliens, of enterprises which tend to maintain the native economy at the level of cheap labor and those which do not permit the natives to enjoy the full benefits of their own labor and enterprise shall not be tolerated.

The U.S. Commercial Company has been designated as the Federal agency for the purpose of providing trade goods, purchasing and marketing handicraft and copra, and for the conduct of such other commercial enterprises as may be appropriate. This is an interim arrangement until such time as the native inhabitants of the various localities are in a position to carry on these functions on their own account. -----

In those areas in which the inhabitants are agriculturally minded, they should be encouraged and assisted in bettering their methods of agriculture and in increasing the yield. In other areas where the natives are not agriculturally inclined, consideration will be given to the importation of trees and plants which, while



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requiring little cultivation, will effect an augmentation of the food supply or will provide materials for native construction and handicraft. The services of the U.S.C.C. agriculturists are available to Area Commanders for the above purposes."

4. In regard to paragraph 4 of the appended letter, Tinian certainly should not be closed to agricultural development; cattle raising, under the auspices of the U.S.C.C. is the only enterprise now existing on the island. There are about 400 head of cattle there, for breeding purposes and ultimate distribution to islands of the entire P.O.A. I do not believe that outside capital ~~will~~ be interested as long as the status of the island, including land ownership, continues to be uncertain; all land on Tinian was owned by the Japanese government. There was no private ownership, and present policy, promulgated by C.NO, prohibits the allocation of titles. Sovereignty of the island is determined by high-level decision. Plantation farming would be a major undertaking, requiring, among other things, adequate and well-timed shipping schedules to carry the perishable produce to the markets on Guam and Saipan.

Respectfully,