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OPTIONAL FORM NO. 10

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UNITED STATES GOVERNMENT*Memorandum*

TO : RADM Donaho

Op-09B22/ded

DATE: 21 Nov 1961

FROM : CAPT Findley

VIA: CAPT Moncure

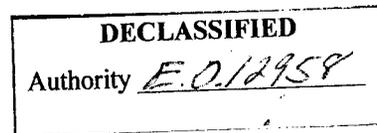
SUBJECT: Meeting to discuss Proposed Economic Development in
the Trust Territory of the Pacific Islands; report on

1. In response to an invitation received from Miss Diana DeVagh, Assistant to Marcus Raskin, NSC, the writer attended a meeting in Room 383, Executive Office Building, between 1030-1230 on 16 November 1961 to discuss the subject. The meeting was chaired by Mr. Marcus Raskin, member of the Staff of National Security Council. Those attending included Mr. Baranson, Deputy Director Far East Division, Peace Corps; Mr. Gene Lichtenstein, Peace Corps; Miss Diana DeVagh, Assistant to Mr. Raskin; Mr. Curtis Cutter, Office of Dependent Areas, State Department; former High Commissioner of Trust Territory, D. H. Nucker (now with the Insular Affairs Division, Interior Department); Captain L. G. Findley.

2. Mr. Raskin outlined the purpose of the meeting and then asked Mr. Cutter to go into more detail regarding economic matters in the Trust Territory. The representative from the State Department reported that the Visiting Mission from the United Nations, who visited the Trust Territory in February - March 1961, had been most critical about the apparent lack of progress the Administering Authority had made in the fields of economic development and education. Further, that an economic survey had not been made of the area although the Administering Authority had gone on record that this would be accomplished. Finally, these topics had been the subject of considerable discussion during the Twenty-Seventh Session of the Trusteeship Council.

3. Mr. Nucker reported in detail on the economy of the area giving figures on the production of copra; development of a pilot fishing industry in the Palaus, and other agricultural pursuits. He stated that \$50,000.00 had been earmarked for an Economic Survey but that the money had been diverted to another urgent project. He commented on Interior's budget for the area and the absolute need for modifying Public Law 451 (83rd Congress - 2nd Session) which placed a ceiling on appropriated funds authorized per year at \$7,500,000.00. (Approximately \$1,000,000.00 annually is appropriated to the Navy to administer the Saipan District).

~~FOR OFFICIAL USE ONLY~~*- Trust Territory -*



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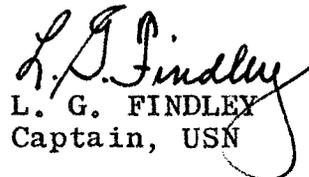
The present High Commissioner, Mr. M. W. Goding, will ask Congress for \$10,000,000.00 - not including the Saipan District. Mr. Nucker went on to cite examples that justified this increase - such as their logistic problems, rising costs in all fields of the Administration due largely to the substantial growth in the native population. (57,842 in 1953 to 75,836 in 1960) More teachers are needed in the territory and an economist would shortly be added to the High Commissioner's Staff. In closing, Mr. Nucker stated that he was in favor of an economic survey of the area.

4. The writer was asked to comment. I reviewed the economic development in the Saipan District, particularly in the field of agriculture. The economic resources of this district stem mainly from agriculture - such as produce from Saipan and Tinian, the cattle and poultry programs. Amounts that had been produced during the last quarter were given and the shipments that had been made to the ready markets on Guam. The Saipanese owned shipping company and the operation of their vessel to and from Guam to the northern islands was described.

5. Then followed some discussion about the possible use of Peace Corps personnel in the Trust Territory and whether or not teams could be used, or trained, in the area. Teams are trained in Puerto Rico but personnel are then ordered to foreign lands not administered by the U. S.

6. Other recommendations made by the Visiting Mission were discussed, such as Trust Territory postage stamps, and a territory liquor tax on all bottled goods sold to U. S. personnel in the area - including Kwajalein.

Very respectfully,


 L. G. FINDLEY
 Captain, USN

Copy to:
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