



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON

FILED BY
MR. HOPKINS
APR 15 1950

85-2
C. E. ...
Bureau of ...
6/50

APR - 5 1950

My dear Mr. President:

I appreciate the opportunity which you have afforded me in commenting on the Secretary of the Navy's proposal, as set forth in a letter to you dated March 15, 1950, that the date of July 1, 1951 for the transfer of administrative responsibility for the Trust Territory of the Pacific Islands from the Navy Department to the Department of the Interior be considered tentative and "that a firm transfer date be determined after a complete resurvey has been made of the problems involved, including transportation." The Secretary of the Navy stated that a resurvey will be undertaken at an early date and a report thereof submitted to you by November 1, 1950. #

x 1285-10

I can find no logical reason at this time for delaying the establishment of civilian administration in the Trust Territory beyond the approved date of July 1, 1951 nor for conducting a "resurvey" of the transfer problems, including transportation, as suggested by the Secretary of the Navy. A comprehensive survey of the transportation problem in the Trust Territory, which was in process on the date of Secretary Matthews' letter, has just been completed. The survey party was organized by this Department in close consultation with the Navy Department, which provided transportation for the survey group. Other costs of the survey were met out of funds allocated with your approval for that purpose from the President's Management Improvement Fund. The survey party consisted of representatives of two private shipping lines and three private air lines, one Civil Aeronautics Administration official, two Naval officers, and three Interior Department representatives. The group spent almost one month in the Pacific area studying intensively the best and most economical means of establishing sea and air transportation services in the Trust Territory after the transfer of that area to civilian administration on July 1, 1951. Although the final report of this survey party has not been completed, a draft prepared by the group in Honolulu indicates that civilian transportation services can be established in the Trust Territory at substantially less cost to the Federal Government than present Naval transportation services. A copy of the final report will be transmitted to you in the near future, and barring unforeseen delay, a transportation plan for



the Trust Territory will be submitted to you by May 1, 1950 as agreed upon by the Navy and Interior Departments.

The Navy Department has also been advised of the management survey of the Trust Territory Government which this Department plans to carry out, with the cooperation of the Navy Department, prior to the end of the current fiscal year. It is expected that this survey group will draw up organizational, personnel, fiscal, and other management plans to expedite establishment of an efficient civilian administration of the Trust Territory. Part of the cost of this survey also will be met from funds allocated from the President's Management Improvement Fund. On the basis of previous surveys made by the Interior Department of transfer problems in this area, no insurmountable administrative problems are foreseen. While there was uncertainty over a year ago that sufficient qualified civilian medical personnel would be available for employment in the Trust Territory, we are quite confident now, due to the recruitment now in process of doctors from displaced persons camps in Europe and to the response from announcements in medical journals, that this problem can and will be solved.

I believe that psychological and practical difficulties would result from reconsideration of the transfer date. All effort in Washington and the field is bent upon effectuating the transfer on July 1, 1951. This Department plans to submit budget estimates to cover the cost during fiscal 1952 of civilian administration of the Trust Territory. If uncertainty as to the transfer date is allowed to develop, progress will be retarded and confusion with respect to budget estimates in both the executive and legislative branches will result. Since in any case an Executive Order will be required to set the transfer in motion, it is recommended that you now reaffirm your decision to effect the transfer of responsibility for the Trust Territory from the Navy to the Interior Department on July 1, 1951. I would agree wholeheartedly, of course, that both Departments submit periodically to you reports on the progress of the transfer in Guam and American Samoa as well as the Trust Territory, including information as to any difference of views between the two Departments which might hamper the execution of an orderly transfer.

While I have taken exception to Secretary Matthews' proposal of March 15, I wish to express once again the deep appreciation

X 1285-B Guam
X 1285-B Samoa



of the Interior Department for the genuine support and valuable assistance which Secretary Matthews and other responsible Naval officials have rendered to ensure fulfillment of your program for civilian administration in the Pacific Islands.

I am sending a copy of this letter to the Secretary of the Navy for his information.

Sincerely yours,

(sgd) Oscar L. Chapman
Secretary of the Interior

x6

The President

The White House