

May 1, 1968

Memorandum Regarding the Trust Territory of the Pacific Islands

It is entirely correct that outside pressures are strongly toward termination of the trusteeship agreement. The agreement is with the Security Council, and as long as the United States perceives a strategic value in the area and as long as the United States is prepared to exercise a veto in the Council, the arrangement in theory, at least, can be perpetuated. However, the United States long ago concluded that it is not an arrangement which can be long perpetuated, partly because of United Nations pressures but, most importantly, because Micronesians were encouraged and given the means, increasingly to play decisive roles in their own political and economic development. For example, the Congress of Micronesia, although frequently described as a legislative body with "limited" authority actually has only one major limitation -- the inability to appropriate funds granted by the United States Congress. It has, however, been given the extraordinary authority to review the proposed budget to be submitted to the United States Congress and to make recommendations respecting it. Analogies cannot be pushed too far, but this is somewhat analogous to allowing the legislature of a State, for example, to review and comment upon the President's budget for all Federal programs proposed to be carried out in that State before his budget is submitted to the Congress.

Everyone who has been associated with the Congress of Micronesia has been impressed with the overall quality of its work and the capabilities of its membership. It would seem that, given the geographic dispersion of the territory, its many and different languages and cultures, the record of political development is actually quite outstanding. The Congress of Micronesia is taking an active role in the determination of the political future of the territory and a year and a day ago adopted a resolution asking the President to appoint a "commission" to study and make recommendations on the political future of the Trust Territory. The President has submitted to the United States Congress a proposal to create such a Commission with Congressional participation. This is essential because only the United States Congress can give effect to the results of a Micronesian act of self-determination (however that act might be accomplished) if the Micronesians determine that they wish to be associated with the United States.

In the meantime the Congress of Micronesia has established its own "Status Commission" to look into this question. They want to know what the practical consequences will be of any decision to join the United States. They know the status quo and they have some idea of "national independence." But the range of potential alternatives of association with the United States is substantial and they want some idea of the mutual advantages and obligations of each. A realistic definition of these alternatives can only be made with some form of United States Congressional participation.

There have been no "polls" taken of Micronesian opinion, although the "pulse-taking" that has been done so far indicates a substantial inclination toward the United States. For example, recently a former Trust Territory employee as a part of his Master's thesis sent a questionnaire to Micronesian leaders throughout the territory. The returns showed that very few favored independence or continued trust territory status, while most favored some form of association with the United States. More recently, a graduate student at Tufts University has conducted a poll of high school juniors and seniors. Analysis of that study has not been fully completed but of the responses to the questionnaire, 753 -- or 85.9 percent -- indicated a preference for association with the United States.

It would be inappropriate at this time to comment in any detail on Mrs. Mink's organic act proposal. It will be subject to the usual review process by the several agencies directly concerned. The concept of an organic act is not new; it was proposed by the Interior Department in the early 1950's. Organic legislation has the disadvantage of being relatively rigid; it takes another act of Congress to amend it, in a period when political forms and institutions in the Trust Territory are rapidly developing. The proposal will need to be carefully considered, not only in terms of its own provisions, but in terms of whether it advances the U. S. and the Micronesians toward a mutual goal. Many of the fringe provisions, however, are deserving of consideration entirely apart from the merits of organic legislation -- customs treatment and immigration, for example.

Hand in hand with political development, there is need for the provision of better social services and the development of the economy. In both of these, much more needs to be done although there have been some past accomplishments. Attempts are being made to strengthen

the school and health programs and to develop plans, for the first time in the territory's history, for water, power and sewerage systems serving at least the district center populations -- and that is the bulk of the population.

In the economic area, the Department of the Interior states that over the years efforts have been made -- to date unsuccessfully -- to remove the tariffs imposed upon products of the Trust Territory. An act of Congress is required. However, copra is not dutiable and for many years the Trust Territory production was marketed in the States, but the price is better in Japan and for the last four or five years Japan has been the copra market for the territory. Similarly, there is no United States duty on fresh or frozen fish and it has been possible for the Van Camp plant at Palau to market its product in the United States. (Most of it goes to Samoa for canning.) For some time attempts have been made to have another such facility established in the Trust Territory and the prospects are more encouraging now than they have been for some years. However, canning the fish in the territory would provide a much more substantial employment opportunity and income to the Micronesians, and Trust Territory canned fish would be dutiable under existing laws. Based upon experience elsewhere, you may underestimate the problems with respect to the West Coast fishermen, but work is going forward on proposals which should help offset this problem, if not eliminate it entirely.

Tourism will become a major economic factor in the territory. It is true that most tourists will visit only the islands or atolls comprising the district centers, but about 55,000 of the territory's 91,000 people live on the district center islands or atolls. With Continental Airlines committed to provide hotels in each of the six districts and with a corresponding commitment to promote tourism in the United States, a rapidly increasing number of Americans will be visiting the territory. And it might be added, the American tourist does not have to have Navy clearance although he now needs the permission of the High Commissioner to enter -- largely because of the current inadequacy of hotel and transportation accommodations. This will change. For some time there has been evolving a method of streamlining the entry procedure for aliens as a means of assisting tourism development.

It has been suggested that an increase in the amount and diversity of Coast Guard presence in the territory would have many advantages. It is certainly worth pursuing because all reports indicate that the Coast Guard has been doing an excellent job in the territory wherever it has operated.

The appropriation process is one which everyone is watching with considerable concern and the Trust Territory has pending a request for \$34,000,000 for fiscal year 1969 against a \$35,000,000 authorization. The current appropriation (fiscal year 1968) is \$24,000,000, a figure \$11,000,000 short of the authorization. There is not much hope at present about making up the balance.

Part of the increased appropriations have been to repair typhoon damage in Palau; \$1,700,000 was appropriated for this purpose in fiscal year 1967 and as a result the Palau district will have some substantially improved facilities. The remaining increases in the appropriation requests have been budgeted for improved schooling, health, and general infrastructure throughout the territory.

The transfer of Ebeye to military jurisdiction has been suggested on several occasions. Like most such problems, it is not an easy one to solve. Certainly the quality of the American effort on Ebeye needs to be further improved. Ebeye is an exceedingly complex situation with its excessive overcrowding, high income, and overall slum attributes. Whether the military can better cope with these problems is a question difficult to answer, but the Government is aware of the problem and determined to solve it.

In reference to the elimination of the requirement that goods destined for the Marshall Islands be routed through Guam, there is no regulation that goods be so routed. They usually have been, but this seems to be the result of some economics of the shipping service. In fact, the Trust Territory has recently advertised for proposals for sea transportation services and one of the factors to be considered will be direct sailings from the United States.