



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY -Territories
WASHINGTON 25, D. C.

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APR 10 1962

Dear Harlan:

This will acknowledge your letter of April 4 together with the draft declaration and memorandum regarding the future of the Trust Territory of the Pacific Islands which you enclosed.

We have carefully reviewed the proposed memorandum and declaration and, subject to the following revisions, give them our wholehearted approval. First, the two figures in Item 6a of the memorandum should be changed from \$9,000,000 and \$3,000,000 to \$6,000,000 and \$4,000,000, respectively. The original figures were based upon rough estimates; the figures we suggest as substitutions are based upon a more thorough analysis of the proposed elementary education program.

Second, Item 8 of the memorandum should be revised in its entirety to read:

"8. The Department of the Interior, after a reassessment of our interests in the Pacific and on a most urgent basis, has had the political, social and economic development needs of the Trust Territory re-evaluated. The Department's conclusions are those expressed in the attached letter from the High Commissioner of the Trust Territory (Tab B). To accomplish this new program, it will be necessary to raise or remove entirely the existing ceiling of \$7,500,000 on annual appropriations for the Trust Territory. The Department of the Interior also proposes to request a supplemental appropriation of \$9,900,000 for fiscal year 1963 of which approximately \$6,500,000 will initiate the proposed educational program. The remaining \$3,400,000 represents the amount disallowed by the House of Representatives in the 1963 budget request because of the present \$7,500,000 statutory appropriation ceiling."

Lastly, we recommend that the last sentence of the first paragraph of the draft Presidential declaration be deleted and the following sentence substituted:

"In the case of the Trust Territory, this requires that this Government undertake substantially increased

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programs to raise the standards of the schools, medical facilities and public services in the Trust Territory to levels of the standards in the United States' own territories, i.e. not less than the minimum state-side standards."

Enclosed are copies of a letter ("Tab B") from the High Commissioner which should accompany the memorandum to the President. The letter outlines our recommendations as to the program which should be followed in the area. We have taken the liberty of forwarding copies of "Tab B" to Assistant Secretary of Defense Paul Nitze and to Mr. Carl Kaysen of the National Security Council. We have also provided them with copies of this letter.

Sincerely yours,

(sgd) John A. Carver, Jr.

Assistant Secretary of the Interior

Hon. Harlan Cleveland
Assistant Secretary of State
for International Organization
Affairs
Department of State
Washington 25, D. C.

Enclosures

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Assistant Secretary of Defense
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Hon. Carl Kaysen ✓
Deputy Special Assistant to the
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Assistant Secretary Carver