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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. C. B. Stauffacher

DATE: September 15, 1949

FROM : Ralph Burton *R. B.*

SUBJECT: Interior-Navy Agreement on Samoa and the Trust Territory

Attached are drafts of two letters approving the memoranda of understanding between Interior and Navy on the transfer of administration of Samoa and the Trust Territory which I believe should be recommended to the President for signature, together with a draft memorandum from the Director to the President.

I have talked to Mr. Sadie of the Pacific Branch of the Division of Territories in Interior and subsequently talked with Mr. Heun who now agrees with me that such action by the President would push forward action and in no wise tie our hands on the subject of transportation services to the Trust Territory.

According to Mr. Sadie, there are distinct possibilities of working out other than Navy transport. The Navy has encouraged local shipbuilding which would probably be sufficient for the natives to carry on local travel, bringing in copra and taking out supplies, to and from the main district stations. The Coast Guard has Loran stations there and arrangements might be made with it to take doctors and the like on regular 3-month tours of inspection carried on by the Coast Guard in connection with navigation. On the major commercial transport, discussions will be had with private shipping companies and the Maritime Commission, and, as an alternative, arrangements might be made for Japanese shipping since they have been the principal consumers of copra as well as the principal suppliers of low-cost consumer goods. On air transport, a plane or two might be provided for the High Commissioner. Also they have explored with CAB the possibility of getting some commercial line in there on a modest subsidy basis.

In any event the departments, by the agreement, must submit their recommendations on transportation for Presidential approval by May 1, 1950. At that time, if they cannot work out satisfactory answers, we can then resolve the issue of Navy transportation services. We would not be committed to accept their agreements if we found them unsound. Meanwhile, we would have a firm commitment on both sides accepting the business of transfer and all the details thereof except transportation, and the only thing that would be affected would be the effective date of the transfer, on which the President would still be free to hold to the date fixed in the present agreement.

Note:
Ralph Burton tells me
that these two agreements
have the approval of
Charley Stauffacher (Cable)
& now out of the city
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