



DEPARTMENT OF STATE

WASHINGTON
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May 10, 1966

6497

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

Subject: U.S. Territorial Responsibility in
the Pacific

Enclosed is suggested language for a reply by Mr. Marvin Watson concerning the document entitled U.S. Territorial Responsibility in the Pacific which Mr. James R. Jones sent to me for review on April 19, 1966.

The Department does not recommend a detailed unclassified comment since much of the substance of the document involves classified information. Liberal and important excerpts from NSAM 145, classified Secret, and from the Report of the Solomon Committee, classified Confidential, are cited. Although no classification appears on the document, we recommend that it be treated as Secret.

The responsibility for the civil administration of the Trust Territory of the Pacific Islands (TTPI), Guam and American Samoa rests with the Department of the Interior. Okinawa is the responsibility of the Department of Defense. Many organizational suggestions in the document will be of interest to those Departments, which can more appropriately comment on this aspect of the report. However, because of the international status of the TTPI and the non-self-governing status of Guam and American Samoa, the Department of State follows activities in these areas closely and offers for your information the following comments on the observations and suggestions contained in the report.

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GROUP 3
Downgraded at 12 year
intervals; not
automatically declassified

DECLASSIFIED
EO 12958, Sec 3.5
State Dept Guidelines
By ju NARA, Dec 8-25-99

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As you know, there has been considerable discussion of the need for increased political development in the TTPI. Proposals to insure the continued association of this strategic area with the United States without undue political cost internationally are now being considered by State, Interior and Defense. These proposals are designed to build upon the Territory-wide political consciousness which has been developed over the past few years and which saw its first formal organizational expression through the establishment of the Congress of Micronesia, the Territory-wide legislature which held its first meeting in July 1965.

There is no question that this is a difficult task. Cultural, language and geographic barriers as well as diverse aspirations exist among the six districts of the Trust Territory. The vast expanses of ocean which separate the islands place a considerable burden on the central civil administration. In spite of these difficulties the United States has sought to develop the territory as a whole rather than to contribute to the proliferation of tiny dependent and scattered political entities which has proved to be a significant barrier to economic and political development elsewhere in the Pacific.

We would expect the energetic and dedicated assistance which the newly appointed High Commissioner will have from the Peace Corps volunteers, along with the significant increase in federal expenditures foreseen in the budget authorization bill soon to be submitted to the Congress by Interior, to exert a dramatic influence on life in the Islands over the next two years.

The Territory of Guam, located as it is geographically within the Marianas District of the TTPI, is clearly in a position to influence both political thought and economic development in the Trust Territory. The Department of Defense will undoubtedly find of considerable interest the suggestions

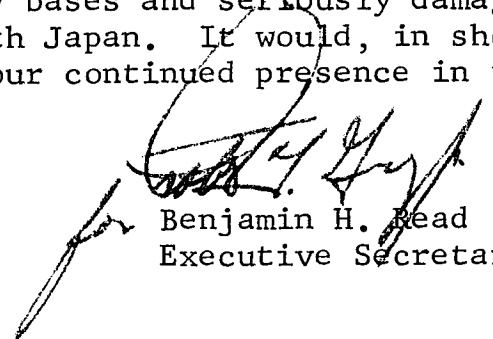
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relating to the possibilities of procuring foodstuffs from the area and to the development of recreational facilities. Certainly such a market for Micronesian products and services could only contribute to the development of the economy of the Trust Territory.

The United States has long been committed to return the Ryukyu Islands to Japan. In light of this commitment and the manifest desires of the Ryukyuan people to be united with the Japanese homeland it would not be feasible to attempt a reversal of existing policy. Any moves by the United States to acquire permanent status in the Islands would encounter strong and emotional opposition, both in the Ryukyus and in Japan, and would reduce the effectiveness of our Ryukyuan military bases and seriously damage our valuable relationship with Japan. It would, in short, threaten rather than insure our continued presence in the islands.



Benjamin H. Read
Executive Secretary

Enclosures:

Draft letter

Correspondence returned

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Subject: Comments upon Memorandum entitled "U. S. Territorial
Responsibility in the Pacific"

The above cited memorandum concerns the Trust Territory, Guam, Okinawa, and American Samoa. The comments set out below relate primarily to the three areas within Interior's responsibility.

Two preliminary points should be noted. First, the matters discussed are to a considerable extent within the competence of agencies other than the Department of the Interior. The military would probably be troubled by some of the suggestions concerning Guam. The State Department would be interested in certain of the comments concerning the Trust Territory and Samoa, and together with the military, would doubtless find the remarks concerning Okinawa highly controversial and likely to offend both the Japanese Government and many Okinawans. Secondly, both our memorandum of comments and the basic memorandum deal with matters which are classified. The latter discusses political objectives in the Trust Territory, even referring to National Security Action Memoranda, which relate to very delicate matters. Accordingly, our documents have been classified and it is urged that the subject memorandum be treated as though it were classified.

The author has recognized some issues in respect to Guam, Samoa and the Trust Territory. In general, he is travelling a well-beaten path. Problems concerning customs, immigration, political and economic development, the need for improved administration, the need for additional revenues, and the desirability of extending additional federal services to the territories have been subjected to considerable thought and effort in the past and remain under continuing review. In some instances, the author's suggestions coincide with steps that are being taken. However, in large part, we feel that they are misguided and do not reflect sufficient grasp of the facts and policy considerations which underly present programs.

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E.O. 12356, Sec. 3.4

NJ 90-91

By KEP NARA. Date 6-20-90

Comments on particular points follow:

Point I - Trust Territory: The author states, "Real social progress has been miniscule. The territory was probably provided with better public services and facilities by the Japanese prior to World War II." In early 1952 a Bureau of the Budget official spent several weeks in the area at a time when direct evidence of Japanese rule was more readily apparent. He reported that:

"The Japanese set to work with great zeal to bring Micronesia more closely into their economic sphere... Colonization of the islands by Japanese was encouraged, exploitation of...resources was carried forward with considerably greater energy than had heretofore been the case, attempts were made to undermine the customs of the islanders in favor of actively introducing Japanese culture, all political affairs were under the direct control of the Japanese with relatively few islanders holding more than titular posts, and finally the islands were fortified in preparation for the realization of Japan's imperial ambitions. As might be expected the number of Japanese officials in the islands increased rapidly to a maximum of 944 in 1935, as compared with 25 Germans prior to World War I. (This compares with about 280 Americans now in the Territory)

"The Japanese concerned themselves with public health, but comparatively little attention was paid to education except in the matter of teaching Japanese language and customs. The political development of the islanders which had been little affected by the Spanish and openly encouraged by the Germans was given a serious set-back by the autocratic methods of the Japanese. With the coming of World War II Japanese control became even more rigorous..., and the problems of the islanders were given a minimum of attention."

In short, Japanese services and facilities and the 944 officials mentioned above were in the Mandated Islands to serve the Japanese, not the Micronesians (then a minority on their own islands). The United States has attempted, with some tangible successes, to promote Micronesian political development and a viable, more modern Micronesian society. Much more can and ought to be done. It is highly doubtful that we should proceed by emulating or measuring progress by the standards of a colonial era repugnant to our own political philosophy and to our treaty obligations undertaken with respect to Micronesia.

The author refers to the Solomon Report and states, "There is no record of formal consideration and adoption of its policy recommendations." In fact the report was given formal consideration at a meeting of the then Trust Territory Task Force and many recommendations have been implemented. Having thoroughly endorsed the Solomon Report, however, the author takes issue with its basic political direction, which is defined as (a) "consciousness among the people of themselves as Micronesians," and (b) "the political 'unity' of the area." He strongly disagrees with the Report's endorsement of our policy of administering the Territory as a whole.

We cannot accept his position. United States governmental policy has been based upon the trusteeship agreement and also upon the recognition that the ultimate political disposition of any one part of the territory is also dependent upon the political disposition of the remainder of the area. The United Nations has consistently taken the position that the territory cannot be fragmented. The 1961 Visiting Mission, in dealing with a referendum in Saipan on the subject of union with Guam, stated:

"The Mission hopes that as a result of the frank exchange of views it had with the leaders of both the groups, it was able to clarify to them the nature of the problem and to make them understand that there was no possibility of their demands being considered without regard to the interests of the rest of the Trust Territory.

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"The Mission feels that it is important for the Administration to do all it can to take the heat out of this move for becoming part of the United States as a separate territory or as part of Guam by reminding the people in strong terms that the future of Saipan cannot be considered apart from the rest of the Trust Territory and by encouraging them to look to the rest of the Territory."

The memorandum states that extension of the status of United States "nationals" to the people of the Trust Territory would obviate the need for the "required plebiscite for ultimate affiliation with the United States." The United States, in fact, could probably extend United States citizenship, to say nothing of United States nationality, to the people of the Trust Territory, and this act would not affect one iota the need for an act of self-determination on the part of the people of the Trust Territory as a pre-requisite for the elimination of the trusteeship arrangement.

The memorandum recommends as courses of immediate action that "All necessary statutory, budget, and administrative steps be taken to permit appropriate United States domestic programs and agencies to operate in the Trust Territory as they do in other United States territories." The fact is that all domestic United States programs do not and have not been applicable in all of the United States territories. Since these programs

are generally devised to meet the needs of 50 states, they frequently require substantial modification before the territories, which represent unusual situations, can benefit from them. Some federal programs, such as disaster relief, the surplus food distribution programs and the Elementary and Secondary Education Act have been extended to the Territory. We are continuing our efforts to extend additional domestic programs and to obtain assistance from other agencies, where appropriate.

The paper recommends that the Trust Territory enjoy the same customs status as the U. S. territories. The Department of the Interior has recommended legislation to accomplish this goal for several years. The Congress to date has declined to act affirmatively on the Department's recommendation. Such a proposal has been pending at the Bureau of the Budget since last August.

The memorandum recommends the elimination or sharp revision upwards of the current quota of immigration to the United States from the Trust Territory. The U. S. Congress in its recent revision of the immigration and naturalization laws has done precisely that. However, Trust Territory immigrants can be admitted for permanent residence only under certain limited circumstances. The Department of the Interior for some years has recommended legislation which would provide free and unrestricted entry into the United States of Trust Territory citizens, and such a bill is now pending before the Congress as H. R. 14016.

The author recommends that the "Federal revenue tax" be extended to the Trust Territory and that the tax so collected be "remitted to the territory as is currently done with respect to Guam." The Congress of Micronesia, which was created by the Secretary of the Interior in 1964, has legislative authority to enact an income tax and may, if it chooses, re-enact the Federal income tax as a territorial measure. (This, in fact, was done by the Legislature of American Samoa in order to provide additional revenues to that territory.) Interior is arranging for a highly qualified tax expert, working within the framework of a general economic development project now under contract with Robert Nathan Associates, to spend some six weeks in the Trust Territory this summer specifically to recommend to the Congress of Micronesia a series of revenue measures geared to the administrative requirements of the territory and the economic development of the islands.

The memorandum recommends aggressive and effective territorial administration. We, of course, agree.

Finally, with respect to the Trust Territory, the author recommends that the territory be divided into three parts, the western part to be administered by Guam, the Marshall Islands to be administered by the State of Hawaii, and the truncated Trust Territory retaining responsibility for Truk and Ponape. The author's assertion to the contrary notwithstanding, this recommendation gives no credence to the possible views of the people of the Trust Territory and the internal relationships which have built up between Districts. Neither does it take into account the possible views of the people of the territory of Guam and the people of the State of Hawaii. It also gives short-shift to the

oft-repeated injunction of the U. N. that the Trust Territory not be fragmented.

Point II. - GUAM: We are pleased with the comment that Guam is making progress. The remainder of the comments are directed toward action which the military would have to take or at least comment upon. However, we would like to make the following observations:

(1) The best estimate we have is that the military controls a little over 35% of the land mass in Guam and not 60%; even 35%, of course, is a sizable area and it does include the better land and beach areas.

(2) We have no way of knowing the projected military needs for land. We might add that prior to the intensification of the Viet Nam situation, the military had undertaken to transfer some excess Federal lands to this Department.

(3) With regard to the comment that the military should curtail the activities of its commissaries and post exchanges and rely more on commercial business in Guam to provide goods for its military and civilian personnel complement, the recently completed Long-Range Economic Development Plan for the territory of Guam, suggests that military "purchasing officers be required to add a transportation cost mark-up at least equivalent to the MSTTA unit cost in determining the price that can be paid locally for each item, and to buy locally whenever the item is available at or below the cost-plus-transportation figure."

(4) We are obviously in accord with the comment that the military "share with the civil population the use of established recreational facilities, which are not used as part of military training programs; and to adopt policies which will encourage the permanent cadre to live outside the military reservation."

Point IV. AMERICAN SAMOA: The comments with respect to American Samoa are sweepingly optimistic, but somewhat faulty. Although it is true, as the memorandum states, that this territory is the "site of the U. S.'s most vigorous and imaginative effort to raise rapidly to the Twentieth Century an indigenous people who have been passed by," we are only too well aware of substantial problems still confronting American Samoa.

The improvement in the economic condition of the territory of American Samoa has been dramatic in the last five years. In 1960 probably 95% of the work force of the territory was unemployed, except for occasional work in growing subsistence crops. Copra production for cash, and a limited amount of wage employment in the territory, produced an average

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per capita income estimated at \$70 per year. The inception of a massive program of capital improvements in 1961 has produced new industries for the territory, full employment for the moment, and a five-fold increase in the per capita income, now estimated at \$350.

The \$350 per capita income applied, as it must be, to the very large Samoan household, probably ten members per family, still produces an average family income that is below the generally accepted poverty-level test now being used in the United States. However, in the context of the Samoans' needs and their capacity to supply from their own homesteads a large part of the bulk foodstuffs needed, the \$3,000 average family income now available produces a very satisfactory standard of living.

Yet, the economic problems in the territory are largely deferred - rather than solved. For one thing, a large part of the work force is now employed by the Government of American Samoa in its Public Works Department, paid from grant funds from the United States Government. The days for the continuation of this capital improvement program are limited by agreement with the Congress and the end of the program is already coming into view. When the 2000 or more Samoans now employed by public works are no longer needed for the subsequent routine construction and maintenance work in the territory, unemployment will again become a spectre unless a marked number of opportunities in the private employment sector are developed. Samoa has only two natural resources that are susceptible of continuing growth - tourism and the continuing development of food resources from the sea. These will probably not in themselves forestall unemployment.

With the above problems still confronting American Samoa, it is unlikely to be so Utopian in the immediate future that problems in international relations will arise in the area in the manner that the author suggests. The administration in the territory is proceeding in consultation and concert with the surrounding foreign island groups to raise the general economic welfare of the region. We are actively supporting the growth of tourism in the areas surrounding American Samoa, realizing as we do that no one territory has enough inducement to bring visitors to this remote area.

In summation, we would like to point out that representatives of this Department who have been working for some time in the problem areas which the author has detected, share his concern and desire that these problems continue to be met. To the extent that the author is saying that there are many economic and political problems to be surmounted in the Pacific territories, he is quite right. The range and depth of problems facing us, however, are even greater than he has indicated.

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