

CONFIDENTIAL

Op-09B25/skv
Ser 05P09B2

Op-09B
Via : Op-09B2 _____
Op-09B25

6 JAN 1960

Japanese Commercial Interests in the Trust Territory

Encl : (1) Foreign Service Dispatch from AMEMB TOKYO No. 694 dtd 14 Dec 1959
(2) Copy of ADM Carney's ltr to Mr. T. Kondo, ser 551P21 dtd 3 Apr 1954

1. Enclosure (1) has been read with interest and is returned herewith.
2. It would appear from the memorandum of conversation that a number of Kosuge's initial remarks required correction by the Japanese as noted in the latter paragraphs. Existing conditions in the Territory are accurately spelled out in the annual report to the United Nations. This includes all phases of the economy, education, health and sanitation programs conducted by the Administering Authority. This publication is given world-wide distribution, and it is reasonable to assume the contents are carefully reviewed in political and economic circles.
3. Japanese contributions to the economic development of the Trust Territory is not new. Five years ago, the matter was carefully reviewed in enclosure (2) and reasons set forth in Admiral Carney's letter why outside economic development was not acceptable. In his letter to the ASSTSECDEF (ISA) of 19 Dec 1955, ser 0366P21, Admiral Burke summed up our policy in these Pacific Islands as follows:

"During the last ten years the Japanese have been patiently 'chipping away' at the United States in an effort to return thousands of Japanese to the Bonin-Volcano Islands and to the Carolines, Marshalls and Marianas in the Trust Territory. The day that any sizeable group of Japanese is permitted to return to these islands to fish, farm or colonize is the day the United States has lost the security and administrative control of this vast strategic area."
4. Office of Territories, Department of the Interior (Mr. William Yeomans) informed the writer that they had no knowledge of Messrs. French, Callaghan and Senator Long making an inspection in the Trust Territory.

Very respectfully,

L. G. FINDLEY

ORIG: CAPT L. G. FINDLEY (Op-09B25)
X-54418 6 Jan 1960 S. Van Sise

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